

DEBATES
OF
THE SENATE
OF THE
DOMINION OF CANADA

1934

OFFICIAL REPORT

Editor: DAVID J. HALPIN

Reporters: H. H. EMERSON, B. P. LAKE, F. BERRYMAN

Reservé Reporter: THOS. BENGOUGH

FIFTH SESSION—SEVENTEENTH PARLIAMENT—24-25 GEORGE V



OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1934

SENATORS OF CANADA

ACCORDING TO SENIORITY

JULY 3, 1934

THE HONOURABLE PIERRE E. BLONDIN, P.C., SPEAKER

SENATORS	DESIGNATION	POST OFFICE ADDRESS
The Honourable		
RAOUL DANDURAND, P.C.....	De Lorimier.....	Montreal, Que.
JOSEPH P. B. CASGRAIN.....	De Lanaudière.....	Montreal, Que.
JOSEPH M. WILSON.....	Sorel.....	Montreal, Que.
RUFUS HENRY POPE.....	Bedford.....	Cookshire, Que.
GEORGE GORDON.....	Nipissing.....	North Bay, Ont.
ERNEST D. SMITH.....	Wentworth.....	Winona, Ont.
JAMES J. DONNELLY.....	South Bruce.....	Pinkerton, Ont.
CHARLES PHILIPPE BEAUBIEN.....	Montarville.....	Montreal, Que.
JOHN McLEAN.....	Souris.....	Souris, P.E.I.
JOHN STEWART McLENNAN.....	Sydney.....	Sydney, N.S.
WILLIAM HENRY SHARPE.....	Manitou.....	Manitou, Man.
GEORGE LYNCH-STAUNTON.....	Hamilton.....	Hamilton, Ont.
CHARLES E. TANNER.....	Pictou.....	Halifax, N.S.
THOMAS JEAN BOURQUE.....	Richibucto.....	Richibucto, N.B.
HENRY W. LAIRD.....	Regina.....	Regina, Sask.
ALBERT E. PLANTA.....	Nanaimo.....	Nanaimo, B.C.
LENDRUM McMEANS.....	Winnipeg.....	Winnipeg, Man.
DAVID OVIDE L'ESPÉRANCE.....	Gulf.....	Quebec, Que.
RICHARD SMEATON WHITE.....	Inkerman.....	Montreal, Que.
AIMÉ BÉNARD.....	St. Boniface.....	Winnipeg, Man.
GEORGE HENRY BARNARD.....	Victoria.....	Victoria, B.C.
JAMES DAVIS TAYLOR.....	New Westminster.....	New Westminster, B.C.
FREDERICK L. SCHAFFNER.....	Boishevain.....	Boishevain, Man.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
The Honourable		
EDWARD MICHENER.....	Red Deer.....	Red Deer, Alta.
WILLIAM JAMES HARMER.....	Edmonton.....	Edmonton, Alta.
PIERRE EDOUARD BLONDIN, P.C. (Speaker) ...	The Laurentides.....	Montreal, Que.
GERALD VERNER WHITE.....	Pembroke.....	Pembroke, Ont.
THOMAS CHAPAIS.....	Grandville.....	Quebec, Que.
LORNE C. WEBSTER.....	Stadacona.....	Montreal, Que.
JOHN ANTHONY McDONALD.....	Shediac.....	Shediac, N.B.
WILLIAM A. GRIEBACH, C.B., C.M.G.....	Edmonton.....	Edmonton, Alta.
JOHN McCORMICK.....	Sydney Mines.....	Sydney Mines, N.S.
JAMES A. CALDER, P.C.....	Saltcoats.....	Regina, Sask.
ROBERT F. GREEN.....	Kootenay.....	Victoria, B.C.
ARCHIBALD B. GILLIS.....	Saskatchewan.....	Whitewood, Sask.
ARCHIBALD H. MACDONELL, C.M.G.....	South Toronto.....	Toronto, Ont.
FRANK B. BLACK.....	Westmorland.....	Sackville, N.B.
PETER MARTIN.....	Halifax.....	Halifax, N.S.
ARTHUR C. HARDY, P.C.....	Leeds.....	Brockville, Ont.
ONÉSIPHORE TURGEON.....	Gloucester.....	Bathurst, N.B.
SIR ALLEN BRISTOL AYLESWORTH, P.C., K.C.M.G.....	North York.....	Toronto, Ont.
CLIFFORD W. ROBINSON.....	Moncton.....	Moncton, N.B.
JAMES JOSEPH HUGHES.....	King's.....	Souris, P.E.I.
CRUELMAN MACARTHUR.....	Prince.....	Summerside, P.E.I.
HENRI SÉVÉRIN BÉLAND, P.C.....	Lauzon.....	St. Joseph de Beauce, Que.
JOHN LEWIS.....	Toronto.....	Toronto, Ont.
CHARLES MURPHY, P.C.....	Russell.....	Ottawa, Ont.
WILLIAM ASHBURY BUCHANAN.....	Lethbridge.....	Lethbridge, Alta.
ARTHUR BLISS COPP, P.C.....	Westmorland.....	Sackville, N.B.
JOHN PATRICK MOLLOY.....	Provencher.....	Morris, Man.
DANIEL E. RILEY.....	High River.....	High River, Alta.
PAUL L. HATFIELD.....	Yarmouth.....	Yarmouth, N.S.
RT. HON. GEORGE P. GRAHAM, P.C.....	Eganville.....	Brockville, Ont.
WILLIAM H. McGUIRE.....	East York.....	Toronto, Ont.
DONAT RAYMOND.....	De la Vallière.....	Montreal, Que.
JAMES H. SPENCE.....	North Bruce.....	Toronto, Ont.
EDGAR S. LITTLE.....	London.....	London, Ont.
GUSTAVE LACASSE.....	Essex.....	Tecumseh, Ont.

SENATORS OF CANADA

SENATORS	DESIGNATION	POST OFFICE ADDRESS
The Honourable		
HENRY HERBERT HORSEY.....	Prince Edward.....	Cressy, Ont.
WALTER E. FOSTER, P.C.....	Saint John.....	Saint John, N.B.
HANCE J. LOGAN.....	Cumberland.....	Parrsboro, N.S.
CAIRINE R. WILSON.....	Rockcliffe.....	Ottawa, Ont.
JAMES MURDOCK, P.C.....	Parkdale.....	Ottawa, Ont.
RODOLPHE LEMIEUX, P.C.....	Rougemont.....	Montreal, Que.
EDMUND WILLIAM TOBIN.....	Victoria.....	Bromptonville, Que.
GEORGE PARENT.....	Kennebec.....	Quebec, Que.
JULES-ÉDOUARD PREVOST.....	Mille Isles.....	St. Jerome, Que.
JOHN EWEN SINCLAIR, P.C.....	Queen's.....	Emerald, P.E.I.
JAMES H. KING, P.C.....	Kootenay East.....	Victoria, B.C.
ARTHUR MARCOTTE.....	Ponteix.....	Ponteix, Sask.
PATRICK BURNS.....	Calgary.....	Calgary, Alta.
ALEXANDER D. McRAE, C.B.....	Vancouver.....	Vancouver, B.C.
RT. HON. ARTHUR MEIGHEN, P.C.....	St. Mary's.....	Toronto, Ont.
CHARLES COLQUHOUN BALLANTYNE, P.C.....	Alma.....	Montreal, Que.
WILLIAM HENRY DENNIS.....	Halifax.....	Halifax, N.S.
JOHN ALEXANDER MACDONALD.....	Richmond— West Cape Breton.....	St. Peters, Cape Breton, N.S.
JOSEPH H. RAINVILLE.....	Repentigny.....	St. Lambert, Que.
ALBERT J. BROWN.....	Wellington.....	Montreal, Que.
GUILLAUME ANDRÉ FAUTEUX, P.C.....	De Salaberry.....	Outremont, Que.
LUCIEN MORAUD.....	La Salle.....	Quebec, Que.
HORATIO CLARENCE HOCKEN.....	Toronto.....	Toronto, Ont.
ALFRED ERNEST FRIPP.....	Ottawa.....	Ottawa, Ont.
LOUIS COTÉ.....	Ottawa East.....	Ottawa, Ont.
RALPH BYRON HORNER.....	Saskatchewan North.....	Blaine Lake, Sask.
WALTER MORLEY ASELTINE.....	West Central Saskatchewan.....	Rosetown, Sask.

SENATORS OF CANADA

ALPHABETICAL LIST

JULY 3, 1934

SENATORS	DESIGNATION	POST OFFICE ADDRESS
The Honourable		
ASELTINE, W. M.	West Central Saskatchewan	Rosetown, Sask.
AYLESWORTH, SIR ALLEN, P.C., K.C.M.G.	North York	Toronto, Ont.
BALLANTYNE, C. C., P.C.	Alma	Montreal, Que.
BARNARD, G. H.	Victoria	Victoria, B.C.
BEAUBIEN, C. P.	Montarville	Montreal, Que.
BÉLAND, H. S., P.C.	Lauzon	St. Joseph de Beauce, Que.
BÉNARD, A.	St. Boniface	Winnipeg, Man.
BLACK, F. B.	Westmorland	Sackville, N.B.
BLONDIN, P. E., P.C. (Speaker)	The Laurentides	Montreal, Que.
BOURQUE, T. J.	Richibucto	Richibucto, N.B.
BROWN, A. J.	Wellington	Montreal, Que.
BUCHANAN, W. A.	Lethbridge	Lethbridge, Alta.
BURNS, PATRICK	Calgary	Calgary, Alta.
CALDER, J. A., P.C.	Saltcoats	Regina, Sask.
CASGRAIN, J. P. B.	De Lanaudière	Montreal, Que.
CHAPAIS, T.	Grandville	Quebec, Que.
COPP, A. B., P.C.	Westmorland	Sackville, N.B.
COTÉ, L.	Ottawa East	Ottawa, Ont.
DANDURAND, R., P.C.	De Lorimier	Montreal, Que.
DENNIS, W. H.	Halifax	Halifax, N.S.
DONNELLY, J. J.	South Bruce	Pinkerton, Ont.
FAUTEUX, G. A., P.C.	De Salaberry	Outremont, Que.
FOSTER, W. E., P.C.	Saint John	Saint John, N.B.
FRIPP, A. E.,	Ottawa	Ottawa, Ont.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
The Honourable		
GILLIS, A. B.....	Saskatchewan.....	Whitewood, Sask.
GORDON, G.....	Nipissing.....	North Bay, Ont.
GRAHAM, RT. HON. GEO. P., P.C.....	Eganville.....	Brockville, Ont.
GREEN, R. F.....	Kootenay.....	Victoria, B.C.
GRIESBACH, W. A., C.B., C.M.G.....	Edmonton.....	Edmonton, Alta.
HARDY, A. C., P.C.....	Leeds.....	Brockville, Ont.
HARMER, W. J.....	Edmonton.....	Edmonton, Alta.
HATFIELD, P. L.....	Yarmouth.....	Yarmouth, N.S.
HOCKEN, H.C.....	Toronto.....	Toronto, Ont.
HORNER, R. B.....	Saskatchewan North....	Blaine Lake, Sask.
HORSEY, H. H.....	Prince Edward.....	Cressy, Ont.
HUGHES, J. J.....	King's.....	Souris, P.E.I.
KING, J. H., P.C.....	Kootenay East.....	Victoria, B.C.
LACASSE, G.....	Essex.....	Tecumseh, Ont.
LAIRD, H. W.....	Regina.....	Regina, Sask.
LEMIEUX, R., P.C.....	Rougemont.....	Montreal, Que.
L'ESPÉRANCE, D. O.....	Gulf.....	Quebec, Que.
LEWIS, J. J.....	Toronto.....	Toronto, Ont.
LITTLE, E. S.....	London.....	London, Ont.
LOGAN, H. J.....	Cumberland.....	Parrsboro, N.S.
LYNCH-STAUNTON, G.....	Hamilton.....	Hamilton, Ont.
MACARTHUR, C.....	Prince.....	Summerside, P.E.I.
MACDONALD, J. A.....	Richmond— West Cape Breton.....	St. Peters, Cape Breton, N.S.
MACDONELL, A. H., C.M.G.....	Toronto, South.....	Toronto, Ont.
MARCOTTE, A.....	Ponteix.....	Ponteix, Sask.
MARTIN, P.....	Halifax.....	Halifax, N.S.
MCCORMICK, J.....	Sydney Mines.....	Sydney Mines, N.S.
MCDONALD, J. A.....	Shediac.....	Shediac, N.B.
MCGUIRE, W. H.....	East York.....	Toronto, Ont.
MCLEAN, J.....	Souris.....	Souris, P.E.I.
MCLENNAN, J. S.....	Sydney.....	Sydney, N.S.
MCMEANS, L.....	Winnipeg.....	Winnipeg, Man.
MCRAE, A. D., C.B.....	Vancouver.....	Vancouver, B.C.
MEIGHEN, RT. HON. ARTHUR, P.C.....	St. Mary's.....	Toronto, Ont.
MICHENER, E.....	Red Deer.....	Red Deer, Alta.
MOLLOY, J. P.....	Provencher.....	Morris, Man.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
The Honourable		
MOBAUD, L.....	La Salle.....	Quebec, Que.
MURDOCK, J., P.C.....	Parkdale.....	Ottawa, Ont.
MURPHY, C., P.C.....	Russell.....	Ottawa, Ont.
PARENT, G.....	Kennebec.....	Quebec, Que.
PLANTA, A. E.....	Nanaimo.....	Nanaimo, B.C.
POPE, R. H.....	Bedford.....	Cookshire, Que.
PREVOST, J. E.....	Mille Isles.....	St. Jerome, Que.
RAINVILLE, J. H.....	Repentigny.....	St. Lambert, Que.
RAYMOND, D.....	De la Vallière.....	Montreal, Que.
RILEY, D. E.....	High River.....	High River, Alta.
ROBINSON, C. W.....	Moncton.....	Moncton, N.B.
SCHAFFNER, F. L.....	Boissevain.....	Boissevain, Man.
SHARPE, W. H.....	Manitou.....	Manitou, Man.
SINCLAIR, J. E., P.C.....	Queen's.....	Emerald, P.E.I.
SMITH, E. D.....	Wentworth.....	Winona, Ont.
SPENCE, J. H.....	North Bruce.....	Toronto, Ont.
TANNER, C. E.....	Pictou.....	Pictou, N.S.
TAYLOR, J. D.....	New Westminster.....	New Westminster, B.C.
TOBIN, E. W.....	Victoria.....	Bromptonville, Que.
TURGEON, O.....	Gloucester.....	Bathurst, N.B.
WEBSTER, L. C.....	Stadacona.....	Montreal, Que.
WHITE, G. V.....	Pembroke.....	Pembroke, Ont.
WHITE, R. S.....	Inkerman.....	Montreal, Que.
WILSON, C. R.....	Rockcliffe.....	Ottawa, Ont.
WILSON, J. M.....	Sorel.....	Montreal, Que.

SENATORS OF CANADA

BY PROVINCES

JULY 3, 1934

ONTARIO—24

SENATORS	POST OFFICE ADDRESS
The Honourable	
1 GEORGE GORDON.....	North Bay.
2 ERNEST D. SMITH.....	Winona.
3 JAMES J. DONNELLY.....	Pinkerton.
4 GEORGE LYNCH-STAUNTON.....	Hamilton.
5 GERALD VERNER WHITE.....	Pembroke.
6 ARCHIBALD H. MACDONELL, C.M.G.....	Toronto.
7 ARTHUR C. HARDY, P.C.....	Brockville.
8 SIR ALLEN BRISTOL AYLESWORTH, P.C., K.C.M.G.....	Toronto.
9 CHARLES MURPHY, P.C.....	Ottawa.
10 JOHN LEWIS.....	Toronto.
11 RT. HON. GEORGE P. GRAHAM, P.C.....	Brockville.
12 WILLIAM H. MCGUIRE.....	Toronto.
13 JAMES H. SPENCE.....	Toronto.
14 EDGAR S. LITTLE.....	London.
15 GUSTAVE LACASSE.....	Tecumseh.
16 HENRY H. HORSEY.....	Cressy.
17 CAIRINE R. WILSON.....	Ottawa.
18 JAMES MURDOCK, P.C.....	Ottawa.
19 RT. HON. ARTHUR MEIGHEN, P.C.....	Toronto.
20 HORATIO C. HOCKEN.....	Toronto.
21 ALFRED E. FRIPP.....	Ottawa.
22 LOUIS COTÉ.....	Ottawa.
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QUEBEC—24

SENATORS	ELECTORAL DIVISION	POST OFFICE ADDRESS
The Honourable		
1 RAOUL DANDURAND, P.C.....	De Lorimier.....	Montreal.
2 JOSEPH P. B. CASGRAIN.....	De Lanaudière.....	Montreal.
3 JOSEPH M. WILSON.....	Sorel.....	Montreal.
4 RUFUS H. POPE.....	Bedford.....	Cookshire.
5 CHARLES PHILIPPE BEAUBIEN.....	Montarville.....	Montreal.
6 DAVID OVIDE L'ESPÉRANCE.....	Gulf.....	Quebec.
7 RICHARD SMEATON WHITE.....	Inkerman.....	Montreal.
8 PIERRE EDOUARD BLONDIN, P.C. (Speaker)	The Laurentides.....	Montreal.
9 THOMAS CHAPAIS.....	Grandville.....	Quebec.
10 LORNE C. WEBSTER.....	Stadacona.....	Montreal.
11 HENRI SÉVÉRIN BÉLAND, P.C.....	Lauzon.....	St. Joseph de Beauce.
12 DONAT RAYMOND.....	De la Vallière.....	Montreal.
13 RODOLPHE LEMIEUX, P.C.....	Rougemont.....	Montreal.
14 EDMUND W. TOBIN.....	Victoria.....	Bromptonville.
15 GEORGE PARENT.....	Kennebec.....	Quebec.
16 JULES-EDOUARD PREVOST.....	Mille Isles.....	St. Jerome.
17 CHARLES C. BALLANTYNE, P.C.....	Alma.....	Montreal.
18 JOSEPH H. RAINVILLE.....	Repentigny.....	St. Lambert.
19 ALBERT J. BROWN.....	Wellington.....	Montreal.
20 GUILLAUME A. FAUTEUX, P.C.....	De Salaberry.....	Outremont.
21 LUCIEN MORAUD.....	La Salle.....	Quebec.
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NOVA SCOTIA—10

SENATORS	POST OFFICE ADDRESS
The Honourable	
1 JOHN S. McLENNAN.....	Sydney.
2 CHARLES E. TANNER.....	Pictou.
3 JOHN McCORMICK.....	Sydney Mines.
4 PETER MARTIN.....	Halifax.
5 PAUL L. HATFIELD.....	Yarmouth.
6 HANCE J. LOGAN.....	Parrsboro.
7 WILLIAM H. DENNIS.....	Halifax.
8 JOHN A. MACDONALD.....	St. Peters, Cape Breton.
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NEW BRUNSWICK—10

The Honourable	
1 THOMAS JEAN BOURQUE.....	Richibucto.
2 JOHN ANTHONY McDONALD.....	Shediac.
3 FRANK B. BLACK.....	Sackville.
4 ONÉSIPHORE TURGEON.....	Bathurst.
5 CLIFFORD W. ROBINSON.....	Moncton.
6 ARTHUR BLISS COPP, P.C.....	Sackville.
7 WALTER E. FOSTER, P.C.....	Saint John.
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PRINCE EDWARD ISLAND—4

The Honourable	
1 JOHN McLEAN.....	Souris.
2 JAMES JOSEPH HUGHES.....	Souris.
3 CREELMAN MACARTHUR.....	Summerside.
4 JOHN EWEN SINCLAIR, P.C.....	Emerald.

BRITISH COLUMBIA—6

SENATORS	POST OFFICE ADDRESS
The Honourable	
1 ALBERT E. PLANTA.....	Nanaimo.
2 GEORGE HENRY BARNARD.....	Victoria.
3 JAMES DAVIS TAYLOR.....	New Westminster.
4 ROBERT F. GREEN.....	Victoria.
5 JAMES H. KING, P.C.....	Victoria.
6 ALEXANDER D. McRAE, C.B.....	Vancouver.

MANITOBA—6

The Honourable	
1 WILLIAM H. SHARPE.....	Manitou.
2 LENDRUM McMEANS.....	Winnipeg.
3 AIMÉ BÉNARD.....	Winnipeg.
4 FREDERICK L. SCHAFFNER.....	Winnipeg.
5 JOHN PATRICK MOLLOY.....	Morris.
6	

SASKATCHEWAN—6

The Honourable	
1 HENRY W. LAIRD.....	Regina.
2 JAMES A. CALDER, P.C.....	Regina.
3 ARCHIBALD B. GILLIS.....	Whitewood.
4 ARTHUR MARCOTTE.....	Ponteix.
5 RALPH B. HORNER.....	Blaine Lake.
6 WALTER M. ASELTINE.....	Rosetown.

ALBERTA—6

The Honourable	
1 EDWARD MICHENER.....	Red Deer.
2 WILLIAM JAMES HARMER.....	Edmonton.
3 WILLIAM A. GRIESBACH, C.B., C.M.G.....	Edmonton.
4 WILLIAM ASHBURY BUCHANAN.....	Lethbridge.
5 DANIEL E. RILEY.....	High River.
6 PATRICK BURNS.....	Calgary.

CANADA

The Debates of the Senate

OFFICIAL REPORT

THE SENATE

Thursday, January 25, 1934.

The Parliament of Canada having been summoned by Proclamation of the Governor General to meet this day for the despatch of business:

The Senate met at 2.30 p.m., the Speaker in the Chair.

Prayers.

OPENING OF THE SESSION

The Hon. the SPEAKER informed the Senate that he had received a communication from the Governor General's Secretary informing him that His Excellency the Governor General would proceed to the Senate Chamber to open the session of the Dominion Parliament this day at three o'clock.

The Senate adjourned during pleasure.

SPEECH FROM THE THRONE

At three o'clock His Excellency the Governor General proceeded to the Senate Chamber and took his seat upon the Throne. His Excellency was pleased to command the attendance of the House of Commons, and that House being come, with their Speaker, His Excellency was pleased to open the Fifth Session of the Seventeenth Parliament of Canada with the following speech:

Honourable Members of the Senate:

Members of the House of Commons:

You are summoned for the despatch of public business at a time when there are sound reasons for believing that the world is gradually returning to economic stability. I congratulate you that such improved world conditions are reflected in Canada by expanding trade, improving revenues, increasing employment, and a more confident outlook upon the future. Canada occupies a leading position amongst those countries where the evidence of a return to permanent prosperity is most convincing.

Since I have been associated with you as the representative of His Majesty in Canada, I have visited every province of the Dominion. I have been greatly impressed by the loyalty, devotion and friendliness of the people, as well as the high courage with which men and women were meeting and overcoming abnormal difficulties in their daily lives.

The Ottawa Trade Agreements have now been in operation for a full year and the results

indicate substantial expansion of Canadian-Empire trade over the preceding year. It is worthy of note that the Agreements are proving beneficial to all Empire countries. The trading position of the Empire in the world has steadily improved. Canada has again resumed her place as the fifth exporting nation. Our favourable trade balances have enabled us to discharge our international obligations and have greatly lessened the difficulties of the international exchange situation.

The temporary trade arrangements made with Germany and Austria have been further extended. Canadian products are now receiving most favoured tariff treatment in those countries in exchange for the grant of our intermediate tariff on their products.

The prices of agricultural products, which have fallen in recent years to the lowest level in history, have shown substantial improvement in the last few months. My Government realize, however, that further increases in price levels are necessary to insure success to those engaged in agriculture. You will be invited to consider legislation designed to facilitate the efficient and profitable marketing of live stock and agricultural products.

Members of my Government participated in the World Monetary and Economic Conference convened in London in June of last year. The reports approved by the Conference and the resolutions adopted by the Bureau and the Executive Committee, as well as certain agreements entered into by my Government, designed to mitigate fluctuations in the price of silver, will be laid before you. The Conference adjourned without dealing with many important subjects, but arrived at conclusions of especial interest and concern to Canada in respect to central banks, the gold standard, and the percentage of metallic coverage essential to the successful functioning of gold as a medium of international exchange. During the Conference my Ministers informally met the representatives of the United Kingdom and other countries of the British Commonwealth of Nations, with a view to the further development of Empire co-operation; and adopted certain resolutions with respect to monetary and financial policies, which will be laid before you.

In July of last year, my Government appointed a Royal Commission to inquire into and report upon the operation of the banking and monetary system of Canada, with particular reference to the provisions and working of the Bank Act, the Dominion Notes Act, the Finance Act and the Currency Act, and the advisability of establishing a central banking institution. You will be invited to consider legislation for the establishment of a Central Bank, the extension and revision of bank charters, which were extended at the last session of Parliament to the first day of July, 1934, and to consider further appropriate additions and amendments to our banking and monetary legislation.

My Government, acting with representatives of other wheat exporting countries, as well as

representatives of wheat importing countries, have entered into an agreement for relieving the world market from the disastrous price-depressing influence of abnormal surplus wheat stocks. It is a matter of satisfaction that the parties to this agreement are co-operating with a degree of effectiveness which is already reflected in improved prices. The agreement will be laid before you.

Since prorogation, my Government made a public offering of Canadian securities in the United Kingdom. This was the first time in over fifteen years that Canada had negotiated a loan in the British market. The reception of the loan was gratifying in the extreme, indicating the high standing of Canadian credit.

My Government have been giving careful consideration to measures that might be adopted for the establishment of agricultural short-term and intermediate credits; and have invited representatives of the provinces to study the means by which practical effect may be given to the recommendations in this respect made by the Royal Commission on Monetary and Banking Problems.

Since prorogation, my Government, under the authority of the Relief Act, 1933, have continued to assist financially the provinces in the discharge of their constitutional obligations.

My Government have recently concluded a conference with the representatives of all the provinces, when, after the fullest discussion, it was agreed that it was desirable, in the national interest, that assistance to the provinces should not be wholly discontinued until the return of more normal conditions. The extent and method of affording such assistance were left for negotiation between my Government and the Governments of the several provinces.

The representatives of the various provinces strongly approved of the arrangements made by my Government to care for single, unemployed, homeless men in camps until such time as they could be absorbed in industry, by providing them with employment on undertakings for the national good; and of the provision made in 1932 for settlement of families on the land, which has been extended with satisfactory results. My Government propose further to promote employment by expenditures on essential public works and undertakings throughout the Dominion.

You will be invited to consider, amongst others, measures relating to the Excise Act, the Companies Act, the Judges Act, and the Elections Act.

Members of the House of Commons:

The accounts of the last year will be laid before you. The estimates for the coming year will be submitted at an early date. They have been prepared with a regard for rigid economy consistent with the requirements of the public service.

Honourable Members of the Senate:

Members of the House of Commons:

I invoke the Divine blessing upon your deliberations, confident that the measures submitted for your consideration will receive your earnest attention.

His Excellency the Governor General was pleased to retire, and the House of Commons withdrew.

The sitting of the Senate was resumed.

The Hon. THE SPEAKER.

RAILWAY BILL

FIRST READING

Bill—, an Act relating to Railways.—Right Hon. Mr. Meighen.

CONSIDERATION OF HIS EXCELLENCY'S SPEECH

On motion of Right Hon. Mr. Meighen, it was ordered that the speech of His Excellency the Governor General be taken into consideration at the next sitting of the House.

NEW SENATORS INTRODUCED

Hon. Guillaume André Fauteux, K.C., of De Salaberry, Quebec, introduced by Right Hon. Arthur Meighen and Hon. C. P. Beaubien.

Hon. Lucien Moraud, of LaSalle, Quebec, introduced by Right Hon. Arthur Meighen and Hon. T. Chapais.

Hon. Horatio Clarence Hocken, of Toronto, Ontario, introduced by Right Hon. Arthur Meighen and Hon. G. V. White.

Hon. Alfred Ernest Fripp, of Ottawa, Ontario, introduced by Right Hon. Arthur Meighen and Hon. G. V. White.

Hon. Louis Coté, of Ottawa, Ontario, introduced by Right Hon. Arthur Meighen and Hon. T. Chapais.

Hon. Ralph Byron Horner, of Blaine Lake, Saskatchewan, introduced by Right Hon. Arthur Meighen and Hon. A. Marcotte.

Hon. Walter Morley Aseltine, of Rosetown, Saskatchewan, introduced by the Right Hon. Arthur Meighen and Hon. A. Marcotte.

The Senate adjourned until Tuesday, January 30, at 8 p.m.

THE SENATE

Tuesday, January 30, 1934.

The Senate met at 8 p.m., the Speaker in the Chair.

Prayers and routine proceedings.

COMMITTEE ON ORDERS AND PRIVILEGES

Right Hon. Mr. MEIGHEN moved:

That all the senators present during this session be appointed a committee to consider the Orders and Customs of the Senate and Privileges of Parliament, and that the said committee have leave to meet in the Senate Chamber when and as often as they please.

The motion was agreed to.

COMMITTEE OF SELECTION

Right Hon. Mr. MEIGHEN moved:

That pursuant to Rule 77 the following senators, to wit: Honourable Senators Beaubien, Buchanan, Dandurand, Graham, Horsey, Sharpe, Tanner, White (Pembroke) and the mover be appointed a Committee of Selection to nominate senators to serve on the several standing committees during the present session, and to report with all convenient speed the names of the senators so nominated.

The motion was agreed to.

TRIBUTES TO DECEASED SENATORS

THE LATE SENATORS PARADIS, TESSIER,
STANFIELD, FISHER, POIRIER, BEIQUE
AND ROBERTSON

Before the Orders of the Day:

Right Hon. ARTHUR MEIGHEN: Honourable senators, the experience of recurring sessions has taught us all that when we part, in the early summer, we can never expect to assemble again the same body of men. Always one or more of our number, as though by inexorable mathematical decree, has in the interval passed from the scene of this life. Rarely, if ever, in the long record of this House, has there been a session when the list of our associates whom we were called upon to lament because of the ruthless hand of death has been so formidable as that which now presents itself. The roll has stretched to seven. The names of each and all, as we recall them, evoke memories of happy associations and personal affections, and a sense of indebtedness to those who are gone, for services rendered their fellows. This time, as too often happens, the roll includes some of the most useful and active of our citizens and the most eminent of our public men.

We had scarcely prorogued when Senator Paradis, in failing health for some time, after sixty-five years of a crowded and active life, surrendered to that power which ultimately must conquer all. The history of his public services in the province of Quebec is a long and creditable one. His activities were mainly in the field of industry, where his efforts and enterprise helped to enlarge the scope of the industrial life of his province and to add to the number of occupations available for her working men. He held a long succession of public offices of a kind which enabled him to do real and useful work for the benefit of the province that he loved; and he was always characterized by a desire for quiet achievement rather than for the light and glare of high political combat. He passed from among us conscious that all his many tasks had been well done.

Senator Tessier was longer in this House, and was amongst the oldest of our number. Without his cheerful, vigorous and wholesome countenance opposite, this hardly looks like the same assembly. He was a barrister by profession, but also gave of his time to industrial pursuits. In the sphere of his own profession he was prominent mostly as a writer, a critic and an authoritative counsellor. It is almost three decades since his appointment to the Senate. During that time he engaged in many other activities. Only about ten weeks ago—it seems less than that—I met him on a street of Quebec, buoyant and hopeful, and looking well. It is sad indeed that a colleague, even at his advanced age, should have to part from the scene of his toil and his joys, to be one of our number no more.

Only a few days ago we were shocked by news of the death of Senator Stanfield. He was one of those who took but a small part in what might be called the vulgar controversies of public affairs. He was interested in industry more than in politics, and the names of John Stanfield and his late brother Frank stand high, and for years will continue to stand high, among those of the great industrialists of the Maritime Provinces. The senator's fine and wholesome domestic relations, his kindness of character and his high sense of public duty commended him to his fellows, and I know that on all sides, in every part of Canada, many will mourn because he can be with us no longer.

I come now to the province of Ontario. For sixteen years John Henry Fisher sat as one of the twenty-four members of this House from the premier province. Senator Fisher was an illustration of what a man can accomplish by the charm of his personality. He was not an aggressive individualist, nor an ambitious public figure. I am not assuming that he had not much above the ordinary in the way of equipment for such a part, but he seemed to achieve his triumphs by virtue of the kindness and fascination of his character. Starting some thirty years ago, he became a councillor in his native town, a reeve, a mayor; then warden of his county, member of the Provincial Legislature, member of the Commons, and lastly a member of this House. I believe I am right in saying that through that long period he never suffered a single defeat; and those of us who knew him can well understand how much can be accomplished by that most useful of all attributes for success in democracy—a fine character and a charming personality.

Senator Poirier spent almost forty-nine years in this House. At the age of thirty he was

postmaster of the House of Commons. He was appointed to this assembly by the Government of Sir John Macdonald in the year 1885. None, however long their service, can compare with him in the time given to the work of this body. Not only was he well known by reason of the length of his service, but he was still better known by his achievement in other spheres in which Canadians only too rarely attain success—the spheres of science and of literature. Pascal Poirier was a great Acadian. He was the historian, the advocate and the interpreter of his race. His whole being centered around that people, the people who laid the foundations of civilized society in our Maritime Provinces. The books of which he is the author will be enlightening works not only to this generation but to posterity, especially in relation to that people. Senator Poirier's mind, I often thought, was essentially scientific. We all know with what artistry of words he addressed us when he arose to speak, an artistry that was equally excellent in both languages; but his mind and his interests, when one got to know him, were in mineralogy, in geology, and kindred sciences, and to his last day he never ceased to dream of much that was yet to be attained for the benefit of his native land in those great fields of research. To his widow who mourns him, and to her brother—one of our best known public men and a member of this House—we all extend our heartfelt and lasting sympathy.

It would be difficult indeed to compress within the boundaries of a brief speech the long record of achievement that stands to the credit of our late colleague Senator Béique. He was for more than sixty-five years at the Bar of Quebec; three decades in this House; all those years, or nearly all, a member of the governing bodies of very large industries of our Dominion, active in educational work, prominent in at least half a dozen other spheres—president of a university, president of a bank, member of the executive committee of the Canadian Pacific; and through it all one of the most vigorous advocates at the Bar that the province of Quebec has seen. All of us will agree that he was one of the best informed and most practically useful members of either House of Parliament.

Hon. Mr. CASGRAIN: Hear, hear.

Right Hon. Mr. MEIGHEN: I fancy some who knew him best would use the single superlative; probably my brief experience in this Chamber warrants me in adopting the more cautious term. One could not work with him or talk with him without realizing that he was possessed of a mind of ample dimensions, of comprehensive information, of

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keen analytical power, all dominated by a spirit of fairness and determination for service, which form the base and the background of all worth-while public work. He has gone now, having reached by reason of strength far beyond the three score years and ten, with the unanimous acclamation of all lovers of true citizenship, and followed by the benedictions of his people.

We all had observed for a period of many months that failing health had wrought something approaching collapse in the splendid physique and fine intellectual powers of Senator Robertson. I well remember the occasion when, now nearly seventeen years ago, I was introduced to him, he on that day entering the Cabinet of which I had been for some time a member. As he had never occupied a seat in the House of Commons, nor taken any part in the political warfare of his day, he was to his future colleagues comparatively unknown. His admission to high public office had been attained, certainly not because of service to any party, for such service he never had given, not because of advocacy of any special policy or theory on the hustings, but because of high qualities shown in the realm of organized labour, to which he had given his life. Starting as a telegrapher at the age of eighteen, in the course of a decade and a half he became chairman of the board of the telegraphers of this country. This gave him scope for his splendid, indeed unexampled, talents as a mediator—and a born mediator he was. To the order of which he was the head, and to organized labour in general, his heart was attached, his energies were devoted; around these things all his interests centered and for them he lived. He was not in those early times, nor indeed was he ever, a partisan in the sense in which we usually understand the term. As a member of a party government he doubtless had party affiliations, and to those affiliations he was loyal, but beyond the allegiance by which as a colleague he was bound to his associates and leader, he knew not the meaning of the term at all. His interests were elsewhere, his whole mission and purpose in life was foreign to any such sphere. I know that his closest associate—certainly an associate closer to him than was any member of the Government to which he belonged—was the honourable senator from Parkdale (Hon. Mr. Murdock). He can in a personal way speak of him better than can any of the rest of us. Mediator in some of the fiercest and most dangerous disputes which ever shook the social fabric of our country, Senator Robertson conducted himself with credit in all, and with almost

universal success; and the volume of service he rendered this Dominion by that success is hard for us at this time to measure. The resources of his mortal frame, strong and rugged though we know them to have been, could not longer endure the heavy chains of his exacting office; the pitiless demands of democracy in this trying time became more than human nature could sustain; he broke and fell under the load. Let us hope that in those last days of weakness and of parting he felt some warm breath of assurance that he had not lived in vain. Let us hope that in the silence of the receding world he listened in happy premonition to the first echoes of a gratitude which is too seldom heard in life.

To those who mourn these our colleagues I know it is the wish of every member of this House that you, Mr. Speaker, should convey, on behalf of the Senate of Canada, our humble tribute of esteem and regard for the loved and lost, and of deep and earnest sympathy for all whom they left bereaved.

Hon. RAOUL DANDURAND: Honourable members of the Senate, before I reached the meridian of life I attached little importance to oft repeated statements from the pulpit that this life is but a journey, that we are constantly moving as in a procession towards our inevitable fate, often falling by the wayside before we reach the age of three score and ten years allotted by the Psalmist. But on many an occasion since I have reflected on those truisms. When I came into this Chamber the leader of the Government was the Honourable Mr. Scott, of pre-Confederation fame, who, when he had to speak of the passing of senators, used to remind us "what shadows we are; what shadows we pursue." Since I came to the Senate, about thirty-six years ago, some two hundred of our colleagues have left us.

At one time when I was on the other side of the House I had to speak of the passing of eight senators during the preceding recess; and we are now referring to seven who have gone from our midst. I recognized then, as I do now, that our various governments have very seldom erred in their appointments to this Chamber. It is easier to pass judgment upon the careers of our departed members when we are thinking of a group of them who have passed away in the same short period of time, and in such circumstances the wisdom of the cabinets that made the appointments is more clearly seen.

The right honourable gentleman has reminded us of the important rôles that our departed colleagues played in their local centres and in Parliament. They were leaders

and rendered very efficient and valuable service in the communities where Providence had placed them. They were public-spirited and enjoyed the esteem and confidence of their fellow-citizens. And of them all, of Senators Béique, Paradis and Tessier from Quebec, Fisher and Robertson from Ontario, and Poirier and Stanfield from the Maritimes, it can truly be said that they did honour to the people whom they represented in the Senate. The spheres in which they moved were not of equal magnitude or grandeur, but their work was of equal quality. The record of their lives reminds me of the parable of the master who distributed talents to his servants according to their respective abilities. Judging by our human standards, I think I can safely say that the talents with which our late colleagues were endowed were brought to full fruition.

I agree with all that my right honourable friend has said, and I desire to refer in some detail only to the former Minister of Labour and to Senator Béique, who was our eldest member. The right honourable gentleman has dealt at some length with Senator Robertson's career. His vigorous and well-balanced mind, his wide knowledge of all things relating to labour, his fairness in debate, and his devotion to the members of his craft and to the State justify us in joining in the right honourable gentleman's statement that he gave his life in the service of his country.

I was associated for half a century with Senator Béique, who was for almost all my life a near neighbour. He came to Montreal in 1865, when that city had a population of 75,000. He saw it grow past the million mark, and he participated in many of its activities. In finance, in industry, in tramways, in railways, in electrical development, and in education, from the primary schools to the university, Senator Béique was a leader in his city. He was well known in only a limited constituency and did not come into close contact with the people at large. His appearances on the public platform were rare, and he was not a fluent speaker. Comparatively few persons were privileged to witness his well-equipped mind at work. At any meeting or gathering called for the purpose of taking some definite action Senator Béique would be listening to the discussion and at the same time drafting the necessary documents to give expression to the will of those present. To his lot always fell the drudgery of preparing constitutions, by-laws, contracts and conventions. While other men basked in the limelight he always kept away from it. The buildings of the university of which he was president were

burned down twice within the last fifteen years, and I am sure that those who were close to his work will agree with me when I say that he rebuilt the university himself. He was a close adviser to all his political leaders, and he had the honour to be chosen by Sir Wilfrid Laurier as a testamentary executor.

In May, 1925, Sir James Loughheed congratulated Senator B  ique upon his attaining his eightieth year and being sworn in as a member of the Privy Council. At that time Sir James also said:

This is a very proper recognition of services which, to my mind, have been of an invaluable character, especially those rendered in this Chamber. For some twenty-three years my honourable friend has been an active member of the Senate of Canada, and has contributed probably in a greater degree than any other member of this Chamber to the legislation which, from time to time, has passed this House.

No greater compliment could be paid him than was paid that day, and it has been practically repeated, in different words, by my right honourable friend this evening.

I join with the right honourable gentleman in extending my sympathy to the families of our departed colleagues.

Hon. THOMAS CHAPPAIS (Translation): It is extremely difficult to add anything to such eloquent and sympathetic eulogies as have just been pronounced in this Chamber in memory of our departed colleagues. I desire simply and modestly to re-echo these expressions of sorrow and regret.

The members of the Senate who have passed to the Great Beyond since last session were among the most deserving of our esteem. In the praise bestowed upon them by our honourable leaders we all concur. May I be permitted for a moment to lay my tributes of respect upon three of these tombs which have just been closed.

Hon. Senator Poirier was the only survivor among us from an epoch in our parliamentary history with which is identified the great name of Sir John Macdonald. Noble Acadia looked upon him as her most illustrious son and most worthy representative. Combining literary gifts with a passion for work, he has left us a number of valuable and brilliant productions which have won admiration not only at home, but likewise abroad. In this Chamber his eloquence was especially notable in his tributes to deceased colleagues. Do we not recall, honourable members, some of those brief funeral orations which revealed the high plane of his thought and the nobility of his heart? The works he has bequeathed to his fellow citizens will

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perpetuate his name, and he leaves with us an enduring memory.

Hon. Mr. B  ique was the personification of parliamentary experience, political wisdom and legal knowledge. Almost a nonagenarian, he astonished us by his constant devotion to duty, his untiring mental activity, his unflinching memory, the range of his knowledge of law, his extraordinary legislative skill. To the committees of this House he brought the most enlightening and most fruitful co-operation. Public legislation of the greatest importance is due to his energetic initiative and patient toil. He was one of those who always say, "Non recuso laborem." By his death we lose one of the few survivors of the pre-Confederation era. For my part, I shall long miss his conversation, rich in reminiscences, each a fascinating lesson in contemporary history.

And now may I bid a tender farewell to my colleague and friend Senator Tessier. Our relations extended over forty years. But in later years they had become more intimate and more constant. Then it was that I learned particularly to esteem and appreciate him. Indeed, only those who came into close contact with his life could know his real human and social worth. His most admirable qualities were rectitude of mind and goodness of heart. He possessed to a remarkable degree the faculty of discernment. Without making much of it, sometimes even without showing it, he knew how to apply to words, actions or character a judgment often caustic in expression and almost always uncommonly accurate. He did not stop at appearances, but delved down to the reality. Dignified, but affable, and never failing in courtesy, he typified among us the gentleman of the old school. What shall be said of his kindness and humanity? His humble reticence could not entirely hide the quiet generosity that alleviated so much misfortune and distress. Only a kindred soul, who might be called "the witness of his life," and to whom I cannot refrain at this moment from paying homage, could unveil the secrets of their beneficent collaboration in the great work of charity, the noblest that can be accomplished on earth.

Our deceased colleague would be surprised at this eulogy, for true humility was one of his virtues. But I know that in this Chamber, and outside, and especially in old Quebec, of which he was one of the most eminent citizens, a chorus of voices will feelingly bear testimony to the truth of what has been said.

Hon. Senator Tessier is among us no more. But his memory abides with us, as it will abide

in the many spheres in which he performed his Christian and humanitarian work.

The colleagues whose loss we mourn have gone to their eternal reward, and in leaving us they have taught us once more this lesson, that human life, whatever its duration, is but a brief passage, and that we must learn to live well if we would learn to die well.

Hon. RODOLPHE LEMIEUX: Honourable senators, I would not attempt to add to what has already been said about our late colleagues by the two leaders of the House and by my good friend from Grandville (Hon. Mr. Chapais) were it not that I happened to be very intimate with most of them. The grim reaper has mowed down many who in the field of politics had grown up to be leaders of this country. Homage has been rendered our late distinguished colleagues. Their memory shall never fade.

I was perhaps one of the first in Parliament to know Senator Gideon Robertson intimately, because when he began to appear as head of a very large and intellectual union of telegraph employees it was my privilege to be Minister of Labour; and, as you may remember, what is commonly known as the Lemieux Act was first applied in the case of a threatened strike of the Telegraphers' Union—a strike which would seriously affect the community. Thanks to the good offices of Mr. Robertson, as he then was, and to his knowledge of the Industrial Disputes Investigation Act, and thanks also to his loyalty not only to labour, but also to capital, the strike was settled and thus was established the first precedent of a long line of cases which have since come before the Labour Department.

I can say of Senator Gideon Robertson, after observing him very closely from my place in the House of Commons and in this Chamber, and after following his brilliant representation of Canada at the League of Nations, that he could have attained to any position in Canada; and to say that of a self-made man is high praise indeed.

How could we ever forget the genial smile of our dear friend the late Senator Stanfield, whose human kindness permeated, so to speak, his every act? I have never known him, either in this Chamber or in the Commons, to be otherwise than of service to his fellow members. I think he had adopted as his motto that of the Prince of Wales, "I serve." He was a loyal friend to both sides of the House, and in his whole parliamentary career I was never able to detect even the slightest tinge of partisanship. As has been said by my honourable friends, he was a leader in industry, and the Maritime Provinces will

ever mourn this straightforward and honest business man.

As regards the late Senator Poirier, who was the dean of this House, we all know that he was the representative of the Acadian race. As a leader and as a man of letters he gave the best of his life and intelligence to the uplifting of his compatriots. His books were familiar to the French Academy, from which august body, five years ago, he received a gold medal for his latest lexicon on the peculiar characteristics of the Acadian language. His fellow countrymen were justly proud of him, and when the French Republic gave him the decoration of the Legion of Honour, from all parts of this continent where there are groups of Acadians or French-Canadians the official and noble gesture of France was cheered to the echo. Senator Poirier was a brilliant orator, and a litterateur of note, and his writings are a monument to French literature and folk-lore in Canada.

My esteemed and beloved desk-mate, Senator Tessier, has also departed from our midst. When I try to express my personal feelings at his passing, words fail me. It seems as though I hear, even to-day, the beating of the wings of the Angel of Death. He was a grand gentilhomme. He belonged to an old seigniorial family in Quebec. His venerable father, whose features can be seen in a portrait in the lobby, was a Speaker of the old Legislative Council of Canada and a Judge of the Court of King's Bench. His brother, the Hon. Auguste Tessier, and his nephew, were also Judges of the Superior Court. Senator Tessier himself was for many years the Speaker of the Quebec Legislative Assembly. His judgment, his poise and his impartiality were distinct features of the various high positions he was called upon to fill. Above all things he was fair. In all his dealings he was a perfect gentleman. We are all aware of his work in the social welfare movement. The late senator was the helpmate of Madame Tessier in this regard, and both of them were pioneers in that noble work in the old province of Quebec. I was by his side a few days before his cruel operation, and I can assure the House that he died bravely, with the smile of the Happy Christian Warrior.

As to the late Senator Béique, what can I add to what has been so well said by the two leaders of the House? He was an exemplar to all the young men of my generation. Born the son of a farmer, he was from the early days of his youth a diligent, persevering and thorough-going worker. His friend and law partner, Sir Louis Jetté, was wont to say to the students of the law faculty of Laval:

"Gentlemen, to succeed in life, one must get accustomed to fighting obstacles and facing dreary things; to find one's way one must always look upwards. As Carlyle once said, 'There is always room at the top.'" Senator BÉIQUE lived up to the principle laid down by his bosom friend and partner. At the Bar he towered over all others. He was the counsel selected in every difficult or doubtful case. He might lose before an inferior court, but before the Privy Council he generally won.

He was not only an eminent lawyer, but also a sound financial adviser. He founded for the humbler classes a system of insurance which guaranteed them a life annuity. His activities were many. He was president of the University of Montreal, and his death removed from the senate of that university a man who could hardly be replaced. He gave generously of his leisure—if it could be said that he ever had any—to promote the cause of higher education. He was a large contributor to every deserving cause, but never boasted of it; so those who knew the fact, now that he is no more, are proud to divulge it. For many years he was a director of the Canadian Pacific Railway and president of La Banque Canadienne Nationale. Of late years honours were showered upon him, but they never affected the even tenor of his way. His name and fame as a great ancestor shall live in our province, because from humble beginnings he ascended steadily and surely to the top of the ladder. But as said by Gray in his immortal *Ellegy*:

The boast of heraldry, the pomp of pow'r,
And all that beauty, all that wealth e'er gave,
Await alike th' inevitable hour.
The paths of glory lead but to the grave.

Hon. JAMES MURDOCK: Honourable senators, I shall not presume to add to what has been said by the two leaders of the House and other distinguished members in reference to several of our colleagues who have passed to the Great Beyond since Parliament prorogued at the end of last session. I do feel, however, that I should rise to-night to speak of one of our members who has passed on, if only for the reason that I had enjoyed a longer personal acquaintance with him, I think, than any other member of this House. I refer to our departed colleague and friend the late Senator Robertson.

I feel sure that I knew Senator Robertson for many years before he or I ever thought of taking part in the public life of Canada. I had come to know his worth as the representative of a class that has recently been brought to our attention as "forgotten citi-

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zens." For many years before Senator Robertson came into public life I had known that he was first, last and all the time looking for an opportunity to better the condition of someone less fortunate than himself. I shall always take considerable pride in the fact that I was one of the deputation which pressed the claim that the views of labour could better be heard in this Chamber if its membership included a representative of labour.

I can recall many instances of the ability of Senator Robertson to perform what in my judgment no other single citizen could have performed under the same circumstances and in the same way. Let me give two brief illustrations.

In 1916 a strike was due to be called centering at Winnipeg and extending from the Atlantic to the Pacific. Both sides were at daggers drawn, and each was fearful of giving any advantage to the other by making any show whatever of giving way. One morning Senator Robertson arrived in Winnipeg, and, to put it shortly, within twenty-four hours he left that city with everything settled amicably and satisfactorily. No other man in Canada could have secured the confidence of those who represented labour at that time, under the conditions then prevailing, and I doubt whether any other man would have been able to meet the viewpoint of the other side to the dispute.

Again in 1918, in the months of July and August, we were in the throes of the World War, not knowing what each day might bring forth. Harmony and co-operation among the people of Canada were necessary. Senator Robertson undertook to make possible the creation of Canadian Railway Board of Adjustment No. 1. I remember travelling more than eight hundred miles to attend a meeting in Montreal, and the first thing I heard when I arrived was that what was proposed was impossible of accomplishment for this, that, or the other reason. But it was done within a very few days, and for the past fifteen years or more that Board has functioned from time to time, whenever trouble developed concerning six of the big standard organizations on the Canadian railways.

Probably more than any other member of this Chamber, I shall miss the courage, the counsel, the honesty of purpose of Senator Robertson. In conclusion may I say that in my humble judgment the code which governed the honourable gentleman throughout both his public and his private life is very happily expressed in the words of the philosopher who wrote:

I shall pass through this world but once. Any good therefore that I can do, or any kindness that I can show to my fellow creatures, let me do it now, let me not defer or neglect it, for I shall not pass this way again.

Hon. O. TURGEON (Translation): Honourable senators, I should not intervene in these magnificent tributes to our brethren whom death has taken from us since last session, for I cannot reach the high level attained by our honourable leaders in the expression of our sentiments with regard to our departed colleagues and their families.

But I cannot resist the impulse to make known to this generation and to posterity the qualities and virtues of that great Acadian patriot, Pascal Poirier, whom I have had a better opportunity of appreciating than others have had, because of our close and intimate relations extending over a period of about sixty years.

As is well known throughout Canada, our deceased colleague was endowed with great literary talent. From his early years in St. Joseph's College, now the University of St. Joseph, this talent was recognized and appreciated as a special gift. Great literary and philosophical institutions in France seemed eager to express their appreciation of it by honouring his literary and philosophical works with their highest awards. The French Academy and the Institut de France hastened, as it were, to study his works and proclaim to the world their real value by awarding them prizes and medals, and the Government of France appointed him Chevalier of the Legion of Honour. His principal works, "Father Lefebvre and Acadia," "The Origin of the Acadians," "The Acadians Deported to Boston in 1755," are certainly of great merit, and the reading of them reveals the philosophical as well as literary genius of their author. Each point of history is accompanied with reflections which touch the heart and arouse the spirit of the reader.

Senator Poirier was an Acadian by birth, and no Acadian loved his race more than he; no one regretted more the persecutions to which his ancestors were subjected in this land of America. Yet there has not been in Canada, nor even in the United Kingdom, a more sincere admirer of the high and noble British ideal of the last two centuries. To this fact I would draw the attention of all Canada. He was a true Acadian and also a true British-Canadian. He proved this in his history of Father Lefebvre. After having described the situation of the small number of Acadians remaining in 1767, despoiled of their goods and their homes, he says, on page

81: "But let us draw the curtain upon this most pitiful scene." He had pardoned all. "My purpose," said he in recalling the events of 1755, "is not at all to evoke the revolting memories associated with our disappearance as a people, and still less to arouse feelings of animosity towards our oppressors of those times. In spite of all, the Acadian race has preserved its religion and its faith." Then he continues: "Mr. Edouard Richard has proved that the Acadian deportation and the despoiling of the Acadians were done without the consent of the British Cabinet, and were the personal work of the governors of Halifax and their greedy henchmen. It is better that this is so," he adds, "and that we can without bitterness turn our eyes towards that august Crown under which we live."

His devotion to the British ideal I would recall as one of his great qualities. It was his constant desire to have that ideal better known not only by his compatriots, but also by the entire English-speaking population, by statesmen, and by the Sovereign.

It was with this object, it was to arouse the spirit of the Acadian race, that he undertook in 1915 to have an Acadian name placed on the list of honorary titles conferred by His Majesty the King—the name of Judge Pierre A. Landry, of New Brunswick, who had devoted his life to the advancement of the Acadian race; a jurist of great distinction, whose judgments still stand as precedents in the New Brunswick courts of justice. Senator Poirier had accomplished this task, but I had known nothing of it. One day I met him and he said: "Everything is arranged for the conferring on Judge Landry of the title 'Sir'; but Sir Robert Borden would like to have also your request, so that the petition to His Majesty may come from both political parties." "Certainly," I replied at once. Sir Robert Borden received me with his gracious smile and I added my signature to that of Pascal Poirier. Everything was indeed arranged. Three weeks later Judge Landry received his title, "Knight Grand Cross of the Order of St. Michael and St. George."

With all his other good qualities Senator Poirier had a generous heart. He was a Conservative, grateful to Sir John Macdonald and Senator John Costigan, who, in perfect accord, had had him appointed to the Senate at an early age. But he was not dominated by party spirit. He became also a great admirer and friend of Sir Wilfrid Laurier, who generously reciprocated his friendship and esteem.

On the 15th of February last, his birthday, I went to visit Senator Poirier in his room, close to mine, and to wish him many more

years of well-doing. "Well, Turgeon," he said, "throughout our lives we have never exchanged a sharp word." "Never," I replied.

I was hoping to have him beside me for many years to come—at least until he had completed his half-century in this honourable Chamber. But the decree of Providence is irrevocable.

Pascal Poirier is dead. His loss is deplored, I know, by every one of his colleagues in this honourable Chamber, and by all his friends. Yes, Pascal Poirier is dead. But his memory will be honoured in history and be cherished by many generations to come.

THE GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY

The Senate proceeded to the consideration of His Excellency the Governor General's Speech at the opening of the session.

Hon. HORATIO C. HOCKEN rose to move that an Address be presented to His Excellency the Governor General to offer the humble thanks of this House to His Excellency for the gracious Speech which he has been pleased to make to both Houses of Parliament.

He said: Honourable senators, the horizon is growing brighter as the weeks and the months pass. Therefore, I take it, the accuracy of His Excellency's statements regarding the improvement in conditions throughout the Dominion cannot be questioned.

We are slowly emerging from an unparalleled depression, and I am unable to find words adequately to express my admiration for the conduct of the Canadian people during this difficult period. With reduced incomes, they have succoured relatives, friends, and even strangers whose need was greater than their own. It is impossible to form an estimate of the extent of private benevolence, which has done so much to alleviate the distress occasioned by the enforced idleness of so large a proportion of our population. But it is known to the most casual observer that there has been a generous sharing of meagre resources with those who otherwise would have gone cold and hungry. In their private lives Canadians have shown a degree of consideration for the needy that is beyond the power of language to express. It must be plain to all thoughtful observers that in their public capacity—through the various forms of government—our citizens have gladly sanctioned expenditures of public money for purposes of relief to the very limit of their tax-paying power. The federal and provincial governments and the municipal councils have appropriated enormous sums to provide the

necessities of life for hundreds of thousands who without such aid would have suffered severely from want of food, clothing and fuel. It may fairly be said, therefore, that in their private and public capacities the people of our Dominion have met the unprecedented demands made upon them with a degree of generosity and sacrifice that is highly creditable to their sense of responsibility for the welfare of their less fortunate fellow-citizens.

In my opinion a tribute of respect and admiration is due to those who have been unemployed through this long, sorrowful period. They have resisted the appeals of revolutionaries who have urged them to take violent measures, measures that would wreck our institutions, in the vain hope of improving their social condition. Only those who have faced so black a future are able to appreciate the force of the temptations presented to them to destroy our social system, and to understand the full measure of restraint that they have imposed upon themselves to maintain peace and order.

In recognizing what all classes have done to win through these hard times, let us not overlook the patience and fortitude displayed by those who have, through no fault of their own, been deprived of opportunities to provide for themselves and their families. All honour to the men and women who have faced the humiliation of accepting relief, and with high courage patiently await the end of their trials.

That time seems to be drawing nigh. Conditions of labour are so much better that there is reason to hope we are on the way to complete recovery of industry, and a state of reasonable prosperity for all our people. This is being accomplished in Canada without the adoption of such adventurous policies as are being tried elsewhere. There is no plan that can restore prosperity overnight. Prosperity cannot be improvised. Slow, perhaps, but steady emergence from our valley of difficulty offers the best hope for the future comfort and happiness of the Canadian people.

The policy of Empire Preference adopted at the Ottawa Conference has done much to improve conditions in this country. But it has done more: it has brought us into closer touch with our fellow members of the Imperial family. And it has done even more: it has given the world a new idea. We are familiar with the policies of free trade and protection; at Ottawa was evolved the policy of reciprocal trade—of the self-governing Dominions trading one with another, on fair terms to each, for the advantage of all.

Hon. Mr. TURGEON.

It seems to me, honourable senators, that as we recover from our present situation we should resolve that never again, if it is within our power to prevent it, shall this Dominion be plunged into an industrial morass such as that from which we are now slowly extricating ourselves. There must surely be a way to prevent these recurring periods of depression, fraught with such grave danger to the stability of our institutions. Various plans are suggested—and elsewhere adopted—to create a new social order more equitable for the mass of our citizens. Communism is offered as a form of government superior to democracy as we have it throughout the British Empire. The dictatorship of the proletariat is a form of tyranny from which all freedom-loving Canadians revolt. Fascism is also offered as another cure-all for our social ills. This is pure autocracy, a return to the administrative principles of the Middle Ages. It took a thousand years of struggle to develop our democratic institutions, assuring personal liberty to the humblest citizen of the realm. Is the fruit of ten centuries of effort for human advancement to be discarded in favour of a reversion to the autocracy of the Middle Ages? Therefore I have no sympathy for Communism or Fascism. I believe our present democratic system, so slowly evolved, is best; but it is not perfect. In my opinion, however, it is capable of adjustments which are necessary in the interest of the whole people. Unless some regulations are made to preserve our present system, the existence of our free institutions will be threatened, if not destroyed, when the next period of depression arrives. A brief glance at the reforms that have taken place since the beginning of the industrial era in Great Britain should give us confidence in our ability to carry them still further, until conditions for all our people have become much better than they now are.

A revolutionary spirit has taken possession of the people all over the world. While Canada has been infected by this destructive virus less than other countries, there have been disturbing manifestations of it in the Dominion. Men holding responsible positions have boldly advocated the nationalization of industry, which to me has the aspect of pure Communism. To adopt such a policy would be to rob the Canadian people of the priceless possessions of individual initiative and personal liberty. Under our democratic system the most humbly born citizen can hopefully aspire to the highest places of leadership in industry, finance, politics, law or any of the other professions. The way is open to any young man or woman who is industrious, ambitious, and reasonably endowed with

intelligence and integrity. This advantage would be lost by the nationalization of industry, finance, medicine, and the other professions, which some advocate so glibly as "a new social order." Our youth would become mere numbers on the records of a bureau, with little or no prospect of advancement. Let it be assumed (which I do not admit) that the general level of subsistence would be raised somewhat: that in my opinion would not compensate for the loss of liberty and initiative that would result.

As to other forms of administration under dictators, the idea is repugnant to the democratic spirit. Above everything else we must preserve our liberties in every field of human activity, and have free scope for the development of the talents of all our people for the personal and communal welfare.

I note with satisfaction, honourable senators, that a monetary expert has been appointed to advise the Treasury department. His study of our financial situation should produce highly valuable results. And I think that the establishment of a Central Bank is a step in that direction which will meet with popular favour. But in my opinion that is not enough. I believe that an attempt should be made to reconstruct not merely our monetary system, but also our industrial system. If we are to have monetary experts, why should we not have industrial experts who would sit down patiently and study, not for a brief period, but from year to year, what improvements could be made with respect to unsatisfactory industrial conditions, and report to Parliament from time to time their recommendations for new fundamental laws?

I am firmly of the opinion that while our democratic methods are the best, there are modifications and readjustments to be made in our economic scheme that will inure to the advantage of all classes. There must surely be some way of harmonizing the interests of both capital and labour, and putting an end to the age-long industrial warfare that has been so injurious to both sides and so disastrous to the whole country. The labourer who works with his hands is worthy of his hire, and the man who works successfully with his brain is worthy of his reward. I am a friend of labour and of capital, but my rôle at the present time is principally that of an observant citizen, watching the progress of events and trying to see if there is not some way of improving conditions on one side and the other so as to put an end to the strife that has existed for so long. The objective should be to give to the labourer a wage sufficient to provide the basic comforts of life for himself and his family, together with

assurance of steady employment or subsistence, and to the brain worker rewards proportionate to the service he is able to render for the promotion of the general welfare.

I do not think this can be accomplished at one stroke. Present-day conditions represent a long evolutionary process extending over generations. We should adhere to that process, but accelerate it so that in a comparatively brief period of years we should reach a point which, without intelligent planning, might take several generations. As I see it, whatever regulations appear to be wise and necessary should be put into effect piece by piece, as rapidly as possible. While I have my own idea of what should be done, I am not so presumptuous as to attempt to offer a formula to bring about the changes that I have in mind. There must necessarily be concessions made by both capital and labour, that will be fair to both, in order to secure harmonious action. If that result could be achieved, almost any step would be warranted. To bring it about there will have to be much patient study by some sort of committee or commission, composed of the ablest, sanest, and most patriotic men and women to be found available for such an extremely important task. I venture to suggest, therefore, for the consideration of the Government and Parliament that the question I have here raised should be accorded a sympathetic reception with a view to exploring the whole area of industrial and economic reform and avoiding a repetition of our experiences of the past four years.

In my humble opinion the Department of Labour should be converted into a Department of Industry, charged with the enforcement of regulations affecting capital and labour, and designed to bring about a state of harmony between the two sides, and better living conditions for all. The importance of the duties that would be imposed upon the Minister would make it essential that he have a sympathetic understanding of all phases of industry. He should possess tact and knowledge in an unusual degree, and be able to take the long view of the ultimate aim, the securing of the heartfelt co-operation of both sides of industry so as to reach a condition that would produce contentment for the worker and a just reward for management, as well as for the investors who make our industrial enterprises possible. It will not do to ignore the lessons of the economic collapse, and neglect to make an earnest attempt to guard against a recurrence of the experiences of the past few

Hon. Mr. HOCKEN.

years. Men whose opinions are heard with respect say that we have entered upon a new era—that there must be a new deal.

In my opinion, if our democratic system is to survive, we must with courage and foresight evolve reforms in our economic system that will secure contentment for all the people of Canada.

Hon. G. A. FAUTEUX (Translation): In rising to second the Address in reply to the Speech from the Throne I feel the burden of the honour which has been conferred upon me, that of succeeding to the office hitherto filled with such dignity by a very eminent figure. It seemed that Time, which Honourable Senator Béique employed to the full in rendering service to his people and to society, would always deal gently with him, and had not lessened his energy and activity. Untiring at work, he so continued throughout the course of his long life. He was always punctual in attendance where his presence was required. The multitude of his duties and activities did not prevent him from giving himself wholeheartedly to each of them.

The austerity and uprightness of his life seemed, as it were, to have cast round him an air of unassuming greatness, which we had long respected, and to which the whole country has already paid a striking tribute.

A descendant of one of those valiant land-owning family heads, so numerous in the history of our province, and of whom it could be said, as Taine said of his remote forbears, that in their perseverance, their courage in protecting and cultivating the soil, their loyalty to God and country, they were glorious ancestors, Honourable Senator Béique exemplified the best traditions inherited from our race. Indeed it was that which made him one of the greatest Canadians of his time.

May I express to his family and to Madame Béique, who possesses in such a high degree the characteristics of the great French Canadian, lady, and whose valued co-operation gave to the family atmosphere the stamp of nobility and dignity, the profound sympathy of this Chamber and the assurance that the whole country regards the life of Senator Béique as a lesson and an example to follow.

Called to succeed him, and to take my responsible place in the affairs of the country, I am deeply sensible of my inadequacy. May I offer this excuse, honourable gentlemen, that I bring as my contribution to your work and deliberations the firmest convictions, a profound respect for our history, absolute confidence in the established order of things, and in the letter and spirit of our Constitution, an ardent faith in the great destiny of Canada.

What will the year 1934 bring forth? Mankind has begun it with a feeling of optimism and of manifest confidence, yet mingled with grave apprehension. The ruins left by the Great War still encumber, here and there, the surface of the earth, and momentous problems remain to be solved.

After the period of rejoicing which marked the end of the sanguinary nightmare, the peoples of the world began feverishly to search for a field of action. I have a very clear recollection of the enthusiasm with which the Imperial Conference of 1921 completed its labours. Production, work, peace efforts, such were the noble and reassuring appeals that resounded beneath the historic vaults of Westminster, to be broadcast throughout the world. That was practically the inception of the period of feverish activity, somewhat hesitant at first, but soon attaining a giddy pace. Work for all and mass production were to restore order, harmony and prosperity, banish for ever the causes of world friction, and usher in an era of new liberty for all peoples.

But a cloud still hung on the horizon, in that sky illumined with the fires of the new ideal. The source of the storms had not dried up. Full effect had not yet been given to that resolute and disinterested attempt to complete the restoration of the mass of ruins left us by that period which had just ended in bloodshed. The world had entered upon the path of unlimited production and the acquisition of wealth without having attempted to reorganize its governmental system or restore to political authority the prestige necessary for its effectiveness.

Our neighbours, favoured in more than one respect, the creditors of the universe, soon set themselves up as masters of the economic world, dictating the new law. Intensity of production, they urged, increases in salary, shortening of the hours of labour, facilities for the consumer, co-operation on a vast scale, must assure permanent prosperity. The first results were staggering, and the world was so convinced that it thought itself at the gates of the Promised Land. A famous economist, in a much heralded book, even asked, "Who will be the master, Europe or America?"

The inevitable happened to us: our resistance yielded to the constant fascination exercised upon us by our neighbours. Following their example, we embarked upon vast enterprises, breaking with our traditions of moderation and spending without counting the cost. Under the pretext of the rapid development of our natural resources we called upon our neighbours to aid us with their capital, and granted them large portions of our public domain, thus giving them the opportunity

which they had long sought of gaining a foothold on Canadian soil. And notwithstanding our endeavour to increase production, and our need to negotiate for new outlets in order to maintain it at the higher level, we placed ourselves in such a position that we were buying more from them than we could sell to them.

Our blind faith in the new gospel caused us to fall into the evil that wrought such havoc during the decade following the War: over-excitement and heedlessness. We did not stop to ask ourselves whether the magnitude of our enterprises was commensurate with the number and the real needs of our people, or whether they were not drawing imprudently upon our public and private capital and overburdening the future for an indefinite period. Such was our miscalculation in the economic field.

Have we been more farseeing from the strictly national point of view? One of the greatest statesmen has written that for the wise development of a country it is necessary to remind it unceasingly of the principles of its origin. I could not help feeling that in the throng, deeply impressed rather than curious, that surged outside and within these walls, following with interest the display of historic pomp and ceremony in the midst of which the sovereign authority came once more to entrust to the representatives of the people the duty of exercising their powers and giving effect to their wishes—I could not help feeling that in that throng vibrated the proud and lofty soul of Canada. I know well that we all, steadfast guardians of the Constitution and the rights of the people, love Canada in its distant past and in the present day; that we believe in its future greatness through its unity. But is it not necessary to remind the rising generations, as they move farther and farther from the sources of our national life, or to remind those who are eager for the return of great prosperity, that the fundamental idea of the Fathers of Confederation in guaranteeing to preserve intact the traditions of the two great races was to band the provinces of Canada together in an indissoluble whole, for the purpose of creating in the north of this continent an essentially Canadian mode of life? They desired, therefore, to endow Canada with a government system both flexible and firm, which should give full scope to all legitimate ambitions. To insure harmony between the races and contentment among the people was, they believed, to insure at the same time national unity and to avert the American peril.

Can we give to national unity its full meaning in the midst of the conflict of interests and tendencies? Its apparent fragility should be the strongest incentive of our actions.

Constant and disinterested search for a common ground of conciliation for the various interests will enable us to attain our objective. Our great leaders spent their lives strengthening the bonds of unity. Sir Wilfrid Laurier himself, who has remained great in the memory of the people, sacrificed for the sake of this unity certain theories that he had stoutly defended. Was it not for this highly patriotic reason that at the beginning of his regime he abandoned the idea of imposing on this country his policy of free trade? Was it not under the influence of the idea that had inspired the Fathers of Confederation, on which he had fashioned his own thought, that he decreed the construction of a new transcontinental railway to provide a further link between the East and the West of Canada?

But let us be careful. Utilitarian tendencies often triumph over principle and sentiment, and at times a cracking is heard in the national structure. Winnipeg has its eyes turned towards St. Paul and Chicago. And though trade between north and south at times offers alluring advantages, is it not our imperative duty to divert it into an east-and-west channel by equally favourable arrangements? Any negligence in this respect will be counted against us. Let us take care lest our commercial expansion should be effected at the expense of national unity.

An eminent observer of Canadian affairs, Siegfried, grasped the full significance of our political position from this point of view. Analyzing the two tendencies which divide opinion among us, he writes:

One would make Canada the customer of the United States for manufactured goods, and the United States' source of supply for natural products; the other would protect Canada against economic invasion from the United States and endeavour to develop a traffic from West to East, for export to Europe, independently of the United States.

And he adds:

Do not be deceived; in this matter it is really Canadian unity that is at stake.

While we were lulled into a false sense of security, an illusory feeling of satisfaction with an artificial prosperity, for which an easy-going policy was largely responsible, the world crisis took us by surprise and almost overwhelmed us. Day by day we felt bowed down beneath the weight of our obligations, and we recognized the improvidence of our undertakings. The task which thenceforth faced us was a gigantic one, requiring all our resources and energy.

The Government deemed it wise to withdraw to our old positions and give to the

country a strong conservative lead. That it committed minor errors in its quest for salutary measures is conceivable and possible. But it must be agreed that its effort has been proportionate to its task and that on the whole, both from the economic and the national points of view, its management has been sound and it has re-established the great Canadian tradition.

It has been said that the Government by its policy is ruining our trade; that we should adhere to the Council of the League of Nations and lower our tariff. The criticism is really not correct, since Canada has retained its rank as an exporting country. And then what is desired? Shall we allow our industries to perish in order that we may maintain our import figures? Where should we be then, and how should we pay for those imports and meet our foreign obligations? Apparently no attention is paid to the persistent fact that since the period of great production all countries have isolated themselves by a stern economic nationalism. Whether these countries have been represented at the League of Nations or not, none of them, so far as I know, have yet signified their intention of making concessions. Does it devolve upon a young exporting country, overorganized as regards production, to take the lead and be the first to enter upon the path of self-denial? Logic and self-interest require that it should seek markets for its goods in exchange for products which it can absorb. This object has been attained by skilful and determined efforts, and thus we have been enabled, notwithstanding the sarcasm provoked, to show a favourable trade balance, to meet our fixed charges, and to maintain an unshakeable credit throughout the world.

In spite of persistent and often childish criticism, the Government has not allowed itself to be diverted from its duty, but has done everything possible to sustain the energy of the people and stimulate their zeal and their confidence in the ultimate result. And the people, rightly impressed by this firm determination on the part of their leaders to overcome obstacles, have respected orders and gladly submitted to all sacrifices required by the circumstances, and at no time have they lacked loyalty to their country and to the authority they have chosen. And I would add, with great pride, that Canada's example in bravely meeting the greatest crisis of modern times, and the enlightened action of her Prime Minister, were important factors in the work of readjusting and restoring conditions throughout the Empire.

Hon. Mr. FAUTEUX.

The Government, in pursuance of its objects, again this year submits for our consideration a full programme of action. Conscious of our responsibility, we shall study carefully each of these measures, and if the occasion demands it, we shall in a proper spirit of independence take the initiative of suggesting to the Government or of adopting whatever we believe is in accordance with this country's best interests.

It is therefore in the firm conviction that these measures will help to ensure the happiness of the people and enable Canada to proceed more surely towards the attainment of her aims that I second the Address in reply to the Speech from the Throne.

On motion of Hon. Mr. Dandurand, the debate was adjourned.

The Senate adjourned until to-morrow at 3 p.m.

THE SENATE

Wednesday, January 31, 1934.

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

Prayers and routine proceedings.

SPEECH FROM THE THRONE

ADDRESS IN REPLY

The Senate resumed from yesterday consideration of His Excellency the Governor-General's speech at the opening of the session and the motion of Hon. Mr. Hocken for an Address in reply thereto.

Hon. RAOUL DANDURAND: Honourable members of the Senate, it is my pleasant duty to welcome to this Chamber not only the mover and the seconder of the Address, but all who were sworn as members of the Senate last week. I hope that they will be long with us and that we shall enjoy their company. To the mover and the seconder I can only say that they will soon realize—indeed, they must already have realized—that in this Chamber, as in the other, the East and the West meet, and that all sentiments, opinions and convictions, however deeply at variance they may be elsewhere, tend to be brought into harmony here.

The mover of the Address (Hon. Mr. Hocken) reminds me of what he stands for, and of the many differences and clashes in olden times between the provinces of Ontario and Quebec. How often have I not heard of the Orange Sentinel during the last fifty years! I recall the long mastery of Sir John

A. Macdonald in the federal arena, and his admirable strategy as he managed to retain the support of the Orange lodges in Ontario and the Ultramontane party in Quebec. Both had representatives in his Cabinet. The Catholic clergy had been frightened by the radical programme of 1854, in which was to be found, among many advanced ideas which have mostly been incorporated since in our statutes, the abolition of the tithe system. They did not foresee that they themselves would gradually abolish it by mutual agreement in the province of Quebec. I have often heard the tithe system in Quebec disparaged by people who did not know that it existed in Great Britain. The Catholic clergy apparently were less afraid of the enemy afar, the Orange Order, than of the enemy at home, the radical wing of the Liberal party.

We enjoyed in this House the company of Sir John A. Macdonald's Orange colleague, Sir Mackenzie Bowell, a Past Grand Master of the Orange Order, whom I used to call my Catholic leader, because of his Remedial Bill. I do not despair of one day bestowing the same title and blessing upon the honourable gentleman from Toronto (Hon. Mr. Hocken), for I am well aware of the rapidity with which we all mellow in the atmosphere of this Chamber. In these troublous times we are in search of light and are looking for betterment of present conditions. The honourable senator in his address has presented ideas of a constructive nature.

The seconder of the Address (Hon. Mr. Fauteux) has for a long time had my sympathy, because for many years he had to battle with the persistent waves of Liberalism in Quebec. But he possesses talents, courage and tenacity, and so he never faltered in the uphill fight he was waging. His record bespeaks his possession of strong convictions and character, and his appointment is a valuable acquisition to this Chamber.

I need not tell honourable members that economics are still engaging the attention of all thinking people throughout the world. But I am convinced that there is a graver problem than economics dominating world affairs just now, and perhaps affecting the economic situation to a large extent: I refer to the war cloud which overhangs Europe. Many writers and other students of world conditions say that we cannot return to normalcy until the threat of war is removed. I was happy to read just a few days before this session was convened the joint message in support of the League of Nations signed by the Right Hon. Mr. Bennett, the Right Hon. Mr. King and Mr. Woodsworth. In that

document I read the thought which I have just mentioned:

Without doubt world peace is menaced to-day as at no time since the close of the Great War.

This is the opinion of the present situation held by the three gentlemen who represent very many of our people.

The great concern of those who are interested in re-establishing normal conditions in Europe has been the paralysis of the Disarmament Conference and the withdrawal of Germany from that Conference. Why has Germany withdrawn? I have never hesitated to express the opinion that that country had withdrawn because the plan agreed upon by Great Britain, France and Italy was distasteful to her. The plan contained a principle which Germany would not accept—control. Germany shuns control because she wants a revision, if not complete abandonment, of the Treaty of Versailles, and she wants to retain the right to manoeuvre in such a way as to reach that goal by any means. It is natural that she should constantly strive to have the treaty revised, but it is quite alarming to think that she will not consent to armament control.

I was much pleased to find that the President of the United States, in his address at a meeting of the Woodrow Wilson Foundation on the 28th of December last, supported the views of Great Britain, France and Italy in favour of armament control. This means control of the armament, not of Germany alone, but of all the nations of Europe. Mr. Roosevelt said:

Let every nation agree to eliminate over a short period of years, by progressive steps, every weapon of offence in its possession, and to create no additional weapons of offence. This does not guarantee a nation against invasion unless you implement it with the right to fortify its own border with permanent and non-mobile defences; and also with the right to assure itself through international continuing inspection that the neighbours are not creating nor maintaining offensive weapons of war.

This is the kernel of the whole policy which Sir John Simon was about to propound at the meeting of the Disarmament Conference when Germany withdrew.

If I may make bold to cite myself, I may say that two years ago, in this Chamber, I propounded a plan of general armament control over Europe. It will be found in Senate Hansard of February 8, 1932. From it I extract but one paragraph:

If all the nations of Europe are acting in good faith, why should not the Council of the League be given the power to inspect and control not only 50 kilometres of German territory, but the territory of every country

Hon. Mr. DANDURAND.

on that continent? And, indeed, why should not that principle be extended to the whole world? If the countries have nothing to hide, why should they not open their frontiers to such an inspection?

I have felt that there could be no peace in Europe, that no one on that continent could sleep at ease, until some plan was devised by which each nation would know what was taking place on the other side of its frontier. The press and other publications did me the honour to reprint this speech in Geneva. There I found that the representatives of some of the member-nations did not take readily to the plan, but they have since adopted it.

However, no headway can be made in that direction, owing to Germany's refusal of yesterday and, I am quite sure, to-morrow, to accept the principle of control. In my opinion, a very simple solution of the difficulty would be the adhesion of the United States to the League of Nations. When the United States joined the Allies she proclaimed that she was waging war to end war; but she left her task unfinished. Having represented Canada at the League of Nations for a period of seven years, I deemed it my duty in January last to inform the President-elect, Mr. Roosevelt, of the situation at Geneva. I was received by him with great cordiality. I advised him that the League was often handicapped and at times helpless because of the absence of the United States from its councils, and that since the War Europe had been floundering through lack of leadership which the United States alone could furnish. The distracted peoples of Europe do not ask the United States to guarantee their security, but they do need her presence at the League, because of the moral influence which this would exert.

As we all know, the United States Senate was ready to sanction membership of the country in the League, with some reservations. President Woodrow Wilson refused to accept those reservations. Of course, one is always wiser after the event, but I venture to say that he should have accepted them. The League, I am sure, would have welcomed the United States to its councils on that basis. The present chaotic conditions in Europe are due to the absence of the United States from the deliberations of the League. True, by a separate treaty with Germany in August, 1921, the United States declared definitely that she was not assuming any obligation to preserve the boundaries of Germany. But Woodrow Wilson's fourteen points were generally acclaimed in the United States, and the thirteenth point covered the restoration of Poland, with access to the sea. That meant the Polish Corridor,

and when in August, 1921, the United States signed that treaty the Corridor was already in existence. No protest ever appeared from any quarter, high or low, in the United States, against the restoration of Poland or against the Polish Corridor. I see in the situation which exists between Poland and Germany a manifest moral responsibility on the part of the United States. The Corridor had been, is, and will be the crucial point in Europe in spite of any treaties that may be signed in the future.

President Roosevelt's answer appears in his address to the Woodrow Wilson Foundation, which I am sure most of my honourable colleagues have read. He stopped short of full co-operation. After criticizing the negotiators of the Versailles Treaty for their ambitious spirit and claims, he said:

Nevertheless, through the League directly, or through its guiding motives indirectly, the states of the world have groped forward to find something better than the old way of composing their differences.

The League has provided a machinery which serves for international discussion, and in very many practical instances it has helped labour and health and commerce and education, and last but not least, the actual settlement of many disputes, great and small, among nations great and small.

To-day the United States is co-operating more openly in the fuller utilization of the League of Nations machinery than ever before.

I believe that I express the views of my countrymen when I state that the old policies, alliances, combinations and balances of power have proved themselves inadequate for the preservation of world peace.

The League of Nations, encouraging as it does the extension of non-aggression pacts, of reduction of armament agreements, is a prop in the world peace structure.

We are not members, and we do not contemplate membership. We are giving co-operation to the League in every matter which is not primarily political, and in every matter which obviously represents the views and the good of the peoples of the world, as distinguished from the views and the good of political leaders, of privileged classes or of imperialistic aims.

Mr. Roosevelt recognizes the importance of the League and its usefulness in very many fields, especially in the maintenance of peace, but he goes no further than to give it his blessing from afar. Perhaps he is restrained. I have no doubt that he is restrained by an uninformed public opinion not as far advanced as his own view or that of the élite of the two great parties in the United States, respecting full co-operation.

Another war in Europe would cause the United States a rude and cruel awakening. I believe that the world is now too small for any country, the United States or any other, to adopt a position of splendid isolation. No

nation, much less a great nation, can ask the world, "Am I my brother's keeper?" Great Britain and France need nothing but peace. Great Britain with the co-operation of the United States can insure the peace of Europe. Will not our great neighbour to the south go one step further and throw its mighty influence into the balance to help save our threatened civilization?

Some Hon. SENATORS: Hear, hear.

Hon. Mr. DANDURAND: The Speech from the Throne outlines a number of problems to come before us for discussion during the present session, most of them arising out of the crisis which it is admitted on all sides still exists; and some suggestions are made towards ending that crisis.

There has been an improvement in some directions; we notice signs of it in the reports that come to us from large institutions. There is a ray of hope. We seem to have reached the bottom of the valley and are, we trust, beginning to ascend. But one aspect of the situation—and it is alluded to in the Speech from the Throne—is still quite unsatisfactory. It is said that the price levels of agricultural products are too low to ensure the success of our farmers. This I believe to be the crux of our problem. Until our farmers are able to produce profitably I cannot see how their purchasing power can increase, particularly when their lot seems to be aggravated by high tariffs.

When the value of farm products is low the cost of living should be low, and if the cost of living is lowered the price of industrial products also should be lowered. High tariffs militate against such an adjustment.

The United States, under the direction of the new administration, has made an effort to increase the prices of farm products in that country; but attention seems to have been given first to increasing the price of industrial products by raising wages and reducing the number of hours of labour, and while that process was taking place there was no rise in the prices of agricultural products. As we have all heard, a million or two million farmers threatened to rebel because their products had not risen in value when the prices of all they had to buy had been increased.

Canada's special problem is the overproduction of wheat. For the last four years economists have been at loggerheads as to the causes of the crisis. It has been hard to find two economists who would agree, some claiming that overproduction was the cause, others that it was underconsumption. I think

they are now about to be reconciled, and with a fair degree of unanimity have concluded that we have been suffering from general overproduction.

Addressing myself to the problem of the West, I find that the wheat acreage in the three Western Provinces in 1913 amounted to 9,895,000 acres; in 1919 to 17,500,000 acres. In the United States there were 48,000,000 acres under wheat in 1913, and 73,000,000 acres in 1919. Yet there was no increase in the total acreage of the world, by reason of the shortage in some of the warring countries. In spite of the increases in North America, the world equilibrium was still maintained in 1919.

In 1913 France produced 321,000,000 bushels of wheat. The production fell off, of course, during the War, but gradually worked up again to the same figure in 1921. After that year Europe forged rapidly ahead, France's production going up to 338,000,000 bushels in 1933. During the same period the production of Italy increased from 184,000,000 to 272,000,000 bushels; that of Germany from 131,000,000 to 192,000,000 bushels; Czechoslovakia's production increased from 38,000,000 to 66,000,000 bushels, and Sweden's from 8,000,000 to 29,000,000 bushels. In those countries alone there was an increase in 1933 of 215,000,000 bushels. And as they increased their production they were raising their tariffs.

While Europe was becoming self-sufficient, what was the situation in regard to our own wheat acreage between 1919 and 1933? In 1919 our acreage amounted to 17,500,000 acres; in 1926, to 21,800,000 acres; in 1928, to 23,159,000 acres; in 1932, to 26,395,000 acres. In 1933 there was a small decline to 25,177,000 acres.

Our carry-over in 1926 amounted to 36,000,000 bushels; in 1929 to 104,000,000 bushels; in 1932 to 131,000,000 bushels, and in 1933 to 212,000,000 bushels. The carry-over of the United States for 1929 amounted to 150,000,000 bushels; for 1930-31 to 200,000,000 bushels, and for 1932 to 360,000,000 bushels. With such an immense carry-over it is not surprising that prices went down.

Now, what was the situation in the East before we were faced with mass-production of wheat in the West? The regulation of prices in the eastern provinces, that is, Ontario, Quebec and the Maritime Provinces, was an individual problem; every farmer made his own readjustments, and his sole guide was the market. He carried on diversified farming. True, he had lean years, but during those years he lived off his farm.

Hon. Mr. DANDURAND.

The mass-production of the West presents a new problem. So far I have heard of no individual readjustment in the West—later on we may hear from representatives of the West on this question—and the State has been called upon to help. Can it help indefinitely? I doubt it. States in general, where there has been mass-production, have felt that an effort should be made to regulate. The London Wheat Agreement may offer a solution, though, I confess, it seems difficult to apply. The right honourable gentleman (Right Hon. Mr. Meighen) may tell us under what conditions this wheat limitation will take place—whether the farmers will be urged to contract their acreage voluntarily, or will be allowed a bonus, as is the case in the United States. In the United States 600,000 farmers have agreed to co-operate and are reducing the acreage by 8,000,000. This will represent a decrease in production of 100,000,000 bushels. It seems to me that the United States is moving in the direction of a permanent policy of control in order to prevent a recurrence of such a crisis as that through which we are passing. The question to my mind is: Can control replace the natural law of supply and demand? The near future will furnish the answer. If our Canadian farmers are asked to agree to reduce the acreage under crop by fifteen per cent, they naturally will ask the question, "What shall we produce instead that is marketable?"

This is, I recognize, a problem of great importance to the farmer. I suggest with due timidity—because I am sure, and I have heard it said before now, that the West is tired of taking advice from the East—that some part of that fifteen per cent of the present acreage which is to be withdrawn from wheat production should be used to provide for domestic needs. By putting questions to members of the Senate from the West I have been endeavouring to ascertain whether, when there is a failure in the wheat crop by reason of drought or from other causes, the Western farmer is self-sustaining and can live off his farm. We all know what takes place in the East. Every farmer grows corn, hay, vegetables, and keeps a cow or cows, hens, sheep and hogs. All I can do is compare the lots of our Eastern and Western farmers. Of course, as I have said, we have lean years in the East, but I have yet to learn that during such years the Eastern farmers have not been able to produce their three meals a day. I hear of crop failures in the West, and such news always strikes me as tragic. It is not so in the East.

Hon. Mr. McMEANS: May I tell the honourable gentleman that there never was a crop failure in the West?

Hon. Mr. CASGRAIN: Hear, hear.

Hon. Mr. DANDURAND: Well, there is a failure in crop prices.

Hon. Mr. McMEANS: There may be a crop failure in a certain district, but there never has been a crop failure in the entire West.

Hon. Mr. DANDURAND: If a failure in crop prices puts an end to the purchasing power of the Western farmers, then, of course, we in the East ask ourselves how they live. I should like to be able to feel that our Western farmers, come what may, can always be sure of their three meals daily. It was to help make such an assurance possible that a couple of sessions ago we passed an Act empowering corporations to subscribe for the securities of another corporation formed for the purpose of lending money to the farmers so as to enable them to develop diversified farming. The situation in the West is to my mind one of the most engrossing problems that we have to face, and the chief hopes for improvement that I can at present see are founded on a reduction of the wheat output, with a view to bringing about higher prices, and also on the beginning that has been made towards diversified farming, which when carried a little farther will enable the farmers to live off their farms.

A matter to which we devoted our attention for some time last session was the railway situation. I doubt that it has improved very much in the meantime. As a result of co-operation the two railways have succeeded in reducing some of their expenditures. I was somewhat surprised to find that the Board whose appointment seemed so urgently necessary a year ago was appointed only on the first of this month. On looking into the economies that have been realized by mutual agreement between the two companies I find they have resulted from a reduction in competition, and I venture to say that every saving that will take place in the future will be brought about by the same means. Yet there may still be life in the slogan, "Competition ever." I am not bowing the knee to that, although I recognize that competition is a remarkable thing when we can afford such a luxury. I think the motor truck and the auto bus will permanently furnish the competition that may be needed.

We have another very serious problem, which perhaps I should have mentioned before,

namely, that of unemployment. The policy of a return to the land is an excellent one, but I doubt that we can successfully transfer some tens of thousands of people from the towns and cities to the land. A large number of those people have grown up in the towns and cities and have been artisans all their lives. When I think of them and of the inevitably slow process of reabsorbing into industry those who are now unemployed, I feel more and more convinced that if our capitalistic system is to survive we shall have to establish a contributory unemployment insurance system to tide our people over periods of economic depression. I say that it is the duty of the thinking people of this country, of all those interested in industry and in other urban activities, to try to find a way to establish, with the co-operation of the provincial and federal governments, a contributory unemployment insurance scheme, in order that the present capitalistic system under which we live may be continued. For no system, however strong and solid it may be, can permanently endure if a large portion of the population is unable to make a living under it.

Right Hon. ARTHUR MEIGHEN: Honourable senators, it is because of long-trying custom, which I suppose makes it a matter of duty for me, that I am impelled to say something at this time, and not because of any firm conviction that I can add materially to the debate and the information of honourable members.

The honourable leader on the other side (Hon. Mr. Dandurand) dealt at some length in his address with the League of Nations, on which subject he above all of us is amply qualified to speak. In his comments thereon I find very little with which I could disagree. To the onlooker there is no question at all that when the then President of the United States advanced certain conditions precedent to the establishment of peace he committed his country and the honour of his country to the maintenance of the principles involved in those conditions and to their incorporation in the structure of the world. It does seem difficult to believe that a nation so committed should later quietly withdraw from the responsibility thus entailed, and seek to avoid the co-operation without which great questions of international moment never can be settled except by resort to war. We all have been in a measure disappointed with the effectiveness of the League of Nations, and we are all disposed, and I think rightly disposed, to attribute its degree of ineffectiveness to the

very unfortunate isolation of the United States. It must be remembered as well that Russia stands without, and that lately the great Republic of Germany has been added to the ranks of non-member nations. The effectiveness of the League, therefore, for the main objects of its existence is very seriously impaired. It can still carry on its subsidiary objects, though not so well as it could have done but for this impairment, but its great central and fundamental purpose it cannot fulfil and has failed to fulfil in serious crises in very recent times. We have not much difficulty in placing the responsibility for this failure, but that does not alter the result. I fear it must be admitted that the condition of the nations and the repose and security of humanity on this planet are improved very little, if any, as compared with what they were before the War.

Nor has anything happened to make us much more confident of the results of international conference as a means of establishing a better situation, a stronger foundation for peace, or even a stronger foundation for material prosperity than at present exists. Conference has followed conference, but the angles of viewpoint of the nations are different, distrust is rampant, suspicion grows with the years, and all these conditions are accentuated by certain disparities, inequalities and injustices in the Treaty of Versailles; so much so that one can understand the growing disposition of nations to seek first to remedy troubles at home, to try to establish some better status of society within their own domains, and then hope for the best. Such is the attitude of the United States, after the monumental failure, and that country perhaps more than any other is zealously adjusting itself to the task of trying to build up a new economy and greater happiness within its own boundaries.

The honourable senator (Hon. Mr. Dandurand) emphasizes the necessity for higher farm prices in Canada and deplors the present condition of the Canadian farmer. No one can pretend to be satisfied with the condition of agriculture in this country or in any country; likewise no one can pretend to be satisfied with the condition of the artisan and the unskilled worker; least of all can anyone be satisfied with the lot of those people throughout the industrial world, whose numbers aggregate not less than thirty millions, who stand beside the idle machines of the universe and are unable to find any work at all. It is indeed a most inexplicable situation in which the world finds itself. I am not one of those who think that things are still getting

Right Hon. Mr. MEIGHEN.

worse. On the contrary, I am confident that they are improving. I am further confident that here in Canada we have advanced probably more than any other country, with the possible exception of England. In comparison with other lands we cannot complain, but relative to where we ought to be, in view of our great basic wealth and our opportunities, our position is such that all we can do is hang our heads in shame.

The honourable senator does not compare the prices that the Canadian farmer pays or receives, when he buys or sells, with those existing in the country of our chief competitors. Such a comparison would show that the Canadian is better off. I believe the Canadian farmer has been very substantially helped by the trade agreements of 1932, especially in relation to the subject of hogs. Honourable members will recall I discussed this subject when we were considering the treaty, and I had very great hopes of the fruits of the treaty with respect thereto. Canada now has a tremendous lead in that field, and the Canadian farmer has reaped and is reaping substantial and gratifying benefits because the treaty was made. Some nine cents or a little more is paid the farmer in this country, as compared with less than half that just across the line. While one cannot be satisfied that things are wholly right, one can at least feel assured that this country has not been mismanaged, as compared with our great competitor. And what is true in that field is true in others, though to a less extent.

But we have at this hour a surplus of many things, if we can call a surplus something that cannot be disposed of at a profit. I do not know how under existing world economic conditions we are ever going to dispose at a profit of the large-scale modern power production of field and factory. While I think things are better and are going to continue to be better for a time—for how long it is beyond me to predict—and while I believe that the surge, now upwards, is a more or less universal surge which even the mistakes of government cannot thwart or turn back, nevertheless he must be a very hopeful man and possess a special heritage of optimism who can see a solution for the world's unemployment problem even in the returning prosperity that now surrounds us. The unemployed of the United States aggregated not long ago some twelve millions. They are somewhat fewer to-day, largely because of government enterprises that are being carried on with borrowed money, construction works under way that are either undertaken directly under the Government or financed with money supplied by the central power. But the naked

and unassailable truth, which only stupidity can prevent anyone from seeing, is that if the United States were to be brought back tomorrow to the peak production of 1929, a production which the world utterly failed to consume or to purchase, there would remain in that country no fewer than six and probably eight millions of unemployed, representing virtually one-quarter of its whole earning population. What is true there is true in other lands, but the enigma is greater and perhaps the lesson ought to be clearer when one looks upon the situation as a phenomenon of the United States. That is essentially an immensely wealthy country, the most self-contained country in the world. If it were a planet it would not need to trade with any other planet in order to multiply the wealth of man. It produces either all that mankind needs or effective substitutes therefor, and if it could devise a plan for putting to work those millions who are now unemployed it would be a happy land. When we see that country struggling in the throes of one of the most terrible depressions that any nation has ever had to face, when we see its people in such desperate straits that even the people of Old England are prosperous in comparison, we are forced to think that something further is needed than mere amendments to tariffs and the holding of international conferences, or the trying of other and somewhat archaic medicines that have been applied to the body politic in the past.

When a man could make his living, and a fairly good living unless nature interposed with drought or other calamity, though the only instrument of production was the individual without any assistance from the contrivances which in later years have been brought to bear, there was employment, with a living for all; but with the aid of those contrivances and the power engine behind them, the individual to-day is as great a factor in production as would have been certainly not less than a hundred, probably a thousand, men five hundred years ago. To-day a man ought to be able to make a living by reasonable toil and intelligent application of the gifts with which he is endowed—a living not only for himself but for a dozen, yes, for over a hundred of his fellow men. But such is the position we are in that many men are not able to take care of themselves, and while in the case of a great number of them this is attributable to their own lack of application and intelligent toil as compared with their fellows, nevertheless it is unfortunately the fact, and we have to admit it, that in respect of many it is not the fault of themselves at all. I have come in contact with these cases constantly, day in and day out,

hour by hour, and have seen the pitiable plight of young men of twenty, twenty-five and thirty years of age, who as yet have never known the joy of toil, and who walk from place to place vainly seeking something to do, the modern counterpart of the poor creature described by Burns, "seeking from his brother man the leave to toil."

This is the problem of the world to-day. Although in the interval of time that has been ours on earth we have witnessed more than any other generation that ever walked on this planet, I think the next generation will probably witness something more formidable, more tremendous, and, I hope, something more fruitful than anything we have seen.

The Speech from the Throne deals with those subjects of immediate concern to us at this time, subjects with which we must do the best we can. Canada can scarcely be the exemplar nation of the five-score nations which inhabit this globe. We have conditions peculiar to ourselves. We have to deal with those conditions, and we seek to do so with the best means at our disposal. While we do so, let us look with sympathy on the efforts of other countries to meet fundamentals and to overcome larger difficulties, which the ordinary treatment of the past certainly can never overcome.

I myself look with a great deal of sympathy on the efforts of the Government of the United States to surmount the troubles which have afflicted that country. I do not know that it makes much difference whether I do or not, but I cannot follow their methods all the way through. I do not believe we are ever going to borrow ourselves out of adversity and into prosperity. I do not believe we are ever going to distribute the plenty of the world by burning it up. I do not see anything of advantage to the struggling masses of the world in the tossing into the ocean of millions of oranges, or the burning up of a billion pounds of coffee, nor do I see that we are going to get better by rejoicing in the fact that we have a poor cotton crop or a poor wheat crop. But I do believe that industry as it is constituted to-day cannot operate under the old principle which we thought was eternal—free competition, the better surviving. I do believe there has to be a code in industry, and I think the Government of the United States is on sound ground when it seeks, with the sanction of law, to establish codes to supervise competition. While competition is a sound principle as applied among individuals, each with his own gifts and his own particular equipment for earning a living, yet when you

apply it to gigantic units of capital taking the form of machinery, and set them to compete, you only determine that each and probably all shall be destroyed. Without the supervision of codes of some sort—such, indeed, as have grown up in all countries—those industries will not survive; they will work for their own destruction, and the country will suffer with their death. In that respect I not only hope for success of the National Recovery Act of the Government of the United States, but I do think we have a right to look confidently for that success. I do believe as well that Canada, watching at close range, can learn much from the great experiment which its courageous President is now conducting upon the stage of his country.

As to the hours of labour, it is true you do not improve the lot of an employee by merely cutting down his hours. You may give him an easier time, but you do not help to feed his family. I understand that the objective of the Recovery Act is not only to give the employee shorter hours and fewer days, but to maintain and if possible increase his wage in order that more of the fruits of his toil may come to himself, and so, as expressed by the President, enhance the purchasing power of the worker and distribute the amount of labour that is left among those who stand ready to toil.

This residual labour is diminishing all the time. When the machine was merely an appliance for helping the individual to do his work easily, that machine did not displace the individual, it merely reduced his labour; but when it takes the form of an automatic monster driven by power it does not make the worker's job easy, it abolishes the job altogether. We have now the spectacle of tremendous appliances operating for the production of what the world needs, without a single man at work. This, of course, is a rather extreme example, but towards this end we are moving steadily. We have been moving in this direction more rapidly in the last ten years than ever before, and still more rapidly in the last four years, because depression always compels the application of that practice to industry. This is the goal we are driving towards, and the world's problem is to take care of those whose only means of living has been the work from which they are so displaced.

While I am not sure that this is very appropriate to the debate,—

Hon. Mr. CASGRAIN: It is.

Right Hon. Mr. MEIGHEN: —I feel grateful that so far there have been no

Right Hon. Mr. MEIGHEN.

serious attacks on the Speech from the Throne. I do not claim to be its parent, nor even its godparent, but I do feel the Government is honestly striving to meet conditions in Canada as best they can be met, and I think in that effort it is at least attaining as much success as, if not more than, is being attained by other governments in the world.

Hon. J. P. B. CASGRAIN: Well, if nobody is prepared to continue the debate I suppose I must step into the breach. Very often when the debate on the Address was about to collapse, it has been my lot to start something. I remember very well the late Sir James Lougheed used to tell me when things were quiet, "For God's sake, Casgrain, start something!" I am taken somewhat by surprise, for I expected the honourable gentlemen who preceded me would address the House at greater length, and that I should have had time to co-ordinate my notes and shorten my remarks. Once when Pascal had to write hurriedly to a correspondent he concluded his letter with this apology: "Pardon the length of this letter; I had no time to be brief." A similar apology may serve my purpose.

As one of the oldest members of this House, barring my respected leader—and he does not think I am very obedient to his rule—I wish at the outset to congratulate most heartily those honourable gentlemen who have just been admitted to this Chamber. Yesterday I remembered that I had been a member of this House for thirty-four years. In looking over some papers I found a very nice letter that had been written to me by that good old Conservative member, now sitting in the House of Commons, who was active there when many of the present members were children. I refer to the Honourable R. S. White—I beg your pardon, he is not yet so entitled, but he should have been many years ago—the member for Mount Royal. Not wishing to be indiscreet, I took the trouble to send him a copy of the letter and ask him if I might read it to the Senate for the benefit of the new members, for I have tried my very best to follow the good instructions which Mr. White then gave me. Honourable gentlemen will please mark the date:

Montreal, January 30, 1900.

My dear Casgrain:—

Permit me to congratulate you sincerely upon having gained what may almost be considered the blue ribbon of Canadian politics.

I read this especially for the edification of our younger members.

My own view has always been that a senatorship is one of the grand prizes, and specially

so when one wins it before the weight of years has destroyed energy and deadened ambition.

The Senate affords a great scope for useful work in public affairs and possesses this great advantage that one's independence is not hampered by clamorous constituents and the vacillation of the mob, while the tenure of office enables one to mature and enlarge his influence by steady degrees.

I heartily congratulate you on the honour you have won and trust you will have many years of life to enjoy it.

Sincerely yours,

R. S. White.

Now, honourable gentlemen, I think we should all try to discharge our duties according to those precepts. I may say that when granting me the permission I sought, Mr. White added:

I feel very proud that I could write such a good letter as that, and I feel more proud that you seem to have followed the instructions I gave you.

The mover of the Address (Hon. Mr. Hocken) is an old journalist and a veteran of the House of Commons, and certainly it was an easy task for him to undertake. I am sure that yesterday he did not show us his full gait, and I hope we shall hear from him very often. His name is well known in the province of Quebec. The honourable gentleman who seconded the Address (Hon. Mr. Fauteux) is also well known in my province. I admire him sincerely. I do not hesitate to say that in his first campaign he might really have carried the county of Two Mountains, but unfortunately the Supreme Court decided that his nomination papers were not in order, and our man, not very popular at that time, got in by acclamation. The honourable gentleman fought several other election campaigns with great courage at a time when the Conservative party was not popular in the province of Quebec. I do not know that it is now, but certainly it was not popular then. I consider both honourable gentlemen are decided acquisitions to this House.

Now, to come to the Speech from the Throne, my attention is arrested by the proposal to establish a Central Bank. Why a Central Bank? I know the right honourable leader of the House is one of the most astute men in Canada, and when the legislation is brought down I will take my hat off to him—as I often do—if he can then tell me one thing a Central Bank can do that our chartered banks cannot do. I submit that a Central Bank is not needed. More than that, I very much doubt the wisdom of taking such a step at this particular time, when, as he says, we are in a regular impasse. You know what Abraham Lincoln used to say: "Don't swap horses when you are crossing

a stream." We are in the very middle of the stream to-day, and we do not know whether we shall reach the other side. Undoubtedly this is the most inopportune time to establish a Central Bank. I may say there is not the slightest necessity for such a bank, for our chartered banks have demonstrated their stability and their worth during the past four years. We look to the south and find that more than five thousand of the banks there failed during the depression. Not one of our banks has closed its doors. Why? Because our laws are such that our banks are conducted in accordance with sound banking principles. Talking about banks, let me remind you that the province of Manitoba established a bank. They are a cheerful people in that Western country. Do you know what happened when that bank found itself in difficulty? The farmers of Manitoba had put up their good money, but the bank had no liquid assets. It had lent money too freely on real estate.

Hon. Mr. McMEANS: It was a savings bank.

Hon. Mr. CASGRAIN: Well, the farmers would have lost all their savings had it not been that the Government asked the Bankers' Association—representing those terrible bankers who will not lend money where there is no security—to go to the rescue of the distressed institution. As I say, the bank lent too much money on real estate.

Hon. Mr. McMEANS: This bank did not lend any money; it only took savings.

Hon. Mr. CASGRAIN: Then where did the fourteen millions go? The savings would have been lost if the Bankers' Association had not taken up the sum of \$14,000,000. At any rate, that is the amount that was mentioned by a man named Taylor, who was leader of the Opposition at that time. In any event, the bankers saved the situation.

Right Hon. Mr. MEIGHEN: Is not the honourable gentleman aware that the bankers refused to take the securities of the province in order to save the situation, and that someone else should get the credit for that?

Hon. Mr. CASGRAIN: I mentioned that it was at the instance of the Government.

Right Hon. Mr. MEIGHEN: What does the honourable gentleman mean by "at the instance"? What is the effect of it?

Hon. Mr. CASGRAIN: It was prepared to pay the shot if the others didn't pay.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. CASGRAIN: Think of the difference between a farmer in the wide open spaces of Alberta, say, and a farmer in the United States. Perhaps that Alberta farmer, with his wife, has come from Michigan and put his savings into a bank in this country. His wife says to him, "What position should we be in if we were in Michigan, where we used to live?" As you know, men who had money in the banks there could not draw it out. The banks kept it. I believe Mr. Roosevelt thought it would be well if those people got at least what they had deposited in the banks.

This proposed Central Bank is to have \$5,000,000 capital. It cannot go very far with that. A few men in Montreal could easily buy all the stock of the bank if it were going to be sold to the public. I think I saw that the leader of the Opposition in another place wanted the Government to put up the \$5,000,000. Well, the Government may do it. If it is wrong, the Government is sure to do it.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. CASGRAIN: Look at the radio situation. We used to get a clean-cut revenue from the licence fees paid by owners of radio receiving sets, and everything was going along nicely; various corporations owned the broadcasting stations, and radio was doing well. Everybody was satisfied, and there was nobody to find fault with. But the Government had to interfere with that.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. CASGRAIN: Why interfere with radio? What happened? Now we no longer get a revenue from the licence fees, because that money is all being used up by the Radio Commission, and in addition we have to put up more money. That is poor policy.

This bank is going to pay dividends of five per cent or six per cent, no more. Well, I do not know how it is going to pay dividends. They are not guaranteed. There is one thing out of which money will be made—if it happens. I hope it will not. The right of our banks to issue money is going to be taken away from them and only the Central Bank will have that right. What will be the effect of that? I know of a large estate in the city of Montreal which would be affected. In the will of the testator it was provided that certain shares of the Bank of Montreal should never be sold. Now, in view of the fact that the Bank of Montreal will no longer be able to issue notes, a suit is being started in the courts in order to secure permission to sell those shares. That is not very encouraging, is it—starting a lawsuit to break a will?

Hon. Mr. CASGRAIN.

The Commission which inquired into the banking situation was composed of five members. There was Lord Macmillan, a very fine gentleman. I exchanged some correspondence with him, in the course of which he wrote me a very polite letter of three and a half pages in his own hand. I have great respect for him. Then there was another gentleman who came here from the Old Country. For the moment I have forgotten his name. I went to the court-house in Montreal when the Commission was meeting, and to me it was just as plain as the nose on your face that both those men were set on a Central Bank. A brother of the honourable senator from Montarville (Hon. Mr. Beaubien) gave evidence. He was in favour of an exchange for money, and thought it necessary to have a Central Bank. I am told by good bankers, the biggest of them, that an exchange in Montreal would have no more chance of regulating the price of money than the Wheat Pool had when it defied creation and tried to swing the wheat prices of the world, although it controlled only five per cent of the world's production. The excuse given for the establishment of the Central Bank is that we are under the domination of New York. It is said that exchange is made, not in Montreal or in Canada, but in London or New York. There are bank directors listening to me now, and if I am wrong they can contradict me when I say that you can get all the exchange you want, and that the excuse given is a very poor one.

Honourable gentlemen may not be aware of the fact that if the right of issuing money is taken away from our banks half of their branches throughout the country, including the Northwest, will be closed, because the banks will not be able to supply those branches with the necessary money to carry on. I leave it to you, honourable gentlemen, what will happen if the branch bank in every second village is closed, and whether the people will bless or curse Mr. Brownlee, the fifth member of the Commission, who gave the casting vote. To cash a cheque those people will have to travel to the next village, or perhaps farther. If the banks lose the power to issue notes—

Hon. Mr. McMEANS: To what extent will it affect their profits?

Hon. Mr. CASGRAIN: I am not a banker, and therefore am unable to tell the honourable gentleman. I would if I could, but I cannot. The farmers instead of being better off will be worse off; they will have only half the number of banks that they used to have. The farmers may think it will be

a Utopia, that it will be an easy matter to borrow money from the Central Bank, and that they can borrow it for as long as they like; but this Central Bank, unfortunately, will not be a commercial bank.

Hon. Mr. McMEANS. The banks do not lend any money now.

Hon. Mr. CASGRAIN: They have lent enough.

Hon. Mr. POPE: The farmers cannot get any money anyhow; so what is the use of talking about that?

Hon. Mr. CASGRAIN: This bank is supposed to handle Dominion, and perhaps provincial, finances. Any of the banks would be very glad to handle the Dominion finances—the Bank of Montreal, the Royal Bank, the Bank of Commerce, or the Bank of Nova Scotia. There would be no trouble about that.

Then this bank is to have complete control of the gold reserve. I do not know what that means, but I suppose it means something.

The Commission of inquiry was composed of five members. There were Lord Macmillan and Sir Charles Addis, strangers to Canadian business, who favoured a Central Bank. Each of them was, as they say in Italian, a straniero. For an Italian to call a man by that name is the worst insult that he can offer him.

In addition to these two there was Sir Thomas White. He is a gentleman of parts, a wonderful man. He graduated from the university and became a lawyer; after that he was chief of the assessors of the city of Toronto, and later became General Manager of the National Trust Company. Prior to 1911 he had always been a Liberal. Then, in the famous election of that year, Sir Robert Borden, in forming his Government, looked all over this country for a man whom he could trust with the country's money. He looked in the Maritime Provinces, and found nobody.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. CASGRAIN: Then he came to Quebec, and there was nothing doing.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. CASGRAIN: Then he went to Manitoba, and the name of my old friend Bob Rogers was suggested, but Sir Robert said, "Oh, no, he won't do at all."

Some Hon. SENATORS: Oh, oh.

Hon. Mr. CASGRAIN: So he went on to Saskatchewan and Alberta, and over the mountains to British Columbia, and not a

single Conservative could be found who was thought fit for the job. Then Mr. Fleming—I think he was an uncle of Sir Thomas—said: "We have a smart young man here in Toronto. He is not on the right side of politics, but he will turn."

Some Hon. SENATORS: Oh, oh.

Hon. Mr. CASGRAIN: That is true. And Sir Thomas White came into the House, and he was quite a success, and a fine man. I think he is now Vice-President of the Bank of Commerce. He knows something about banking and finance, and is very highly educated. He told me himself that he had talked for hours with Sir Wilfrid Laurier on literature, fine arts and law.

Another member of the Commission was Mr. Beaudry Leman, who besides being a banker is an engineer. He got all his diplomas as an engineer in Belgium, came here and was elected mayor of Shawinigan Falls and built a railroad into the town. One day he said, "I will become a banker," and he became such a good banker that for two years he was President of the Canadian Bankers' Association.

Those two men, Sir Thomas White and Mr. Beaudry Leman, knew more about banking in Canada than the two strangers who came here. They were opposed to this Central Bank. So who had the casting vote? It was Mr. Brownlee. I do not know Mr. Brownlee; he may be a great banker, and he may have a bank deposit for all I know. However, he had the casting vote.

Some people say that if we have this Central Bank it will only be the tool of the Bank of England. I do not know about that. They say that it will probably be run by an English financier—that there is no one in this country smart enough to run it.

Just here I want to say a word about this importation of foreign talent. Another Government imported a gentleman by the name of Palmer to decide whether or not the famous Montreal terminal, for which \$50,000,000 had been voted, should be built. What happened? When Mr. Palmer came face to face with Sir Henry Thornton and saw the size of him he never touched one figure; he said, "Your plans are all right,"—and our money was wasted. Then they had to get Mr. Palmer to go to Port Nelson first, and then to Fort Churchill, to find out which was the better port. If they had looked in the Senate Hansard for the past twenty-five years they would have found out, for I had put on record navigators' reports and sea captains' reports, showing that there was a very miserable port at Fort

Churchill, and no port at all at Port Nelson. Think of the money that was paid to Mr. Palmer. When matters of sailing or marine transportation are being considered seafaring men should be consulted instead of engineers.

I do not know anything about banking; I am not a business man; so, with your permission, I will pass on to another subject, about which I think I know more, the St. Lawrence Waterway. I shall not take up much of your time on that subject, because I have spoken on it so often. The new members, however, may not have heard me.

First, a gentleman who seems to know a great deal about the United States, and who has a good many friends in spite of his Romish affiliations, the Hon. Alfred E. Smith, says that it will never pay; that no part of it will ever pay. And mind you, honourable gentlemen, he made that statement on the 31st of October, 1932, just a few days before an election, at a time when politicians are very wary and very careful of what they say. He says that it will be closed up many months of the year, but that the bonds will be running on for twelve months in the year. Then he instances the Erie Canal, which was completed in 1825, one hundred and nine years ago. It certainly did develop the State of New York, especially the northern part of it. But remember that before the Erie Canal was built the freight from Buffalo to New York was \$100 a ton, and \$3.33 for a bushel of wheat. Needless to say, not much wheat was carried to New York at that rate. But those days have gone, and to-day the Erie Canal is costing plenty of money, according to the Hon. Alfred E. Smith, who should know the facts, because he is an ex-Governor of the State of New York. He said that water transportation was now old-fashioned, and he wanted to know whether the people would like to go back to the old stage coaches.

Is it right to ship freight by a canal during seven months of the year and leave the railways and their equipment standing idle all that time? The railways have to pay twelve months' interest on their bonds every year, but to save a few dollars some people would cease to patronize the railways as soon as the summer comes around.

Hon. Mr. RAINVILLE: Will my honourable friend permit me to ask him a question? Does he know how much of the grain, for instance, is being carried each year by the railroads east of Fort William?

Hon. Mr. CASGRAIN: Yes. But I would take it as a favour if my honourable friend would let me finish, and then he can ask me

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all the questions he likes. I am having a hard enough time now.

Hon. Mr. RAINVILLE: I might say it is only 3 per cent.

Hon. Mr. CASGRAIN: I wish the honourable gentleman would not interrupt me. During the first fifty years there were tolls on the Erie Canal, and of course the canal paid its way. It did even better, and paid amortization and interest on the cost, from 1825 to 1875. By that time the railways, which had been constantly improving, were getting a lot of the business; so it was decided to abolish the tolls in an attempt to attract freight to the canal. Well, that plan did not succeed. There was no economic Santa Claus to pay the shot then; so the people of New York had to be taxed to keep an antiquated waterway in operation. The report to Governor Smith by Frederic Stuart Greene, who was Superintendent of Public Works of the State of New York, gave some interesting figures, and I should like my honourable friend to listen to them. He said that in 1925 the net cost to the taxpayers of New York was \$10,573,626 yearly. Every ton floated on the canal cost the State of New York \$4.51, while the cost of shipping the same distance by railroad was \$3.70. The State of New York would have saved money by paying the freight bills on the railways and closing up the canal.

Now let us come home. The Welland Canal cost, according to the figures given to me by the right honourable leader of the House, \$125,000,000, without interest during construction. It was begun in 1912, and in 1932 it was finished with a grand demonstration that cost something too. I have had an actuary do some figuring for me and he says the interest during the twenty years of construction would have amounted to \$50,000,000. Consequently the cost to this country of the Welland Canal, with interest during construction, was \$175,000,000. At four per cent that is exactly \$7,000,000 a year. Now, how many tons have been going through? The last report we have, which I think is for 1932, shows that the total tonnage both up and down was 7,000,000 tons. That works out at a dollar a ton, or three and one-third cents for each bushel of wheat.

It is strange that people will not understand things like that. The old Welland Canal was worked to only one-third of its capacity. That meant that all the business it did could have been handled in two and a half months of each year. However, that would not do. We had to discard it and build one nine times larger. What would honourable members think of the owner of a warehouse, say in Montreal, who had use for

only one-third of it, yet pulled it down and built one nine times bigger? Would his wife and children not be entitled to go to a court and ask to have him declared insane? Well, that is the kind of thing both our parties have been doing when in power.

Hon. Mr. BEAUBIEN: Will the honourable gentleman allow me to ask him a question? How much would the Welland Canal have carried if instead of being fourteen feet deep it had been completely obsolete with a depth of, say, eight, nine or ten feet? Would it have had any traffic at all?

Hon. Mr. CASGRAIN: I am very glad my honourable friend has brought that up. The Germans are great engineers, and if you go to Germany you will find that their big canals are about five or six feet deep, with locks a thousand feet long, and on their barges of shallow draft they manage to carry a large tonnage. I would refer my honourable friend to the speech I made on this very subject in the Senate in 1919. Starting during the War, in the year 1917, the German people decided to improve their country by building a number of canals, and they began twenty-nine of them that criss-crossed the country. There are four big rivers there, the Rhine, the Weser, the Oder and the Elbe. There are mountains intervening, but the German engineers built their canals up there, and they constructed large reservoirs for filling the locks. At the same time they are using every drop of water for electrical development purposes. My honourable friend would be well posted if he read that speech of mine.

The first estimate of the cost of the Welland Canal was placed at \$30,000,000; the second one was \$50,000,000; and the actual cost was \$175,000,000. That gives some idea of how costs exceed estimates. It is often said that the farmers would save from three to four cents—some people say even as much as twelve cents—a bushel on the shipment of their grain via the new seaway. Well, the Canada Steamships Lines, of which I am the oldest director, carried grain through last summer for less than three cents, and we had to take 1.4 cent off that for elevator transfer. So honourable members can see what was left for the ships. If this wonderful seaway is going to do business at all it will take every ton of freight from the railways. The people of Canada, through the Canadian National, own sixty per cent of the railway mileage in the country; so by building the seaway we should be abolishing the revenue of our own railways. Do honourable members think that would be a wise thing to do?

In conclusion, I may say quite definitely that hitherto I have always been opposed to this international waterway, but now I must confess I am somewhat in a quandary. After reading the almost incredible terms of the treaty, I asked myself whether I should be justified in continuing my opposition to it, seeing that under this treaty Uncle Sam actually obligates himself to the spending of hundreds of millions of his good dollars on works in Canadian territory, in which solely Canadian labour and materials are to be employed. When the United States spent money on the construction of the Panama Canal they took good care to acquire ownership of the whole territory in which those works were to be carried on. There is not a word in this treaty about acquiring any of Canada's territory. There may be a good reason for that. Uncle Sam may have figured out that Canada would be reluctant to enter into this bargain if cession of territory were a condition. Does he now nurse the idea that if he carries out American works here with his own money, the protection of those works may later entitle him to some kind of jurisdiction about which nothing need for the moment be said? I do not know what the explanation is, but I say frankly that I cannot understand why Uncle Sam is so ready to shovel dollars by the hundreds of millions into Canada, as is now proposed, if he is not planning to hold possession, in some way, of the works those dollars will represent. It is all very puzzling, and it brings to my mind the old saw, "Timeo Danaos et dona ferentes." I fear the Greeks when they come bearing gifts.

We hear about Canada's prosperity. Well, let us look back a bit, over the last fifty years. The Liberals were in power twenty-five years and the Conservatives for an equal period. During the Liberal regime there was great prosperity, with tax reduction and financial surpluses, but when the Conservatives were in power there were depressions and everything seemed to go wrong.

In 1888, forty-six years ago, I was making the cadastral surveys in the county of Compton, in the townships of Compton, Clifton and Whitton. These townships are each ten by ten miles, or one hundred square miles; so the three of them covered a territory of some three hundred square miles. That was ten years after the introduction of the National Policy, but the farms were deserted and the people were fleeing from the country. I witnessed the conditions with my own eyes. Our cadastral plans had to be accompanied by a book of reference, and in this book we were required to give the names of the owners of properties. Well, I would go to a farm

and find boards on the windows, padlocks on the doors, and the place entirely deserted. On the next farm there would be the same condition, and sometimes that would be true of three farms running. When I did come to a farm that was occupied I would ask where the other people had gone, and the answer was, "They have gone to the States." I would ask, "The family?" "Yes, the whole family." The Grand Trunk used to run excursion trains to take the people from the Eastern Townships. At that time we had an empty Northwest, and everything was in a very depressed state.

Well, Laurier came into power and the whole situation changed. The depression lifted and we had the golden era. C.P.R. stock that had been selling around 32 or 33 went up to over 240, so that a man who had \$100,000 worth of that stock when the Conservatives were in power became almost a millionaire during the Laurier regime. From 1901 to 1911 our population increased from five millions odd to seven millions odd, and the whole country was booming.

Then there was a change. The Borden Government came in, and was succeeded by the Meighen Government. Everything went down and we had all kinds of bad times. There was even a war thrown in. After that there was another change, with the King Government in power. Conditions improved again. Things did not go up quite so far as they did under Laurier, but we had real prosperity. If honourable members want to check the facts for themselves they can take a look back at quotations of C.P.R. stock, the manometer of Canada's prosperity. And when the Conservatives came in again there was another drop, not merely down a toboggan slide, but over a ski jump—so far down that even the C.P.R. is not able to pay dividends. I do not say that the Government is responsible for that. When Sir Wilfrid Laurier was in power people used to say to him, "Providence has done a lot to help you." He would reply: "Well, why should I quarrel with Providence? My opponents must be very wicked, since Providence will not help them in the same way."

I suppose that during the session we shall hear of the \$60,000,000 loan to the Canadian Pacific Railway, which I am told has been guaranteed. The Canadian Pacific must be in dire straits to need such a large loan guaranteed by the Government. We have a saying in French, "Qui endosse paie"—Who guarantees generally pays. This country has had experience of what happens in such cases. In 1914 we gave \$45,000,000 to the

Hon. Mr. CASGRAIN.

Mackenzie & Mann concern, and in 1917 took the whole thing over. Much as I admire the right honourable leader of this House, I think he had a fair share in making that bargain, and it was a bad bargain.

Right Hon. Mr. MEIGHEN: What bargain?

Hon. Mr. CASGRAIN: The giving of \$45,000,000 in 1914 for half the Mackenzie & Mann stock, and three years later having to take the whole thing over.

Right Hon. Mr. MEIGHEN: We did not give \$45,000,000 for the stock. The honourable gentleman must be in a trance.

Hon. Mr. CASGRAIN: In 1914.

Right Hon. Mr. MEIGHEN: No, no. This is what was done in 1914. The Canadian Northern, as it was then known, had its obligations, incurred by virtue of enabling powers given it by the Government that my honourable friend supported. Those obligations it could not discharge. The roads were partly constructed, some altogether constructed, but not finished, and the only way of completing the projected enterprise and not leaving it in a disjointed and truncated state that would be a joke, was to guarantee the bonds of the company for payment of its own debts, bring all the straggling entities into one whole, and put the bond issue on the whole. A number of separated and disjointed entities were united in a single system. But the money was simply to pay the debts incurred by virtue of the legislation, which my honourable friend supported.

Hon. Mr. CASGRAIN: It was \$45,000,000, was it not?

Right Hon. Mr. MEIGHEN: It was to guarantee the bonds of the company. The company paid its own debts.

Hon. Mr. CASGRAIN: But it was \$45,000,000 the country had to put up?

Right Hon. Mr. MEIGHEN: No, the country did not put it up. It was to guarantee the bonds. The guarantee still stands.

Hon. Mr. CASGRAIN: What did we pay for half the stock of the Canadian Northern?

Right Hon. Mr. MEIGHEN: Later on, under an arbitration, the country paid \$10,000,000 for all the stock of the system.

Hon. Mr. DANDURAND: And it was not worth a cent.

Hon. Mr. CASGRAIN: When I speak of \$45,000,000, I may say that my own party

was guilty, because there was a big Liberal majority. In 1917 we had to take up the whole thing.

But enough of the railway situation. Let me turn to this mighty Empire of ours. I am an ardent Imperialist. The British Empire as we know it to-day has been created almost during my lifetime. In 1856 what was the population of the Empire? There were only 23,000,000 people altogether in England and Scotland. The white population of this country, at most, was only about 2,500,000. How many white people were there in Australia and in those two magnificent islands of New Zealand? In South Africa, Great Britain had only the Cape of Good Hope. We all know what hold she had of India before the Mutiny. Yet look at the Empire to-day! South Africa is now a self-governing dominion, perhaps the richest part of God's earth. Since the War the Empire has grown by thousands and thousands of square miles.

Before the War two things were worrying the British Empire. England had abandoned the two-power naval standard, and the German navy was being steadily strengthened. When the War was over where was the German fleet? At eleven o'clock on a certain morning it was sunk in Scapa Flow. The German crews had been left on board. They opened the sea cocks, and every ship went down. If those warships had not been scuttled England might have had to distribute them among her Allies. So that source of inquietude was wiped out. There remained the German colonies of Tanganyika, comprising 386,000 square miles, bordering on Kenya and Uganda—beautiful territory, 4,000 feet above sea-level, comparable to the fertile plains of the Northwest. Every honourable gentleman knows what happened to those colonies.

We have good reason to be thankful for the improved condition of affairs in India. Lord Willingdon, who had come to us as Governor General after having been the King's representative in the Bombay presidency, was instrumental in bringing about this much-desired improvement. Having lived in India for several years, he was familiar with the Asiatic mentality. While at Rideau Hall he was asked about conditions in India, and he said he was amazed at the Viceroy having conversations with a man who was being held in gaol, because to the Asiatic mind where there is power there is no discussion. The minute you discuss questions with a Hindu he thinks you are afraid of him, and you lose all your authority. The British Government, knowing Lord Willingdon's peculiar fitness for the post, again appointed him, this time as Viceroy of India. To-day we hear nothing

about any political troubles in India. In this case no news is good news. Lord Willingdon realized this fundamental truth, that the respect of the people can only be obtained when those in power realize their one and only duty, namely, that the function of a government is to govern. That is the one thing that commands not only the respect, but the active loyalty of the people.

The most grandiose demonstration of the splendor of the Empire and of its universal power was given to the world by the radio last Christmas Day. London, after having transmitted its good wishes for a happy Yuletide to the provinces, to the snow-covered moors of Northern Scotland, the balmy shores of the South of England, and the rugged lands of Wales, called old Dublin, and offered its sincere Christmas greetings, which the Irish Capital heartily reciprocated. Then, following the diurnal course of the sun, Dublin called Bermuda, extending to this small but most interesting country the warmest good wishes of Ireland to the people of the coral isles. Bermuda, after thanking Dublin and returning the Christmas greetings, spoke to Ottawa, offering her greetings and saying that though she was small in area, her people were as great as any in their fidelity to our Sovereign. Ottawa responded, thanking Bermuda for her good wishes, and returning them most cordially. The Canadian Capital, not only in English, but also in French, assured the Empire that this northern clime was as warm in her affection for the King as Hamilton itself. Ottawa then called New Zealand, that earthly paradise. New Zealand called India, India called South Africa, and South Africa called back to London.

These greetings encircled the Empire, an Empire surpassing all the empires of history, an Empire greater than the great empires of Persia, Greece and Rome, the kingdoms of the Great Charlemagne, the empire of Charles V of Spain, of which it was first said that the sun never set upon it. And when, last Christmas, all parts of the British Empire had greeted each other, then a miracle happened. Each country of the Empire was called, as it were, into the royal presence, and to his countless people, in every clime, spoke the King and Emperor of the British Empire. That is a thing no king except King George V has ever done. And never before did that deep sense of loyalty and of unity which makes the Empire what it is—that family feeling of each for all and all for each—come home to each and every one of us as it did when our King spoke to us in our own homes with all the clearness that would prevail in the actual presence of His Majesty. In my home we all

stood at attention as we listened to the wise and welcome words of the King, exhorting us to our duties as Christians and as citizens of the Empire.

Honourable senators, we are witnessing in these hard days practical evidence of the value of our heritage as a part of the British Empire. But far beyond this in value is the sense that membership gives of pride and dignity and purpose, for we know we are a member of the greatest human family, one that has its place—and a high place it is—in working out the destiny of mankind.

The King, with that royal modesty which characterizes His Majesty, finished like a father who on such a day gives his benediction to all his children: he said, "God bless you all!" Then the National Anthem was heard, and every one who had listened to His Majesty's last words stood with head reverently bowed, and offered, in silence, a sincere and fervent prayer to the Almighty: "God save our King and long may he reign over us."

Hon. F. B. BLACK: Honourable senators, before I ask the consent of the House to the adjournment of the debate, I desire to pay my tribute to the ability of the honourable gentleman who has just sat down (Hon. Mr. Casgrain). I know of no way of taking a world cruise more comfortably than by listening to my honourable friend. He has a fund of information which is exceedingly valuable to this House. I purpose to comment on some of his statements, but with the consent of honourable members I should prefer to do so to-morrow.

On motion of Hon. Mr. Black, the debate was adjourned.

The Senate adjourned until to-morrow at 3 p.m.

THE SENATE

Thursday, February 1, 1934.

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

Prayers and routine proceedings.

THE GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY

The Senate resumed from yesterday consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Hocken for an Address in reply thereto.

Hon. Mr. CASGRAIN.

Hon. F. B. BLACK: Honourable senators, I desire to join with the leaders on both sides of this House, and with others who have taken part in this debate, in congratulating the mover and the seconder of the Address. I also wish to express my welcome to all the senators who have recently been appointed to this Chamber.

With reference to the speech by the honourable member from De Lanaudière (Hon. Mr. Casgrain), as I said yesterday afternoon, it is always a pleasure to listen to his discourses. He takes us over a very wide territory, and if his remarks are not always on the subject under discussion they are at least exceedingly interesting.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. BLACK: I followed with a good deal of interest the remarks by the honourable leader on the other side (Hon. Mr. Dandurand), particularly with reference to the League of Nations, and for the first time in my life I am going to say a few words on that subject. I have always been sympathetic with the aims of the League. I have listened to a considerable number of addresses made here on this question, but I have never felt that the League as at present constituted was going to do for the world what the enthusiasts of that organization felt it might do. That it has done good I have no doubt. For instance, it has undoubtedly accomplished something with respect to the traffic in injurious drugs and the white slave traffic. The League is a board of consultation in which the representatives of the nations which still adhere to it meet from time to time to exchange views; but it always did seem to me, and I feel this more strongly now than ever, that so long as the League had behind it no concrete force it could do but little in the matter of preventing wars. Since the Great War there have been more than twenty separate and distinct armed conflicts, exclusive of those that have taken place in China, in which country there have been almost an equal number.

There seems to be nothing in the constitution of the League which can keep nations as members when it suits their convenience to drop out. What has happened? Not long after the League was founded a number of South American nations resigned as members, possibly either because they did not want to pay the yearly dues or because they desired to be free to keep up their ordinary run of little fights down there. This latter reason was not a serious thing, because so far back as my recollection goes wars have been the

order of the day in South America. While the outbreaks never became of great importance to the world at large, they perhaps acted as a safety valve for the exuberant feelings of the nations concerned. Japan, which aims to be one of the leading nations, and certainly the leading nation of the Pacific, adhered to the League and was quite agreeable that the League should function so long as it kept everyone else from fighting; but as soon as Japan desired to fight on her own account, as soon as she thought it expedient to acquire a bit of territory from her next-door neighbour, she withdrew from the League and landed an army in Manchuria, on Chinese territory, and she is there now as a sovereign power. A similar thing happened with regard to Germany. That country left the League because she was not allowed to arm to the same extent as were other European nations. So it seems that as soon as any of the powers consider that some advantage is to be gained by withdrawal from the League, they withdraw. The sad part about the organization is that it has no means to retain members against their will.

I agree with the statement by the honourable leader opposite (Hon. Mr. Dandurand) that had our great neighbour to the south continued in that course in which it might reasonably have been expected to continue after the Great War, present conditions might be entirely different. In my opinion, if the United States and Great Britain were working in co-operation they would have enough moral influence, together with their military and naval forces, to keep the rest of the world in order. But the United States, for reasons of her own, which reasons we cannot criticize, did not see fit to join the League.

Now, I do not think that because of its failure, if it is a failure, the League should be abandoned; but for many years I have had the feeling that a much more effective League might be formed, one which would have far greater influence towards maintaining world peace than the League of Nations has, as it is presently constituted, and that would be a league of the whole British Empire and the United States of America.

Hon. Mr. CASGRAIN: Hear, hear.

Hon. Mr. BLACK: I am, of course, expressing merely my own opinion. Now, Great Britain, the principal country of our Empire group, is not a European country solely. She is on her own island, separated from the continent, and has more interests in Asia, America and India than in Europe; and she is in every sense of the word a world nation—indeed the only world nation of to-day.

Then the United States is a self-contained nation, occupying nearly one-half of the great continent of North America. She has a population of 110 to 125 millions, and within her own borders she has resources of almost every kind that could possibly be required. On one side the Atlantic and on the other side the Pacific separate her from the embroglios that take place in Europe and in Asia. A league formed of that country, with her great financial and numerical strength, and the British Empire, would be able to ensure the maintenance of world peace. The combined air, sea and land forces would be so powerful that such a league would be able to say to the world, "If any country starts a war which it cannot justify, we will interfere and see to it that such country shall suffer." In such circumstances we should have a safeguard which it seems to me we have not at the present time.

I would very gladly include France in a league of that kind but that I feel it would not be politic or advisable to do so, because France is a European nation and has enemies confronting her on three sides, and it would be almost impossible for French statesmen and the ordinary French citizen to see eye to eye with the people of the United States and the British Empire on many questions.

I submit for the consideration of my honourable friend opposite (Hon. Mr. Dandurand)—I am sure he has it in mind already—that such a union would constitute a peace organization very much more effective than anything we have had up to the present time. Let it not be supposed that I am antagonistic to the League of Nations. All strength to its arm! But it has not much arm. I think the League is still capable of a great deal of useful work in international affairs, and I wish it every success.

My honourable friend from De Lanaudière (Hon. Mr. Casgrain) devoted a considerable part of his address yesterday to the proposed Central Bank and the St. Lawrence Waterway Treaty. I do not intend to discuss the treaty in detail until it is before us for consideration. I shall also defer any extended reference to the recommendation for a Central Bank set forth in the Macmillan Commission's report until the Bill is before this House.

With regard to the St. Lawrence Waterway Treaty, however, I share my honourable friend's grave doubts as to the advisability of developing the St. Lawrence along the lines proposed. In the first place, a very great expenditure of money would be required to complete the project, and while it is all very well to be reminded that Canada will be credited for her expenditure on the New

Welland Canal and on other portions of the waterway, so that our actual expenditure is to be only about \$50,000,000 in new money, I would remind the House that our experience of the difference between estimated and actual expenditures on railways and other undertakings leaves little doubt that the actual expenditure on the St. Lawrence Waterway would be many times \$50,000,000. To-day Canada is carrying a tremendous burden of public debt and I do not think we can afford to undertake any such expenditure unless the increased revenue to be derived from the traffic to be developed will be sufficient to take care of the added liability.

I do not for one moment believe that ocean liners will make Toronto, or North Bay, or any port on the Great Lakes, a terminal point. In the last twenty years steamship owners have cut down the running time of their boats to ten days and less. Is it reasonable to suppose that they would accept cargoes for delivery at inland ports and thus lengthen the voyage by six, eight or ten days, unless the shipping system of the world were very much changed from what it has been for the past fifty years? I doubt very much the advisability of opening up the great St. Lawrence Waterway—for many hundreds of miles a Canadian river—to a foreign power, and saying, "You shall have the very same rights in this river as we have to-day."

Hon. Mr. HUGHES: Have they not those rights now?

Hon. Mr. BLACK: No. The United States under treaty have certain rights on the St. Lawrence river.

Hon. Mr. CASGRAIN: Easements.

Hon. Mr. BLACK: That treaty can be abrogated at any time. But do you suppose that if we entered into the proposed treaty it could ever be abrogated? That would be utterly impossible. By the terms of the proposed treaty they would be joint owners of the St. Lawrence from its mouth to its source.

Honourable members will recall that in the past we have entered into several agreements with our neighbours to the south with respect to waterways. They have never carried out those agreements in the spirit in which we understood them. I am aware that there are reasons for their failure to do so, but they are not reasons which satisfy the Canadian mind. Let me instance the Erie Canal. Many honourable members know more about the construction of that canal than I do, for they live alongside a part of its course. One of the terms of the Erie Canal agreement was

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that Canadian barges and other boats should have free use of the canal. How long was that agreement observed? I am told that after the first year the State of New York said: "This is a State waterway entirely, and we do not propose to be governed in this respect by the federal authorities. We do not intend to have Canadian barges carrying grain through our canal." As a result our boats were not permitted the free use of the canal.

Hon. Mr. CASGRAIN: May I say that at Whitehall the Americans actually stopped Canadian boats that were going down the Richelieu canal, and they had to unload there.

Hon. Mr. BLACK: That confirms what I have been saying. Then there is the diversion of water from the Great Lakes by the Chicago Drainage Canal. Year in and year out we have heard in this and in the other House that the level of the Great Lakes was being lowered because of the excessive diversion of water. From time to time our Government protested against the diversion. Finally the case was referred to the Supreme Court of the United States and after a lapse of three years the court rendered a decision in our favour. But the diversion still goes on. The State of Illinois laughs at Washington, and Washington laughs at Ottawa. I might mention other unfortunate instances, but I will not trespass further on the patience of the House. I think I have said sufficient to justify my opinion that after these unfortunate experiences it would be unwise to enter into a treaty which would give a foreign power further rights in the St. Lawrence river.

It is stressed by many people that after all improved navigation is not the paramount object in view; that far more important would be the development of electric power in conjunction with the deepening and widening of the waterway. Well, I agree with that. I agree also that there would be enormous quantities of electric power developed by this scheme. I know too, and so does every man within the sound of my voice, as does every intelligent, thinking man in Canada, that we have in this country to-day as much water-power developed as we can use at the present time, and that in certain parts there is more than we can utilize in ten or twenty years, or possibly in three decades. That being so, should we, at a cost of many millions of dollars, develop a quantity of water-power which we obviously cannot use, and which therefore will bring no revenue into this country? If we cannot sell that power to industrial concerns on our own side of the waterway, what will be the result? Obviously there will be a demand on the part of the

larger population to the south of us for some of our water-power.

Then there will be two things to consider. It will be difficult for the Government of this country—any Government of this country—to say to our neighbours to the south, “We cannot let you have so many hundred thousand of horse-power”—even though it would bring in five or ten or twelve or fifteen cents, or whatever may be the rate per unit—“because we shall want that power in the future.” The fact is that just as soon as our Government—or I will say we, who are pressed for funds in order to meet the interest on our debt, receive a reasonable offer for power, we are apt to sell it. That power can be sold on a five, ten or twenty year contract, and our friends to the south, taking that power in a ten-year contract, would establish plants on the American side. Towns invariably spring up around such plants, and at the end of ten years there would be probably ten or fifteen towns, each with one hundred thousand or two hundred thousand inhabitants. I ask you, at the end of the ten years would our neighbours to the south willingly consent to the cancellation of those power contracts, the abandonment of those towns and the closing of those factories? I say they would not. This is another reason why I have very grave doubts at the present time as to the advisability of developing the St. Lawrence Waterway in the interest of the people of Canada.

Hon. Mr. CASGRAIN: Hear, hear.

Hon. Mr. BLACK: My honourable friend opposite (Hon. Mr. Casgrain) said that he was opposed to the establishment of a Central Bank. He made some statements with which I cannot agree. In the first place he said, “If we establish a Central Bank in Canada fifty per cent of all the branch banks in the country will be closed.” I cannot accede to that statement. I see no reason for it, do not believe it for a moment, and have never heard anyone give any figures to justify it. The honourable gentleman paid a great tribute to our banks, and intimated that they were almost perfect; in fact, I think he said they were perfect. I yield to no man in my admiration of the banking system that we have in Canada. It is a splendid system and has served the interests of Canada through periods of stress in a most remarkable manner. Nevertheless, a bank, like any other business concern, is essentially and primarily designed and established for the benefit of the shareholders, in order to make money for the people who have invested in that institution; and quite properly so. I want to say further that the banks in Canada were not always in

the sound position which they occupy to-day. They have not always served the people of Canada as well as they are serving them to-day. Why has the situation changed? It is because this Parliament from time to time has put safeguards around the banks, and at every revision of the Bank Act, which was first passed in 1871, has increased those safeguards, so that our banks stand to-day in an enviable position and have been a great blessing to this country, and consequently to the whole British Empire. It is only fair to call attention to some of these things, because we must not let ourselves be misled into thinking that our banking system has been made perfect by the banks themselves. That is not so.

In this connection may I call attention to one or two points? Some of the banks in Canada were established before Confederation. If my memory serves me aright, the first two were the Bank of Montreal and the Bank of New Brunswick. I think they were both established in 1822. The third was the Bank of Nova Scotia, chartered by the province of Nova Scotia in 1831. The charter of the Bank of Montreal is almost a replica of that of the Bank of New York, which was founded when New York was a British possession, its charter being very similar to those of the Scotch banks. Since that time the charters of our banks have followed similar lines.

The double liability clause appeared in the Act by which the Bank of Nova Scotia was established. I do not think it appeared in the Acts establishing the Bank of Montreal and the Bank of New Brunswick. That clause was incorporated into the Bank Act of Canada in 1871.

In the first revision of the Bank Act, which was made in 1880, Parliament enacted a provision that bank notes were to be made a prior lien on the assets of the banks. That was a very wise provision, because previously the notes had nothing behind them but the money that the banks might have in their vaults.

May I interject here that that is one of the two great points that have made the Canadian banks so much more stable and so much safer for the investor than the banks in the republic to the south of us. In the United States the banks have not in many instances been real banks at all; they have been a combination of loan companies, insurance companies, land companies and banks, and whichever business was the most profitable was the business they engaged in. That was the reason why for a few days we saw an average

of four hundred bank failures a day in the country to the south of us. Those banks, acting as loan companies, took mortgages on real estate, and the assets that should have been available to them were not available when needed. When farm properties and properties in towns, cities and villages became unsalable those banks had no liquid assets and were compelled to close their doors. Furthermore, in the United States each State has the right to incorporate banks, and many of the banks operating in that country are working under the charter of the individual State. There is no co-ordination, nor any central control. Unfortunately for our friends to the south, banking has been a go-as-you-please sort of business, and the banks have fallen like ninepins. We have been very fortunate in our banking system, in having it under the control of the Dominion Government ever since Confederation. Uniform laws and regulations throughout the country have been the saving feature of that system.

In the first revision of the Bank Act, as I have said, Parliament provided that bank notes were to be a prior lien on the assets of the banks. In addition it was provided that forty per cent of the cash reserves of every bank doing business in Canada should be invested in Dominion notes.

The second revision was in 1890. In the meantime there had been a number of bank failures. In that year Parliament created the bank circulation redemption fund and required the banks to deposit with the Minister of Finance five per cent of their average yearly note circulation, and more if the Government thought necessary. If the liquidators of a bank that had failed did not have enough money available to redeem the bank's notes from the two sources provided in 1880, the notes were to be redeemed out of this fund.

There were more bank failures before the next revision of the Act took place in 1900, in which year the Canadian Bankers' Association was incorporated. There had been a Bankers' Association formed three years before, if my memory is correct, but, while it no doubt did some good, it was only a consulting body, without a constitution recognized by the Government. It was very much like the League of Nations in that it could not enforce anything. Parliament provided for control by a curator over a suspended or bankrupt bank pending appointment of a liquidator. The Government had the right to appoint a man as liquidator, and it was given the power to maintain closer supervision over the issue and distribution of bank notes. I will not go into the details, because it is a long

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story, and it is enough to say here that all these matters were made subject to the Treasury Board.

Up to that time a considerable number of banks had failed. In the first twenty-three years after Confederation ten banks failed and nine withdrew from business or were absorbed by other banks. Each bank failure apparently impressed upon the legislators of the time that the interests of the people who did business with our banks were not properly safeguarded and that there was much that the Government could do to improve the situation.

Then, in 1913, came the establishment of a central gold reserve, four trustees being empowered to receive from the banks deposits of gold or Dominion notes, against which the banks might issue an equal amount of their own notes. That was a very significant change. After that amendment banks could issue notes only in proportion to the amount of gold reserve or Dominion notes which they had deposited here with the Minister of Finance.

In 1923 section 88 of the Bank Act, which we all have heard discussed in this House and elsewhere, was enacted. While it has been strongly criticized by many people, it seems to be a necessary section. Our banks have never been allowed to lend money on mortgages or real estate of any kind, and if the business of the country was to be conducted on a larger scale in the future than it had been in the past, it was necessary to make it possible for large organizations to borrow money on their available assets. Briefly, section 88 empowers a bank to make such loans, and that is all it does: a bank can take a prior lien on the stock in trade and the available assets of a large corporation and lend money on that security. When a bank makes such a loan it has a prior lien on the assets just in so far as it has advanced money against that collateral. The section might militate to some extent against the interests of people to whom money was owed by a bank that failed, but this disadvantage was more than offset by the increased facilities for business which were given to all parts of Canada.

I will not deal further with this question, because many honourable members present know far more about it than I do. But I want to say to my honourable friend (Hon. Mr. Casgrain) that, contrary to what he seems to think, the banks are not infallible. They are private institutions, working for their own interests, as they ought to do, and at the same time they are serving the public, as any good business in Canada should. Our banks

have been safeguarded by enactments of Parliament, and it is because of those enactments that the banks have so successfully weathered the various financial storms through which they have passed.

My honourable friend opposite said also that a Central Bank was of no use in Canada and apparently never would be of use. If he had said that a Central Bank might not be opportune at the present time, I probably would not have taken issue with him, at least until I knew more about the question. I want to keep an open mind for the time being. When the matter comes before a committee I shall want to hear the reasons why it is claimed we should have a Central Bank just now, and the reasons, if there are any, why it is contended that the establishment of a Central Bank should be postponed. But I am convinced that in the very near future Canada would be better off with a Central Bank. I can see many things that such an organization could and doubtless would do to improve the financial situation in this country. The only reason, it seems to me, that can be advanced for delaying the creation of a Central Bank is that in these times of stress the banks may not be able to estimate to what extent they would be affected by such an institution, and until they were able to form an opinion they might restrict credit.

I have read the Macmillan Report as carefully as I could, and I think it is a very excellent piece of work. While I do not agree with all that is said therein, I think that it contains much that will be of great benefit to Canada. I have made a number of extracts, in my own words, of what I think the report points out as among the things that a Central Bank could do for this country. In the first place it states that there is in Canada an absence of any single banking authority which, while linked by its activities with national finance and commerce, is nevertheless detached by its constitution and the nature of its administration from the ordinary pursuits of commercial banking. In other words, the Commission suggests that a Central Bank would be over and above the ordinary influences of persons and companies who wish to borrow money, or to do any other business with a bank, and it would be able to act with a view to the welfare of the general financial situation all over the country. Whether this would become true would, of course, depend largely upon the constitution and management of the Central Bank.

Then it is contended that a Central Bank would be able to regulate the volume of credit and currency. I will concede that this

could be done to a certain extent, but to a certain extent only. It could not regulate the whole volume of credit, because if it did so it would become the only bank in Canada. In other words, it would become an autocratic institution, which is something this country has no use for. But undoubtedly a Central Bank, in co-operation with the banks already established, could do a great deal in regulating credit. It would be the balance wheel and enable our whole banking machinery to operate more satisfactorily than it can at present.

The honourable gentleman opposite (Hon. Mr. Casgrain) stated that after the establishment of a Central Bank the other banks would not be permitted to issue notes. That is in accordance with the recommendations, and undoubtedly if a Central Bank is created the issue of paper currency will be turned over to it. I quite appreciate that this change would result in a considerable loss of revenue to our existing banks, and for that I am sorry. But, as I said before, these banks are business institutions, like any other corporations. Governments have appointed boards to exercise certain control over electrical development companies, telegraph and telephone companies, and so on, to prevent them from doing things detrimental to the public welfare and to ensure that too large a percentage of earnings is not diverted to dividends. In most instances the companies are not allowed to pay a larger dividend than eight per cent on the original value of their stock. Well, all these concerns are of just as much importance to the life of this country as the banks are, because if we have no industry we can have no banks. Why should banks not be regulated by an overlord—if I may use that expression—in the same way that other business corporations are? A further consideration is that a Central Bank would need some source of revenue, because we do not want to have to tax the people to pay for it. I am sure all honourable members will agree our people are taxed heavily enough now. It seems to me that one of the principal sources of revenue of the Central Bank would be found in the issue of paper currency, and I think this was in the mind of the commissioners.

Hon. Mr. LYNCH-STAUTON: Should we not be indirectly taxing the banks if we deprived them of this source of revenue?

Hon. Mr. BLACK: One source of revenue would be taken from them, for the benefit of the people of Canada. I do not think there could be any objection to that.

Hon. Mr. LYNCH-STAUTON: But it would be a tax on the banks just the same.

Hon. Mr. BLACK: I know that the banks do make some money on the circulation of their own bills. It is quite proper that they should do so. Further, they get considerable advertisement in this way, because the bills are circulated throughout the country with the names of the issuing banks on them. The issue of notes is profitable to the banks for another reason. Most people some time or other lose a bank note or two. Perhaps my honourable friend has lighted his pipe with one. People do that sort of thing sometimes. In any event, a certain percentage of these bank notes is lost. Suppose a house takes fire and some bank notes are burned. The owner of the house loses the money and the bank that issued the notes is the gainer.

Hon. Mr. McMEANS: How much do the banks make on their notes?

Hon. Mr. BLACK: My honourable friend will have to ask the banks about that. I am very sympathetic towards the banks, because they have performed a valuable service in this country, but it seems to me that any loss of revenue the banks would suffer because of the issue of notes by a Central Bank would not in itself be a sufficient reason for us to decide not to have a Central Bank, if such an institution can operate to the benefit of our country in the way that it is expected to do.

Referring further to the Macmillan Report, I find that another reason given for the establishment of a Central Bank is that it would be endowed with the primary responsibility of maintaining the external stability of the country's currency. Well, that is a big order. We are the fifth trading country in the world to-day, and undoubtedly we shall climb higher, but it is pretty difficult to imagine a country with only ten and a half million people being able to do much through a Central Bank towards the regulation of world currency. Undoubtedly, however, such a central organization could do much towards stabilizing our own currency.

The report further states that the Central Bank would be able to furnish the Government of the day with impartial advice on matters of financial policy. One of the reasons advanced for a similar institution in Australia was that a Central Bank would be able to advise the Federal Government on financial conditions, not only throughout the country, but all over the world. The reports of the Imperial Conference show that strong recommendations were made in favour of the establishment of a Central Bank in

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every Dominion, and this ability to furnish the Government with impartial advice was stressed as one of the most important advantages that would accrue.

Furthermore, the report claims that the Central Bank would act as a stabilizer in matters of foreign exchange and also in domestic exchange. It may be said that these are the same thing, but they are not. When exchange in the United States was 20 to 25 per cent against us there was no real reason at all for such a high rate. Our dollar was then worth only 75 cents in the United States, yet we had just the same amount of gold then as we had when our money was at par with the American dollar, or when our money was at a premium of 2 or 2½ per cent. Also, we had the same population as before, the same type of people, a type that has proved itself equal to any in the world. We had all our vast resources, fertile farms, magnificent forests, mines of untold wealth, and our great fisheries. The high rate of exchange against us was due simply to psychology plus manipulation on the New York Exchange. It is true that we had large obligations in the United States and were required to send over big sums in payment of interest on borrowings by our Dominion and provincial governments and large industrial institutions, and the manipulators of Wall Street took advantage of that situation to build up the exchange against us much higher than I believe it should have gone. I think a Central Bank could do a great deal towards preventing a situation of that kind.

Reading between the lines in the Macmillan Report, I have formed the opinion that a Central Bank might be able to look after other exchange conditions. If I had wanted to buy a bill of exchange on New York this morning I should have had to pay one and seven-sixteenths per cent, but if I had some New York funds that I wanted to bring in here I could get only three-sixteenths per cent. These figures were given to me this morning. Every bank is entitled to a reasonable commission, but I maintain that the people of Canada who have to pay their bills in New York have had to pay too high a rate of commission. One-sixteenth of one per cent on a large transaction ranging from \$100,000 up to \$1,000,000 is an ample rate; for smaller sums a rate of one-quarter of one per cent is sufficient. We know the money is not actually transferred on the particular day of the transaction, but that later on, through the clearing-house, balances are adjusted between one bank and another. In this connection a Central Bank should have

some regulatory powers which could be exercised without any real injury to the banks.

The report states that a Central Bank will create a similarity of banking customs throughout the various parts of the Empire. In Great Britain the Bank of England is the Central Bank. Australia has established a Central Bank. The respective states now forming the Commonwealth had established state banks, and the banking system was in a more or less chaotic condition. It was realized that without a Central Bank it would be impossible for the Federal Government to exercise any control. I am told that the Central Bank is working well and has been of great benefit to the Commonwealth. South Africa has established a Central Bank. New Zealand has a Bill before its Parliament to establish a Central Bank. With all the other component parts of the Empire in this position it is obvious that we need a similar institution. It is intended that the Central Bank to be established shall take care of exchange and the stabilization of currency between this country and the other self-governing dominions.

This Central Bank will enable us to pay for our purchases and receive payment for our sales abroad, instead of having to transact this business through New York. To-day nearly all our bills are paid by drafts on New York. This involves the payment of a very large sum of money annually in commissions to the banking houses of New York alone. When the figures are laid on the table honourable members will, I am sure, be surprised to see what it costs this country to pay its foreign bills and to receive payment for its exports.

I have ventured to deal with this subject somewhat fully because it seemed to me that my honourable friend from De Lanaudière (Hon. Mr. Casgrain) was creating a wrong impression as to the relative functions of our chartered banks and the proposed Central Bank.

With respect to his glowing tribute to the British Empire, I am in full accord with everything he said.

Before my honourable friend resumed his seat last night he amused me by his reference to Providence. For my part, I have never felt that Providence had very much to do with politics. I have always thought that in the political field we are left pretty much to our own devices. My honourable friend instanced the prosperity of this country under the Laurier regime. He said that every time Sir Wilfrid Laurier was in power Canadian Pacific stock soared, and that it reached

a high mark of 240. As a matter of fact, it really went to a peak of 267½. I should be very sorry to gauge our national prosperity by stock market quotations. I should think the late illustrious leader of the Liberal party would have resented being given credit for the inflation of the Canadian Pacific or any other stock, or being held responsible for the vast amount of money that this inflation has cost the citizens of Canada and foreign investors. Canadian Pacific stock was never worth 265 or anything like it. The only value of a stock is in the return it pays on the investment, plus its future potentialities. To show the fallacy of my honourable friend's argument, I may say that the highest dividend the stock ever paid on the old valuation was \$10 a share. When, a few years ago, the stock was split into four it paid three per cent. Does anybody suppose that three per cent was an adequate return on an investment subject to government regulation and to market fluctuations and changes in traffic conditions? Certainly not. No person should invest, except for speculation, in an industrial stock that does not pay at least six per cent, and even at that he is taking a very long chance. My honourable friend's argument in this respect is as fallacious as many other arguments advanced on behalf of the party which he so loyally supported. We seldom talk politics in this Chamber, but I could not refrain from drawing attention to what I consider a most absurd argument.

I am glad to be able to agree with what has been said in another place, that prosperity is slowly coming back. Undoubtedly it would be most unfortunate for Canada and for the world generally that we should jump back immediately into prosperity, for if we did, in all probability we should jump immediately out of it into the slough of another depression. A slow, gradual, general recovery is what is needed to put this country on its feet.

Let me give some of the evidences of returning prosperity. The wealth of a country is derived from four sources only: the soil, the forests, the mines and the sea. Everything else is built up on those four basic sources of wealth. I have always felt that the financial set-up of our country and the usage of the world for generations past have tended to deprive the primary producers of the true results of their toil. The farmer who by the sweat of his brow produces a crop, be it wheat, hay, potatoes or anything else, is entitled to the first fruits—the cream. Not only does the farmer not get a fair share of the wealth he produces, but other primary producers are similarly unfortunate. The lumbermen who work in the woods, the logger,

the teamster, the axeman, the river driver—they all get small pay. True, the lumber industry, like the farm industry, during the past few years has been holding on by its teeth. But those who do this productive work do not get for their labour a return that is adequate even in these hard times. The fisherman is in the same plight. Both on the Atlantic and the Pacific coast he faces the hazards of stormy seas by day and by night, and he gets a mere pittance for his labour. I do think that until world economy changes and the primary producer gets a fair share of the wealth he produces we shall never have peace; instead, we shall have Bolshevism, Socialism, Communism and every other ism. I hope that eventually the pressure exerted by all those who feel that the under dog is not getting a fair show will bring about such a peaceful revolution as will ensure to every man an adequate reward for the work he does. That, however, can only come about by a change of spirit in man. Until that change is brought about, certainly the millennium will never be realized, and the people in this or any other land will never be satisfied.

As I have already stated, there is no doubt that we are already on the upward path of recovery. I was very much pleased to see in *The Journal* this morning this dispatch from Calgary:

An extra \$1,000,000 a week is flowing into the pocket of Canada's farmers after three lean years in the live stock industry. John Burns, Alberta cattle breeder, and Managing Director of Burns & Company, packers, said to-day, "The increased revenue is coming from the sale of hogs."

The price of wheat, the great crop upon which Canada very largely depends for her prosperity, is not high, but it is improving. The price of beef unfortunately is very low. Cattle men in the West and in the Maritimes have had a losing proposition for some years. I have a lot of beef cattle on hand at the present time. We have continued in business in the hope that by our example we might keep the beef industry alive until the return of better times. In past years we have made money in this industry, and I have no doubt that we shall again make profits in the years to come. Hay is another farm product showing an upturn in price. Last year in the Maritime Provinces pressed hay was selling at \$3 a ton—a loss to the farmer; but this year loose hay has been selling very freely at \$6 and \$7 a ton. This price does not mean a profit to the farmer, but at least he can get out of it a living wage for himself and his help. In Prince Edward Island and New Brunswick potato growing is a very important industry. Prices have

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dropped to a very low point, and those farmers who unfortunately put their whole acreage in potatoes are in very serious financial straits. During the past two years they have not made enough to pay for their fertilizers. Prices are not quite as bad as last year, but they have not yet reached a paying basis.

May I read an extract from a letter I have received from our Saint John office to-day?

Business conditions generally here seem to be vastly improved. I have been told this morning that every dock in Saint John harbour, including the new wharves recently completed, is now in use. I notice C.P.R. car loadings are up forty per cent, and that the C.N.R. are doing equally well.

That is excellent news.

Another good indication of business conditions is the telephone business. I have been interested in the business all my life. For the past three years we have steadily lost ground, our subscribers in New Brunswick dropping off at the rate of two or three thousand a year, so that the number of telephones in use in the province has shrunk eighteen and a half per cent of the total. Our long distance calls went down, down, down. We began to see a little improvement in November; in December we stopped losing ground; in January we had an increase of nearly fourteen per cent in long distance calls, which is a clear indication of increased business activity in the whole territory. I know of no better index of general business than the use of the long distance wires. This improvement pleased me very much, not only from a personal standpoint, but from the standpoint of business conditions generally.

Another indication of returning prosperity is the improved price of lumber. I think there can be no question that this is directly due to the Empire trade pacts. It is only fair to give a Government credit when credit is due—and it is due in this case. In the Maritime Provinces the price of lumber is not on what might be called a paying basis; it about covers the cost of operation and stumpage; but, even so, it is an improvement on the prices that had been prevailing for a number of years past. In British Columbia lumber prices are better than they have been for many years, and the quantity shipped is greater than ever before. The same thing applies to Quebec, Nova Scotia and New Brunswick, though not to so great an extent. There is not as much long lumber being manufactured there as fifteen or twenty years ago, but a great deal more is being manufactured to-day than there was last year or the year before. In addition, the old cut has been cleaned up, and this year there is an

active demand, at a moderate price, for all that is being produced. While we may not have again reached the peak, there are indications that we are really making progress, and I think we can congratulate ourselves upon having weathered the storm as well as, or perhaps better than, any other country in the world.

In conclusion let me say this. This country, like every other, has passed through a period of stress, but we have passed through it with less serious loss, perhaps, and with fewer heart-breaks, than many other countries. Undoubtedly that is due in part to the soundness of our financial institutions, particularly the banks, and I want to give them great credit for it; but it is due also, and in greater measure, to the fact that we have had in this country—and I do not say this from a party standpoint—a Government that has not been led away by false ideas, but has kept its hands steadily on the helm of the ship of state and guided it successfully through the whirlpools and past the rocks which have almost wrecked many other countries.

Hon. GEORGE LYNCH-STAUNTON: Honourable senators, I shall not entertain or bore you for long, for I read in the Ottawa Journal this morning that nobody reads political speeches. That is a broad statement. I can assure you that I read political speeches with great diligence, particularly when I have delivered them myself.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. LYNCH-STAUNTON: Inasmuch as what I have to say will not be reported, I feel that I should not waste my fragrance on the desert air; so I shall be very brief in the remarks that I have to make.

The subject of how we are going to resurrect humanity, how we are going to change conditions in this world artificially, instead of allowing them to improve naturally, in the same way as they have been going downward, is exciting the attention of a vast number of people. I have read with great interest all the arguments that have come under my eye in relation to the gold standard, the silver standard, and all the other standards that have been held up before our faces since 1927. Those arguments may be very clear and convincing, but on the science of economics I have never yet read one article which has registered in my mind. This fact has induced a tremendous respect on my part for political economists. When I have finished reading these profound arguments that I do not understand I always feel like Bunthorne:

If that deep young man is too deep for me,
What an exceedingly deep young man that
deep young man must be!

—and I leave it at that. The only real conclusion I have reached is that it is a case of the blind leading the blind; that it is beyond the capacity of puny man to right the affairs of the world; that he is no more able to control the affairs of the world than he is to govern the weather. He can talk about these things, and he does talk about them, but that is the end of it all. We can see that man's intelligence and man's ability are strictly limited. We have had numberless comings out of the river of the lean kine, ever since the beginning of history, and we shall continue to have them as long as history is made. The world must recover of itself, and it will.

Some people are opposed to public ownership because they think that business is carried on better, more economically and more beneficially for the world under private ownership. I am, I confess, opposed to public ownership, but not because I believe business is carried on better by private interests, for I am quite sure it is not. I have seen men who had the control of great corporations and great business enterprises fail just as often as governments have failed; I have seen them commit just as many extravagances and give just as many exhibitions of bad judgment as governments. My reason for objecting to public ownership is that I do not think any government has any right to make all the people responsible for its actions. Take the operation of the Canadian National Railways. The people have to carry the burden. They should never have had to do that, and with my last breath I shall say that I did my country the scurviest trick I ever did it, when I voted in favour of our taking over the railways. No business lasts forever; some day it comes a cropper. We should let the chances be taken by private citizens, not the public, who have no control.

Now let me tell you in a few words all I know about the Central Bank. I agree with the honourable gentleman to my left (Hon. Mr. Black). He has said everything that I would have said about exchange, with one exception. I asked a banker friend of mine one day if he could explain what exchange was. "Yes," he said, "I can, quite clearly." "What is it?" I asked. "Well," he said, "I know that it is invariably against me. That is all there is about it." My honourable friend said that exchange in Canada varied day after day while conditions remained the same, and that this variation was brought about by "rigging" in Wall Street. I believe he is quite right.

Once, many years ago, I had a delightful interview with a very distinguished representative of Barclay's Bank. I said, "The centre

of finance has changed to New York." This was a feeler on my part. He looked at me and smiled. I said, "Do you agree?" "I do not," he said. "Well," I said, "everybody says so." To this he replied, "Ah! But it has not, and it never will." When I asked why, he said: "Because the Americans do not understand exchange. There are none except perhaps the Dutch and English who understand exchange, and if people do not understand exchange they cannot control the finances of the world." I think the gyrations of the American financiers since then bring home the truth of what that gentleman said.

General Johnson said the other day, and he put it in writing, that America would never succeed until financial America became of the same character as—I will not use the word he did—as financial England. He said, "The Bank of England has existed for two hundred years, and there never was a scandal in it." You know, it is not merely knowledge, but character that brings success. I do not know anything about finance from my own experience, but I do know that I would rather trust the experience and judgment of the English financial world than any other. I regard the financiers of America as being still in their apprenticeship, and I would rather look to England for financial, commercial, or any other material advice than to any other country in the world. I am quite sure that the right honourable the Prime Minister consulted the great authorities in England before he launched the Banking Commission, for he so announced before the Commission reported; and I feel confident that he is acting upon the mature judgment of the great English authorities on finance; therefore I believe that the best remedy for our troubles is the one which must have been recommended to the Prime Minister in England, namely, a Central Bank.

Now I want to say a few words about the St. Lawrence Waterway. I think that the Waterway Treaty should be brought before this House now for academic discussion, and that we should have every possible opportunity to discuss it before it comes up for final consideration in Parliament. We must remember that this treaty is being made for all time—until this world withers; that it is meant to bind not only us, but all generations of Canadians. I believe, therefore, that every word in it should be subjected to the most searching examination and criticism that we can give it. I have been considering this treaty somewhat, but have not brought a copy of it with me, as I did not intend to speak about it, and did not think it would come up during this debate. I want to point

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out two things which make me doubtful about the treaty, and which are at all events arguable. Of course, my conclusions may be entirely wrong.

The first matter I wish to speak of is this. There was a discussion somewhere in the United States as to the right of the American people under this treaty to divert or draw off the water of the St. Lawrence river for power or other purposes. A letter was written by Mr. Stimson to Mr. Herridge. I have not the letter here; so I shall speak of it only in a general way. Mr. Stimson said: "Such and such a construction has been put upon a certain clause of the treaty. I understand it to mean so and so. What do you understand it to mean?" To this Mr. Herridge replied. Now, I say that no such discussion should have taken place. Once the treaty is before us, why should either Government give an opinion as to its meaning? Yet the American Government puts an interpretation on it and asks the Canadian Government if it agrees that that is what the treaty means. This shows that the interpretation of the treaty is uncertain and must be construed by an outside letter. The Americans will be satisfied, because Mr. Herridge accepts that statement as to the meaning of the treaty. Fifty years from now a question may arise and the treaty may be interpreted not by its own wording, but by the construction placed upon it by those two gentlemen. I say that such an expression of opinion is most unwise. If there is any doubt about what the treaty means, let it be amended.

Hon. Mr. DANDURAND: In the debate in the American Senate has there been any reference to the exchange of letters between Mr. Stimson and Mr. Herridge, which the honourable gentleman mentions?

Hon. Mr. LYNCH-STANTON: Not that I know of. I saw the copies of the letters, that is all. Mr. Herridge and Mr. Stimson may be absolutely correct in their interpretation, but some day it may be to the interest of someone to dispute that. Is not the proper interpretation to be found in the treaty itself? Are these letters to be part of it, or is it wholly embodied within the four corners of the document purporting to contain it? I think it would be imprudent to pass such a treaty before we are advised what it all means.

I consider, honourable members, that this is a very, very important matter, and we should be careful in what we do, lest our descendants have cause to complain that we entered into an unwise treaty. We are all the time blaming our predecessors for things

they did. The other day I was talking to a man about this treaty and I remarked, "I hope it does not pass." He said, "So do I." I asked him his reason, and he said: "I have just one reason. We never had a deal with the United States in which we did not get the short end of the stick." I repeat, honourable members, that again and again we hear complaints about how badly negotiations with foreign countries were managed by our predecessors, and we should be careful to give no cause to our descendants to find fault with what we do in this matter.

Article viii of the treaty provides:

The High Contracting Parties, recognizing their common interest in the preservation of the levels of the Great Lakes System, agree:

(a) 1. That the diversion of water from the Great Lakes System, through the Chicago Drainage Canal, shall be reduced by December 31, 1938, to the quantity permitted as of that date by the decree of the Supreme Court of the United States of April 21, 1930.

And here is the destroying clause, in my judgment:

2. In the event of the Government of the United States proposing, in order to meet an emergency, an increase in the permitted diversion of water and in the event that the Government of Canada takes exception to the proposed increase, the matter shall be submitted, for final decision, to an arbitral tribunal which shall be empowered to authorize, for such time and to such extent as is necessary to meet such emergency, an increase in the diversion of water beyond the limits set forth in the preceding sub-paragraph and to stipulate such compensatory provisions as it may deem just and equitable; the arbitral tribunal shall consist of three members, one to be appointed by each of the Governments, and the third, who will be the Chairman, to be selected by the Governments.

To use a common expression, I view that clause with alarm, and I will say why. In the opinion of very eminent lawyers in the United States, Congress has been passing legislation which overrides the provisions of the federal constitution, and States have been enacting laws that override their own State constitutions. The State of Minnesota admittedly has overridden its constitution. One person brought an action to test the constitutionality of a certain statute. The court admitted that it was unconstitutional according to the letter of the law, but said that constitutions, like all other laws, were ever speaking and must be adapted to existing conditions. An emergency had arisen in Minnesota. There was no proof of any, but the court said there was one, and therefore the law, which was at other times unconstitutional, must be considered to be constitutional in the emergency. What an emergency means, nobody has defined. This treaty has not.

The American Congress has given the President control over the lives, liberty and property of all the people in the republic, and it is said over there that when the question comes before the Supreme Court of the United States there will be an admission that the action of Congress is unconstitutional, but that nevertheless the constitution is "ever speaking," that an emergency has arisen, and people must be deprived of liberty in an emergency.

What emergency can be imagined that would justify a further depletion of the waters of the upper lakes? The Canadian and the American records run back for perhaps seventy years, and we know that at this moment the water in the St. Lawrence and the upper lakes is lower than it has ever been in that time. Is there an emergency now? Ought Chicago to be allowed to divert more water than it is diverting at present? It appears from the treaty that the time may reasonably be expected to come when Chicago will take more water and make the lakes shallower than they are to-day. So far as I can see, no emergency can be conceived of—and I challenge any person to suggest one—that would entitle the Americans to lower the water still further, but as surely as we are alive it will be done if this treaty is passed. The only emergency that can entitle them to further diversion is an emergency which affects Chicago.

Hon. Mr. TANNER: Is not Lake Michigan wholly in the United States?

Hon. Mr. LYNCH-STAUTON: Not under this treaty.

Hon. Mr. TANNER: But geographically.

Hon. Mr. LYNCH-STAUTON: Geographically, and so is half of other lakes, geographically.

Hon. Mr. TANNER: How can we prevent the Americans from taking water out of their own lake?

Hon. Mr. DANDURAND: It is fed by other lakes.

Hon. Mr. LYNCH-STAUTON: We have always denied that it is an American lake; we have always said that it is an international lake—that it is only an arm of the system of lakes. According to international law one nation shall not take water away from an international stream if thereby the nation on the other side of the stream would be injuriously affected. Now, it would be a plain breach of that law for the Americans to take water out of Lake Michigan if that would injuriously affect us, even if the lake is entirely

within their own territory, because the water that goes into Lake Michigan runs out into our country, and any drainage from that lake is being taken from us just as surely as if Lake Superior itself were being tapped. The American and the Canadian peoples must neither directly nor indirectly interfere with the international waters to the detriment of either country.

Hon. Mr. DANDURAND: That principle has been recognized by the Supreme Court.

Hon. Mr. LYNCH-STAUNTON: Yes. But suppose some years from now Chicago says there is an emergency. Who could deny that there was? There is nothing in this treaty to say that before an emergency is considered to exist both countries must be in agreement on the matter. Chicago need only allege that there is an emergency, and then it is entitled to a board of arbitration, which board is bound to give relief, because the treaty recognizes that Chicago is entitled to more water in the event of an emergency. In my opinion that cancels any beneficial effects that would otherwise flow from the clause. If such a board is set up, the Americans will say to it: "There is an emergency or you would not be here, and the emergency is one that demands more water, or you would not be here. You can give us more water for as long as you like, or for ever."

To my mind, that kind of question should never be left to a board of arbitration, even if it were thought advisable to leave it to a body of some sort. If such a board were set up, we should appoint one member, the Americans would appoint another, and the third would possibly be a foreigner. Well, I think the foreigner would be influenced far more by the contentions and prestige of a country of one hundred and thirty millions than by those of a country of only ten millions. It would be like going to law with Satan before a court in Satan's domain.

I have been given this argument, that if Chicago wants to take more water we shall be supported by all the states bordering on that great international highway in our stand against further diversion. But I do not want to depend on American help. I prefer to depend upon the strength of our contract.

Some people say that even if we take every possible care with the contract, the Americans need not live up to it. My answer to that is that the Americans are just as likely as any other nation in the world to respect a treaty, but if you give them an opportunity to take advantage of any uncertainty they will act the same as any other nation and take that advantage. And so I say that so far as

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is humanly possible the treaty should be made bomb-proof.

Hon. A. D. McRAE: Honourable members, I did not intend to speak at this time, as the subjects I propose to draw to your attention might more properly come up when each of the issues is before the House for general discussion. Faced, as I understand we are, with the prospect of an early and extended adjournment, due to lack of business before the House, I offer my observations to-day in the hope that this honourable House may see fit to take at least some of them under immediate consideration and thus do its part in helping to solve the serious issues which confront the country.

May I say that I think the people of Canada have but a very vague and quite erroneous impression as to the responsibility of this honourable House with respect to government. I make bold to suggest that some honourable member with long experience both in this and in the other House, as well as in the Government, should make a very clear statement on the responsibility of the Senate and the scope of its authority. In this way, I am sure, we should hear much less criticism of this honourable body by reason of the long adjournments which are necessary from time to time for lack of business.

First, I wish to offer my congratulations to the Government on the remarkable accomplishments it has effected so far. I am sure I express not only the views of the party to which I belong, but of thousands of other Canadians in all parts of Canada, when I say that we are indeed fortunate in these times to have at the head of our Government a man bold, courageous and efficient, whose high principles exemplify what is best in our Canadian citizenship. Undoubtedly, Canada in its Prime Minister has the right man in the right place at the right time. This does not necessarily mean that we agree with him in everything he does, but by and large his record is one of which he has a right to feel proud.

We should be blind indeed if we were to overlook the fact that the great issues confronting the Canadian people have yet to be solved. If any doubt remained as to this, the speech the right honourable the leader of this House made yesterday should have removed it. With that speech I am entirely in accord.

Mr. Roosevelt never made a truer statement than when, addressing Congress a few days ago, he said, "We cannot go back from here, we must go ahead." With that I agree. If this course is to be pursued there must be

great changes in our ideas as to what constitutes sound methods and procedure. In this programme the greatest need is for a large increase in credit issued on a sound basis which will carry with it confidence. On this subject I hope to have the privilege of offering some suggestions when the Central Bank Bill comes before this honourable House for discussion.

Among the outstanding problems which still confront us are: unemployment; cost of government; railway deficits; unsalable wheat. This last problem involves the marketing of by far the most important natural product of at least three of our provinces, a product which in the past contributed in so large a measure to the prosperity of the Dominion. Though the problem is of comparatively recent origin, I regard it to-day as of major significance in the restoration of prosperity to Canada. This, too, we shall have an opportunity to discuss when the regulations for acreage reduction come before us.

Two problems which I want to refer to at the moment are railway deficits and the cost of government.

I am not taking issue with those who say that Canada's credit stands high in Great Britain, but I do say without fear of successful contradiction that the credit of Australia in Great Britain is much more favourably received than that of Canada. Inquiry as to why this should be brings forth the answer from the financial men in London that we have not yet put our house in order, and that until we do we shall not receive in England the full credit which we should otherwise deserve. They invariably refer to our railway deficits as of first importance.

When our railway problem was before us last year I took the ground that a unified management, with an equitable distribution of net revenues to each company, was essential if we hoped to escape from future deficits in the operation of our national railway. At that time we were not justified in legislation which would compel the C.P.R., a private corporation, to accept such direction. Since that time, the Government has found it necessary to guarantee to the banks a loan of sixty million dollars to the C.P.R. I think it may safely be assumed that, a precedent having been established, the bankers of the world will insist on a similar guarantee for future C.P.R. maturities. Such being the case, this Parliament would certainly be justified in insisting on single management for our railways. I was hopeful that the Government, recognizing the changed situation, would have withheld the appointment of the Railway Board of Trustees and brought

in effective legislation for single management, which alone promises solvency for our railways, and is essential to the credit and the solvency of Canada itself.

The cost of government, perhaps more than any other subject, is engaging the attention of thoughtful Canadians. Statements are frequently made as to our inability to pay our bonded indebtedness, and the necessity for a reduction in our debt. It has been suggested that the interest rate on our outstanding bonds be reduced, but this proposal the Government thinks impracticable before 1937, when our tax-free bonds mature. Just what is going to happen to us in the interval, the good Lord only knows. I have grave doubts about the success of any campaign for voluntary acceptance of a reduction in the present interest rates to $2\frac{1}{2}$ per cent. I believe that arbitrary legislation with some feature of compulsion may be necessary to bring about such a reduction. Certainly our credit will have to be much higher than it is to-day if such a campaign is to succeed. If arbitrary legislation is enacted, is it not repudiation? Is there any difference between the confiscation of principal and the confiscation of interest? That some readjustment in the bonded indebtedness of this country is essential is apparent to all. How to bring it about is the question. That there must be a readjustment with the debtor class in this country if we are to have a return of prosperity is as clear as day. There can be no prosperity when our farmers are "broke." How is the readjustment to be made? At the expense of the creditor class, of course.

A reduction of the yardstick by which business is measured is not new. There is no other method of deflation without the destruction of the business fabric. Reducing the business measuring stick means a reduction all along the line.

President Roosevelt had similar problems to meet. The solution was essential to enable the opening up of the 5,000 United States banks that had closed their doors. It was also necessary in the interest of the insurance and the trust companies, which held most of the twenty billion dollars' worth of inflated railway bonds and fifteen billion dollars' worth of inflated building bonds, all now far below par. Something had to be done. Hence we find that yesterday Mr. Roosevelt established the dollar on a fifty-nine-cent basis. A few days before he said that his Government, through its stabilization fund, would prevent the dollar from rising above sixty cents.

Now, or at least as soon as our Central Bank is decided upon, our Government should declare its intention to keep our dollar from

exceeding sixty cents, thus giving to Canadian business the stability which the Americans have found necessary to give to the business men in their country. This means a reduction of forty per cent of the cost of government and the cutting down of the principal as well as the interest on our Government securities. I do not expect that this will have the approval of those who hold such securities, but, after all, our dollar is worth only sixty cents to-day. They would be getting back a sixty-cent dollar, worth more than the dollar they lent in 1929. I have long felt that in one way or another a compromise had to be made with the debtor class in this Dominion, cutting the debt about in two. Personally I favour such a plan, believing that half a loaf is better than no bread.

Heretofore, when the United States was on the gold standard, we had to pay one hundred cents plus exchange. Such an arrangement would have meant bankruptcy for our industrial organizations whose obligations matured in New York. Now that the American dollar is reduced to sixty cents, no industry will suffer from a similar reduction in the Canadian dollar, and certainly no company should profit by it.

The people of Great Britain severely criticize the Americans for going off the gold standard and deliberately pounding down their dollar when they had more gold than was required. Great Britain, on the other hand, was forced off the gold standard, and the stabilization fund has been used only to maintain the stability of sterling. Canada, on account of its obligations in the United States, necessarily follows the American dollar. Consequently, we have no alternative and our dollar is now worth only fifty-nine cents. It is the opinion of some of the best financial men in London that our position is analogous to theirs and that we could no more be accused of repudiation were we to stabilize at the market value than the British would be if they stabilized their pound at the present gold price, roughly 14 shillings. As a matter of fact, a prominent British economist, speaking to the members of this Parliament, stated that the pound would not be re-established at more than four dollars. There is no talk of repudiation in that. There would be no justifiable criticism, nor could we be justifiably accused of repudiation, if we were to stabilize our dollar at the market price to-day. Devaluation has already occurred, and I submit that in the best interests of the business of this country the Government should lose no time in announcing its

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intention to stabilize the dollar at not more than sixty cents.

Hon. Mr. LYNCH-STAUNTON: Should we not have to pay forty per cent exchange on our debts to the United States?

Hon. Mr. McRAE: I have already explained the difference between conditions prevailing this year and last. Last year, when the dollar was worth one hundred cents plus exchange, the suggestion I am making would have meant many extra million dollars to our industrial institutions that owed money in New York; but to-day we are assured that the American dollar will not exceed sixty cents. Therefore no hardship would result to our industries under my suggestion.

Hon. Mr. LYNCH-STAUNTON: Our debt is payable in gold. Lately Mr. Justice Farwell held that a debt payable in gold was payable in sterling, but a few days ago the House of Lords decided he was wrong, and the debt must still be paid in gold.

Hon. Mr. McRAE: I have no doubt that that would not apply in the United States, for it would defeat the object the administration has in view.

Recently I made a trip to Europe particularly for the purpose of getting first-hand information on industrial and other matters, and the remarks which I am about to offer are based on that information. I went over to Europe holding the view held, I imagine, by most honourable gentlemen—that the world was tariff mad, and that there was a general tendency throughout the nations of the world to let down the tariff barriers with a view to extending international trade. I regret to say that so far as I was able to ascertain, that opinion was without any foundation in fact. Quite the contrary is the case. Every country in Europe is endeavouring to put up barriers; and where the tariff is not high enough, embargoes, export licences and quotas are imposed. I am told also that this is true even of Mexico, and certainly it is true of the countries of South America. So to-day we find the nations of the world closing their doors against imports and resorting to what might be called a modern system of barter. The system of barter is very general in Europe, and only lately we have seen the United States endeavouring to exchange hogs for Scotch whiskey. There is not much encouragement for increased exports on that basis.

Canada, unfortunately, on account of its geographical position, cannot be self-support-

ing and self-contained. Our surplus of wheat offers an outstanding example of how badly we need foreign trade. In view of world conditions as I see them to-day, I am frank to say to honourable members of this House that my opinions are very much changed with respect to tariffs and arrangements of that kind. I believe that our future is tied up with the British Empire, and, although Great Britain has not yet come to that way of thinking, that the future of Great Britain is tied up with that of the Dominions. If it were possible for us to secure protection against the rest of the world and to obtain free entry into Great Britain and the Dominions, subject only to such tariffs as might be necessary to maintain the different standards of living, I am free to say that I should be disposed to try free trade within the Empire.

I come now to a subject upon which there has been some discussion in this House. I refer to the League of Nations. I quite appreciate that what I am going to say will not be popular; that it may be resented, criticized and objected to by men who know very much more about the League of Nations than I do. Nevertheless, my observations, and such confirmation as I was able to get from Continental and British sources during my short sojourn abroad, have impressed upon me once more the fact that the Versailles Treaty, which tore up the map of Europe and placed the various races in units by themselves, walled around by tariffs and other barriers, has given rise to racial ambitions and racial hatreds and distrusts that are greater than have existed in Europe for fifty years, and certainly greater than ever before in the last twenty years. I met and talked and lunched with no fewer than twenty-five prominent men in France, Germany and Austria. Invariably I asked them some time during the conversation whether I was right in believing that racial ambitions, hatreds and struggles were more rampant in Europe to-day than they had been twenty years ago, and invariably I received the answer that that was correct. As I see it, Europe is rapidly becoming an armed camp. There is more talk about war in Europe to-day than there was in the early part of 1914. In my judgment a European war is a certainty, and probably it will occur within five years.

When I refer to the League of Nations and criticize its work I am not overlooking the many good things it has done. I am not unmindful of the splendid work it did with regard to narcotics, the white slave traffic and many other things. But, as has been said in this House, the League, probably

quite unavoidably, has failed in its main objective—international peace. The brotherhood of man, for which the League stands, has certainly made no progress in Europe since the War. Our great Imperial statesmen, Mr. MacDonald and Mr. Baldwin, whose idealistic speeches quicken the blood of every man who loves peace, are proving as impractical as they are idealistic.

I remember reading a speech made by Mr. Baldwin in London when I was there. He said that Germany should be allowed to arm to the same extent that France was armed. That sounds reasonable. The Germans are a great nation, and probably we should say that that was just. But picture to yourself the position of the Frenchman. I confess that if I lived in France and were sure that war was going to happen, I should want France to go to war right away to clean up the up the Germans while I was sure it could be done. Sooner or later there will be war between France and Germany; and you may depend upon it that when Germany admits she is as strong as France, she will be stronger. You are all so familiar with the foundation that Hitler is laying that I need say nothing about it, except that it is thorough and extreme. You can read about it in the papers.

When we find great nations like Germany and Italy, already overpopulated, paying bonuses for large families, are we too cynical in saying that this is to provide cannon fodder for the future?

We are a small nation—ten and a half million people—to be taking part in this European embroglio. We are far away from the continent of Europe. With the certainty of war before us, I want to call the attention of this honourable House and of the country to the opportunity that we have at this time to withdraw with honour from the League of Nations—an opportunity which subsequent developments may not afford. I appreciate the seriousness of the statement that I am about to make to this honourable House, but I am giving my considered, definite opinion when I say that I cannot conceive of any developments which would justify this country in sacrificing the blood of one single Canadian on the future battle-fields of Europe.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. McRAE: Let us look ahead! We must! We generally get into trouble by not taking the long view. Let us act in such a way that we can honourably decline to participate when the hour arrives.

Surely we have troubles enough in our own country to engage our entire attention. The unemployment situation, with its increasing festers on the body politic, is still with us. The graduates of the past four years from our schools and colleges—thousands of Canadian boys and girls—are still unemployed. Such unemployment creates a situation which is destroying the future of our Canadian citizens.

In passing, may I mention a subject that I think ought to have the attention of the Government and of this House? I refer to the thirty thousand destitute farmers in the southwest quarter of Saskatchewan and the southeast quarter of Alberta—thirty thousand farmers whom we have been assisting for three years; thirty thousand farmers whom we shall be assisting as long as they live, unless we take steps to put them into some part of the country where they can earn a living. The right honourable gentleman from Eganville (Right Hon. Mr. Graham) knows well the controversy there was with respect to the settlement of that country in the early days. I was in the colonization business. I inspected that country thirty years ago, and at that time you could not pull enough grass off a section in a day to fill your hat. When Sir Clifford Sifton was Minister of the Interior he declined to open up that country. He said it was a ranching country. He was right. It should have been left to the cows. Now we have thirty thousand families there, and we are feeding them. Relief in Saskatchewan is costing, I presume, \$12,000,000 or \$15,000,000 this year. That cannot continue. The Government allowed those people to go on that land. The Government must take care of them. The people in that section of the country do not need to worry about their debts; they will never pay them, for they have nothing to pay them with; and I suggest that if we ever move them we should give them a blanket bankruptcy and start them all off free of debt. These are some of the things that this country has to deal with.

With the permission of the honourable senators who are wise in their years, and who have been in this House much longer than I have, I want to say a word about the Senate. This Senate, in my judgment, is the ablest body of men in our Dominion to investigate, discuss, judge, and then recommend the best procedure to be followed with respect to the great problems now confronting us. Believing this, as I do, may I express the hope that the Government of the day will see to it that our services—paid for in any event—are made use of for the benefit of the coun-

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try we all love so much and are so eager to serve.

If in my remarks I have uttered any word of discouragement to any of my fellow-citizens, I wish to take this opportunity to set their minds at rest. We in Canada have much to be thankful for. We are undoubtedly living in the best country in the world, a country rich in natural resources, and our opportunity for recovery and for national welfare is infinitely greater than that of the peoples of worked-out Europe. We are rich in citizenship. Our people have in their veins the blood of the best and most progressive nations the world has ever known. We cannot be lacking in ability to see ourselves through.

Some Hon. SENATORS: Hear, hear.

Hon. J. J. HUGHES: Honourable members of the Senate, in considering the speech with which His Excellency opened Parliament, I have observed that few of those who have spoken—I would include even the mover—have confined themselves to the text of the speech. I am therefore going to follow their example in the few words that I have to offer.

The honourable gentleman who has just taken his seat has said many of the things that I intended saying. This will tend to shorten my remarks. I agree thoroughly with his statement and his point of view; and before going any further, lest I forget it, I wish to make a remark with respect to the question raised by the honourable member from Hamilton (Hon. Mr. Lynch-Staunton) as to whether, if there were an inflation of our currency, we should be compelled to pay a premium on the debts which we owe in the United States and which are payable in gold. I wish to remind the House of one incident. Shortly but not immediately after President Roosevelt was inaugurated as head of the republic, Congress gave him the power to prevent the exportation of gold from the United States. The United States, although a great creditor nation, owed some bills in Europe that were maturing and were payable in gold. The President of the United States refused to pay them in gold. The newspapers of Europe, particularly those of Great Britain, strongly protested against this refusal, saying that it was a repudiation of contract, a violation of agreement, and used all the other expressions that could be used on an occasion of that kind. Nevertheless, the United States simply refused. If we followed their example in that respect and paid in our own currency the bills that we owe in the United States, could they very well refuse to accept that payment, in view of the policy that they themselves adopted?

I will now say something that I think will implement and strengthen what the honourable member from Vancouver (Hon. Mr. McRae) said. A few years ago our sister Dominion, Australia, was in a much worse financial position than we were. Its population was much smaller, and I understood its resources were not nearly as valuable; but as a result of arrangements then made it is now in a much better financial position than we. And so far as I know, it achieved this improvement by the inflation of its currency. Within the last twelve months it was able to borrow money in Great Britain at 3 per cent, while the last loan that Canada floated bore interest at 4½ or 5 per cent, I think. These figures give positive proof of the difference between the conditions in the two Dominions.

The United States is inflating its currency now, and I do not think we can avoid following the lead. France did the same thing after the War, Sweden did so later, and so did Japan. All these nations have found it worked well, and the United States will probably have a similar experience. Our debts are so large that they cannot be paid in the ordinary way. They must be scaled down or the instruments of payment must be inflated, so that the money value of the debts will bear some relation at the time of payment to what it was when the debts were contracted.

I have listened carefully to the remarks of the honourable member from Vancouver (Hon. Mr. McRae) as to the practical certainty of war in Europe within the next four or five years. So far as my limited knowledge and experience enable me to judge, I feel that another war is almost a certainty, and I think that the private manufacturers of armaments will be largely instrumental in bringing it about. If the governments of the world are unable or unwilling to eliminate the private manufacturer of arms and of war rumours, war is inevitable. We in Canada perhaps cannot do much to prevent a conflict, but we have some influence in the world, and more in Great Britain, and we ought to use that influence to the utmost in opposition to the satanic efforts of the men who expect to profit by the next war.

I was interested in reading the speech made by the honourable Minister of Trade and Commerce in Toronto a short time ago, and was pleased to see this statement in a recent issue of the Ottawa Citizen:

One of the most sweeping investigations into private corporations ever attempted in Canada will be launched in the House of Commons within the next day or two when Prime

Minister R. B. Bennett will move for a preliminary probe into the buying methods of chain stores, the big department stores and the packing and milling industries.

I hope that investigation will go on, and that it will bring results. An article in the Ottawa Journal indicated that not much was expected from the investigation, and predicted that the committee of investigation would be hampered in its work by the constitution of Canada. Perhaps that paper was influenced in its views by the comparative failures of other investigations of more or less recent date. It would be a pity if our constitution prevented a thorough investigation into the matters referred to by the Minister. It seems to me beyond question that the old order in the world is passing away. The unlimited liberty of individuals and corporations to do just about as they wish, regardless of the welfare of the masses, cannot in my opinion be allowed to continue much longer, and we must be prepared to submit to many forms of control that were thought unnecessary in the past. Soulless corporations and individuals who do not recognize their duty to their fellows must be curbed. Therefore I think the proposed investigation is a step in the right direction, and I hope it may be the beginning of a new order.

The right honourable leader of the House and some other honourable members have told us that the United States is the most nearly self-contained nation in the world, besides being the wealthiest and most highly mechanized nation. When the present depression broke, that great country had in its possession more than one-half of all the gold in the world, and yet the American people have suffered more from the financial crisis than have the people of the war-torn and bankrupt countries of Europe. There must be some cause for this. I think that all the countries of the world, and particularly the United States, have drifted far away from moral and spiritual values, and that this drifting has been responsible for far worse results than we are inclined to admit. I read not long ago that in the city of Chicago a leading gangster was murdered by a rival gang. He was buried in a bronze coffin that cost about \$15,000, and was given almost a state funeral. Two or three carloads of flowers followed his remains to the cemetery, and the worst feature of the whole incident was that among the pall-bearers were four or five judges. During his lifetime this gangster had contributed much towards the election of those men to the Bench. It seems to me that justice in the United States is contaminated at its very source.

I think that the comparative immunity of Great Britain and Canada from the worst effects of this depression is due to the morals and character of the people. While in all probability the United States will benefit greatly from the step that President Roosevelt is taking, it will have to be far more zealous in exterminating crime than it has been in the past before it can hope to become permanently prosperous. We ourselves can take a lesson from our neighbour, for we have our own little Renos and Hollywoods, and conditions such as they represent have much to do with bringing about some of our most serious troubles.

At 6 o'clock the Senate took recess.

The Senate resumed at 8 p.m.

Hon. C. E. TANNER: Honourable senators, I had no intention whatever of detaining the House with a general discussion, indeed I had no intention of taking part in this debate, until I heard the remarks of certain honourable gentlemen in regard to the St. Lawrence Waterway. While at this stage I shall not attempt to deal with this very important subject at any length, I feel that something ought to be said on the other side. As I understood them, some honourable members this afternoon were disposed to be antagonistic to the whole proposition. I am not committed either one way or the other at the present time. I think it is a little early to make up our minds finally on the subject, but I quite agree with my honourable friend that we have the opportunity now to study the matter and be prepared to dispose of it in the best interests of Canada when the treaty comes before Parliament, if it ever does. I have no certainty in my mind that we shall have to deal with the matter this session. If we are to accept what is being said on the other side of the line as an accurate summing up of the situation, that all the advantages of the proposed treaty are with Canada, it is not very likely that we shall ever be called upon to consider it in this House. I need not tell honourable members that there is in Congress a very vigorous opposition to the treaty, and that prominent men from certain states of the Union are contending very strongly that practically all the advantages of the treaty are with this country.

Hon. Mr. DANDURAND: We may hear the contrary argument when the Bill comes here.

Hon. Mr. HUGHES.

Hon. Mr. TANNER: Yes. Therefore this evening I purpose to give to the House some information with regard to the matter. I have been endeavouring to gather information from persons who in my judgment were competent to give me something dependable on the subject. I hope that this information will assist honourable members in their study of the subject and help them to come to conclusions that will be in the best interests of Canada.

May I digress for a few minutes? I was much pleased this afternoon to hear my honourable friend from Vancouver say a good word for this Chamber. I do not think that in the language he used he at all exaggerated in regard to the capacity of honourable members to deal with public matters. Last session I ventured to suggest that the country would be a great deal better off if its affairs had been wholly managed by the Senate, and that instead of abolishing this Chamber, as some persons proposed, it might be to the national advantage to abolish the House of Commons.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. TANNER: That statement evoked warm commendation throughout the Dominion. The question of granting titles to Canadians has been before the country recently. Honourable members know that titles are a good deal like seats in the Senate: persons decry and ridicule them, but we never hear of anybody refusing to come into the Senate, and I do not know that we ever hear of anyone refusing a decoration or a title. Everyone is against them until the time comes to get them; then he falls for both.

I observe that in the course of discussions in another place relative to the granting of titles it has been laid down that the Prime Minister and his Cabinet represent, and are responsible to, the House of Commons only. I do not think there is warrant in constitutional or parliamentary law for any such doctrine. This country, like England, is governed by a Parliament composed of the Sovereign, the Senate and the House of Commons. We have a written constitution; the Old Country has not. As a matter of fact, under our constitution the rights and powers of the Senate are on a parity with those of the House of Commons, except in one particular, the introduction of money bills. But the Senate can deal with money bills if it chooses to do so. I presume we are all familiar with the growth of the King's Privy Council in England—how at first the King called in the counsellors he wanted, and dis-

missed them at his royal pleasure, and how that system gradually developed into what is known to-day as the Cabinet system. But there is nothing in our constitution in this respect, nor is it a legal principle in British parliamentary practice; it is all a matter of expediency and convenience. When we talk of the Prime Minister and his Government being responsible to the House of Commons we forget that there is not an atom of constitutional authority to show anything but the fact that the Prime Minister and his Government are the instruments and the officers of the Parliament of Canada, not merely of the House of Commons. It surprises me that persons in this country who profess to be great authorities on constitutional law and practice should attempt to convince us that the Cabinet in the other end of this building is responsible to the House of Commons only, and not in the broad sense to the whole Parliament. I do not think I am mistaken in saying that there were occasions when the Prime Minister of Canada had his seat in the Senate. In England Lord Salisbury and Lord Rosebery sat in the House of Lords while they acted as Prime Minister. What would have been said if while they were in the House of Lords, corresponding to the Senate in Canada, they had told the House of Commons: "You have nothing to do with us; we are responsible only to the House of Lords, because we sit in the Upper Chamber"? They were responsible to the Parliament of England, just as our Prime Ministers are responsible to the Parliament of Canada. When a Cabinet is being formed there may at times be just as much reason for selecting some of its members from among those who sit in the Senate as from among those who sit in the Commons. There is no constitutional bar against a Prime Minister sitting in this Chamber and having half a dozen members of his Cabinet also sitting here. As I have already said, it is all a matter of expediency and convenience. I think it is only right and proper that some slight protest at least should be made against the misleading doctrine propounded in another place.

Now let me deal with the St. Lawrence Waterway Treaty. Some persons, of course, are against the developing of our waterways. In his very interesting life of Sir Clifford Sifton, Mr. John W. Dafoe gives us a rather entertaining account of what happened when the Government of Sir Wilfrid Laurier decided to deepen the canals to fourteen feet. An important delegation from the district of Montreal waited on Sir Wilfrid and pro-

tested that if the canals were deepened as proposed, the port of Montreal would be ruined. Sir Wilfrid listened very patiently and very pleasantly. Then the delegation went home and he proceeded with the deepening of the canal. To-day we have some very vigorous protests against the proposed St. Lawrence Waterway. In Nova Scotia a good many persons say they are against the project. I have not heard them give any reasons for their opposition. As a matter of fact, from the port of Halifax we have a fleet of steamers plying right up to Port Arthur. Their principal cargo is sugar, and they bring down flour and feed. It is a considerable trade. Personally, in a general way, looking as I do upon the development of the St. Lawrence Waterway as an enterprise which eventually must go on and will go on, though maybe not immediately, I try to contemplate that waterway development as one of the greatest events in the history not only of Canada, but of the Maritime Provinces. There may be drawbacks in some respects, but I am disposed to believe that in a general way that development will be of great benefit to the province in which I live.

Now I want to give the House a general idea of the navigation courses from Sault Ste. Marie down, and to remind honourable members about the locks at Sault Ste. Marie. On one side is what we call the American lock; on the other is the Canadian lock. The capacity of the American lock is by far the greater, and it is a fact that a large part of the Canadian traffic now goes through that lock.

On the route from Sault Ste. Marie on the Canadian side there are in Canada 481 miles of navigation courses, and in the United States 671 miles. On the route from the United States lock at the Sault there are on the Canadian side of the lakes and rivers 477 miles of navigation courses, and on the United States side of the channel 674 miles. I give these figures because a great many people, I think, have an idea that we own the whole of the area of the rivers and lakes, and that all the navigation is on the Canadian side. As a matter of fact the greater percentage of the navigable courses is on the United States side of the lakes and rivers.

From Port Arthur to St. Mary's, across Lake Superior, there are on the United States side 217 miles of navigation courses; on the Canadian side only 29 miles. Through Lake Huron, for 215 miles the navigation courses are all on the United States side of the channel. In Lake St. Clair, which is only 18

miles long, the navigation courses are again all on the United States side of the channel. Through Lake Erie we get the advantage: on the Canadian side there are 198 miles of navigation courses, and on the United States side 21 miles. Through Lake Ontario from Port Dalhousie to Tibbett's Point, opposite Kingston, there are on the Canadian side 82 miles of navigation courses, and on the United States side 76 miles. In the international section of the St. Lawrence River there are on the Canadian side of the channel 58 miles, and on the United States side 42 miles, and on the boundary between the two countries 12 miles. As honourable members know, on the route below the international boundary, to Montreal, the 69 miles are all in Canada.

Right Hon. Mr. GRAHAM: The Welland Canal too.

Hon. Mr. TANNER: Yes, of course there is the Welland Canal too. I am not attempting to cover everything.

Now, some considerable time ago I asked one of the ablest and best informed engineers in this country to give me a statement for my own personal information as to what benefits, if any, this country would likely derive from the treaty. That gentleman was good enough to send me a statement of what he called the "Benefits Accruing to Canada under the St. Lawrence Deep Waterway Treaty." I am going to give the House this statement for what it is worth. I am not in a position to judge whether this gentleman is always right or not, but I feel that the statement contains a fund of information which ought to assist honourable members in their study of this subject. I do not want to take up too much time. Perhaps honourable members would prefer that I should hand the statement to the reporter?

Hon. Mr. POPE: Go ahead.

Hon. Mr. TANNER: It consists of twelve pages of typewritten matter.

Hon. Mr. McRAE: Who is the author?

Hon. Mr. TANNER: I have no desire to take up the time of the House in reading it. All that I desire is that it should go into Hansard. If that is all right, I shall hand it over to the reporter.

Right Hon. Mr. GRAHAM: We are agreed.

Hon. Mr. TANNER: I thank you.

Benefits Accruing to Canada under the St. Lawrence Deep Waterway Treaty

The Deep Waterway:

1. Canada secures a 27 foot deep waterway from Port Arthur and Fort William to the sea with all the attendant benefits to outgoing and incoming traffic that are associated with low cost deep water navigation.

Hon. Mr. TANNER.

2. Canada secures a deep waterway that is practically as all-Canadian as is the Great Lakes-St. Lawrence Waterway which has been developed to date.

3. Canada, furthermore, by the provision of Article VI, establishes without question the definite and unrestricted right to construct at any time, now or in the future, completely all-Canadian canal and channel facilities in the International Section of the St. Lawrence and in the waters connecting the Great Lakes, together with the right to abstract such water as may be necessary for the operation of the same.

4. The works at Barnhart Island have furthermore been so designed that at any time in the future, if Canada so desires, canal and lockage facilities can be constructed on the Canadian side of the river. Canada can also proceed with construction of deep water lockage facilities on the Canadian side at Sault Ste. Marie at any time such procedure should appear to be desirable.

5. Canada retains complete proprietary rights and complete legislative, administrative and operating control over all works located on the Canadian side of the international boundary.

6. Canada establishes as a basic principle that the flow of water out of Lake Ontario into the St. Lawrence River and through the International Section of the St. Lawrence River shall at all times be such as to ensure full protection to navigation in the Harbour of Montreal and throughout the navigable channel of the St. Lawrence River below Montreal. In this connection it is to be pointed out that adequate discharging facilities have been provided in both the Crysler Island and the Barnhart Island dams to ensure the above protection to navigation irrespective of what action may be taken with respect to control or curtailment of flow on the United States side of the boundary.

7. Canada has ensured that the rights of navigation accorded under existing treaties upon the subjects or citizens and upon the ships, vessels and boats of each of the High Contracting Parties in the St. Lawrence River and in the Great Lakes System, including the canals now existing or which may hereafter be constructed, shall be maintained and has ensured that all British shipping shall have such rights.

8. The treaty provides for a double stage project, with the concentration of a head of some 25 feet at Crysler Island and a head of some 60 feet at Barnhart Island. As compared with a single stage development this method of development means materially less flooding to Canadian farm lands and historic sites, and will also materially reduce the height of the embankments and dams required in connection with the Barnhart development —to the greater safe-guarding of downstream interests.

Financial:

9. Canada has secured the completion of the Deep Waterway Project at an estimated capital charge to the Canadian public of less than \$40,000,000, not including interest during construction.

Note.—These figures are based upon the estimates of the Joint Board of Engineers appointed by the Governments of Canada and the United States to investigate and report upon the waterway project. In the International Rapids Reach the estimates have been further supported by what has been termed the Conference Report of the Dominion and Ontario Engineers, submitted to the Dominion Gov-

ernment on December 30, 1929. The estimates are, therefore, founded upon exhaustive field investigations and may be said to represent the combined judgment of outstanding engineers of the Dominion and the United States on the one hand and of the Dominion and Ontario on the other. The estimates are based upon unit costs determined as of the year 1926.

10. This capital expenditure of less than \$40,000,000, falling upon the Dominion Treasury, will be distributed over a construction period of from seven to ten years and cannot be considered an oppressive burden upon the shoulders of Canadian taxpayers, having in mind the immense benefits accruing to the Dominion from the construction of the Deep Waterway.

11. The river works in the International Section of the St. Lawrence River will be constructed by an International Commission, upon which Canada and the United States will have equal representation, out of funds provided by the United States. The part of these works located on the Canadian side of the International Boundary will be constructed by Canadian engineers, Canadian labour and with Canadian materials. (This involves the expenditure of some \$55,000,000.)

12. In the International Section, Canada will construct independently of the United States the navigation works at Crysler Island, together with all rehabilitation works on the Canadian side. (These are estimated to total to \$17,394,000.)

13. Canada will construct the works in the National Section of the St. Lawrence, i.e. the portion lying within the Province of Quebec, with Canadian funds and wholly independent of United States co-operation or supervision. (The cost of the navigation works in Quebec are estimated as totalling \$82,954,000.)

14. Considered upon the basis of unemployment relief, the ratification of the St. Lawrence Deep Waterway Treaty—bringing into effect as it will the Dominion-Ontario St. Lawrence Agreement—will initiate the following expenditures in Canada:—

Cash Payment by Ontario	\$ 67,202,500
Cash Expenditure by Ontario direct for Power Housing and Machinery Equipment	36,931,000
Cash Expenditure by United States through International Commission for Canadian Engineers, Labour and Material	54,718,000
Net Cash Expenditure by Dominion	38,071,500
Total	\$ 196,923,000

Power:

15. The treaty establishes Canada's unquestioned right to one-half of the total flow available for power purposes in the International Reach of the St. Lawrence River.

16. The Canadian power houses at Crysler Island and at Barnhardt Island are located in Canadian territory and the United States power houses in United States territory, so that no adjustment of the international boundary is necessary.

17. Canada has reached under the treaty complete agreement with the United States for the development of power on the International Reach of the St. Lawrence River—one-half of the power to be wholly Canadian and developed in Canadian power houses on Canadian terri-

tory. Canada's half share totals 900,000 to 1,000,000 horse-power. This, in conjunction with the power available along the St. Lawrence River in the Province of Quebec (some 3,000,000 ultimately installed horse-power) constitutes a total block of some 4,000,000 horse power—wholly Canadian—which becomes available for development and use as and when required.

18. Canada has secured for the Province of Ontario a solution of its power-supply problem for many years to come. The St. Lawrence Deep Waterway Treaty in conjunction with the bringing into effect of the Dominion-Ontario St. Lawrence Agreement covering the development of Ontario's share of the St. Lawrence River, will make available to Ontario the following blocks of power which can be developed by the Province within its own border:—

H.P.

(a) There will be made available the power resources of the International Rapids Section of the St. Lawrence River, of which Canada's half share apportioned to Ontario, stated in round figures, is	1,000,000
(b) By the diversion of the Ogoki River the power resources of that river, now located in the hinterland of the province, will be transferred to points in Ontario at which these resources can be utilized—in the Nipigon River, St. Mary River, Niagara River, St. Lawrence River—making available to Ontario at these points at 90 per cent efficiency with 60 per cent load factor, some	450,000
Total	1,450,000

19. With respect to the 3,000,000 horse-power on the St. Lawrence in the Province of Quebec, this will be available for development as and when desired without conflict with navigation.

20. In conjunction with the St. Lawrence Waterway there will be ultimately developed some 5,000,000 horse-power of low priced electrical energy of which some 4,000,000 horse-power is the property of Canada. This immense block of low priced power, on one hand directly connected with the markets of the world through economic ocean navigation; and on the other hand directly connected with the immense resources of mine, forest and land of the Dominion through the 1,000 mile deep water navigation of the inland seas; and located astride the St. Lawrence and the tributary commerce, outgoing and ingoing, of a population of some 50,000,000; offers an opportunity for industrial and commercial development which cannot be equalled elsewhere. The St. Lawrence Valley is destined to become one of the great industrial centres of the world.

Welland Canal:

21. By providing for the completion of the St. Lawrence Deep Waterway, Canada may be said to bring into productive use the capital investment in the New Welland Ship Canal. The capital cost of the New Welland Ship Canal to date is \$128,000,000. It provides for 25 foot navigation through the canal reaches

and 30 foot over the sills of the locks. The immediate effect of the construction of this canal has been to carry the deep water navigation as it at present exists in the upper lakes (18 to 20 feet) through to Lake Ontario to the strategic advantage of the United States ports of Oswego and Albany. The United States is proceeding with a program of deepening the upper lake channels for 24 to 26 foot navigation and has completed the deepening of the Hudson River channel from Albany to the sea to 27 feet.

Until such time as the St. Lawrence Deep Waterway provides deep water communication from Lake Ontario to tidewater, the capital expenditure on the New Welland Ship Canal is not realizing the purpose for which it was incurred. The transportation benefits accruing from its construction are being directed to United States channels.

The New Welland Ship Canal will not develop its usefulness to the Dominion until the Deep Waterway has been completed to the sea.
Chicago Diversion:

22. Canada has secured a satisfactory solution to the Chicago diversion controversy—one of the most outstanding and contentious problems that in recent years have confronted the Governments of Canada and the United States. To properly evaluate the solution which has been reached it is necessary to remember that the Chicago diversion has been in excess of 4,000 cubic feet per second for the past thirty years, reaching a maximum of 9,465 cubic feet per second in 1924 and still flowing at the rate of 8,180 cubic feet per second during the past year. The solution reached is considered as constituting a settlement which is reasonably fair to all the conflicting interests concerned, and one which secures to Canada safeguards as to the future, as well as substantial contingent benefits as reviewed hereunder.

23. Canada has in the first place gained a definite international commitment to reduce the abstraction by December 31, 1938, to the quantity permitted as of that date by the decree of the Supreme Court of the United States of April 21, 1930, i.e. to 1,500 cubic feet per second, plus the water for domestic purposes. This limit can only be increased as an emergency measure approved as such by the United States Supreme Court and concurred in by Canada. Failing such concurrence by Canada, the emergency proposal must be referred to an international arbitral tribunal which—if it permits the emergency diversion—is to stipulate such compensatory provisions as it may deem just and equitable.

Ultimately the abstraction must be returned to the amount provided for in the United States Supreme Court Decree.

24. An outstanding gain to Canada lies in the fact that for the first time the Chicago abstraction has been brought within the scope of an international agreement which is clear-cut in its terms and recognized as such by the two High Contracting Parties.

25. A further outstanding gain to Canada is that for the first time in the long history of treaty negotiation between Canada and United States, the United States agrees to place the abstraction of water from Lake Michigan under international control.

26. Canada has gained a further point of cardinal importance in that the United States

has agreed that hereafter there shall be no abstraction from the Great Lakes System to another watershed except by authorization of the International Joint Commission. This constitutes a perpetual safeguard to all interests (power, navigation and foreshore interests) dependent upon or interested in the waters of the Great Lakes System. It also safeguards those wholly Canadian interests depending upon or affected by the St. Lawrence waters in the Province of Quebec.

27. A further feature of exceptional import lies in the fact that Canada has gained the definite acknowledgment of the United States to Canada's continued proprietary ownership all down the International Reach of the Great Lakes and the St. Lawrence River, of 4,000 cubic feet per second of water that can be economically diverted from the Ogoki River into Lake Nipigon and thence into Lake Superior. This Ogoki inflow somewhat more than balances the ultimate abstraction provided for at Chicago, and, in conjunction with the restrictions placed upon the withdrawal at Chicago, will restore the water levels of the Great Lakes and the St. Lawrence River to the sea to their natural range, with all the inherent advantages to navigation which this implies.

28. Furthermore, this provision re the Ogoki diversion into the Great Lakes System provides for the following power advantage to Canada (power is estimated as firm power at 90 per cent efficiency with 60 per cent load factor):

(a) This will make available to Canada on the international reaches of the St. Mary, Niagara, and St. Lawrence rivers, without any further treaty negotiations.	277,100 h.p.
(b) It will add to the available power on the Nipigon River.	170,000 h.p.
(c) It will add to that portion of the St. Lawrence lying within the Province of Quebec.	73,300 h.p.
Total from Ogoki Diversion.	520,400 h.p.

29. As a part of the Chicago diversion settlement, Canada has arranged for the construction of compensation works for the restoration of the Great Lakes and St. Lawrence levels to compensate for all lowering caused by the abstraction of water by Chicago or for the disturbance of the levels owing to any other interference with the natural outflow or inflow, from or into, the Great Lakes System. This provision will perpetually protect the navigation interests throughout the Great Lakes-St. Lawrence System.

30. As a final safeguard it has been arranged that Canada will be supplied officially by the United States Government with systematic records of the waters abstracted through the Chicago Diversion Canal. This is part of a mutual provision whereby all waters abstracted from or added to the Great Lakes System shall be officially recorded by the Government with-in whose jurisdiction the abstraction or addition is made, and the records mutually interchanged.

General:

31. The Deep Waterway will provide access to the sea to a population of some 40,000,000 occupying twenty-one or more of the inland

states of the United States. The incoming and outgoing commerce of this vast territory will to some extent be diverted from present United States channels to the Canadian channel of the St. Lawrence. This diversion cannot fail to be productive of material advantages to the Canadian territory adjacent to the St. Lawrence, particularly in respect to the transshipment of lake to ocean traffic and vice versa.

32. By affording navigation facilities to large deep draft vessels, particularly in the Upper Lakes—the cheapest form of transportation ever devised by mankind—the Waterway will effect a marked saving in the cost of the shipment of wheat and other grains, of coal, of lumber, and of other bulk commodities, all so profoundly important to Canada's present and future trade.

33. In proceeding with the Deep Waterway, Canada is but following an old tradition and policy, originally established in 1700 and consistently pursued for more than 230 years by all governments and parties. In the year 1700 Dollier de Casson commenced building the first Lachine canal, which had a depth of $1\frac{1}{2}$ feet. The depths of these canals have grown— $1\frac{1}{2}$ feet, $2\frac{1}{2}$ feet, then 5 feet, then 9 feet, then 14 feet and now 27 feet.

34. Canada is founded upon and owes her national existence and her political independence to east and west transportation. The Waterway by cheapening this basic east and west movement for a distance of 2,200 miles cannot but contribute to national prosperity and independence.

35. To British Columbia the Waterway will bring larger Canadian markets in Ontario, while to the Prairie Provinces it provides decreased cost in the movement of grain. To Ontario and Quebec there comes the conjunction of deep waterway shipping facilities and vast power resources, with all the industrial consequences which must flow from such an unique circumstance. To the Maritimes the Waterway brings a new and marked increase in the availability of the Ontario markets. The St. Lawrence System will stabilize and make more certain Canada's competitive export position and will reduce the cost of imports. It will confer abundant power on the citizens of the St. Lawrence basin and will thus create a highly industrialized development. In addition to the direct benefits thus clearly foreseen there will be a whole range of indirect benefits which must enure to Canada.

36. Finally, because it will cheapen basic east and west transportation, the Waterway will make a substantial contribution to the early attainment and permanent enjoyment of a goal profoundly desired by all Canadians—a national life that will be politically free because economically sound.

I am going to supplement that with another memorandum, dealing with an article which I read in Halifax, by Mr. F. J. D. Barnjum, who makes a very vigorous onslaught on the waterway. His principal ground is that by the time it is completed there will not be sufficient water to float the ships, and that the flow of the St. Lawrence River will be decreased by reason of increased evaporation. I communicated with the proper branch of

the Department of Railways, sending them this article, and asked them to give me their views on it. I have them here. The honourable senator from Hamilton (Hon. Mr. Lynch-Staunton) discussed in part something that was said about the levels. I am going to hand this memorandum also to the reporter, if there is no objection. I will just mention that it points out that records of levels over one hundred years ago show that they were lower than those existing in 1925, and that cycles of high and of low levels have followed. This also has been borne out since 1925, as the levels of all the Great Lakes in 1929 reached a point from four to five feet above that of the minimum during the low-water period.

The statement deals also with the question of evaporation, and points out that there could be nothing of any consequence in that, because the existing surface is 95,190 square miles and with the construction of the proposed dams it would be increased to the trifling extent of only $12\frac{1}{2}$ square miles.

Then there is a statement in regard to the Oswego and Hudson route, which I am sure honourable members of the House will find very interesting. If there is no objection, to shorten proceedings—

Right Hon. Mr. GRAHAM: Would you mind reading the part of it referring to the Oswego and Hudson canal?

Hon. Mr. TANNER: I shall be very glad to do so.

The United States can build a deep waterway from the foot of Lake Ontario at Oswego to Albany, on the Hudson River, without reference to any international body, as the water supply for such a canal can be obtained locally.

The deepening of the Hudson River up to Albany was completed this year to a depth of 27 feet—

This was written over a year ago.

—and the completion of the Welland Ship Canal by Canada means that the gap between Oswego and Albany is the only portion remaining to be completed to provide a deep waterway for the United States from the middle west to the sea. This route would be open for at least one month each year longer than Montreal, and with rates cheaper out of New York than out of Montreal, might provide cheaper transportation than the St. Lawrence route. This project has been studied by U.S. Army engineers and they have reported that the benefits accruing therefrom would more than balance the carrying charges. Action on this project has been withheld, however, pending negotiations with Canada on the St. Lawrence.

There is no doubt that the all-American route, if built, would be a very serious threat to the St. Lawrence route.

The memorandum then refers to Mr. McLachlan's evidence before the Senate Committee, giving the pages.

Right Hon. Mr. GRAHAM: That is all I want.

Hon. Mr. TANNER: The previous part of the memorandum refers to the United States being able to draw on supplies of water which are not international. It says:

It should also be noted that the proposed treaty, for the first time in history, places the abstraction of water from Lake Michigan through the Chicago Drainage Canal under international control and prevents any further abstractions of water from the Great Lakes System to another watershed except by authority of the International Joint Commission.

That, honourable gentlemen, is really all I wish to say to the House. My only hope is that the information which I have gathered up for my own benefit may be of some service to honourable members.

Following are the memoranda submitted by Hon. Mr. Tanner:

1. Lowering of Water Levels.

In 1925, independent studies were made in this office, and by the U.S. Lake Survey, in order to determine the cause of the lowered lake levels as existing at that time, as compared with the higher levels of previous years. This study was confined to the levels of Lakes Huron, Michigan and Erie. The conclusions arrived at as a result of these two independent studies were practically the same. About 40 per cent of the lowering of lake levels was due to deficiency of rainfall, but the conclusion arrived at was that this was not of a permanent nature and that increased precipitation would follow with consequent raised levels. Records show that the levels over a hundred years ago were lower than those existing in 1925, and that cycles of high and low levels had followed. This has been borne out since 1925, as the levels of all the Great Lakes in 1929 reached a level of from 4 to 5 feet above that of the minimum during the low-water period.

The proposed improvement of the International Section of the St. Lawrence necessitates the regulation of the outflow of Lake Ontario. The Joint Board of Engineers derived a rule curve for this regulation and tested its reliability by its application to conditions as existing over the period from 1860 to date. Such a regulation does not contemplate increasing the natural outflow in the aggregate, but will conserve water during periods of high levels in order to increase the flow during periods of low levels.

The contention that increased evaporation due to increased pond areas will have any effect on the flow in the St. Lawrence River can best be answered by a glance at the following table:

Existing surface areas of the Great Lakes and St. Lawrence River to proposed site of lower dam and power houses at Barnhart Island.	95,190 sq. miles
Increase in area due to construction of proposed dams with consequent creation of ponds.	12½ sq. miles

It should also be noted that the proposed treaty, for the first time in history, places the

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abstraction of water from Lake Michigan through the Chicago Drainage Canal under International control and prevents any further abstractions of water from the Great Lakes System to another watershed except by authority of the International Joint Commission.

2. Canadian and United States Canals in International Rapids Section.

In order for Canada to build a canal entirely on the Canadian side of the International Boundary through the International Rapids Section of the St. Lawrence River, permission would first have to be obtained from the International Joint Commission for the diversion of sufficient water from the river to supply lockage. Such a project, if built, would not provide for the development of any power and instead of river and lake navigation, would substitute about 45 miles of narrow canal. The estimated total cost to the Federal Government of the waterway from Lake Ontario to Montreal by substituting such a project in the International Section would be increased from about \$40,000,000 as estimated under the proposed treaty and Ontario agreement to about \$195,000,000.

The facilities provided by such a project would be available for use by United States shipping on the same basis as the present canal system.

The United States can build a deep waterway from the foot of Lake Ontario at Oswego to Albany on the Hudson River without reference to any international body, as the water supply for such a canal can be obtained locally.

The deepening of the Hudson River up to Albany was completed this year to a depth of 27 ft. and the completion of the Welland Ship Canal by Canada means that the gap between Oswego and Albany is the only portion remaining to be completed to provide a deep waterway for the United States from the middle west to the sea. This route would be open for at least one month each year longer than Montreal and with rates cheaper out of New York than out of Montreal, might provide cheaper transportation than the St. Lawrence route. This project has been studied by U. S. Army engineers and they have reported that the benefits accruing therefrom would more than balance the carrying charges. Action on this project has been withheld however, pending negotiations with Canada on the St. Lawrence.

There is no doubt that the all-American route, if built, would be a very serious threat to the St. Lawrence route.

(See also Mr. McLachlan's evidence before the Senate Committee, 1928—page xxxix).

Memo re Water Supply for All-American Waterway, Oswego-Hudson Route.

The Deep Waterways Board of the United States presented two solutions of the above problem in their report of 1900.

These two plans for water supply were called respectively the "high-level" and the "low-level" plans and were both based on obtaining the requisite water supply for operation of the proposed canal from sources other than diverting water from any international river, although both plans contemplated taking some water from rivers tributary to Lake Ontario.

Under date of February 25, 1926, a Board of Engineers of the U. S. Corps of Engineers submitted a report on a "Deeper Waterway from the Great Lakes to the Hudson River." (House of Rep. Doc. No. 288, 69th Congress,

1st Session). They recommended the adoption of the "low-level" plan for water supply and state that in their opinion both of the plans proposed by the Deep Waterways Board appear adequate.

The "low-level" plan contemplated obtaining water supply from Wood Creek and Fish Creek, which are tributaries to Oneida Lake; from Oneida Lake and Oneida River, which are tributaries to Lake Ontario; from Nine-Mile, Oriskany and Sauquoet Creeks, which are tributaries to the Upper Mohawk River; and from the Upper Mohawk River, which flows into the Hudson River.

Hon. W. M. ASELTINE: Honourable members of the Senate, it was not my intention to participate in this debate until yesterday, when I heard the honourable the leader on the other side of the House (Hon. Mr. Dandurand) make reference to mixed farming in Western Canada. I do not pose as an expert, but farming has been a hobby of mine for a number of years—an expensive hobby, perhaps, but nevertheless a very interesting one. Therefore, if I am able now or at any other time to throw any light on the subject or to give any information to honourable members of this assembly, I shall be only too glad to do so.

In rising to address this august assembly I do so with a great deal of trepidation; but the friendly atmosphere which prevails lends courage for the task. As I have nothing of a controversial nature to deal with, I am sure that I shall receive a very patient hearing.

As you may already know, I come from the great west-central wheat-producing plains of the province of Saskatchewan. In that part of the world we not only eat wheat, but think, talk and dream of almost nothing else. Wheat is spoken of on the street corners, in the banks and in the offices, and always the price of wheat is of paramount importance to us in that part of Saskatchewan. As a matter of fact, the whole economic life of the country there depends upon the yield of wheat and the price to be obtained for it in the markets of the world.

While I think of it, I should like to thank the members of the Senate for the very kind and hospitable reception which my friend the honourable senator from Northern Saskatchewan (Hon. Mr. Horner) and I have received at the hands of this House. We hope to be able to repay your kind hospitality at some time when you visit Saskatchewan. We shall be only too glad to take you all over the country and show you some of the most remarkable wheat-growing plains in the whole world.

I think also that at this time I should congratulate the mover (Hon. Mr. Hocken) and the seconder (Hon. Mr. Fauteux) of the

Address, the right honourable the leader of this assembly (Right Hon. Mr. Meighen), the honourable leader opposite (Hon. Mr. Dandurand) and the other honourable gentlemen who have spoken during the last few days. The tone of the addresses has been of the highest, and I may say that I have been agreeably surprised to find that there has not been the least sign of political rancour.

Honourable members of this assembly who have not travelled extensively in the western part of Canada are probably unaware of the immensity of that country, and of the fact that in the area of which I am about to speak mixed farming on any large scale is practically an impossibility. The Rosetown district is located one hundred miles southwest of Saskatoon, one hundred miles south of North Battleford, one hundred miles east of the Alberta boundary, and one hundred miles from Swift Current, on the C.P.R. southern main line. To give you some idea of the magnitude of the country, I may tell you that in the several rural municipalities contiguous to Rosetown there are 1,500,000 acres of farm lands. I think I am safe in saying also that at least a million acres are under cultivation, and that approximately 750,000 acres are sown to wheat each year. The reason why this land is not adaptable to mixed farming is simply this: the surface water supply is poor, the water being obtained from deep wells and a dam here and there. The soil is a heavy, very deep clay gumbo with a top surface of what we call loose-top. Now, when this loose-top land is broken up from the sod, the grass is entirely destroyed, and we find it almost impossible to obtain later a good catch of grass, on account of the lack of rainfall. As a result, we are obliged to grow mostly wheat in that area. I will admit that the growing of one crop like wheat is a very risky business. But what are we to do? If the whole of Saskatchewan, Manitoba and Alberta went in for mixed farming and produced grain for feeding hogs, cattle, poultry and other live stock, our total products in those lines would be so large that there would not be a market for them anywhere in the world, and the prices would fall to zero.

I have in my hand a copy of an article which appeared as an advertisement of a cold storage company, which advocated the abandonment by the farmers of wheat growing and the substitution of mixed farming. Perhaps it is interesting enough to justify my reading it at this time.

Wheat, it appears, is a seed that is planted and grown to keep the producer broke and the buyer crazy. It is planted in the spring, mortgaged in the summer and lost in the fall. Its quality varies according to the amount of

rain or frost experienced during the growing season. A man who can guess nearest to this quality is called a wheat grader by the public and a gosh darn fool by the farmer.

The price of wheat is determined at primary markets and goes down when one has bought and up when one has sold.

All this reminds us of the story of the buyer, who, working for a group of millers from the East, came West to watch the wheat market. After a few days of deliberation he wired his principals to this effect:

"Some think wheat will go down, and some think it will go up. I think so too. Whatever you do will be wrong. Act at once."

The advertisement concludes by advising farmers to go into mixed farming and store their products with the cold storage company. That perhaps is as good an advertisement for mixed farming as the honourable leader on the other side (Hon. Mr. Dandurand) could possibly find anywhere. In the West we all agree that the growing of one crop is risky.

I should like to say that the wheat farmer can make himself self-sustaining on his wheat farm.

Hon. Mr. HORNER: Hear, hear.

Hon. Mr. ASELTINE: It is not so long ago, however, that the wheat farmer was not self-sustaining. I know for a fact, from my own observation, that in our district many farmers did not even have a garden; they had no horses, cows nor chickens; they produced nothing that they could eat or sell, other than wheat. All the work was done with a tractor, and all the goods required were obtained from town, the store bill being paid at the end of the year, after the wheat crop was sold. They were able to work so efficiently with the tractor that a great many farmers thought it more profitable to grow wheat exclusively, buy all the goods they needed in town, and not be bothered with mixed farming. And for many years they were very successful. They sold their wheat in the fall, paid their store and gasoline bills, and then either settled down for the winter or went to Eastern Canada and spent the rest of their money. In the spring they came back to Saskatchewan and borrowed enough money from the bank to put the crop in. This process continued from year to year. So efficiently was this method of farming carried on for a number of years that a man with a tractor and up-to-date farm machinery could farm a whole section and a quarter of land, that is 800 acres, by himself, with only the help of a man for a few days in the spring and fall. In the whole year such a farmer worked only fifty-five days, and yet he was making money.

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But that is no longer true. Commencing about 1929, when we felt the first effects of the depression, the farmer in the wheat growing areas has been endeavouring to make himself self-sustaining, and he now has his cows, horses, hogs and chickens, and an animal or two to kill for beef. He feeds these a limited amount of grain and has not only enough live stock and farm produce for his own personal use, but some to sell in the surrounding towns as a means of helping to pay part of his grocery bill. Whereas a few years ago his grocery bill used to run from \$1,200 to \$2,000, it is now considerably reduced, but still he cannot raise enough live stock and farm produce to pay all his expenses, and since 1930 he has been gradually losing ground, for reasons which I shall mention later on.

During the boom years from 1925 to 1928, inclusive, we in Saskatchewan were invaded by high pressure salesmen from the East and West. Our farmers, instead of paying off their mortgages, as they should have done when crops were good and prices high, bought at the instance of these high pressure salesmen all sorts of things, automobiles, tractors and farm trucks by the hundreds, pianos and radios, and not the ordinary kind, but expensive models. In the spring of 1927 a whole train-load of tractors was shipped to our town for one local implement dealer. I do not know how long that train was, but it looked to be about a mile. And every one of those tractors was disposed of. When you consider that that shipment was for only one dealer, that other dealers imported tractors by the car-load, and that for several years the annual sales of automobiles exceeded \$1,000,000, you will not be surprised to learn that the mortgages were not paid off during that time, and that these luxuries were gradually repossessed by the firms that had not received payment in full for them, and that the farmer is therefore in a bad position financially.

I submit that the farmer is not altogether to blame. He was simply doing what other people were doing. I should say that fifty per cent of the cost of those things was paid in cash, the balance being financed through large financial concerns in this country on conditional sale agreements, with interest at the paltry rate of twelve per cent. And, as I said before, during the years 1931 to 1933 the farmer lost practically all those articles which he had not paid for in full.

I should like to say a little about interest rates. The farmers of Western Canada have paid hundreds of millions of dollars in interest, and they are still paying at high rates to the best of their ability. Farm loans have

been running from eight to ten per cent on first-class mortgages, the machinery notes were at nine per cent, the bank loans from eight to ten per cent, and the conditional sale agreements mostly at twelve per cent. The banks, in my opinion, are not altogether blameless for some things that have happened. When money was free, some fifteen years ago, they lent large sums. In fact, local managers were persuading farmers to borrow big amounts.

I know of one particular case—and there are many others of the same kind—where a farmer borrowed \$7,000 about that time. He agreed to pay eight per cent interest. His crop was light that year, and when he went back in the fall to pay a small amount on account of principal and give a new note for the balance the bank manager demanded nine per cent interest. The farmer had to pay that, because he was threatened with suit. He had a lot of property, land and chattels, and he naturally signed the new note at nine per cent. The notes are usually for three months; so that four times a year this farmer would go back to the bank, pay something on account of principal if he could, and give a new note for the balance. As the notes were always discounted when made, the interest was paid in advance at the rate of nine per cent. That farmer has not paid back all the principal yet, although the total of his interest and principal payment is from \$15,000 to \$20,000. I have not the exact figure here, but the papers in connection with the case are on file now with the Debt Adjustment Bureau in Regina, where they are under consideration with a view to seeing if it is not possible to have some adjustment made. The amount he owes the bank at present is \$500, and they are holding all his land and chattels as security for this small balance, refusing to release any of it. All this has been going on in spite of the fact that our federal Bank Act provides the rate of interest shall not exceed seven per cent. Of course, we all know that if a man agrees, as this farmer did, to pay eight or nine per cent, even if the agreement is made under stress, and the notes are discounted, he has no legal remedy.

I am afraid that I am painting a rather gloomy picture for honourable members, but I should like to say that, thanks to the Relief Commission of Saskatchewan and to our federal and provincial governments, there is no one to my knowledge starving in Western Canada. Some of our people in the dried-out areas, where there have been crop failures for five successive years, have had to tighten their belts, but they all have enough to eat, they have been furnished with a reasonable

amount of clothing and with coal, and under the circumstances are not doing too badly. In fact, they are holding out wonderfully well and complaining but very little.

I also want to say that the country which I have been speaking about, around Rosetown, is not in the dried-out area. The farmers there have had only four crop failures in thirty years from drought,—one in 1910, one in 1914, one in 1924, and the last one in 1933. But while we have had only four crop failures through drought, in 1930 we lost practically all our crop as a result of soil drifting; and that applied not only to the Rosetown area, but to the southern part of Saskatchewan as well. The same thing happened in 1931, but I am glad to say that all the relief that was furnished in our district, after what crop we had was harvested, has been paid back with the exception of some \$2,000. In 1932 we had a fair crop, but the price was only 25 cents a bushel.

Last year there was the biggest failure of all, because practically no crop was produced on a strip about four hundred miles wide extending practically from the North Saskatchewan river, in Alberta and Saskatchewan, south through Saskatchewan into the United States and almost as far south as the Gulf of Mexico. In many parts of that area the binders were not taken out—the crop was not high enough to be cut with a mower. This followed the other years of soil drifting, and as we had no rain we were helpless. We had always thought that on account of the heavy soil in that district we could grow a crop with one rain, and perhaps with no rain at all, but we could not avoid a complete crop failure when we had the cumulative effects of the other conditions to contend with. Not even enough crop for seed was grown in the area extending almost from the town of Rosetown to the city of Saskatoon, 100 miles to the east, and almost as far west as Drumheller and Calgary.

As a result of those conditions mortgage interest has been piling up, and is from two to four years in arrears, in many cases amounting to half as much as the principal. The taxes also are far behind, and store bills are unpaid. Perhaps I might be permitted to refer by way of illustration to my experience on one farm of my own. I have a farm of eight hundred acres, nine miles south of the town of Rosetown. It is all under cultivation, and we have adopted the method of strip farming to prevent the drifting of soil. That is, instead of having one huge field all summer-fallowed, we break it up into smaller fields of twenty to forty acres, ploughed and worked

at right angles to the prevailing wind, which in our district is the west wind; and we put one strip in crop, leave the next strip, put the next strip in crop, leave the next one, and so on all down the field. In that way we have a field of, let us say, only twenty rods wide, to blow, and the drift therefore does not accumulate to the same extent as it would if there were a field a mile wide for the west wind to play havoc with. In this way we have practically prevented the soil drifting. In 1933 we planted four hundred acres in wheat on this farm and harvested four hundred bushels. It took half of the total receipts to pay the cost of combining the crop, and the other half is all that remains for the man on the farm to live on until next fall. Furthermore, there is no seed, and that has to be purchased in the spring.

This condition prevails in that part of the country. It prevails also in the southwestern part of the province to a greater degree, as mentioned by the honourable member from Vancouver (Hon. Mr. McRae) this afternoon. I agree with him that the proper thing to do is to move the settlers there into the north, where there is a greater rainfall and they can make a good home for themselves on C.P.R. or Hudson Bay lands, or on homesteads which they can purchase from the Government at one dollar an acre.

Hon. Mr. DANDURAND: Has not that transfer been in operation for some years past?

Hon. Mr. ASELTINE: Yes, it has been under way for two years. I do not know how many families have been moved from that particular district, but from urban centres and from any area where the rural municipal councils certify the land is not fit for wheat or any other kind of farming now being carried on, the Government is moving the people north, two-thirds of the cost being paid by it and one-third by the municipality. If the abandoned land is worth anything at all it is taken over by the Department of Natural Resources. Probably it would be easy to use the land again for grazing purposes, for sandy soil will grow grass in good years—something which cannot be done on heavy clay gumbo. I might add that even on the heavy soil of which I have been speaking you can always grow oats on summer-fallowed land, but not enough for feed. One reason why we cannot successfully mix-farm on such land is that if we do not grow a crop of wheat the forage crop is also a failure. We might stock up with cattle, horses and hogs, and have no feed for them. In this event we should be obliged either to give them away or to ship them into the north,

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and then next year start all over again. I think the only way to circumvent this state of affairs is to build up a supply of feed in good years to carry us over the lean years. That is what is being done at the present time.

At this stage I should like to pay a tribute to the Minister of Agriculture for the Dominion, Hon. Mr. Weir, for the great work he has been doing on behalf of agriculture. He is not only a practical farmer and stock man, but a man of high educational attainments, and he is using his practical experience and his talents, working night and day, in the interests of the farmer. In the West we are all satisfied that he is doing a great work.

We are also satisfied that the Empire Trade Agreements have been quite satisfactory, for the reasons already mentioned in this debate.

The wheat pools are satisfied that the London Wheat Agreement is a good measure. We are not anticipating any difficulty at all in regard to the reduction of acreage. I will tell you why: the grasshopper menace is upon us. We had never been bothered with this pest before. The grasshoppers flew in last August and laid their eggs, infesting the greater part of the three Prairie Provinces from the international border to as far north as Township 33, perhaps a little farther. This takes in perhaps more than fifty per cent of the cultivated land of these provinces. All over that area, on roadsides and in stubble fields, the grasshoppers have deposited anywhere from fifteen to fifty eggs per square foot. We are told by university professors and Government officials that those eggs will hatch out in the spring. For instance, if you put a flower-pot full of garden soil on your kitchen shelves, you will find that as soon as the temperature reaches seventy degrees the eggs start to hatch out. That has actually taken place.

Now, why is the grasshopper menace going to reduce the wheat acreage? We are advised to sow nothing but summer fallow in that whole area. Approximately one-third of the land is summer fallow, and the other two-thirds stubble. If we follow this advice, we shall reduce the acreage in wheat much more than fifteen per cent. So I am quite sure the Government will have no trouble at all in reducing the wheat acreage. There must also be taken into account the land which will not be sown to wheat, it having been found unsuited for the purpose.

Instead of a reduction of acreage I would advocate a quota. Let the farmer grow all the wheat he wants to, but fix the amount he may take to market. Then if he grows 10,000 bushels in 1934, and his quota is 8,000 bushels,

he will have 2,000 bushels to put into his granary and carry over to next year. If in 1935 he has a short crop or a crop failure, he will have feed and seed to carry him on. In other words, this policy would help build up that surplus to which I have referred and which I think it is advisable for every farmer to have on hand.

I do not intend to discuss the wheat situation. It is very discouraging. I could talk on the situation in Germany, in France, in Italy, in Spain, and show that we should like to have those countries enter into agreements with us for the purpose of supplying them with wheat at not more than a dollar a bushel and so on. Perhaps on some other occasion I shall deal with the subject.

In spite of the discouraging picture I have drawn, I feel quite safe in saying that if the Western farmer can get even seventy-five cents a bushel f.o.b. at point of delivery for his wheat, while he may not be able to pay all his debts, he will be able to pay his way for the time being, and gradually reduce his indebtedness. But I do not see how he can ever get rid of the burden of interest that has been bearing him down and grinding him into the dust during the last five or six years. I submit there will have to be a comprehensive scheme of debt adjustment for the purpose at least of getting rid of that interest and perhaps cutting the principal as well. But I want the House to understand that I am not in favour of debt cancellation. Except the few who have joined some new party or other, I do not think any of the farmers in Western Canada are in favour of cancellation. Debt adjustment always, total cancellation never—that is my principle.

With regard to farm mortgages, I may say that Professor W. Allen, of the University of Saskatchewan, has prepared a pamphlet showing that in Saskatchewan there are \$175,000,000 worth of farm mortgages and \$600,000,000 worth of agreements of sale, the total debt of the farmers being about a billion dollars. The total mortgage debt for the three Prairie Provinces is about \$300,000,000.

Now, if a great holding company could be formed to take over all these mortgages, I think it would be a good thing. There should be a board in each province. The mortgages should be reduced to not more than fifty per cent of the present value of the land; that is, there would be an adjustment to that extent. The company should then issue bonds at four per cent. Until such time as the national debt or the bond issue of the Dominion is rewritten and interest reduced, perhaps those bonds could not be sold; but I think they could be sold if the Government would

guarantee their payment, and then the mortgage companies would fall into line. In that way money could be raised for the purpose of taking over the mortgages which would be rewritten, extending over a long period of years, with an interest charge of five per cent. This would allow one per cent for handling the money.

Hon. Mr. HUGHES: Should not that apply to the whole of Canada?

Hon. Mr. ASELTINE: I have discussed the matter with several bankers in Ottawa since I came down here. They tell me they think the suggestion is sound in principle, but that it should apply to the whole of Canada. I do not know the amount of the farm mortgage debt for the Dominion.

Hon. Mr. HUGHES: It is \$700,000,000.

Hon. Mr. ASELTINE: I am afraid that would be a big undertaking.

May I say that at the present time the shoes of the farm people in the West are getting thin in the soles, their socks are out at heel, their clothing is getting threadbare, their farm machinery and harness are getting worn out, their buildings need repair—many of them should be rebuilt—and have not seen any paint for a number of years. I suggest that if the Western farmer can get a satisfactory adjustment of his debts, some cheap money and a couple of crops, and realize a good price, he will buy from Eastern Canada all these things that he needs. This would keep the mills and manufacturing concerns going at full blast, and bring about such prosperity in Eastern Canada as has not been seen for a long time, as it will take several years to supply the people of Western Canada with all these things of which they are in need. I am confident that as soon as they have the money their purchasing power will mean prosperity for the whole country, for I contend that if the farmer is prosperous his prosperity will be reflected in every part of this fair Dominion.

Hon. R. B. HORNER: Honourable senators, I had not intended to take part in this debate, but I feel it necessary to deal with some of the statements of the honourable member from De Lanaudière (Hon. Mr. Casgrain). I had been told there was very little of politics in this Chamber, but after listening to the honourable gentleman it seems to me there is politics in plenty. He stated that the Wheat Pool had attempted to set the price of wheat. This is not so. Many persons appear to labour under this erroneous impression, and perhaps this accounts for the attitude of those

in Eastern Canada who criticize the Wheat Pool for its action in 1929 and 1930. As a matter of fact the Pool handled fifty-one per cent of the wheat; in other words, at the end of the wheat year, July 31, 1930, it had sold 13,000,000 bushels more than the grain trade had sold of their share of the wheat handled.

In 1930 there appeared in the press of Western Canada a letter over the signature of the president of one of our largest chartered banks, declaring that the Wheat Pool president, the late Mr. Macphail, was doing the proper thing in holding wheat for \$1.50 a bushel. My honourable friend from Saskatchewan (Hon. Mr. Aseltine) says he farms as a hobby. It has been a serious business with me all my life, and I have had to pay particular attention to it or I should not have been able to raise my family. Naturally we in the West take advice from anyone in Eastern Canada who, we think, has a better grasp of world conditions than we have. I believe that as a result of the advice contained in that letter a million dollars was gambled on the grain exchange from the little town where I live.

My honourable friend from De Lanaudière has informed us that our banking system is perfect and that we do not need a Central Bank. I believe we do need a Central Bank. Certainly we need some control of credit. At a time when cattle were selling at nine cents a pound I, as well as other farmers, was advised by our local bank manager to buy a hundred head of cattle, as the bank was desirous of lending money for the purpose. After feeding those cattle all through the winter we had to sell them the next year at four cents a pound. As a result many farmers lost everything. Last fall when cattle were selling at one cent a pound there was no money available for the purpose of feeding them, although there were thousands of tons of feed and any quantity of low priced grain for sale all over the northern part of the three Western Provinces. The honourable senator told us that the banks were lending only depositors' money and therefore took no chances; that, no matter what a man's reputation might be, they would make advances only on absolutely secured loans. If that were the case, there would be no such thing as a poor loan. Then why charge more interest to one man than to another? The poor man had to pay from nine to ten per cent interest for his money while the well-to-do man got his loan at seven per cent. I submit that this is wrong in principle.

Certain persons in Eastern Canada complain that many farmers in the West are not

Hon. Mr. HORNER.

making an effort to pay their debts. I remember that in the early days the homestead inspector in my district, in addition to discharging his official duties, was handling money for two mortgage companies. He called on me, as he did on several other young men, and pressed me to take a loan on my place. Later on, after good years, the companies who had money that they wished to lend hired the best men available and were competing with one another to place that money. Very often they pointed out to a man that if he wished to be progressive he ought to buy some machinery. So the farmers were encouraged to take loans.

In the northern part of Saskatchewan there is room for a great number of settlers. The honourable leader of the opposition (Hon. Mr. Dandurand) was asking whether settlement was going on. I believe that during the past summer fifty thousand farmers moved from the southern part of the province to the northern section. I do not altogether agree with the honourable member from Vancouver (Hon. Mr. McRae) that the whole southwest portion of the province is bad. Take the Milestone area for instance. The people there were on relief, but for thirty years they had not known a crop failure. I was talking to one man who said he had gone into that district with \$2 in his pocket, that he had later spent nine winters in California, \$55,000 had gone in bad investments, and he still owned two sections of the finest land in Canada and did not owe a dollar on it. The local member from Milestone was complaining of the hardship there. I said: "Some of you men must have cash. What about such and such a man?" "Why," he said, "he is on relief." That district suffered severely from the drifting of the soil. It had previously been so prosperous that the people had no more thought of saving money than you would have of taking a pail of water out of the Ottawa River for fear it should go dry. They thought that all they had to do was seed a crop and they would have plenty of money to carry them along.

My honourable friend opposite (Hon. Mr. Casgrain) said that we had prosperity under Liberal governments and depression under Conservative governments. I should not like to admit that. It may be true. The Liberal governments acted like a man on a rented farm, and took advantage of the situation to plunge the country into debt; then the Conservative governments, when they came into power, had to pay up. We were well served in Northern Saskatchewan by the Canadian National Railways, but under the Liberal

government the C.P.R. paralleled the lines already existing and built many miles of road. Now neither road is prospering. We are paying for that.

The honourable gentleman also objected to the Government going to the Old Country for men to tell us what to do about the banking situation in this country. I only wish that the party he supports had taken a similar attitude when they wished to secure a man to run the railroads of this country. If they had done so the country would have been saved many millions of dollars.

Hon. Mr. DANDURAND: We brought him from England.

Hon. Mr. HORNER: The honourable gentleman was complaining of the men from England. You kept too long the one you brought out.

Hon. Mr. DANDURAND: He seemed to do well at the time.

Right Hon. Mr. GRAHAM: When we had him he worked all right.

Hon. Mr. HORNER: I am much pleased with the ability that I find here, and the reception that was accorded to me upon coming here, a new senator from the farm. I know that, as has been said, there are men of very great ability and experience in this Chamber. I was very much taken with the remarks of the honourable member from Vancouver, and should very much like to hear a discussion by these able men upon several of the points raised in his speech. In this connection I might say that I was somewhat disappointed—coming, as I do, a very long distance—at the prospect of a long adjournment of this Chamber. I think we could perform a useful service here. There are before the country at the present time many great questions about which something should be done. If there is any little help that I can give, I shall be only too glad to give it.

Hon. RUFUS POPE: Honourable gentlemen, I shall not detain you long, which I am sure will be a matter of satisfaction to those of you who know me best.

I listened this afternoon to the honourable senator from Vancouver (Hon. Mr. McRae), who crossed the ocean, travelled over the countries of Europe, and has come back and reported to us that peace in the world is not possible, and that therefore we should feel dismal and despondent and hopeless. I do not think there is any more danger to-day than there was in 1914; and we pulled through that period. True, we have had to pay for it. Everybody has to pay for liberty. No

matter in what part of the world, no matter at what time in the history of the world, liberty has cost money and lives. Nevertheless, it has been necessary to the progress and development of the human race.

In the early days of Canada the kings of France ruled and dictated through men sent out here by them. Later England took over the reins, and even then years passed before we secured the liberty that we now enjoy. The last important letter on that subject was written, I am happy to say, by a resident of the Eastern Townships, Sir Alexander Galt. He wrote the letter that brought to us freedom and constitutional government as we have them in Canada to-day; and if sacrifices have to be made again in order to guarantee in the future the same liberty that we now enjoy, I say that the young men of Canada who stand behind me will make those sacrifices for Canada and for the Empire.

Coming now to international finance, let me say that I hope we have very little to do with it. I know of no international finance that is not based on the payment of money to somebody. Nobody is going to finance us for amusement, either through a Central Bank or in any other way. International finance involves all sorts of powers of conscription, and a dogma that is unpleasant to the ordinary independent man. Therefore I hope we shall have none of it.

Home trade is wonderful trade. Some people think that we should move in the direction of reciprocity. There is no such thing as reciprocity unless you give the other fellow the handle of the jug and take what spills out on you. You cannot get reciprocity; nobody ever got reciprocity on this continent. Do you think the United States of America are prepared, under any conditions, to hand over to us more than they receive? Oh, no, gentlemen! Never! You need not look in that direction for trade; you must look elsewhere in the world, particularly within the confines of the British Empire. There we have friends, and there reciprocity arrangements already have been made, for which nobody deserves more credit than the present Prime Minister of Canada, R. B. Bennett. This is a matter, not of party politics, but of benefits conferred upon all parts of the Empire, members of one family. We are all reciprocating, and as we learn the requirements of the other portions of the Empire, and they learn ours, this wonderful reciprocal arrangement will do for Canada even more than it has done yet—and it has done much in the past twelve months. So far as some of our exports are concerned, we must deal elsewhere than within the Empire. We are an export-

ing nation, because we possess the raw materials. We have big forests and the biggest mineral resources in the world, and when they are developed no country will be able to compete with Canada. We should be proud of our resources, and should have no fear of being swallowed up by a tremendous indebtedness. Let us look forward with confidence and hope. Nobody ever gets anywhere by looking backward. If we look forward we shall see the sun of the future rising to greet us and holding forth the promise of prosperity and happiness.

I am sorry for the United States. They are not a nation, but a conglomeration of states composed of the off-scourings of Europe who came into that country as settlers. They are neighbours of ours, and he would be a mean man who would impose hardship or misfortune on his neighbour. Therefore I am sorry for the United States. In the early days the United States wanted to be able to make things more cheaply than anybody else could make them, and brought in negroes at so much a head, and used them until the introduction of steam; then they found they could manufacture more cheaply by steam. The result is that to-day there are twenty million negroes in that country. How many will there be in the United States one hundred years from now? Figure it out for yourself: by that time they will have a black race. The United States reminds me of the poor old mule: he has no ancestry, and can have no future.

One thing further I desire to say to the acting leader (Hon. Mr. Beaubien) and to the leader of this House (Right Hon. Mr. Meighen), and that is to suggest that we should not adjourn until the 20th of February. If it is the desire of the House to adjourn until Tuesday evening, all right; and in the meantime the committees could be organized and put on a working basis. Several honourable gentlemen who have to remain here would like to sit on the Committee on Agriculture preparing ways and means of getting information which would be of benefit to Canada. We want the credit for that to come to this House. There is also to be a Committee on Banking. I do not know anything about banking; all I know about banks is that they make me pay every cent I owe them, even if I have not the money.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. POPE: That is nothing to laugh at. It is a serious matter.

Hon. Mr. POPE.

It is my hope that if we adjourn to-night we shall meet again no later than next Tuesday. Something has been said of the 20th, and someone has said that nothing would be here from the House of Commons until that date. Personally I do not care whether the House of Commons ever sends anything here. Let us send them something instead. Are we not capable of originating anything that is worth while, or that will reflect credit on the Dominion of Canada? Is it to be said that we are no good—that we ought to be abolished, wiped out? Let us form our committees, putting on them the men who can remain here, to carry on the work of the Senate while the House itself is adjourned, so that something may be ready for us when we come back.

The Address was adopted.

ADJOURNMENT OF THE SENATE

Hon. Mr. BEAUBIEN: Honourable members, it is a pity that we cannot all be of the same opinion. It is not the fault of the Senate that it has nothing to do. Everybody knows that legislation originates in the other House. Time and again we have requested that bills from the several departments of the Government be sent to the Senate at the beginning of the session, where excellent work has been and could be done. As a matter of fact, that course was followed last session; but this session no bills have been sent to us, and now we are faced with the situation that for some fifteen days we shall have no work to do. For this reason the right honourable the leader of the House thought it would not be fair to call upon senators to attend. Personally I should be very glad indeed to accede to the request of the honourable gentleman who has just taken his seat (Hon. Mr. Pope), but how could it be granted? We have nothing to do. I do not think it would be fair to call in the senators, some of them from a considerable distance, when we have nothing for them to do. For this reason, following the suggestion of the right honourable leader of the House, I move:

That when this House adjourns it do stand adjourned until the 20th of February at 3 o'clock in the afternoon.

I trust we shall be unanimous in regard to this.

Hon. Mr. ROBINSON: Are you not going to form your committees before adjourning?

Hon. Mr. BEAUBIEN: It does not take much time to form the committees.

The Hon. the SPEAKER: Is it your pleasure, honourable members, to adopt the motion?

Some Hon. SENATORS: Carried.

Some Hon. SENATORS: No.

The Hon. the SPEAKER: Those in favour will please say content.

Some Hon. SENATORS: Content.

The Hon. the SPEAKER: Those opposed will please say non-content.

Some Hon. SENATORS: Non-content.

The Hon. the SPEAKER: I am reminded that in order to carry, this resolution must be adopted unanimously. The Rules provide that one day's notice must be given.

Hon. Mr CALDER: My honourable friend (Hon. Mr. Beaubien) could give notice of motion for to-morrow.

Hon. Mr. BEAUBIEN: Honourable members, I think there is a strong preponderance of opinion that the Senate should adjourn this evening until the 20th, in accordance with the suggestion of the right honourable the leader of the House. If that is so, I would ask my colleagues to withdraw their opposition. Otherwise, I shall have to give notice of motion for the adjournment, and that will necessitate our meeting here to-morrow afternoon.

Right Hon. Mr. GRAHAM: I have known voting to be done on Friday.

Hon. Mr. BLACK: Honourable members, I am one of those who will be staying in Ottawa all next week in any event, because I have made arrangements to do so and my home is at a considerable distance. But it does seem to me that nothing is to be gained by our refusing to adjourn to-night. If we had any work to do, I would gladly come here, but I do not want to have to put in an appearance ever day if we are simply to meet and adjourn. That would be a far more ridiculous procedure than to adjourn now for the period suggested by the right honourable leader of the House. It has been said that the committees have not been appointed. However, the Committee of Selection has been appointed and we shall be just as far ahead when we meet on the 20th, with respect to committee work, as if we sat from now until that date, because in the meantime we should have no work for our committees to do. I appeal to the good judgment and kindness of honourable members on both sides of the House to let the motion for adjournment pass.

Hon. Mr. DANDURAND: Honourable members, I thought that perhaps we might have met yesterday or this morning to appoint the committees, but the right honourable leader of the House, who found that he would have to be away to-day, informed me before leaving that on consulting with members of the Government he learned no bills would be available for introduction into this House for a couple of weeks at least; therefore he had decided to ask the Senate to adjourn until the 20th. Of course, unless the motion is unanimously adopted a notice will have to be given, but I should like to inform honourable members that a number of our colleagues have left the city, having taken it for granted that the right honourable gentleman's suggestion as to adjournment would be adopted. I am quite ready to attend at any time that the House sits, but in view of the statement of the right honourable gentleman I intend to support the motion.

Right Hon. Mr. GRAHAM: Honourable members, I am not going to oppose the motion. I was informed by the right honourable leader of the House yesterday that this motion would be made. I raised no objection to it then, and I will not do so in his absence.

My principal object in rising was to mention another matter, although I may be out of order in doing so. I feel that we, the older members of the Senate, have been slightly rebuked by our junior colleagues who have spoken on this motion. They cannot understand why men who are paid to do the work of the country should not be doing it. Now, as an example of what the Senate did by way of investigating the St. Lawrence Waterway I refer them to a report made by a committee of the House on that subject, where they will find more information than can be obtained in many reports from some places I could mention.

There must be some of our newer members who, with their young and vigorous minds, are actively interested in industry and agricultural life and can give us some valuable assistance in dealing with our present difficulties. We in this country are not going to lie down; we intend to carry on, and we want to put the right foot forward. While I cannot agree with my honourable friend from Vancouver (Hon. Mr. McRae) that we should withdraw from the League of Nations, I am in sympathy with many things he said. If they are worth while, let us look into them. Some of the best speeches I have ever heard have been made this week during the debate on the Address—speeches that got right down

to the crux of our troubles. We can make speeches all right, but I suggest that if some of our younger members, who are full of zeal, ambition and information, would put some resolutions on the Order Paper respecting matters that could be investigated by committees, there would be no desire for vacations on the part of members generally. I really feel that this House, with all its ability—which we all admit—will fail in its duty if it does not in this time of crisis get to work and endeavour to give some good advice as to the best way of getting the country out of its difficult position.

Hon. Mr. COPP: Honourable members, I am one of those who have to remain at Ottawa almost continuously during the session, but I am not offering any objection to an adjournment now or at any time when there is no business to be done in this Chamber. Of course, we are always glad to come to hear prayers by His Honour, if for no other purpose.

There is one question that I should like to ask. The honourable leader on this side (Hon. Mr. Dandurand) stated as one reason why we should adjourn to-night the fact that a number of senators were informed of the intention to adjourn for some time, and in consequence they have gone home. Now, why should this information be given to some senators and not to others?

The motion was agreed to.

HOSPITAL SWEEPSTAKES BILL

FIRST READING

Bill A, an Act with respect to Hospital Sweepstakes.—Hon. Mr. Barnard.

The Senate adjourned until Tuesday, February 20, at 3 p.m.

THE SENATE

Tuesday, February 20, 1934.

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

Prayers and routine proceedings.

THE LATE KING OF BELGIUM

TRIBUTE TO HIS MEMORY

Before the Orders of the Day:

Right Hon. ARTHUR MEIGHEN: Honourable senators, in common with the other branch of the Parliament of Canada, and indeed all legislatures the world over, this

Right Hon. Mr. GRAHAM.

House learned with acute sorrow of the sad and sudden passing of His Majesty King Albert of Belgium. The circumstances of his early departure from life, precipitate and tragic as they were, have served to impress upon the world the unique character of the service he rendered humanity at a crucial hour in the history of the world.

None in this House can fail to recall the tension under which the people of every nation laboured in the terrible hours that preceded the advent of the World War, and the sensation of pride we felt, as members of the same human family, at the magnificent and heroic stand taken in that crisis by the little nation of Belgium. That her stand was inspired, not only by the heroism of her people, but also by the conspicuous gallantry of her King, has ever since been universally acknowledged. Belgium, of course, had no hope whatever of arresting the march of the millions of the German army, but, true to the instinct of self-defence, and determined that right should be asserted at whatever cost, she offered her sons on the altar of sacrifice and earned the everlasting gratitude of mankind. The King took his place at the head of his nation, both in council and in the field. His son followed him. The whole Belgian royal family became the heroes of their people.

It is impossible now to measure the service done by that heroic nation. No one can say what might have been the course of events had she not taken that stand, but if opinion at this hour could be sufficiently informed to render an intelligent and approximately correct judgment, it would surely be that but for Belgium's decision, one of the most momentous in the annals of time, the whole course and conclusion of the conflict would have been different. Therefore the name of King Albert remains in the minds of all, at least in the allied nations, a great name, to which we look back not only with gratitude, but with something approaching adoration. That we should now lament his demise is of course inevitable, and I am sure that this House, in common with the other House and legislatures the world over, extends its deepest sympathy to the Queen of Belgium and all the members of the royal family, and hopes they will ever know the admiration in which we hold the illustrious memory of the deceased monarch.

Hon. RAOUL DANDURAND: Honourable members of the Senate, in July, 1914, two emperors, two mighty potentates, dominated the continent of Europe—Wilhelm of Germany, and his brilliant second, as he was

called, Franz Josef of Austria. Beside them was the king of a tiny nation of about six million people, a nation that was by treaty neutral, and not called upon to play an important part in international affairs.

After the tragedy of Serajevo, on June 20, the two emperors agreed to chastise Serbia, even at the cost of a general conflagration. Germany was convinced at that time that the hour had struck, as Russia and France were clearly unprepared. But Germany stood in need of a *casus belli*, and manoeuvred day and night to obtain one, on either the eastern or the western frontier, in order that in facing the world it might appear to have a clear conscience.

For a number of years, under a general programme Germany had been determined to invade France through Belgium, and on the 26th of July, some days prior to the declaration of war, completed a draft ultimatum. It was sent to Von Bulow, the German Minister at Brussels, on the 29th of July, with orders that he was not to open it until he was wired instructions to do so. That document stated:

The German Government has positive information that the French troops intend to march on the Meuse section by way of Givet and Namur. . . . The steps taken by the enemies of Germany will force her to enter the Belgian territory.

That was sent on the 29th of July, although it was not until two days later that the German Ambassador at Paris asked as to the intentions of the French Government in the event of war with Russia. On the 30th of July, Von Jagow wired his Minister at Brussels to open the sealed envelope which had been sent him, and to execute his instructions. He added:

The Belgian Government must be given the impression that all these instructions have only reached you this day.

The duplicity of the German Government is apparent in those lines.

On the same day, the 30th of July, France had ordered her covering troops to withdraw to ten kilometres from the frontier. On the 3rd of August Germany declared war on France, falsely alleging that bombs had been thrown on Nuremberg. The Prussian Minister himself declared at Munich that this statement was an error.

The ultimatum prepared on the 26th of July shows clearly the bad faith and duplicity of the German Government towards Belgium. We all know what followed. The decision of Belgium surely was, as my right honourable friend has said, most momentous in the history of the Great War. It proved to be the unmaking of Germany, for it brought Great

Britain and the Dominions into the conflict, and the invasion of the heroic little country aroused universal disapprobation. If the Allies had been vanquished, Belgium probably would have become a German province.

King Albert risked the fate of his country to save the national honour, and he and his people gave to the world a splendid lesson of moral courage. Had Belgium remained neutral it would have lost its self-respect. Its enemies had an extraordinary fate. The Hapsburgs crossed the Danube on a punitive expedition, and, as I have remarked before, they came back shorn of their crown and a large part of their territorial possessions. The haughty and vainglorious Hohenzollern learned of his fate on Belgian territory, at Spa, and ran away to a foreign land, where he is now chopping wood. But Albert, the King of Belgium, will ever live enshrined in the heart and memory of generations to come, as one who played the part of the chivalrous, undaunted knight, *sans peur et sans reproche*, in the great and fearful drama through which it was our lot to live.

THE LATE SENATOR FORKE

TRIBUTE TO HIS MEMORY

Right Hon. ARTHUR MEIGHEN: Honourable members, as if this House had not suffered enough losses in the long list which we recorded in terms of regret at the opening of this session, we are now called upon to note the death of one of our members even since the session began. Senator Robert Forke, of Brandon, in western Manitoba, who was a member of the Senate for more than four years, has passed to the Great Beyond. He was one of a limited number of federal legislators in our country who were born outside its borders. In common with the first two Prime Ministers of the Dominion, he had his birthplace in old Scotland, a distinction which, entirely aside from the company in which he shared it, he valued proudly indeed. Having had the advantage of an education in his own country, he came to Canada at the early age of twenty-two years and took up the vocation of farming. His subsequent career affords about as conspicuous an example of the success of an immigrant as this young country can boast, even to this day. Starting with nothing, he built up a reputation throughout western Manitoba for energy and resourcefulness. He became in time the reeve of his municipality, and perhaps the honour which he valued most highly among all that came to him was that of having been re-elected to that post over the long term of twenty years.

Senator Forke's work in public life was confined for at least two decades to municipal activities. He was very prominent in the services rendered by the Union of Manitoba Municipalities, and in that way was brought to the notice of the people of the province in general and of its public men in particular. It was not until after he had passed the age of three score years that he ventured to become a candidate for a legislature. In 1921 he was first elected to the House of Commons, as a member of the Progressive party of that time, and in the course of one year, on the retirement of its chief, he succeeded to the leadership.

The characteristics of Senator Forke were very markedly those that are always present in the Scotch Canadian. His caninness and innate wisdom were qualities which no doubt appealed to his colleagues, and were instrumental in bringing him to a post of great prominence in the federal public service so shortly after he became a member of the other House. None of us who sat in that other House during his time will ever forget the contributions he made to the discussions there. They were unique in their kind, as was his character itself.

In 1929 he resigned the post of Minister of Immigration in the Government of that time and accepted appointment to this body. During the ensuing years his personality won our esteem. His failing health became evident last session. I know that we all, irrespective of party, deeply lament the fact that he is to be with us no more. He leaves a widow and family, and to them we extend in all sincerity our tribute of respect and our sympathy in the loss which they must now endure.

Hon. **RAOUL DANDURAND**: Honourable members, it was not my good fortune to be able to follow at close range the work of the late Senator Forke, a privilege which my right honourable friend enjoyed for several years while they were both active in the same province. My acquaintance with Mr. Forke began when he entered the House of Commons, and I became more closely associated with him when we sat together in the King Administration. I heard that he was a prosperous farmer, and on consulting the Parliamentary Guide I learned that he was also a public spirited citizen, having served his community in various municipal offices. I soon recognized that his principal qualities were common sense, good judgment, tolerance, a capacity to see his neighbour's point of view; also that he had a great fund of information on all matters that interested the people whom he served.

Right Hon. Mr. **MEIGHEN**.

It is always interesting to me to watch the career of young immigrants who take up farming and by their ability and labour gradually amass a competency, and by their quality of citizenship win the confidence of those among whom they settle. The late Senator Forke offers us an outstanding example of the successful immigrant boy. Several honourable members in this Chamber have had a similar experience. It shows that this is a country where anyone who brings to his task character, courage and industry—and the late Senator Forke had all these qualities—can become prosperous and happy. Our late colleague rose in this Chamber quite often to give us his views on problems that engrossed his mind, and we were always the better for the information which he brought to us. I always felt that we were in the presence of a good citizen, of one who had earned the esteem of his fellow members in both Houses, and I join with my right honourable friend in extending to the family of the late Senator Forke the sympathy of his colleagues in this Upper Chamber.

FOREIGN INSURANCE COMPANIES BILL

FIRST READING

Right Hon. **ARTHUR MEIGHEN** introduced Bill B, an Act to amend the Foreign Insurance Companies Act, 1932.

He said: Perhaps this time is as opportune as any other to lay some general foundation for the attention of the House to this measure. Honourable members will recall that in 1932, by reason of a succession of adverse decisions in the Privy Council which affected, if they did not destroy, the right of the Parliament of Canada to legislate in relation to insurance, and the right of the department erected by Parliament to supervise the operation of insurance within Canada, or even the entrance of foreign companies, it was decided to seek to amend the legislation of that time so as to bring it within the very drastic limitations which those decisions had imposed upon us. Three Acts were involved. The first was the Act establishing the Department of Insurance; but with that, at the moment, we have no concern. The second was the Act respecting British and Canadian Insurance Companies; and with that we shall deal in a measure to succeed this one. The third, the one presently important, was the Act respecting Foreign Insurance Companies, and it is to further amend this Act that I now introduce the Bill.

It may be in the minds of honourable members that there is much futility, and most expensive futility, in a struggle on behalf of

the federal authorities to maintain their jurisdiction in respect of insurance. The situation is one of those brought upon us by the terms, at the time perhaps wisely conceived—at all events we will not challenge their wisdom—of the British North America Act of 1867. Business in the Dominion in those days was very substantially different from what it is to-day. That period might be described as the horse-and-buggy period in relation to trade, as in relation to transportation. The Fathers of Confederation in their effort to draw the dividing line between federal and provincial jurisdictions had regard to the nature of the businesses and the scope of their operations, allocating them either to the federal side of the line or to the provincial. If the decisions of the Privy Council are sound—and we must so accept them—the conduct of the business of insurance was placed among provincial responsibilities. As to foreign insurance companies, it was without doubt stringently and finally held that this Parliament could not tread within provincial boundaries and seek, under whatever guise, to supervise the conduct of the business of such companies. Whether or not, were the British North America Act the creation of this time instead of three generations ago, the line of demarcation would appear where it does now, cannot concern us; but it is not an irrelevant observation to suggest that if the insurance business of that day were of the dimensions of the insurance business of to-day, did it have at that time the interprovincial sweep which it has now, it would have been placed alongside of banking as a federal responsibility. But while the Constitution remains as it is, we must abide by the decisions thereunder and refrain from overstepping the mark and seeking in any form to control or supervise the business of insurance.

Such was the purpose of the amendments to the three Bills which were brought before this House and very thoroughly reviewed by the Senate Committee on Banking and Commerce two years ago. The various interests were heard at very great length and with the utmost patience. The committee sought, under the best advice it could get, to give to the Department of Insurance such powers as would enable it to be useful, and at the same time to withhold from it powers which it had been held by the Privy Council did not belong to the federal authority. The truth is that, though we will all agree, after the three adverse decisions to which I have alluded, that supervision of insurance is provincial, it is deemed by what one might call the insurance fraternity generally, and especially by the larger units

of that fraternity which operate outside the Dominion, to be of vital importance to them to have federal supervision and the imprimatur of the federal authority upon their business, their status and their financial responsibility. It is deemed vital to them that this should be their privilege for the purposes chiefly of their status beyond Canada, but also for the purposes of their prestige within Canada itself. And as well it is the desire certainly of the majority of the provinces, as expressed in provincial conferences held more than once, that the federal functionary in this department shall not cease to operate. They feel that they cannot afford the character of service that is essential for effective supervision of insurance. Such, I say, is the desire of not less than five, and, I hope, at this time, six of the provinces. For these reasons solely—not because the Federal Government or Parliament has any desire to add to the sweep of its own importance, but merely because it feels it cannot justify retreating from a function which is deemed essential by very important interests and by large numbers of people in this country—it seeks, and seeks earnestly, such an Act as will reserve to the federal authorities at least sufficient powers to enable them to fulfil that function, and at the same time will not try to attribute to those authorities powers which the Privy Council has decided are not federal at all.

In the work we did in 1932 we have no reason to feel that we have failed. A tremendous advance was made in bringing the Act into a position which the legal advisers of Parliament feel to be impregnable. At the same time the Government is most anxious that we do not even appear to overstep our bounds, and it is with a view to making still more impregnable the constitutionality of these Acts that amendments are being introduced this session. Honourable members will recall that in the Bills of two years ago there were provisions which looked to the co-operation of the provinces at a later date in the establishment of a right line of demarcation. That co-operation which we looked forward to has not yet been in evidence, and consequently this House is asked, in the first instance, by reviewing two of the Acts, the Foreign Insurance Companies Act and the British and Canadian Insurance Companies Act, to seek to make even more appeal-proof, if that be possible, the statutes then passed.

Now, I do not know that I should go into detail as to the carrying out of this object by the various clauses of the Bill which I now introduce, but I leave in the minds of honourable members this thought—that we shall have to listen over again to much of the debate

that we heard, and review some of the questions upon which we decided, two years ago.

Right Hon. Mr. GRAHAM: Before the committee largely?

Right Hon. Mr. MEIGHEN: Before the committee. The amendments embodied in this Bill have, I might say, one objective, and one only. Never at any point do we seek to extend federal jurisdiction, but at several points, running, say, to a dozen, we agree to limit it still further, hoping we can get it beyond challenge, if possible. There are certain other features, hardly worth mentioning, in the nature of incidental and merely verbal corrections. The only object I think it worth while to emphasize now is the object of making more ironclad than before the provisions of the measure as competent of the Parliament of Canada.

Hon. Mr. LEMIEUX: Have the provincial governments agreed to these amendments?

Right Hon. Mr. MEIGHEN: I am sorry to say I cannot answer in the affirmative. So far as I know, only two provincial governments are adverse to the maintenance of the Federal Department of Insurance, the governments of Ontario and Quebec.

Hon. Mr. DANDURAND: Have they clearly expressed themselves to that effect?

Right Hon. Mr. MEIGHEN: Oh, yes. Those governments—I hope I am not misinterpreting their position—take the ground that the Federal Department of Insurance should simply fold its tent and pass out; that it is a surplusage, an intrusion, and has no business to be there; that insurance is provincial, and nothing but provincial, and that they intend to exercise, not 99 per cent, but 100 per cent of the authority in relation to jurisdiction within their respective provinces. To a considerable extent British Columbia agreed. I marvelled somewhat at the attitude of that province when it did agree two years ago. The subject was not up at the late conference, and I am in hopes that the present Government of British Columbia will fall into line with the other five provinces on this subject. These five distinctly took the line that from every standpoint they were strongly in favour of the maintenance of the federal department and the federal authority. Certainly it is true that Ontario and Quebec do not agree to these amendments; they do not agree to anything.

Hon. Mr. DANDURAND: Naturally their agreement to Ottawa's jurisdiction cannot change the law.

Right Hon. Mr. MEIGHEN.

Right Hon. Mr. MEIGHEN: No, it would not change the law if they did agree; but they do not.

Hon. Mr. DANDURAND: Constitutionally they may agree, but any one taking exception before the courts might upset our action.

Right Hon. Mr. MEIGHEN: Yes, but if it were not for the practical position taken by those two provinces there would never have been any difficulty whatever, because our Acts would have gone unchallenged. There would be no difficulty whatever in having our jurisdiction amplified by amendment but for the opposition of those provinces. They stoutly oppose. Their attitude is, what we have we will hold.

Hon. Mr. PARENT: Did not the Privy Council give a decision on the matter?

Right Hon. Mr. MEIGHEN: Oh, yes. I have referred to three judgments, and I have frankly stated that at each of the three trials the decision was adverse to the contentions of the Dominion.

Hon. Mr. MacARTHUR: Are accident and fire insurance companies covered in this Bill?

Right Hon. Mr. MEIGHEN: Yes.

The Bill was read the first time.

The Hon. the SPEAKER: When shall this Bill be read a second time?

Right Hon. Mr. MEIGHEN: To-morrow.

Hon. Mr. DANDURAND: Has it been printed?

Right Hon. Mr. MEIGHEN: It is not printed yet.

Hon. Mr. DANDURAND: It will not be printed to-morrow.

Right Hon. Mr. MEIGHEN: We will say Thursday.

The Bill was placed on the Order Paper to be read a second time on Thursday next.

COURTS OF ADMIRALTY BILL

FIRST READING

Right Hon. ARTHUR MEIGHEN introduced Bill C, an Act respecting Courts of Admiralty.

He said: For reasons which would be readily revealed were I to attempt the task, I shall not at the present time undertake to give even a general explanation of this Bill.

The Bill was read the first time.

The Hon. the SPEAKER: When shall this Bill be read the second time?

Right Hon. Mr. MEIGHEN: To-morrow.

Hon. Mr. DANDURAND: What is the need of haste? Two days' notice is customary.

Right Hon. Mr. MEIGHEN: It is so that we may have some business to-morrow.

Hon. Mr. DANDURAND: Is the Bill printed?

Right Hon. Mr. MEIGHEN: Yes.

The Bill was placed on the Order Paper to be read a second time to-morrow.

CENTENNIAL CELEBRATIONS INQUIRY

On motion to adjourn:

Hon. Mr. LEMIEUX: Before the motion to adjourn is put, I should like to ask the right honourable leader whether it is the intention of the Government to take part in the celebration of the fourth centennial of the discovery of Canada, to take place in the month of August. I understand that several centennials are to be celebrated this year: first, Gaspé; second, Three Rivers; third, Toronto, and fourth, Fort Niagara. Would it not be possible for the Government, at very small cost, to participate in these celebrations?

Right Hon. Mr. MEIGHEN: As the honourable gentleman knows, I am not a very regular attendant at the meetings of the Cabinet. If I could speak in the affirmative as to any of the celebrations referred to, it would be with respect to Gaspé. I think I am safe in intimating that it is the intention of the Government to identify itself with the celebration at Gaspé. As to the others, I cannot say.

Hon. Mr. LEMIEUX: On behalf of Gaspé I thank the right honourable gentleman.

The Senate adjourned until to-morrow at 3 p.m.

THE SENATE

Wednesday, February 21, 1934.

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

Prayers and routine proceedings.

PRECIOUS METALS MARKING BILL FIRST READING

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

COURTS OF ADMIRALTY BILL SECOND READING

Right Hon. ARTHUR MEIGHEN moved the second reading of Bill C, an Act respecting Courts of Admiralty.

He said: Honourable members, this Bill, I find, is another consequence of recent so-called constitutional developments culminating in the Statute of Westminster. Until this later phase Canadian admiralty law was based on the British Act of 1890, under which Act such superior courts as might be selected by the Parliament of Canada could become admiralty courts with jurisdiction equivalent to the powers then exercised by the Admiralty Division of the High Court in England. Because of the Statute of Westminster Canada may now pass her own admiralty laws, and in that way we can, if we so choose, bring our admiralty jurisprudence into consonance with the British law, which is much advanced on the legislation of 1890, or with the particular needs of our own times.

The Bill makes the Exchequer Court of Canada the Admiralty Court of this country, and provides for the appointment of what I should call ad hoc judges or junior judges in admiralty in the various admiralty districts, which are the provinces bordering upon the water. I find, by the way, that Manitoba is not included in the list of such provinces.

Hon. Mr. DANDURAND: Although it contains a lake.

Hon. Mr. LEMIEUX: And borders on Hudson Bay.

Right Hon. Mr. MEIGHEN: Manitoba borders on the great sea of the Arctic, but as yet it has not been made an admiralty district. The judges now acting as admiralty judges retain their positions until alteration is made under provisions of the statute. The constitution of the court and the entire scope of its jurisdiction are provided for in detail in the Bill. There are certain rather brief explanations opposite the various sections.

This outline covers the main purposes of the measure.

Hon. Mr. DANDURAND: This Bill is one of the many evidences of the march of Canada towards its majority. My lifetime extends back to the period before Confederation, and I have noticed that although in the early years of the Dominion we did not take full advantage of certain powers given to us under the British North America Act, we have been gradually broadening the scope of our jurisdiction. We are now performing certain services of which we had not thought in 1867. For instance, under the present Government

the Mint, formerly operated by the British authorities, has become a Canadian institution. Since the passing of the Statute of Westminster we have witnessed a great development of our autonomy.

I have gone through this Bill, and at the first glance there appears to be no clause that calls for criticism. Perhaps explanations of one or two points may be required of the right honourable gentleman, but these will no doubt be forthcoming in committee.

Right Hon. Mr. MEIGHEN: In the Committee on Banking and Commerce.

Hon. Mr. LEMIEUX: Is it the intention of the Government in administering this Act to transfer to Canada practically the body of the admiralty law of England?

Right Hon. Mr. MEIGHEN: Practically, but not wholly.

Hon. Mr. LEMIEUX: But practically?

Right Hon. Mr. MEIGHEN: Yes, practically. It is considered that part of the admiralty law is applicable only to a small country, and that part is changed.

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

The Senate adjourned until to-morrow at 3 p.m.

THE SENATE

Thursday, February 22, 1934.

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

Prayers and routine proceedings.

HOSPITAL SWEEPSTAKES BILL

MOTION FOR SECOND READING— DEBATE ADJOURNED

Hon. G. H. BARNARD moved the second reading of Bill A, an Act with respect to Hospital Sweepstakes.

He said: Honourable senators, this Bill is identical in form with the one which passed this House last session. On that occasion the principle was thoroughly discussed; therefore I do not deem it necessary to deal with this measure at any great length.

The purpose of the Bill is to empower the Attorney-General of any province to authorize a committee to conduct sweepstakes or lotteries within the province, and to make regulations for their conduct, specifying how much of the proceeds shall be applied for the benefit of the hospitals and what percentage

Hon. Mr. DANDURAND.

shall be allowed for expenses and for prizes, and providing, of course, for proper audits. I cannot emphasize too strongly that this is not a proposal to enable any individual or group of individuals to make private gain. The safeguards in the Bill are such that the money to be derived from the sweepstakes can be devoted only to the uses mentioned therein.

With regard to the need for the Bill, the financial necessity of the hospitals, in many provinces at least, is greater to-day than ever before. I may say that the main revenue of the hospitals in the province of British Columbia is derived from three sources—provincial grants, municipal grants, and moneys which come in from patients in the hospitals who are able to pay for treatment and accommodation. The Government has been in the habit of giving the hospitals a per capita allowance in accordance with the number of patients treated by them, but owing to the financial straits in which it has found itself this allowance has been materially reduced. Furthermore, owing to a certain overlapping, or alleged overlapping, of taxation in my province, the Government has taken revenues which the municipalities assert should belong to them. In the past, in order to make up for this, a proportion of those revenues was returned to the municipalities; but now such grants are practically wiped out. The result is that the municipalities are no longer in a position to give as much financial aid to the hospitals as they did in the past. With regard to the revenue from pay patients, it is sad to relate that the business depression has so seriously reduced the incomes of patients that the hospitals have found great difficulty in collecting the amounts owing to them from that source. In fact, about a year ago I read a statement to the effect that one hospital of considerable size had been able to collect only fifty-three per cent of the debts owing to it in the previous year. That was 1931, if I remember correctly, and I can assure honourable members that in this respect conditions have not improved.

Since the last session of this Parliament the Royal Commission in England which was inquiring into the whole question of gambling has filed its report. That report is unfavourable to the holding of lotteries or sweepstakes in aid of hospitals or for any other purpose. I may say that from a reading of the report, in the short time that I have had at my disposal, I have not found it particularly convincing.

The opposition is based upon two grounds, the first being that lotteries and sweepstakes,

as such, are morally bad for the people. So far as this point is concerned, there is really not much to be said. The arguments pro and con have been debated in this Chamber during the last two or three years, and I do not think that people who held strong views on one side or the other have changed them to any great extent as a result. It is idle to attempt to convert to the principles of this Bill a person who believes that the purchasing of a lottery ticket is a sinful act; it is equally idle to attempt to convince a person who has been in the habit of buying tickets of this description that such a practice is in the least reprehensible. Therefore I do not intend to dwell upon this feature at all.

The second ground upon which the Commission bases its finding is that the conduct of lotteries or sweepstakes for the benefit of hospitals in England would diminish the voluntary contributions now made towards maintenance. As a matter of fact, such a ground does not exist in the Dominion of Canada. As I stated before, the hospitals in this country have three sources of revenue—provincial grants, municipal grants, and revenue from pay patients; and I think I am correct in saying that the revenue which comes from voluntary contributions towards the maintenance of hospitals—and I distinguish between day-to-day maintenance and capital expenditure—is infinitesimal when compared with the sums derived from other sources. If I am wrong in this, my honourable friend from East Kootenay (Hon. Mr. King), who is much more conversant with this side of the subject than I am, can correct me. I think, however, that in making this statement I am perfectly within the facts. In any event, the total of some fifteen million pounds per annum voluntarily subscribed for the maintenance of hospitals in England is, as I understand, administered on a basis entirely different from that prevailing in this country. The medical work for the outdoor and the poorer patients is, I understand, done voluntarily. A member of the medical profession considers it an honour, I am told, to be appointed to the surgical or medical staff of one of those hospitals, and anyone so chosen gives his services to the hospital free of charge. The whole system, as I say, is different from the system that obtains in this country, and to my mind the reasoning of the Commission does not apply to the hospitals in Canada.

Since this House last considered this subject something else has happened. I refer to the very important support and advocacy of a measure such as this from the great province of Quebec, and from no less a person than

the Hon. Mr. Taschereau himself. According to reports I have read in the press, at the recent Provincial Conference Mr. Taschereau pressed the Dominion Government to pass legislation along the lines suggested in this Bill; and I am informed and believe that he feels strongly enough on the subject to have caused to be introduced at the present session of the Quebec Legislature a bill which would enable him to take advantage of this or any similar measure which Parliament might enact. Judging by this action of Mr. Taschereau and by other things of which I have heard since my arrival in Ottawa, I feel safe in saying that public opinion in favour of a bill of this kind is steadily growing throughout the country. I know that is so in my own province.

To put it shortly, it appears to me that the benefits that would come from this Bill are three-fold. In the first place, it would provide ample funds for the maintenance of our hospitals, funds that would be derived from a source at present contributing absolutely nothing towards such an object. I am well aware that the people who would buy lottery or sweepstake tickets, if the Bill were passed, would not do so from any special desire to benefit the hospitals; nevertheless a portion of the money which they spent on such tickets would be turned over to the hospitals, and the total of these moneys would be sufficient to maintain such institutions. Secondly, the passing of this measure would enable people to do legally what they are now doing illegally. Undoubtedly, as every member of this House knows, the sale and purchase of lottery and sweepstake tickets is widespread throughout the Dominion. This is not a desirable state of affairs, for it tends to bring our law into contempt, and I repeat that we can remedy the situation by passing legislation of the kind now proposed. Thirdly, such legislation would check to some extent, at least, the steady flow of money from Canada for the purchase of lottery tickets in other countries. This is a matter worth consideration, though possibly of minor importance.

Hon. C. P. BEAUBIEN: Honourable senators, I introduced this Bill, but I desire to state that I did so purely as a matter of courtesy, in accordance with the custom followed when an honourable member sponsoring a Bill is called away from the House before the Bill is reached. I must say that notwithstanding the arguments advanced by the honourable member from Victoria (Hon. Mr. Barnard), and by persons outside this House, I have not been able to conclude that the Bill is a commendable one. I shall not dwell

long on the reasons on which I base my opinion. Nor shall I talk about the moral aspects of the question, for it seems to me it is altogether unnecessary to do so in times like these, when we are trying to do everything possible to encourage diligence. Surely it must be realized to-day that if we are to emerge from this depression we must advocate work and not leisure, particularly not the kind of leisure that has its source in gambling and chance. However, I shall say no more about that, because, as I am frank to admit, some very respectable authorities in our country seem to have been forced by dire necessity to a material change of view on this subject. My honourable friend has mentioned Hon. Mr. Taschereau. In my own province there are other eminent and respectable persons, including some who should be our guides in moral matters, who do not seem now to be opposed, as they formerly were, to the fundamental principle of sweepstakes and lotteries.

It seems to me that there is one question we must ask ourselves first of all. Would this Bill do all that its sponsors claim? I submit it would not. Out of every dollar spent on sweepstake tickets twenty cents would be devoted to the very meritorious object of hospital aid, and fifty cents would be used to teach our people to speculate and to gamble—fifty cents for bad education.

If this Bill is passed, every province will find it necessary before long to hold a lottery. I am not preaching for the province of Quebec, for apparently it has decided to countenance the desperate means of raising funds by sweepstakes, but I am speaking more particularly with reference to the other provinces, which have not taken that stand. It is argued in some quarters that if we had sweepstakes we could keep in our own country much of the money that is now going to Ireland, and even as far as India, for the purchase of tickets. So far we have been able to resist this argument, but if a lottery were established in one of our provinces and tickets were being sold throughout the country, do you not think that before long every other province would find itself compelled to follow the example in order to prevent money from being taken outside its borders? In my opinion it is certain that if a lottery is instituted in one province there will soon be lotteries in all nine provinces. Then, with the increase in the lotteries and in the circulation of their tickets, it will be harder to make sales in face of strong competition.

It is said that the sale of lottery tickets would provide a new source for hospital

Hon. Mr. BEAUBIEN.

funds. It may be that many people who speculate on sweepstakes are not contributors to hospital maintenance, but on the other hand we must remember that legislation of this kind would result in making habitual ticket buyers of thousands of our hard-working citizens who to-day do not gamble at all—perhaps not that they think to do so would be immoral, but because they have no natural leaning towards that kind of thing. It seems to me that with a lottery in every province, after the novelty of the thing had disappeared and it had become difficult to sell the tickets, the net revenue accruing to the hospitals would not be very great. Besides, we have to-day large numbers of devoted people who give of their time and money towards the assistance of hospitals, and who make good any deficiency that arises after the provincial and municipal grants have been paid. At least, that is true in the province of Quebec. Well, that source of voluntary revenue would be gone if this Bill should pass.

It is strange, after all, that we cannot benefit by the experience of other countries. This kind of thing has been tried time and again in Europe and abandoned. One reason why the British commission of inquiry reported against lotteries was that experience had condemned them. Why can we not profit by what has happened abroad? And may I say, honourable members, that some of the lotteries conducted in Europe were vastly different from what is proposed here. It is true that France, when hard-pressed, authorized the issue of what were known as *bons de la ville de Paris*, but they were first and foremost an investment, not a gamble. The purchaser of one of those bonds was guaranteed that within a certain period his capital would be refunded, together with interest at the rate of three per cent, and the only element of chance in those transactions was the spread in the interest rate between three per cent and whatever rate of interest was established. But, as I say, every person who bought such a bond was told that his investment was guaranteed by the state. Yet even that kind of thing has been generally abandoned, although quite lately some countries have been so hard-pressed that they have been constrained to do certain things which experience had taught them were unwise.

May I say to my honourable friend from Victoria (Hon. Mr. Barnard) that if he desires to place my province of Quebec and the other provinces in the position of having in self-defence to establish lotteries, and if we must suffer from legislation of this kind, I wish that at all events he would make his Bill wide

enough to include our charitable institutions and universities. In the city of Montreal at the present time some of our charitable organizations are perhaps more desperately in need of funds than are the hospitals. Let us have a chance to help these organizations. And in the province of Quebec we have a university that needs additional funds. If the Bill is to be passed, let it be wide enough at all events to be of some assistance there as well.

On motion of Hon. G. V. White, the debate was adjourned.

FOREIGN INSURANCE COMPANIES BILL

SECOND READING

Hon. C. C. BALLANTYNE moved the second reading of Bill B, an Act to amend the Foreign Insurance Companies Act, 1932.

Right Hon. Mr. GRAHAM: Honourable members, I understand this Bill is to be referred to the Committee on Banking and Commerce. Although we could carry on a general discussion now, there may not be much object in doing so unless we want to oppose the measure altogether, which I think we have no desire to do. If it is to be referred to the Committee, where it will be examined in detail, I cannot see anything to be gained by a lengthy discussion on second reading.

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

**PRECIOUS METALS MARKING BILL
MOTION FOR SECOND READING POSTPONED**

Hon. C. C. BALLANTYNE moved the second reading of Bill 2, an Act to amend the Precious Metals Marking Act, 1928.

Right Hon. Mr. GRAHAM: I think that unless we get an explanation we should not proceed with the second reading. This Bill is in a somewhat different class from the Foreign Insurance Companies Bill, which was explained to us by the right honourable leader of the House when he introduced it last Thursday, and which is similar to one that we had under examination for several weeks last session. The present measure may be of such a character that the House would not want to give it second reading.

The Bill was placed on the Order Paper to be read a second time on Tuesday next.

The Senate adjourned until Tuesday, February 27, at 8 p.m.

THE SENATE

Tuesday, February 27, 1934.

The Senate met at 8 p.m., the Speaker in the Chair.

Prayers and routine proceedings.

**HUDSON BAY ROUTE
INQUIRY AND DISCUSSION**

On the notice by Hon. A. B. Gillis:

That he will call the attention of the Senate to the importance of the Hudson Bay route to the provinces of Western Canada, and will inquire of the Government the cost of same to date.

Right Hon. Mr. MEIGHEN:

In so far as the Department of Marine is concerned: \$3,815,819.01.

Railways and Canals Department—Cost of Hudson Bay Railway and Terminals to January 31, 1934:

Railway proper to March 31, 1933.	\$32,510,320 81	
Railway proper 1933-34 to Jan. 31, 1934..	313,808 72	
		\$32,824,129 53
Port Nelson Terminals as at January 31, 1934.		6,274,217 88
Churchill Terminals to March 31, 1933. . .	12,736,019 39	
Churchill Terminals 1933-34 to Jan. 31, 1934.	345,107 77	
		13,081,127 16
Total Capital Cost to January 31, 1934..		\$52,179,474 57
Total Marine Department.		\$ 3,815,819 01
Total, Railways and Canals Department . . .		52,179,474 57
Grand Total.		\$55,995,293 58

Hon. A. B. GILLIS: Honourable senators, when I asked for information with regard to the cost of this route I was pretty well informed as to the actual amount, but I placed the question on the Order Paper so as to be in order in discussing the subject. This project looms up for discussion at almost every session, being introduced usually by those who are opposed to it. Much has, therefore, been said for or against the scheme; mostly against it. It is true that the information we have had pro and con has been more or less conflicting, but of one feature we have been certain—that for more than two hundred years the Hudson's Bay Company navigated those waters successfully, with an inferior class of boats, without experiencing any serious losses. What we have learned during the past two seasons has to a large extent shown that the difficulties in the navigating of the northern waters may be overcome without much trouble.

Last August I visited the port of Churchill and had a very interesting and instructive trip. The last town before we enter into the northern country is The Pas, an enterprising centre in Northern Manitoba with a population of about four thousand. It is an up-to-date town in every respect. Incidentally I had the pleasure of examining several gardens there on the 13th of August, and I may inform honourable gentlemen that never in my experience have I seen finer vegetable and flower gardens than I saw at that time.

The Pas may be considered the gateway to the Hudson Bay. From this point north the distance to Churchill is about 510 miles. I am sorry that my honourable friend from Calgary (Hon. Mr. Burns) is not here, because, as some of you may remember, he stated last year that the country from The Pas to Hudson Bay was of no value whatsoever. I do not know what the honourable gentleman was thinking about. On my trip I kept my eyes open, and for the first two or three hundred miles I saw a large quantity of timber of various sizes, valleys that may be brought under cultivation, and rivers and lakes teeming with fish. The road-bed itself is well ballasted, and on it are laid eighty-pound rails. The altitude of The Pas is about one thousand feet higher than that of Churchill; consequently there is more or less of a down grade, and an ordinary locomotive can handle from forty to fifty loaded cars without any difficulty between The Pas and Hudson Bay.

At a divisional point three hundred and fifty miles north of The Pas we had occasion to stop for an hour, and again at that point I had an opportunity of examining a beauti-

ful flower and vegetable garden. For two hundred miles north of that the country is, I may say, of no particular value.

When our train arrived at Churchill what first attracted my attention was the fine elevator and the steamship Pennyworth, which had docked just two hours before. Another thing which caught my eye was a beautiful church and seminary on the little hill to the east.

Hon. Mr. CASGRAIN: What denomination?

Hon. Mr. GILLIS: Just wait until I have finished and you will know. I asked someone there what church that was. You will remember that my honourable friend (Hon. Mr. Casgrain) stated last year that this is a God-forsaken country. What authority he had for trying to limit the omnipresence of the Almighty is more than I have ever been able to understand. I was informed that the church is a Roman Catholic church. Evidently my honourable friend is out of touch with his co-religionists; otherwise they would not have built a church and seminary in a God-forsaken country.

I travelled around the town. It is of course comparatively new. There are a few small stores, two churches besides the one I have mentioned, and two bank buildings, one of them vacant and the other occupied last season by the Bank of Montreal.

I had occasion to visit the wireless station, and, fortunately for me, the operator was a young lad whom I have known for some years. In conversation I asked him, "Are there any boats in sight?" He said, "Yes, the Nascopie is twenty miles out, the Brandon is about fifty-five miles out, and there are others coming along at various intervals for many hundreds of miles." I asked if he was in touch with those boats, and he said, "Yes, with them all," and when I inquired if they were experiencing any difficulty, he said, "No, not the slightest."

The harbour of Churchill is, I think, the most interesting feature of that port. It is a natural harbour and is numbered amongst the best harbours of the world. At its mouth it is from half to three-quarters of a mile wide; then it spreads out to a width of from two to three miles, and extends south for a distance of between four and five miles to the mouth of the river. At the mouth of the harbour the depth of water at low tide is seventy-eight feet, and in its natural state it can accommodate dozens of the largest vessels afloat without any necessity for dredging or anything of that kind.

Right Hon. Mr. MEIGHEN.

Last session there was some reference to the only casualty that I know of on the Hudson Bay, namely the loss of the steamer Bright Fan. That ship, as honourable members know, came in contact with an iceberg. I want to read a short extract from the report of the Royal Commission which was appointed to investigate the disaster.

Q. Was a good and proper look-out maintained on board at all times after leaving Churchill?

A. No. The court thinks that a proper look-out was not kept on the Bright Fan. There was no expressly appointed look-out and for some minutes before the collision with the iceberg apparently the only person on the ship who had any opportunity of seeing the approach of danger was the helmsman, an apprentice of 18 years of age.

I think that proves beyond all doubt that the loss of the ship was entirely due to carelessness. Let us be as generous as we may, it seems to me that is the only reasonable explanation of the disaster.

When dealing last session with the navigability of the Hudson Bay route my honourable friend from De Lanaudière (Hon. Mr. Casgrain) advocated the use of a certain kind of boats, known as saucer bottoms. I do not know whether any boats of that build have ever navigated the Hudson Bay, but my honourable friend's idea seemed to be that if such a boat came in contact with floating ice the boat could climb up on top and use the ice as a common carrier. He might have extended this idea and suggested that these vessels climb on top of any icebergs that they happened to meet, and use them also as common carriers.

On the question of navigability I quoted Captain Bernier last session. I very much regret that I have mislaid a letter I received from him last Christmas, with which he enclosed a copy of one which by order of the King had been forwarded to him when he was in England last year, commending his work in northern regions. His statement which I quoted last year was that the Hudson Bay was navigable practically all the year round. I am not going to stress that point.

My honourable friend from De Lanaudière also said last year, with regard to the selection of Port Nelson, that sailors should be consulted in preference to engineers about harbours and navigation. At page 453 of Hansard of last year I find these words of his:

The great trouble with governments is that they insist upon consulting engineers about harbours and navigation. When it comes to building wharves, superintending dredging, or something of that sort, engineers are very useful; but when we want to know about the navigability of waters adjacent to a certain

port we ought to consult sea captains and sailormen, who know something about navigation.

Hon. Mr. CASGRAIN: Yes, sailormen.

Hon. Mr. GILLIS: That is exactly the kind of men I am going to quote. I have already referred to Captain Bernier's statement. Now may I quote what was said by Captain Gofton, of the steamship Pennyworth, the first boat to arrive at Churchill last season. He has sailed frequently into the ports of Montreal and Vancouver, but this was his first trip to Churchill. He was very favourably impressed by the Hudson Bay route. The following is an extract from a newspaper story referring to his impressions:

"I would much rather navigate Hudson Strait and Hudson Bay than the St. Lawrence," he said, and is so reporting to his company. "The seaway is safer and aids to navigation are in the main satisfactory."

He believes that, on this year's showing, the insurance season should be made longer, for the Pennyworth encountered only about 14 icebergs, few growlers and no loose ice.

So he did not have any loose ice to carry his ship along.

He suggests one more wireless station in the strait, preferably on Digge's Island, in order to perfect direction-finding, and also a fog siren and a whistle buoy in Churchill harbour. The aid rendered by the ice-breaker ship, McLean, he termed splendid. Since the Pennyworth is equipped with a gyro compass and electrical sounding apparatus, the uselessness of the magnetic compass in the strait was offset. The amount of ice seen was less than that encountered on the Belle Isle route to Montreal, and the only difficulty experienced during the whole trip was that caused Saturday night and Sunday by heavy fog over Hudson Bay.

He sees a great future for the Hudson Bay route as a grain shipping line at a rate of two shillings and ninepence per 80 bushels, and for imports into Western Canada and the far western States.

Hon. Mr. CASGRAIN: Eight bushels, not eighty.

Hon. Mr. GILLIS: Eighty. May I quote another representative of the class which my honourable friend said should be consulted about harbours and navigation? The Captain of the steamship Brandon says:

Western Canada's first experimental shipment of cattle over the Hudson Bay route has demonstrated that physically the Churchill way is at no physical disadvantage when compared with the Montreal route.

"I would sooner sail the Hudson Bay route to England than the Montreal route," declared Capt. John Begg, D.S.C., master of the SS. Brandon, the largest ship ever to enter Churchill. His explanation was simple. Churchill is a natural harbour with plenty of deep water, good dock facilities and low harbour dues. The pilot is on the ship not

more than 90 minutes, while in and out of Montreal the pilot is aboard for two days each way, the St. Lawrence river channel being treacherous. Fog and storm hazards on the two routes are about equal.

From Montreal the iceberg zone is only about 300 miles, compared with 1,700 miles of "ice" out of Churchill, but safety in ice depends on the ships' officers. If a good watch is kept and common sense used, ice is not such a great menace. A berg can be seen many miles away in the daytime and at least two miles on an average night. Captain Begg stops when he cannot see, until the fog or mist lifts.

The Brandon's master, Captain John Begg, who has sailed the Antarctic and understands ice conditions perfectly, was emphatic in his praise of the Hudson Bay route to Europe and the efficient help rendered by direction-finding stations in Hudson Straits.

Let me refer again to the subject of shipping casualties. I have already mentioned the wreck of the Bright Fan. This is the only casualty on the Hudson Bay route of which we have a record; but during the season of 1933 the following casualties occurred on the St. Lawrence route, according to a report issued by the Department of Marine:

The major casualties to ocean-going vessels navigating the St. Lawrence during the year 1933 include the following:

June 9: SS. Levnet, net tonnage 2,064 tons, stranded off Matane.

Nov. 12: SS. Susaa, net tonnage 733 tons, stranded near Heath Point, Anticosti Island; total loss.

Nov. 18: SS. Pennyworth, net tonnage 3,418 tons, stranded Orleans Island.

I want it clearly understood that I am not trying to discredit the St. Lawrence route. We are all proud of that route. I am making these comparisons simply to show that those who condemn the Hudson Bay route are sometimes somewhat far afield in their criticism.

This newspaper extract may interest some honourable members:

Montreal, November 25: For the second time in two weeks, a blinding snowstorm Friday halted all shipping in the St. Lawrence river, between Montreal and Quebec. Eleven steamers which left Montreal early in the day were anchored at various points down the river, awaiting clearer weather.

Ice conditions were reported slightly better, with none between Montreal and Sorel.

The freighter Pennyworth—

This is the vessel that made the trip from Churchill to Liverpool and would have made another trip had there been sufficient cargo available.

The freighter Pennyworth, which went aground on the Island of Orleans between St. Laurent and St. Jean last Sunday, was still hard and fast on the beach Friday and hopes of getting her off this winter have been abandoned.

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Part of the cargo of grain she took on in Montreal for overseas delivery has been removed to lighters, but the remainder is under water, which leaked into the vessel's holds to a depth of twenty feet.

The Canadian Farmer, of the Great Lakes Intercoastal Line, which stranded Monday opposite Three Rivers, is discharging her cargo of British Columbia pine here.

Here is another newspaper extract:

Quebec, Nov. 25: Canadian Pacific freighter Beaverdale, 6,000 tons, is aground forty miles below Quebec according to word reaching here. The Beaverdale cleared from Montreal at day-break yesterday for Great Britain. The famous British train, the Royal Scot, is aboard the freighter on its way home after a tour throughout Canada and the United States.

The salvage tug Lord Strathcona and the harbour tug Citabel have been sent to assist the vessel, which is stranded at Traverse Pit, in the north channel of the St. Lawrence river.

Expectations were the Beaverdale would be refloated at high tide.

The locomotive and tender of the Royal Scot are stowed in the hold. They together weigh 135 tons. The eight coaches of the famous train are on the freighter's deck.

With respect to an experimental shipment from Prince Albert I have the following newspaper despatch, dated November 4:

An average net return of \$31 per head, all expenses deducted, was realized on the test shipment of 200 head of cattle from here to Great Britain, via Churchill and the Hudson Bay route, it was announced Thursday afternoon by W. E. Cutt, local agent of the Saskatchewan Co-operative Livestock Producers.

Considering what is being received for cattle sold in this country, the return was very gratifying. W. R. Urton, Duck Lake, who contributed 60 head, declared on being informed of the return.

Thirteen head of Indian reserve steers of better average quality than the Churchill shipment averaged only \$19 a head net when sold in this country ten days ago.

Ninety-seven steers from the Duck Lake reserve, sold in Winnipeg about two weeks ago, brought only \$21 per head net. They, too, were better quality than the average of the Churchill shipment.

It will be a few days yet before the actual return for each shipper is known, Mr. Cutt said.

Another newspaper despatch, from Saskatoon, dated January 13, is headed, "Dominion Export Official Sees Change Coming, He Tells Traffic Meeting."

Saskatoon, Jan. 13.—Grain will not hold its prominence as compared with assorted cargo exported by the Hudson Bay route this year, A. E. Fortington, Chief of the Division of Export Live Stock and Animal Products of the Federal Department of Trade and Commerce, forecast at the meeting of the Interprovincial Traffic Council, Friday. He saw reason to expect a big export of lumber. Boats would be chartered to carry lumber alone. He stressed need of import cargoes.

George H. Smith, secretary, listed the practicable exports during the coming year and compared freight and storage rates to show that \$1,250,000 could be saved by shipping through the Bay route.

Development of the route via Churchill was the principal business of the meeting, Mr. Fortington pointed out. He had found many erroneous ideas as to the efficiency of Churchill.

One of the biggest obstacles to export by Western Canadian shippers was that they found their prices out of line, due to the expense of the long rail haul. Churchill should be the solution of the Western exporters' problem by reducing exporting charges.

I repeat, honourable members, that I am not quoting these newspaper reports in order to discredit the St. Lawrence waterway. Undoubtedly it is a good route, but it has its defects just as has the Hudson Bay route. We are proud of the successful operation of the St. Lawrence route. It has been a great national undertaking. But I submit that the Hudson Bay route will prove just as successful and just as beneficial to Canada.

Now I desire to direct the attention of the House to the test shipments of cattle over the Hudson Bay route. In this connection I cannot do better than read statements made by the exporters themselves and the opinions of cattlemen generally. Mr. Macdonald Holmes states:

It cost the Western Stock Growers Association, Calgary, an average of \$32.22 a head to ship and market the 200 head of cattle that constituted the first shipment of stock out of the Hudson's Bay.

It cost \$28.32 per head to take the cattle from the farms to Birkenhead and \$3.90 per head to sell them on the other side.

The interesting costs are those of getting the cattle over, for the selling costs on the other side are always about the same, no matter from where the shipment comes, nor by what route.

The shipment shows a saving in favour of the Hudson's Bay route over shipments made by the Montreal route. Here are the average cost figures per head on the Churchill trial shipment, compared with the costs on two other shipments via Montreal, one of which was of heavy cattle and one light:

Montreal and Churchill Shipments Compared

	Montreal Heavy	Montreal Light	Churchill "Trial"
Freight, feed, yardage to ship..	\$17 28	\$ 8 99	\$ 5 59
Ocean feed—			
Hay and straw..	\$1 90	\$1 87	\$3 61
Grain..	96	94	none fed
Total feed..	2 86	2 81	3 61
Rope, pails, tagging, etc..	52	54	47
Ship's wages..	50	50	50
Broker fees (handling)..	50	50	25
Marine insurance..	84	56	2 90
Ocean freight..	15 00	13 50	15 00
Totals..	\$37 50	\$27 40	\$28 32

I submit, honourable senators, that I have demonstrated that the Hudson Bay route is capable of handling a very substantial portion of the commodities of the Prairie Provinces. At the present time additional elevator storage is needed at Churchill. With a storage capacity of fifteen or twenty million bushels of wheat there would be no difficulty about getting cargo space. Ship owners are ready and eager to handle all the traffic we can offer them.

Now as to the cost of the Hudson Bay Railway. The actual cost to date, including the Port Nelson terminal, is said to be \$55,000,000. In reference to this expenditure it must be borne in mind that certain lands in the Prairie Provinces were set apart for the purpose of the building of the railway. From these lands the Federal Government realized for pre-emptions \$18,697,346, and for purchased homesteads \$3,294,840. There is a

balance owing by purchasers of \$3,150,000. Deducting the total of \$25,142,186 from the total cost—and we have a perfect right to do this, since the lands belonged to the provinces—we find that the actual cost to the country is about \$30,000,000. In these figures I am making no allowance for interest. I do not want to reflect on other ports, but those who complain of the cost of the Hudson Bay route should not lose sight of what it has cost the country to provide other outlets for our commerce. So far as I have been able to ascertain, we have spent on the St. Lawrence waterway \$300,000,000. In addition we are spending every year large sums of money for dredging the channel between Montreal and Quebec. This work alone has entailed an expenditure of \$6,500,000 during the last five years. There is very little dredging required at Churchill. Two dredges were assigned to the harbour at the outset, but it has been

found that only one dredge is necessary. Once more I desire to assure honourable members that I am not trying to minimize the importance of the St. Lawrence route. I am only making what I believe to be fair and reasonable comparisons.

One objection urged against the Hudson Bay route is that owing to the season of navigation being comparatively short, grain grown during the current year must be kept in storage until the following season. This disadvantage, if it can be called such, is common to practically all our great national ports, excepting Maritime ports, as owing to the large surplus production of grain, even under ordinary marketing conditions, it cannot be disposed of during the crop season. But if this were possible it would not be advisable, for it would be unwise to flood the markets and thus seriously depress prices. Our carry-over for the past few years has been very large. This, of course, is due to the enormous world surplus of wheat. But even if these conditions did not exist we must continue to hold a percentage of our grain from one season to another, and I do not think this will be to our disadvantage.

Let me draw to the attention of those who object to the Hudson Bay route that a large quantity of our grain is shipped through American ports. Surely it would be more to the advantage of this country that our own ports should be used. Let me give the House some figures of export shipments of our wheat through United States ports:

Crop years—	Export shipments overseas via U.S. ports
1930-31	89,723,421
1931-32	48,691,666
1932-33	54,799,322

From these shipments must be deducted trans-shipments from United States lake ports to Canadian ports, as follows:

Crop years—	Trans-shipments from U.S. lake ports to Canadian ports
1930-31	17,894,967
1931-32	5,865,048
1932-33	14,103,033

These deductions leave a net total of 155,351,361 bushels of our wheat sent overseas via United States ports during the crop years mentioned. Of course, our own ports derived no benefit whatever from these export shipments.

The amount of Canadian wheat stored in terminal elevators on February 16 this year was as follows:

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	Bushels
Interior Public and Semi-public Terminals	1,460,342
Vancouver and New Westminster	11,637,873
Victoria	932,474
Prince Rupert	1,092,150
Churchill	2,475,779
Fort William and Port Arthur	67,059,781
	84,658,399

Terminal elevators are situated only in the Western Inspection Division, according to the Canada Grain Act, but the following quantities are given as held in Eastern and United States elevators at the same date:

	Bushels
Eastern elevators—Lake ports	18,512,678
Eastern elevators—Seaboard ports	8,621,207
	27,133,885
United States Lake ports	3,724,855
United States Atlantic Seaboard ports	4,868,304
	8,593,159

The total in elevator storage is 120,385,443 bushels. In addition to this, from 75,000,000 to 80,000,000 bushels of wheat are still in the hands of farmers. Farmers sometimes hold grain from year to year; in fact I have known them to hold it for as long as three years. Sometimes they lose by doing so, and sometimes they gain. Half of the 80,000,000 bushels they are holding this year is required for seed, for sustenance, and so on. Therefore there are stored in this country to-day about 160,000,000 bushels of wheat. What harm will come to the people of Canada from the storage at Port Churchill of ten, fifteen or twenty million bushels of wheat? It is just as reasonable to store it there as it is to store it anywhere else.

True Canadians are only too eager to see the ports of Canada doing a flourishing business, because anything that benefits any part of the country must necessarily be of value to the country as a whole. What has been the expenditure on the harbours of St. John, Halifax, Vancouver, Quebec and Montreal? We do not object to a single cent of that expenditure, but we say that if you have all these facilities for the shipping of your commodities, you should not object to our having a port in the north.

A few days ago the Prime Minister, speaking in Montreal, made the statement that in ten years the Western Provinces had produced wealth to the extent of ten billion dollars. Nobody imagines for a moment that the producers of that wealth kept it to themselves. I venture to say that a large percentage of it found its way to the industrial

centres of Eastern Canada, to be used in the purchase of farm implements and other manufactured articles, thus adding to the wealth and progress of the whole country.

Now if, by reason of the opening up of the Hudson Bay route, the grain-grower can get a few cents more for his grain, or the stock-raiser a few dollars more for his animals, undoubtedly a greater degree of prosperity will be brought to Canada. To oppose the development of Churchill, therefore, or of any other port, would be to retard the progress of the whole Dominion.

Those of you who attended the World's Grain Show in Regina last year may have noticed an exhibit of grain grown within twelve miles of the Arctic Circle.

Samples of wheat, oats and barley grown within twelve miles of the Arctic Circle, are interesting exhibits in the section of the Grain Show building occupied by the Cereal Division of the Experimental Farms.

W. D. Albright, of the Dominion Experimental Substation, Beaverlodge, Alberta, is in charge of the exhibit, which shows many of the products of the territory known as the Mackenzie Basin, which occupies 682,000 square miles. The ground cultivated was formerly muskeg, and although the wheat is seed grade only, the barley and oats grade 3 and 4 C. W. Oats sown the latter part of May were cut August 9. In this district it is possible to produce ample wheat grain and fodder, although export is handicapped by transportation.

In Resolution, on the Great Slave Lake, there are two apple trees, seedlings, which have been growing for years and produce enough fruit each year to make about 20 pounds of jam.

The district, thirteen miles from Beaverlodge, which is approximately twenty-five miles in radius, has won more prizes in the Grain Show than any district of similar size in Canada.

Now I want to say a word in conclusion. Canada must expand. Many of our resources are to be found in the north country. That alone should convince us that there are great possibilities in our great Northland, and that the energies of the people of Canada must be turned in that direction in order to develop the hidden treasures that undoubtedly are there. We cannot go farther south; so we must endeavour to move northward. For years people have been farming near the boundary, in the southwestern portion of Saskatchewan and in the southeastern section of Alberta. Now they have found out that they cannot carry on successfully in that area, and to-day most of them, or all who can, are moving north four or five hundred miles.

Of course there are difficulties to be contended with in the north. There is the cold. But during the last winter the average temperature in Churchill was not much lower than the temperature in Ottawa, and very little lower than the temperature in many parts of

Northern Ontario. We Canadians are a hardy race. Cold is no handicap. We are accustomed to hard winters; we thrive on them and get along splendidly.

The Hudson Bay Railway has two branch lines that connect with certain mines producing great wealth. Undoubtedly there is immense wealth in that northern part of the country, and the Hudson Bay Railway is the first link connecting southern Canada with our great Northland.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. GILLIS: With the permission of the House I should like to place on Hansard a report relating to a test shipment of cattle by way of the Hudson Bay route. This is taken from the log of the steamship Brandon, day by day. I think honourable gentlemen will find it extremely interesting.

Brandon's Captain Prefers Churchill to St. Lawrence—Storm Delays Ship 25½ Hours
Entering Liverpool Port—Cattle Landed
Safely and in Good Shape at
Birkenhead

Liverpool, England, (by mail).—Western Canada's first experimental shipment of cattle over the Hudson Bay route has demonstrated that physically the Churchill way is at no physical disadvantage when compared with the Montreal route. . . .

We lost only eight hours out of Churchill—by stopping two nights—but a storm at the "bar" of the Mersey lost us 25½ hours entering Liverpool.

We left Churchill October 2 and the cattle were landed at Birkenhead on October 17. The cattle landed in good shape.

Monday, October 2.—It was a rolling sea with the wind "abaft the beam" when the SS. Brandon, homeward bound from Churchill to Birkenhead with the first shipment of cattle out of western Canada's new port, dropped the pilot less than an hour after leaving her berth.

Loaded to within three inches of her plimsol line, the biggest ship ever in Churchill, was as steady as a rock. She rolls beautifully. Snow flurries came with this wind on her stern quarter and before dark blotted out the land behind. It was all sea forward, with no land either to port (left facing the bow) or starboard.

Tuesday, October 3.—Day broke cold and cloudy with a beam wind bringing the snow flurries straight across the decks. The shallow bay has quite a sea on, the going is choppy and every once in a while the heavily loaded Brandon "ships" one over the port side, midships. Still she makes her steady nine knots. No land in sight at any time.

Wednesday, October 4.—Day broke clear and bright with the bay like glass and a gentle breeze "forward off the beam" which made it cold work for the tars up front painting the bridge its usual white to have it gleaming when the ship comes into her home port. The night came down without a cloud and a beautiful full moon which made the master smile and rub his hands. The ship will be entering the straights to-night, but it will be another 24 hours before "ice" becomes a menace.

Thursday, October 5.—With the dawn came the first sight of land since Churchill faded to stern, Bigges' islands to starboard and Nottingham island to port. Hove-to to transfer supplies for the Nottingham Island radio station just before breakfast at eight. The sea continues like glass and land has been in sight off one or the other of the bows all day. The weather continues brisk and bright. With night a mist rose. It can't be bad for at 10 p.m. the Brandon was still forging ahead. This skipper won't sail in fog.

Friday, October 6.—Just before going to sleep in the little cabin under the bridge last night the skipper's voice came through the transom. "Stop her." The fog got thick at 11 o'clock and the Brandon lay-to until four in the morning. This was just between Big Island—the grave of the Bright Fan—and Wales Island, where the Dominion Government have a radio station and light. At 6.30 a.m. Cape Hopes Advance was sighted where there is another radio station and light. By four in the afternoon, exactly four days out, 800 miles had been covered and there is still 140 miles to go before Hudson Bay strait is cleared between Resolution Island and Cape Chidley. Here the Brandon will cross Davis strait and strike for Cape Farewell, Greenland.

The day has been cloudy, with the sea like glass. The first ice seen so far was sighted at noon, one big berg, about six miles to starboard. Another in the same direction loomed up about tea time. A walrus rolled by the ship about the same time.

Saturday, October 7.—Dawn broke with the Resolution Island showing about 10 miles off the port bow and by nine the Brandon was out of Hudson strait and in Davis strait. Here the course was altered to a more easterly direction and the ship headed for Cape Farewell, Greenland.

The sea is still calm, but a decided difference in the roll of the ship can be noted now that she is in the north Atlantic. She's taken on the steady sea roll with the slow, alternate rise and fall at stem and stern.

A small berg was sighted off Resolution, the third of the trip to date.

Fog came down at 1 a.m. and the Brandon stopped until four. This day started out cloudy but cleared, and to-night the moon is making visibility excellent. Captain Begg anticipates no more stops.

About 2 p.m. the magnetic compass began to work and the Gyro has now been abandoned except for checking purposes.

The weather is getting warmer and this morning the ice began falling from the shrouds. Thursday, in the Hudson strait, the thermometer registered 33 degrees at 8 p.m. To-day it registered 12 degrees warmer. The water is also six degrees warmer since yesterday, a good sign for those on the watch for bergs.

At 4 p.m., exactly five days out, the Brandon has covered 987 miles, leaving another 542 miles to do to get to Greenland, another 1,210 miles to get to Inishtrahull on the north coast of Ireland and another 200 miles from there into Birkenhead. It's some little jaunt, Churchill to Liverpool, just 2,939 miles, plus a mile or two to allow for the "possible error."

Sunday, October 8.—Nothing but water in sight all day. The sea continues smooth and the weather excellent. It's getting warmer still

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and at 4 p.m. the air temperature was 46 degrees and the water temperature 42, up five and eight degrees respectively. The Brandon is now just past the middle of Davis strait and has covered 1,200 miles of her journey. For the trip to date she has averaged 9.01 knots per hour.

The mate caught another Ptarmigan this morning. He now has six in a coop on the boat deck, picked up about the boat after having been blown out from land.

Last night I listened to "The Baron" over WLW. There is a radio on board. We also had KFI and the Pickens Sisters.

Am sending an ocean-letter to my wife to-night. This is wired to a Canadian bound liner and posted by it upon arrival at Montreal. Being a member of the crew we can send these at half rate and 20 words cost just a little over "two bob"—about 50 cents.

Monday, October 9.—A day of endless sea with not even a berg sighted. The sky stays overcast, the sea smooth and the good ship keeps her steady pace. To 4 p.m., seven days sailing, the Brandon has reeled off 1,417 miles. She's about 60 miles south of Greenland and will round Cape Farewell to-night about 40 miles off. To-night will be the last one of "berg worry." It is raining gently as we go to bed, but visibility is good and unless it thickens a great deal more there should be no stop.

"Sparks" is a busy man to-day, sending ocean-postes from officers and crew to those at home. He's got the C.P.R. Duchess of Richmond, Glasgow bound, and due in Greenoch Friday morning. For my letter to Canada he has the new C.P.R. Empress of Britain, due in Quebec Thursday.

Tuesday, October 10.—We ate our meals off damp tablecloths to-day to keep the plates on the table and the food out of our laps. Sometime during the night the Brandon ran into what had been a heavy storm. The wind had gone, but a heavy swell, which somehow reminded one of a Moose Jaw golf course, has been running all day and is no better at bed-time.

We passed out of the "berg zone" this afternoon. From early morning until noon we sighted about a dozen icebergs as we passed the south point of Greenland. Some were quite imposing, grotesque mountains of beautiful sea-green ice, while others were merely floating mounds of snow.

To 4 p.m., eight days of sailing, the Brandon has made 1,634 miles.

Wednesday, October 11.—Nine full days of sailing and the Brandon has covered 1,854 miles. During the night the swell began to go down and to-day the sea has been normal and the ship pretty steady. The sky continues overcast and it has been drizzling steadily since noon. Nothing but sea in every direction.

Last night the radio had Lew Stone from the Monseigneur Club, London—the usual program, "Isn't It Heavenly," "Lazy Bones," "I'm in the Money," "Was My Face Red" (sung with a Lancashire accent) and "The Last Round-Up." Crooners, too, were in evidence. Big Ben ended the program at midnight, about 9.30 boat time.

Thursday, October 12.—The noon entry in the ship's log reads: "Strong wind and rough beam sea spraying fore and aft—overcast and rain."

The wind got up during the night and the heavily loaded Brandon has been getting her decks washed all day. To-night, however, the stars are out and the wind has shifted to the starboard quarter—lending a hand as we crawl for the Irish coast—2,073 miles covered to 4 p.m.

According to wireless reports from ships on the regular route to Montreal, similar weather prevails. It has been this way ever since we left Greenland.

Last night the radio brought in Rome with its woman announcer, several German stations and some French ones. We stuck to London, however, since none of us "ain't never been able to speak but one language correct," and after Lord Rutherford got through an amazing romance with the atomic nucleus we found that Premier Bennett had started his western tour at Winnipeg and was his usual optimistic self.

We also learned that an outbreak of foot-and-mouth disease was discovered in Hartford and Essex, which will probably mean a ban on imports of live stock from Britain to Canada for some months to come. The London Dog Show is also on, with some 3,000 hounds entered. Cocker lead with 489 entries.

The program ended with Big Ben's midnight chime after an hour with Roy Fox from the Kit-Kat club just off Trafalgar Square. Must look into that dive next week.

Friday, October 13.—There's a depression in Iceland, according to the weather report, and the result is a gale on the north Atlantic. However, it's in our tail and hardly noticeable.

The Kenilworth passed about noon, outward bound for Newfoundland and pulp, and she was taking them over her bows in clouds.

The Brandon is on the regular north Atlantic route now and to 4 p.m., 11 days out of Churchill, has covered 2,283 miles.

The cattle are shipping well and we have about five days' feed left, plenty to see us into Birkenhead.

The sun appeared, through broken clouds, for the first time since we left Churchill and the officers were able to get the ship's bearing, the first they've had since Resolution. She was only a few miles from where they thought she was, speaking well for their seamanship.

Saturday, October 14.—The wind shifted around to our starboard beam this morning and as a result the log now reads: "Strong wind and rough beam sea—shipping water."

Fortunately, my cabin is on the lee side. At the end of 12 days out of Churchill, the Brandon had covered 2,505 miles. Cattle weathering the blow well. The usual Saturday afternoon boat drill provided the only excitement.

Sunday, October 15.—Land! The Tory Island light, off the northwest coast of Ireland, hove in sight at 6.30 to-night. At nine we were abeam of Inisrahull light on the north coast. We should be in the Mersey early to-morrow evening.

Several "odds and sods," like ourselves, were passed to-day outward bound. Two liners also passed close by.

The wind has been on the starboard beam all day and the sea fairly rough. Last night it was pretty heavy and about 11 p.m. we shipped one that flooded the starboard cabins and broke up the jolly boat a bit.

To 4 p.m., 13 days from Churchill, the Brandon has done 2,721 miles.

The sun shone to-day for the first time, really, and the officers got another bearing. They had not altered their course for three days and when they checked up to-day were only a mile from where they thought they were. Good seamanship, that!

Monday, October 16.—The pilot came aboard about 6 p.m. and the trip is over. We'll enter the Mersey on high tide, midnight, and dock to unload the cattle at 9.30 a.m. The lumber will also be discharged here and then the ship goes on to leave the wheat, powdered eggs and honey in the port of London.

Dawn broke with the Brandon abeam of Belfast and by noon she had passed into the Irish sea by the Isle of Man, close in to the Calf.

Storm signals were out as she neared Liverpool and the sea choppy, but the pilot came aboard and will take her in.

The voyage from Churchill has been a few days longer than it might have been from Montreal. Otherwise, weather and everything else considered, the ship might just as well have been sailing the Belle Isle route.

A hotel, a bath and a steak will look pretty good to-morrow. . . .

Tuesday, October 17.—You never can tell. With a storm on the Irish sea the pilot refused to take the heavily loaded Brandon over the "bar" and she sailed about the harbour entrance all night and did not get into the river until 11.30 a.m. Here she lay at anchor all day waiting for high tide to put into the cattle dock at 7.30 p.m. This ended our picture-taking aspirations. The cattle looked good going off under the lights and there was much favourable comment on their quality.

The Brandon lost eight hours because of fog in the Hudson Bay route ice area. At the entrance to the Mersey she lost 25½ hours because of bad weather and shallow water.

Hon. J. P. B. CASGRAIN: Honourable gentlemen, the honourable senator from Saskatchewan (Hon. Mr. Gillis) referred quite frequently to "the honourable gentleman," and I took it that he referred to myself, because he did make one attempt to pronounce the name De Lanaudière. It is rather difficult to pronounce; it is also rather long.

I must give the honourable gentleman credit for making an excellent speech in support of a very poor cause, a bad scheme. When the honourable gentleman speaks of Churchill being a harbour, he is quite right. For twenty-five years in this House I have been saying that there was no harbour at Nelson; that the only harbour, such as it is, was at Churchill. For reasons that are of no interest to this House, I have had considerable to do with people who have sailed into Churchill, and therefore know something about it. I may tell you that the coast at Churchill runs just about north and south, and as the entrance to the harbour is at the very most about half a mile wide, no ship's captain

would ever attempt to make that harbour if a north wind was blowing, because the drift caused by the wind, which sweeps down for a distance of a thousand miles, would make it impossible. A wise captain would remain in the open until the wind subsided, before attempting to enter the harbour. I make that statement on the authority of Captain Max, who for sixteen years was in charge of the shipping of the Hudson's Bay Company. Whilst I am talking about him I may say that during the Great War all British shipping was entrusted to the Hudson's Bay Company. This is the same Captain Max who went into the White Sea, to Archangel, to get the Prime Minister of Russia, Protopopoff, who was working with Rasputin. He went by the northern route because no submarines would venture there. He also went to Bergen, the most northerly port in Norway.

There is no doubt in my mind at all that Churchill is a harbour. I have said it in this House before, and I repeat it. We wasted our money when we engaged a gentleman by the name of Palmer to go north, at God knows what expense, in order that he might tell us that there was a better harbour at Churchill than at Port Nelson, where we had sunk many millions of dollars. When a ship is sixteen miles out from Port Nelson she has only seventeen feet of water. Furthermore, it is impossible to dredge the silt that comes down the Nelson river. You might just as well try to make a hole in a barrel of peas. It is an utter impossibility. When Earl Grey went from Ottawa to Port Nelson—

Hon. Mr. GILLIS: That has been abandoned. What is the use of talking about it now?

Hon. Mr. CASGRAIN: I should like to draw the attention of the honourable gentleman to the fact that I did not interrupt him when he was speaking.

When Earl Grey wanted to go out from Port Nelson to his ship—it was not a very deep draft vessel—she was so far out that daylight rockets had to be sent up to guide the boat that was taking him from the shore. If the Government of the day in Canada, no matter who they were, had listened to what was said in this House, they would have known better than to select Nelson. What was said here was confirmed first by the land surveyors who were sent to Hudson Bay by the Ontario Government to lay out a town. When they arrived there a northwest wind was blowing, and it raised the water to such an extent that the site of the proposed town was submerged. The surveyors put in their

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time, and when they came back in the fall they reported that there was no place for the location of a town.

A well-known Government engineer, Mr. McLachlan, who had been at Nelson, and had stood it for three or four years, said there was no harbour. Mr. Bowden, Chief Engineer of the Department of Railway and Canals, had an island built in the river. Certain parts of this island were surrounded by a cribwork about fifty feet in height that was supposed to be filled in. Then a bridge was actually built from the east side of the Nelson river to this artificial island, and what remains of it to-day is a monument to what governments do. The piers are there, and some of the ironwork that was erected for a distance of nearly half a mile in order to connect with this island. Ships were expected to go outside of the island. If this Government or any other Government would only read Hansard of the Senate they would see in it many things that might be very useful to them, and that would save a great deal of the money of this country.

Now I come to the harbour at Fort Churchill. If a ship can get into that harbour it will find plenty of space there. But there are also large boulders, any number of them. Although some have been dynamited and taken out, many remain. I am told that a ship coming into that harbour experiences difficulty in turning around. I get that information from sailormen, not from engineers. I will admit that Churchill is a better harbour than Nelson; but when my honourable friend (Hon. Mr. Gillis) says that it is one of the finest harbours in the world, I can only say that he must have spent all his life on the Prairies, that he is no sailorman, and has not much idea of what a port should be.

Hon. Mr. GILLIS: I was born in Nova Scotia.

Hon. Mr. CASGRAIN: God made the harbours; men make the ports.

The honourable gentleman quoted my dear old friend Captain Bernier, who spent eight winters in the Arctic. Having conquered nearly all the places where it is difficult to navigate because of icebergs and so on, Captain Bernier says, "Oh, well, it is possible to navigate the Hudson Straits." Of course it is possible. But if honourable gentlemen would only listen for one moment they would learn that there are tides in the straits; and, as you know, tides ebb and flow four times a day. It is just as well that this House should have a little information on that subject. When the Hudson's Bay Company used

to send out vessels Captain Max was a tenant of mine, and for eight years I used to see him off every year. What would happen when he came to enter those straits? Once he had an officer of the Mounted Police on board his ship, and his orders were to do what this officer said. When they came to the opening of the straits the officer said: "Go ahead. It is clear water." Captain Max felt he must obey orders; so he went in; but after he had been there for two or three weeks he had to come out with the flow of the ice. The ship was pushed back into the Atlantic, and a second entry had to be made. So time would have been saved if they had waited until the ice had all passed out, before entering at all.

If you leave Montreal on the 6th or 7th of July and get to the mouth of the straits between the 12th and the 15th, you can proceed into the bay with a ship like the *Nascopie*. But she is not of ordinary build. My honourable friend from Saskatchewan (Hon. Mr. Gillis) is, I suppose, more familiar with prairie schooners than with ocean vessels. On ordinary ships the plates are three-eighths of an inch thick, but on the *Nascopie* they are an inch and a quarter thick, and the entire hull is strengthened inside with iron braces. She has a crew of forty men, and the weight of the steamer itself is so great that she can carry only 1,600 tons of cargo. The *Nascopie* is made saucer-shaped. My honourable friend from Saskatchewan did not seem to know what that meant; so I will tell him. Her sides are shaped somewhat like a saucer, so that if there is a pressure of ice around the sides the ship is bound to lift up. If she did not lift up she would be crushed like an egg-shell, and that is just what would happen to a vessel of ordinary shape.

I can take honourable members back to 1684, when d'Iberville set out for Newfoundland with three ships, the *Pelican* and two others. In the straits two of them were crushed in the ice, over which the men ran to board the *Pelican*. He sailed into the bay, to the exact spot where Port Churchill is now. There was a fort in that harbour then, known as Fort Louis, which I am told was about three hundred feet square, and the remains of it are to be seen to this day. When d'Iberville arrived there he found three English ships, the *Hampshire*, the *Hudson Bay* and the *Deering*. He sailed towards the *Hampshire*, the biggest of the three, concentrated the fire of his gun at her bow, and blew a gaping hole in it. As she was going under full sail, she soon filled with water and sank, with all on board. The *Deering*, thanks to her fine sailing qualities, got out

of the way, but the *Hudson Bay* was captured and taken in as a prize. There was a terrible snow-storm about that time, which was the 12th of September, 1684.

I have talked so often about these things that it is rather a pleasure to repeat the same old stories. In any event, everybody has not heard them.

d'Iberville made a habit of taking *Hudson Bay*. He left Montreal one time on the 24th of March with Chevalier de Troyes, a French officer, who had a notion that he could transport provisions up to *Hudson Bay* on the backs of bullocks and oxen. But at the Lake of Two Mountains the party found the snow was very soft and they had to send their bullocks and oxen back to Montreal. So they went up the Ottawa river, to Lake Temiskaming, to Lake Quinze, and then over the Height of Land, and down the Abitibi river. For three days before they began an attack they refrained from making a fire, in order that the enemy, who were then the English, might not be aware of their approach. They generally stormed the enemy's posts between three and four o'clock in the morning, when everybody was asleep, and killed all they found there. They must have been terrible people in those old days.

On another occasion d'Iberville started out with his brother, de Mirecourt, and captured two English frigates, which were loaded with furs. Being unable to man both frigates, they sank one and came back with the other, which was worth a king's ransom. This story is perhaps getting a little bit away from the *Hudson Bay*, but it is only to show that we know something about it.

My honourable friend from Saskatchewan has referred to the navigability of the *Hudson Bay* route. Well, if you go down to the Department of Railways and Canals you can see a ship's log that gives some interesting facts. That log is not advertised, any more than the advocates of the seaway talk about the canal being frozen in the winter. The log shows that on the 5th of August the ship was in ice and fog, with one blade of its propeller gone, and that as it proceeded it continued to lose more and more of its propeller, until when it reached Port Nelson, on the 19th of August, it had left only about half of one blade. Captain Max of the *Nascopie* used to take three propellers along with him. When one became broken by the ice he would stand his ship off from shore and spot a place free of boulders; then at high tide he would back his vessel up there and beach her, and when the tide went out the damaged propeller would be removed and a new one substituted. But can honourable members imagine an ordinary ocean steamer, with

plates only three-eighths of an inch thick, being subjected to treatment of that kind? It is preposterous. The Nascopie drew only about sixteen or seventeen feet of water, and its plates were so thick that they could resist any pressure that would likely be met with.

Now, we are told about the 200 head of cattle that were shipped from Churchill. Will the honourable member from Saskatchewan inform this House who paid to have the partitions built into the ship, and the other alterations made, so that the cattle could be carried?

Hon. Mr. GILLIS: Who paid for dredging the St. Lawrence river?

Hon. Mr. CASGRAIN: The same people who paid for this.

Hon. Mr. GILLIS: Exactly.

Hon. Mr. CASGRAIN: I cannot vouch for this, because it is only hearsay evidence, but I am told that cattle brokers in Montreal were a little bit sore to see the cattle going around by the Hudson Bay route, and they said that the cost of shipping them that way was two or three times the cost of the cattle themselves. In the first place, a ship had to be brought out. Who chartered that ship? It was an experiment, I suppose. I am told that the Government supplied all the lumber, because there is no lumber in the immediate environs of Churchill, and paid the wages of the carpenters who built the stalls in the ship. I would not mention in this House the figure that was stated to me as the cost of these alterations on the vessel, because it is so high. As I say, the cattle brokers in Montreal were a little annoyed, and they may have exaggerated the cost, but I know for a fact that it was high. The ship had to come out to this country in ballast. Every honourable member who knows anything about ocean transportation is aware that a navigation company does not want to have a vessel making a trip that will provide only a one-way cargo; in order to make the ship pay for itself it is necessary to have a cargo going and coming. Is it reasonable to expect that a tramp steamer would set out in ballast from Liverpool for Churchill on the chance of getting a load of cattle? No. She would have to be chartered a long time in advance. Well, I do not know who paid for the chartering of the boat that did come out. It was an experiment which, for the sake of the taxpayers of this country, I hope will never be renewed.

The honourable gentleman from Saskatchewan spoke about the navigability of the Hudson Bay. The tides up there run at

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times as fast as nine miles an hour. The surface ice may be travelling at that speed, with the tide, but the icebergs, which draw anywhere from 400 to 600 feet, are in another current. You can hear them roaring five or six miles away, and they are called growlers. Every sailor knows that the tide changes on top before it changes below. The surface ice may be moving with the incoming tide, aided perhaps by a favourable wind, and meet icebergs that are being carried along by the tide from below. What would happen to a ship caught in that kind of thing? It would be the last of her. And it must be remembered that there is a change of tide four times a day.

D'Iberville, as I said before, went up there in 1684, and he continued going there until 1696, when he wrote to the King of France: "Sire, give me something else to do. I am sick and tired of taking Hudson Bay." So the King sent him down to Louisiana, where he lost his life. It is true that for over three hundred years sailors have been going in and out of Hudson Straits, but they are not practicable for commercial navigation. I have no grudge against the route, and wish it were satisfactory. However, any honourable member who so desires may go to Montreal and ask Mr. Reford, of the Reford Line, or anyone connected with the White Star Line, or the Canadian Pacific Steamships, whether they will charter a steamer to go up there, and they will say, "We will let you have a steamer if you will pay for it before it leaves here, and if it comes back safely we shall refund your money, less the charter charges." It is impossible to get insurance on an ordinary passenger steamer from Montreal to Churchill and back; and even if insurance could be obtained, the cost would be prohibitive.

I am sorry that I have taken so much time on this subject. I did not expect that my honourable friend would be speaking this evening, but since he did so, I did not like to let the debate go by default.

On motion of Hon. Mr. Horner, the debate was adjourned.

MARINE ICEBREAKERS INQUIRY

Hon. Mr. FOSTER inquired of the Government:

1. How many marine icebreakers are owned by the Government?
2. What are their names?
3. What is the gross tonnage of each ship?
4. Where is each principally operated?
5. What was the capital cost of each ship?
6. What was the total expense (including repairs) for operation during the fiscal years ending March 31, 1931, 1932, 1933?

Right Hon. Mr. MEIGHEN: The answer to the honourable gentleman's inquiry is as follows:

In so far as the Department of Marine is concerned:

1. Six.
2. Lady Grey, Mikula, Montcalm, N. B. McLean, Saurel, Stanley.
3. Lady Grey, 733; Mikula, 3,575; Montcalm, 1,432; N. B. McLean, 3,253.68; Saurel, 1,252.34; Stanley, 914.
4. Lady Grey, River St. Lawrence; Mikula, River and Gulf of St. Lawrence; Montcalm, River and Gulf of St. Lawrence; N. B. McLean, Hudson Strait July to October inclusive, and River and Gulf of St. Lawrence; Saurel, River St. Lawrence; Stanley, not in commission.
5. Lady Grey, \$208,994; Mikula, \$400,000; Montcalm, \$265,233; N. B. McLean, \$1,250,000; Saurel, \$759,000; Stanley, \$145,000.
6. Lady Grey, 1931, \$115,667.27; 1932, \$81,504.94; 1933, \$83,199.25.
Mikula, 1931, \$191,235.53; 1932, \$117,508.11; 1933, \$72,700.73.
Montcalm, 1931, \$161,478.88; 1932, \$143,357.10; 1933, \$106,769.83.
N. B. McLean, 1931, \$118,605.23; 1932, \$131,449.71; 1933, \$115,311.97.
Saurel, 1931, \$115,915.67; 1932, \$58,632.12; 1933, \$57,883.15.
Stanley, 1931, \$55,792.66; 1932, \$5,471.29; 1933.*

*The Stanley was withdrawn from commission in April, 1931, and laid up at Halifax with a watchman in charge.

IMPORTATION OF INTOXICATING LIQUORS BILL

FIRST READING

Bill 3, an Act to amend the Importation of Intoxicating Liquors Act.—Right Hon. Mr. Meighen.

FISHERIES BILL

FIRST READING

Bill 7, an Act to amend the Fisheries Act, 1932.—Right Hon. Mr. Meighen.

OTTAWA AGREEMENT BILL

FIRST READING

Bill 8, an Act to authorize an agreement between His Majesty the King and the Corporation of Ottawa.

NATIONAL RAILWAYS AUDITORS BILL

FIRST READING

Bill 17, an Act respecting the appointment of Auditors for National Railways.—Right Hon. Mr. Meighen.

PRIVATE BILL

FIRST READING

Bill D, an Act to incorporate the Personal Finance Corporation.—Hon. Mr. Foster.

HOSPITAL SWEEPSTAKES BILL

MOTION FOR SECOND READING—DEBATE CONTINUED

The Senate resumed from Thursday, February 22, the adjourned debate on the motion of Hon. Mr. Barnard for the second reading of Bill A, an Act with respect to Hospital Sweepstakes.

Hon. H. C. HOCKEN: Honourable members, I understand that the principle of this Bill has been discussed on several occasions, but as—for reasons which you all know—I did not then have the privilege of speaking on the question, I should like to express my opinion to-night.

I have no doubt that the subject of lotteries has been very thoroughly discussed and I shall deal with only two aspects of the principle involved. In the first place, I firmly believe that to allow lotteries to be conducted in this country would have a very demoralizing effect on our people. Under the Criminal Code it is an offence to conduct a lottery. Evidently the prohibition is not based on moral grounds, because exceptions are made in favour of lotteries conducted for religious or charitable purposes, and therefore I purpose to argue the question purely from the social standpoint. I can remember when the State authorities of Louisiana conducted a lottery every month for the laudable purpose of providing funds for education. This had a very demoralizing effect not only on every state of the Union, but on this Dominion as well. In factories and other places where men assembled for work you would find these tickets being offered for sale each month, and those who could not afford ten dollars for a whole ticket were tempted to buy a tenth of a ticket. Sometimes the ticket-holder won a prize, but not very often. Ultimately the gambling craze reached such serious proportions that the Federal Government of the United States was forced to override the authority of Louisiana and discontinue the lottery.

I have had sufficient sense to refrain from gambling, but my observation, extending over many years, has convinced me that lotteries are one of the most demoralizing forms of gambling. I know of men holding good positions who waste their entire substance on gambling. Perhaps its most pernicious form is the buying of stocks on margin; but lotteries

are pretty nearly as bad. Bearing in mind what happened in the United States, I think it would be a very great mistake to give this Bill second reading. If it became law, lotteries would not be confined to the province of British Columbia: all the other provinces would have to conduct lotteries in self-protection, and the whole country would be demoralized.

But apart from this side of the question, will the sanctioning of lotteries result in any substantial benefit to our hospitals? The Irish Hospital Sweepstakes are frequently cited as an effective means of raising funds for hospitals. It may interest honourable members to know that many hospitals in the Irish Free State have refused to take part in the proceeds of those lotteries, and they do so advisedly, because, as the honourable member from Montarville (Hon. Mr. Beaubien) said the other day, such lotteries discourage contributions and bequests from charitably disposed persons. But that is not the only drawback, as this extract from the Irish Times, of Dublin, would indicate:

Although the Cork South Infirmary has been in the Free State sweepstakes from the start, its financial condition is now serious, for voluntary subscriptions are down to the vanishing point, and the Free State Government for two years has delayed payment of sweepstakes money. At a meeting of the committee of the hospital the treasurer said they owed their bankers £3,249, and the position at the end of the year would be impossible, as they would be £5,000 to the bad.

From this it is evident that the hospital sweepstakes in the Free State have not accomplished the purpose for which they were inaugurated; otherwise the Cork South Infirmary would be in a good financial position. But in any case a very small proportion of the receipts go to the hospitals. As I have said, I agree with the honourable senator from Montarville that the institution of lotteries would tend to discourage charitable gifts to our hospitals, and that as a result these institutions would suffer substantial financial loss. But apart altogether from this probability, I submit we should take cognizance of the demoralizing effect of lotteries and decline to approve a measure of this kind. I am not arguing that it is sinful to gamble, but it is an exceedingly silly practice. A lottery can never work out to the advantage either of those who buy tickets or of the institution for whose supposed benefit it is conducted. I sincerely hope that the Bill will be rejected.

* On motion of Hon. Mr. Murdock, the debate was adjourned.

Hon. Mr. HOCKEN.

PRECIOUS METALS MARKING BILL

SECOND READING

Right Hon. ARTHUR MEIGHEN moved the second reading of Bill 2, an Act to amend the Precious Metals Marking Act, 1928.

He said: Honourable senators, I owe it to the House now to make a brief explanation of the Bill. I may add at once that it is intended to refer the Bill to the Committee on Banking and Commerce. This is not a highly important measure. As honourable members know, the Parliament of Canada, having jurisdiction in matters of trade and commerce, seeks to regulate in this respect, at least to the extent necessary to prevent what savours of fraud, if it is not indeed actual fraud, in the sale and purchase of certain goods. It is impossible for the ordinary purchaser of precious metals to say just what is the composition of the article that he is buying, and consequently the original Act provides that when any ornament or article made from the precious metals is sold under a certain nomenclature, it must be of the character specified. If, for example, it is sold as gold plated, there must be a certain percentage of gold in the plate. This in general is the purpose of the Precious Metals Marking Act. The present Bill does not in any degree extend the principle of the original Act. It restates the law, mostly for the purposes of clarification. It goes further in certain respects, as to mountings upon jewelry and some other apparently not very important features. In the main the inspectors who enforce the law deem the proposed amendments necessary in order to prevent certain technical infringements.

Hon. Mr. CASGRAIN: For instance, an article of sterling silver quality must be so stamped.

Right Hon. Mr. MEIGHEN: Yes; not only that, but the dealers or manufacturers must themselves vindicate the stamp.

Hon. Mr. DANDURAND: Since 1928, in the Banking and Commerce Committee, we have given careful study to similar bills, and I am glad my right honourable friend is suggesting that this Bill should go to the select committee.

Hon. Mr. CASGRAIN: I submit that public bills should be considered by Committee of the Whole. We have got into the bad habit of referring public bills to select committees. Every member is supposed to be interested in a public bill and to know something about it. I should like the right honourable gentle-

man, who has done so much to raise the standard of this House, to let us know whether as a rule public bills should not be dealt with as I have suggested. After a public bill has been considered in Committee of the Whole, we could, if necessary, send it to a select committee in order to get expert opinion on the measure.

Right Hon. Mr. MEIGHEN: Does the honourable member mean that a public bill is first of all dealt with in Committee of the Whole, and after being reported is, if deemed necessary, referred to a select committee?

Hon. Mr. CASGRAIN: No; it is dealt with here in the House.

Right Hon. Mr. MEIGHEN: I know, but it is not correct to say that public bills are dealt with only in Committee of the Whole. For example, in either House of Parliament it would never be considered improper that the revision of the Bank Act should be referred to the Committee on Banking and Commerce. A select committee should deal with measures of that character, and I think it should deal with this measure. I take it that the report of the committee, which is made after the second reading, in no way prevents the measure from being referred to Committee of the Whole before third reading.

Hon. Mr. CASGRAIN: It always depends on the motion of this House. The House can do what it likes.

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. CASGRAIN: I was calling the attention of the right honourable leader to what I consider is the proper practice, that public bills should be dealt with in this House. Would it not be well for us to revert to the old custom of dealing with public bills in Committee of the Whole? Then, if we found it necessary, we could refer them to select committees to secure further information from outside sources. I am merely suggesting the propriety of this course.

Right Hon. Mr. MEIGHEN: Any public bills will be referred to Committee of the Whole if such is the desire of honourable members. But the question I was putting—and I am not certain yet what the right answer should be—is whether or not the reference of a public bill to Committee of the Whole should precede or follow the reference to the select committee.

Hon. Mr. DANDURAND: I have not recently read the rules relating to this matter, but I may state what has been the practice for a number of years.

Right Hon. Mr. MEIGHEN: I know the practice in the House of Commons.

Hon. Mr. DANDURAND: When I was responsible for Government legislation in this House my practice was this. If a Bill presented to the House contained anything of a technical nature, or anything requiring technical advice, which would be much more easily secured by sending the Bill to a standing committee, I never hesitated to suggest that it should go there first.

Right Hon. Mr. MEIGHEN: That is what I think.

Hon. Mr. DANDURAND: Then twenty-five or forty or fifty members of the Senate had the advantage of first-hand information from men in the department who had drafted the Bill. When the Bill was returned to the Senate it could be sent to Committee of the Whole if further discussion was deemed desirable, or if further amendments were to be considered. Did we not last year send the Railway Bill to the Standing Committee on Railways, Telegraphs and Harbours in order to secure evidence which could not be obtained here? I know of many Bills in regard to which it was thought desirable to secure information directly from the experts of the department that had to do with the drafting of the Bill. There was the Pension Bill, for instance. We had been operating since 1867, I think, under three special Acts, and were consolidating those Acts in order to deal with pensions from a certain date under a new system. With the exception of three or four honourable gentlemen who had given special study to the matter, no one would have dared to enter into a discussion of the Bill in Committee of the Whole. After the Committee on Banking and Commerce had spent three or four days over the Bill, and had heard the experts of various departments, and the Superintendent of Insurance, we were in a position to discuss it intelligently in this Chamber. I do not think anyone can point to a rule directing us to send a Bill to Committee of the Whole before sending it to a select committee. I think that matter is in the hands of the House.

Right Hon. Mr. MEIGHEN: I think the procedure outlined by the honourable gentleman (Hon. Mr. Dandurand) is the proper procedure, and it is the one which was followed in the House of Commons, with whose practice I am much more familiar than I am with that of this House. The right of every member of this House to insist that a public Bill be committed to the Committee

of the Whole is undoubted, but it seems to me only rational that that stage should follow commitment to a select committee.

Hon. Mr. CASGRAIN: If the right honourable gentleman will read May or Bourinot, or even Flint, he will find it repeated again and again that the whole House is supposed to deal with public bills.

Right Hon. Mr. MEIGHEN: Oh, no. What is the Private Bills Committee for, except to deal with Private Bills? Surely the Committee on Banking and Commerce is not appointed only for the purpose of dealing with Private Bills or a Railway Bill.

Hon. Mr. CASGRAIN: The Bank Act.

Right Hon. Mr. MEIGHEN: That is not a Private Bill. It would be dealt with in the Committee on Banking and Commerce.

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

The Senate adjourned until to-morrow at 3 p.m.

THE SENATE

Wednesday, February 28, 1934.

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

Prayers and routine proceedings.

THE WORLD DEPRESSION AND UNREST

INQUIRY AND DISCUSSION

Hon. J. J. HUGHES rose in accordance with the following notice:

That he will call the attention of the Senate to the declarations of the Prime Minister and the right honourable Leader of the Liberal Party in regard to the probable cause or causes of the world depression, unrest and confusion and the remedy for these ills; and will enquire whether the Government contemplates taking any further steps calculated to mitigate these conditions or to ward off, as far as possible, their effects upon Canada.

He said: Honourable members, a reading of the notice standing in my name will serve as an introduction to the remarks that I intend to make.

Some time ago the Prime Minister, after reviewing general conditions, declared with emphasis that "only the grace of God can save the world"; and a little later the right honourable Leader of the Liberal Party, at the close of a reasoned speech, stated, "The principles of the Sermon on the Mount would save the world." These were not ordinary

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statements; they contain much food for thought. As I see it, the fact that the leaders of both historic political parties should hold and give expression to such fundamental beliefs at this time means much for Canada, and I consider it a privilege, and perhaps a duty, to give heed to such expressions, examine their implications, and as far as practicable draw useful rules of conduct from them. Embedded in them is the Christian conception of life. We cannot help noticing, however, that the governing bodies of many nations are using their legislative, executive and judicial powers to erase, as far as possible, this conception from the minds of their people, particularly the young, and are carrying their propaganda into other countries. It would seem, therefore, to be the duty of all those who believe that civilization itself rests upon the fundamental principles of Christianity to combat this growing menace of Communism, Nazi-ism, or whatever it may be called, whenever, wherever and however it shows itself.

As I understand it, the Christian explanation of the creation, the fall and the redemption is as follows: When man was created the angels were given various ministries in his regard, and to Lucifer was given much power on this earth. When he rebelled and was expelled from heaven his relationship with God was broken, his name was changed to Satan, his nature became changed, he became wholly bad and nevermore could do any good. But all his attributes were not taken from him. He was still a spirit with great knowledge and considerable power. He wanted a kingdom; he wanted subjects, and he coveted man. He concentrated against Adam and won, and man would have been wholly and completely lost if the Second Person of the Trinity had not come to his rescue and saved him by Himself becoming man, and in His person overcoming all evil. When Our Saviour was on this earth He called Satan the Prince of this world; and Satan, knowing Him to be a man, tried to tempt Him by offering Him all the possessions he had, or once had, and over which he still exercised large control. This is one of the ways in which Satan has always tempted and still tempts men and nations, and he has nearly always met with great success. Riches, honour, glory, dominion make a strong appeal to individual pride and greed, and a still stronger appeal to national pride and greed. This appeal forms probably the subtlest and most dangerous of all temptation. Response to it may appear to the individual as the means of obtaining a reward for his personal merits, and to the nation as the pursuit of

duty and patriotism. It leads to every effort on the part of the individual to overreach, outwit and exploit his neighbour in all worldly transactions; it leads to jealousies, to hatreds, to wars, physical and commercial, and to all manner of intrigues on the part of nations. If all men fell for it the world would be turned into a hell upon earth; and, conversely, if all men observed the principles of the Sermon on the Mount the world would be turned into a heaven upon earth. We are assured by God Himself that no man will ever be tempted beyond his strength, even though he be assailed by powers and principalities, and that he will be given what help he needs if he ask for it as a child speaks to its father. In the light of this assurance we see the true meaning and the value of the declarations of the Prime Minister and the Right Honourable Mr. King.

In the Sermon on the Mount this principle is laid down: "All things therefore whatsoever you would that men should do to you, do you also to them." This declaration by Jesus is both clear and comprehensive. Tomes have been written on social legislation and social justice which do not contain as much wisdom and practical truth as are embodied in this sentence, and it is as easily understood by the man on the street as by the professor in the university. Then why is it ignored by the world, and laughed at by many? Well, the reason is that the world is not Christian. It might be wrong to say that it is anti-christian; it would probably be more correct to say that it is unchristian, because for this there is a great deal of proof.

We have all kinds of conferences and gatherings of men to discuss national and international affairs, but so far as the records go, or so far at all events as I have been able to read them, the name of God is never seriously mentioned at any of these gatherings, and no real effort is made to ascertain God's will in regard to any of the weighty matters discussed thereat. If this is not a withdrawing of the intellect from the light of faith and therefore from conformity to God's will, if it is not a public manifestation of materialism and atheism, I do not know what it is. If God allowed this kind of thing to succeed, would it not confirm the world in its materialistic and atheistic attitude? And would that not be a greater affliction than a continuance and a deepening of the depression? As I see it, we should thank God for this depression, particularly if it causes men to think. "With desolation is all the land made desolate; because there is none that thinketh in his heart." The pagan society of

the old Roman Empire was bitterly anti-christian, hence the fierce persecutions of the first three centuries of the Christian era. At last God's judgment fell, and the Empire disappeared. The cities that flourished in the valley of the Nile and on the shores of the eastern Mediterranean, in the pre-Christian era, were ungodly and abounded in moral depravity. They disappeared, and to-day the spade of the archaeologist is uncovering their ruins. God is the moral governor of the universe and will not be mocked. "Man does not live by bread alone."

The unchristian state of the world will not likely be permanent. It is probable that it will either revert to Christianity or become anti-christian, and in that case history may repeat itself. There may be great movements going on outside of the mind of man; the powers and the principalities of evil are not idle; but the mercy of God is very great, and this depression may be a manifestation of that mercy. If the world were Christian, if even Christendom were Christian, God would be not only admitted but welcomed everywhere. He would be in the halls of legislation, in the halls of justice, in the halls of education, in the market place, in the counting houses, in the factories, on the farms, and at all the national and international gatherings of men. But such is not the case. Instead, a widespread, determined effort is being made to establish a cult or a religion which would make man sufficient unto himself, dependent on no being outside of himself. This temptation is very flattering to human pride and is as old as Eden. If it succeeded it would drive God out of the world, which He created and which, by the creative act, He sustains during every moment of its existence. Therefore it cannot succeed, but man in making the effort to drive God out of the world may destroy himself.

On the editorial page of the Montreal Gazette of to-day there is an article by Professor W. Caldwell, in which this sentence occurs:

The one supreme lack to-day in Europe is the absence of any real intellectual and moral authority in respect of what has been accomplished by the War in the way of the liberation of the people most immediately concerned, and in the consequences to which this leads.

As I see it, the greatest human problems before the world to-day are, what to do with the debts of the world, and what to do with the private armament manufacturers. Nearly all the other nations of the world are in debt to the United States. And all the entities

and nearly all the individuals in the world are overwhelmingly in debt to somebody or something. I am certain these colossal debts will never be paid, because they cannot be paid. Practically speaking, the world is bankrupt, morally and financially, and it appears to lack both the intelligence and the courage to face this fact. If these debts, principal or interest, or both, were scaled down to a figure that would be possible to pay, it would be more advantageous to the creditors than even to the debtors. But if this large scaling-down is beyond the wit and power of man, and if the governments are unable or unwilling to eliminate the private armament manufacturers, who are the efficient agents of Satan, Europe, or indeed the Caucasian race, is doomed to perish, or go through greater troubles than any we have yet experienced. The United States is the most self-contained, the most industrialized and the most highly mechanized nation on the earth. It made billions out of the War, yet it is suffering as much as the war-torn bankrupt nations, and this fact surely proves that the bankers, the economists and the statesmen have not yet discovered the real cause or causes of the depression. Both ex-President Hoover and President Roosevelt have tried to stem the deluge of crimes sweeping over their country, but without much success. Within the past year several lynchings of a shocking character took place in many States of the Union, and at these murders many of those called the best people were present. Even mothers were present, and in some cases held their children high in their arms to let them see what was going on. And the Governor of California publicly commended these crimes and declared that if any of the perpetrators were convicted by the courts and sent to prison, he would pardon them. Within the year I read in the papers of the killing of a leading gangster in Chicago by a rival gang. The murdered man got almost a state funeral. He was buried in a bronze coffin costing some \$1,500. Several carloads of flowers followed his remains to the cemetery. But worse than all, four or five judges were honorary pallbearers at his funeral. The dead man when living had done much to elect those men to the bench. We may see some material improvement in the United States, but material prosperity will not save the nation in which the lawfully constituted authorities commend and protect mob violence and mob killing, and justice is contaminated at its source. In fact, material prosperity may increase and accentuate such depravity, may give opportunities for committing many other crimes,

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and may thus hasten the destruction of the nation. Material prosperity, like easy credit, may do much harm in the hands of thoughtless people. Rich, powerful individuals and rich, powerful nations may have established a partnership they would be much better without. And nations are not like individuals; if they are punished at all, it must be in this world. They begin and end here.

During the holding of the Liberal-Conservative summer school at Newmarket, Ontario, last year, the Prime Minister of Canada declared that education must necessarily be the principal means to ensure the hope and stability of democracy. By "democracy" I presume he meant the political institutions and civilization of many countries in Europe and America. I feel sure he means well. He speaks vigorously enough, but he does not always speak thoughtfully enough, and the declaration cited is proof of that fact. If Mr. Bennett will examine his premises for a moment he will surely admit that there are two kinds of education, the right kind and the wrong, and that a great deal of the instruction given in the world to-day is not worthy of the name of education. For instance, Mr. Philip E. Wentworth, a graduate of Harvard University, in an article in the *Atlantic Monthly* of June, 1932, stated that two years at Harvard had made him a Unitarian or a non-Christian, and four years there had made him an atheist; that nine young men and women out of every ten who graduate from the universities of the United States are atheists. These statements were not questioned by any of the secular universities in that country. Surely Mr. Bennett, upon reflection, would not say that that kind of education would save democracy, or anything else worth saving. It is a well known fact that previous to the Great War the secular universities of Germany were hotbeds of infidelity and atheism. Nevertheless, Germany was regarded as the schoolhouse of the world, and rich families everywhere sent their sons to that country to finish their education. Did such education establish or save democracy in Germany? Then there is the kind of education imparted in Russia at the present time. I am sure Mr. Bennett does not approve of it. But one, at least, of our Rhodes scholars approves of it, and this man is a clergyman in good standing in one of our large Christian denominations and a professor of Christian ethics in one of our colleges. Should not this be enough to make the Prime Minister and every thoughtful Canadian ask, "Whither are we drifting?" If we are Christians at all, and do any think-

ing, we must conclude that three-fourths or four-fifths of what passes in the world to-day for education is made up of imperfect knowledge and intellectual pride; is obviously and confessedly materialistic and unchristian or antichristian, and is therefore, in the opinion of many, a large factor in the world's undoing.

The intellect perverted in any way distorts principles, judgments and laws. And twenty errors in practice are as nothing compared with one error in principle. Twenty errors in practice may be corrected and the twenty-first may never be committed; but one erroneous principle is like a damaged wheel in a machine—the machine can never work correctly afterwards till the wheel is repaired or replaced. One speculative error may produce an infinite series of practical errors, because mind dominates matter and the spiritual or eternal controls the temporal. "As a man thinketh in his heart so is he." And "The thoughts of to-day are the actions of to-morrow." I think this expresses the views held by the Prime Minister and the Right Honourable Mr. King when they used the words quoted at the beginning of my remarks.

As I look out over the world, from my very limited viewpoint, I see two organizations, namely the Catholic Church and the British Empire, which challenge my attention. Both these organizations have visible, permanent heads, matured laws and well ordered liberty without licence. These matured laws and well ordered, well regulated liberty are founded upon, and must be founded upon, the principle of graded authority. In all our relations with our fellow men this principle must be recognized. You cannot have even a properly conducted debating society in a cross-roads country schoolhouse without a chairman, whose rulings, for the time being, are absolute; and from that you go up to the Privy Council in England for final decisions. To prevent chaos in the State, there must be a court of last resort and it must be composed of a visible man or visible men. The statute laws of Great Britain are as clearly written as trained, intelligent men could write them. But what would happen if these laws were put into the hands of every man and he were told to interpret them for himself? The imagination could hardly picture the confusion that would ensue. Again, the Constitution of the United States was as clearly written as trained, intelligent men could write it. What would happen if it were put into the hands of every man in the United States, and he were told to interpret it for himself? I leave your imagination to supply the answer. A court had to be established to

interpret the Constitution, that court had to be coterminous with the Constitution, and will have to function while the Republic endures. These illustrations are all confined to the temporal order, but are they not applicable to the spiritual order as well? God is the author of both orders, and human nature is the same in both.

If the troubles through which I hope the world is successfully passing were a new thing in our existence, many might see little hope of improvement in the future, but, dark and foreboding as the situation is to-day, it is not as dark as it was during the first Good Friday afternoon; it is not as dark as it was during many periods of the first three centuries of the Christian era, and it is not as dark as it was during nearly the whole period of the pre-Christian era. Satan, or Antichrist, may win many battles, or even campaigns; but he will not win the war, because he is Satan. On the other hand, God will not be driven out of the world which He created and which, by the creative act, He sustains during every moment of its existence, because He is God. His triumph will be complete, and as visible as, perhaps more visible than, it was on the first Easter Sunday morning.

The true Christian will never despair. He is as certain of God's existence, and all it means, as he is of his own. In fact, if God did not exist, he himself would be a monstrosity, namely an effect without a cause. And the essence of religion, and the essence of common sense as well, even in temporal matters, consists in a proper relationship between God the Creator in heaven and man the creature on earth. While man is willing to serve, a relationship is maintained; but when man, through pride or greed, or for any other cause, wilfully and deliberately rebels and tells God he will not serve Him any longer, the relationship is broken, and the rebel must take the consequences. The man who stands right with God and his neighbour has solved all the problems of life, so far as he is concerned, and the principles and practices that save an individual will save a nation or a world, if applied.

According to my reading and some observation, many non-Christians admit that Jesus was the greatest preacher, the greatest teacher, the greatest moralist, the greatest social worker, the sanest and most practical man that ever lived. It is strange, therefore, that these same people do not accept Him as leader, but turn to Karl Marx, Lenin, Stalin and other confessedly inferior persons. For professing Christians to accept any leader other than Jesus is incomprehensible to ordinary minds. Man is a paradox: he possesses

reason above all the rest of the animal creation, but he does all kinds of unreasonable things and brings all kinds of trouble on himself. Original sin is probably the cause.

I shall close these remarks by a brief quotation from a short chapter in "Philosophy of the Bible Vindicated," by the late Archbishop O'Brien of Halifax. The quotation is as follows:

It is quite evident that the whole irrational creation constantly glorifies God; but what about man, the high-priest of nature? Some may doubt whether God attains the intended end in his regard. The absolute end of man's creation is God's glory. But there is another conditional end of man which more immediately concerns man himself; it is to glorify God by good deeds in life, and to receive eternal happiness in heaven. This latter end is, we say, conditional, dependent on the free will of man assisted by the grace of God.

And here allow me to remark that the Prime Minister's declaration as respects the world is in accordance with this philosophy and teaching. The Archbishop goes on:

If man glorifies God by virtuous actions, he will attain his final and personal end; if he does not, he will lose his personal end, but the absolute end intended by God will be gained despite man's malice. God can be glorified externally by manifestations of His infinite goodness or by manifestations of His infinite justice. If man be virtuous, God is glorified in His goodness; if he be impious, God will be glorified in His justice by condemning him. To man only will there be a loss if he be wicked, and a gain, if virtuous; in either case God will have His glory. Hence the absolute end intended by God in creating will be always attained.

In conclusion, may I add that the responsibility resting upon those of us who have something to do with affairs of church and state, and who know Christianity to be true, is very great and cannot be evaded without the most serious consequences. It is our responsibility to see that our belief is not belied by our words and actions—particularly our actions. "Not every one that saith to me Lord, Lord, shall enter the kingdom of heaven" either here or hereafter, "but he that doth the will of my Father Who is in heaven, shall enter the kingdom." Not many of us err through ignorance: we are enlightened enough, but we do not like the restraints Christianity puts upon us, and we therefore really try to make a religion to suit ourselves, in the hope that it will do. But I do not think we can pick and choose in this way; it is, in the end, either Christianity as Jesus taught it or the law of the jungle, which is Antichrist; and everything indicates that ere this century closes Christendom, at least, will have to decide which leader it shall follow. Events are crowding fast upon

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one another, and the axe appears to be laid to the root of the tree.

Right Hon. ARTHUR MEIGHEN: Honourable gentlemen, there is certainly no reason why the discourtesy of inattention should be offered to the honourable gentleman who has just delivered his address. The question, in accordance with the custom of this House, ends with an inquiry of the Government. Its substance relates to the causes of the present depression, and the speech of the honourable senator appertained entirely to the substance rather than to the closing inquiry.

In offering any expression of opinion on the main part of the question I should have to descend to more mundane matters than those referred to by the honourable gentleman. Leaders of thought in the world are not unanimous as to causes of the distress into which the world plunged towards the end of the twenties, and they are still less agreed as to the remedies to be applied. About all agreed upon is that conditions are world-wide; that whatever may have been in the ground out of which these tares grew, it was universal, and all countries appeared to suffer more or less alike.

Economists have addressed themselves with vigour to an analysis of causes, as well as effects, but they are just as opposed in their opinions as are politicians in the various parliaments of the world. I recall the Secretary of State for the Dominions in the British Government saying that in a certain matter of very high consequence that Government decided to call in the leading economists of the nation. Those gentlemen came, fourteen professors of great eminence, men whose minds had been absorbed with this topic; and after a long and arduous review and many discussions, the result of their deliberations was a tie vote, seven to seven. To use the words of the colourful Secretary of State for the Dominions, the conference was a complete washout.

That is a fair reflection of the condition that exists the world over; and in the face of such a conflict of views it is perhaps impertinent, rather than courageous, to venture in with a suggestion where angels have fallen. I have already stated in the House that I think the new factor in the collapse of the last cycle, the impact of which was felt with greater force than any experienced before, is the factor of machine and power production. Facilities for production have been multiplied, but not facilities for consumption. The consequence is a lack of balance. Not only has there been a failure to multiply facilities for consumption, but the

displacement of labour by machine and power production has resulted in limiting the consumptive power of a considerable section of population of every country to the mere necessities of life. While production is prolific, consumption contracts.

In the race of life those who have been more highly endowed than their fellows in resourcefulness, energy and intellectual capacity and who have applied themselves more practically have always had a substantial advantage, which has produced extraordinary effects. The machine multiplies that advantage. The great power contrivances of this time add to the space that intervenes between the swift and the slow; it multiplies the power of the gifted in contrast with the slow labours of those who are handicapped in one way or another. The inability to succeed which formerly prevailed is now intensified to a tremendous degree. The result is that we have on the one hand wealth that is being created—quite legitimately, and in the main creditably—and on the other hand poverty of those who are deprived of means of livelihood by machinery which has resulted from human effort, ingenuity and energy.

I do not know of anything that can be done except still further to fetter the swift for the benefit of the slow. I should like to think there was some other way, more to our taste and liking. Certainly it is not to my liking to handicap the energetic, the enterprising and the hard-working, but it seems to me that social legislation of the future will proceed along that course, and that we must make up our minds that this will be necessary if we are to have tolerably safe conditions for the fabric of society. I believe it is a corollary that in these times our laws must be directed to the encouragement of consumption and the distribution of employment by a shortening of hours of labour; that our taxes should be directed towards surplus earnings year by year, so that the spending of what we have may be encouraged, and in order that by immediate spending and consumption the world's wealth may be devoted to giving employment rather than increasing investments.

I do not intend to dilate further upon this idea at the present time, but if honourable gentlemen think out the subject they will be, I believe, better prepared for legislation that is bound to come—not this year, perhaps, but in the not far distant future—legislation, may I add, which is already foreshadowed by the political trends of more than one other nation in the world. I believe that the special advantage given to some by the mechanism of the present day must be counteracted for

the benefit of those to whom such advantage does not accrue.

All I can say is that any government would be unworthy of the name which could not answer the latter part of this inquiry in the affirmative, and which could not follow that answer by practical and useful initiative.

FISHERIES BILL

SECOND READING

Right Hon. ARTHUR MEIGHEN moved the second reading of Bill 7, an Act to amend the Fisheries Act, 1932.

He said: Honourable senators, there is nothing of importance in this amendment.

Right Hon. Mr. GRAHAM: Only a change of numbering.

Right Hon. Mr. MEIGHEN: Just a change of numbering.

Right Hon. Mr. GRAHAM: I have no objection at all. It is merely a change in the numbering of one of the paragraphs. I think, however, for appearance's sake the third reading might stand until to-morrow.

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

OTTAWA AGREEMENT BILL

SECOND READING

Right Hon. ARTHUR MEIGHEN moved the second reading of Bill 8, an Act to authorize an agreement between His Majesty the King and the Corporation of Ottawa.

He said: Honourable gentlemen, this Bill merely provides for the extension by a year of the arrangement under which the Government pays \$100,000 in lieu of taxes to the city of Ottawa.

Right Hon. GEORGE P. GRAHAM: Honourable members, I think it was last year—it may have been the year before—when a similar measure came before the House, that some honourable gentlemen criticized the city of Ottawa very severely because of the quality of the water supplied to public buildings under this agreement. I believe there is no reason for any such criticism to-day, because the water supplied by the city, or what I consume of it, seems to be of perfectly good quality. This being the case, unless some honourable gentleman wishes to raise some other objection, I see no reason why we should not agree to the second reading of this Bill to-day.

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

PRIVATE BILL

SECOND READING

Hon. W. E. FOSTER moved the second reading of Bill D, an Act to incorporate Personal Finance Corporation.

He said: This Bill is exactly in the same terms as a Bill passed by Parliament last session, entitled an Act to incorporate the Discount and Loan Corporation. The object of the measure is the incorporation of a loan company which would make loans in small amounts. Such a company can perform very necessary services in the field of credit. There are already three companies of this kind doing business in Canada under Dominion Government supervision. I intend, if second reading is given, to move that the Bill be sent to the Committee on Banking and Commerce.

Right Hon. Mr. GRAHAM: Has the Bill been printed?

Right Hon. Mr. MEIGHEN: I have a copy of it.

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

HOSPITAL SWEEPSTAKES BILL

MOTION FOR SECOND READING—DEBATE
CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Barnard for the second reading of Bill A, an Act with respect to Hospital Sweepstakes.

Hon. JAMES MURDOCK: Honourable senators, this is the third successive session that the Senate has considered a Bill of the kind now before us. When someone asked the other day whether I was going to speak upon the measure, I said that I was not, but it seemed to me last night that the Senate was ready to take a vote on the second reading after only three honourable members had spoken. I suppose it does not make much difference to us personally what happens to the Bill, but I am a little concerned with the question whether we are going to place ourselves in what I should regard as a ridiculous position by passing the Bill in this House when it is only reasonable to assume that the elected representatives of the people will turn it down as soon as they have an opportunity of dealing with it. The year before last the Senate itself rejected proposed legislation of this kind. Last year a similar measure, which was earnestly sponsored by the honourable senator from Vancouver (Hon. Mr. McRae), was passed here, but I cannot help feeling that the favourable vote was to a large extent

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complimentary to the sponsor. However, we all know what happened later in the other House.

A great deal might be said about measures whereby we should be relieved of the obligation of digging down into our jeans for money to give in support of a good cause, and the required money would be obtained from people whom we could enthuse with the belief that their outlay might prove to be a good investment, or that, in the words of the old Scotch saying, many a mickle makes a muckle. In the March issue of the Reader's Digest, which I was looking through the other day, among many articles well worth reading, I found one entitled "The Return of Lotteries." I will not quote the entire article by any means. The first sentence, which pretty well gives the gist of the whole thing, reads this way:

Lotteries were once labelled by Henry Fielding as "a taxation on all the fools in creation."

It is not in any holier-than-thou attitude that I am opposing this Bill. I have drawn three cards to a pair of deuces, and then tried to convince the other fellow that I had the best hand. I have been at a horse-race, not very often, but occasionally, for an afternoon's sport. I think I have had in my possession lottery tickets, but I do not know when or where, and I imagine they were bought to please some friend. So, I repeat, I am not speaking in any holier-than-thou spirit. But I do want to know whether the Senate—which we are all so proud of, as the balance-wheel in the enactment of legislation that has to do with the government, the guidance and the protection of our people—is going to endorse a measure which would mean in effect the transferring of our just responsibilities to the shoulders of those of our citizens who are less fortunate than ourselves.

I think it would not be unfair to put upon the record the contents of a circular letter which I received the other day, as I presume all other honourable members did. It is on the stationery of the Social Service Council of Canada, 37 Bloor Street West, Toronto, and is dated February 12, 1934. The names of the officers of the Association are stated, and the letter is signed by the General Secretary of the Council, Rev. J. Phillips Jones, M.A., D.D. I notice that this Social Service Council apparently covers the length and breadth of Canada. The letter reads:

Honourable and Dear Sir:

In view of the fact that an Act to legalize Hospital Sweepstakes has passed its first reading in the Senate of Canada, the Social Service Council of Canada respectfully draws your

attention to the report of the Royal Commission on Lotteries and Betting issued in London, England, in 1933.

That report quotes the resolution of the British Hospital Association, which states:

"That the British Hospital Association is not in favour of the amendment of the law affecting public sweepstakes, which purports to be for the benefit of voluntary hospitals."

Recent figures in connection with the Irish sweepstakes for hospitals, extending from 1931 to 1933, make clear that:

1. Hospitals received only one-seventh of the amount wagered.

2. Prize money equalled approximately one-half.

3. The balance went to the sellers and to "expenses."

That is, $\frac{2}{4}$ went to hospitals, $\frac{1}{4}$ to prize money, and $\frac{1}{4}$ to sellers and overhead.

In arriving at its findings the Commission states that "while gambling among private individuals should not be interfered with, organized gambling facilities should be prohibited or restricted where these facilities lead to serious social consequences."

In view of these considerations, the Commission reached the following conclusions:

1. "That the institution of large lotteries in this country (Great Britain) is not recommended. Such a step is undesirable in itself, and unlikely to assist, very materially in suppressing the sale in this country of tickets in lotteries promoted elsewhere."

2. "The existing general prohibition in this country of all lotteries, whether promoted here or abroad, should be maintained, and the law against foreign and illegal lotteries should be strengthened."

Certain legislation is recommended to give effect to the prohibition of lotteries, and under the Lottery Act the court should forfeit to the state any money or valuable thing connected with the proceeds of a foreign or illegal lottery.

Certain exceptions recommended from the general prohibition of lotteries deal with art union drawings, private lotteries proposed in clubs, and small public lotteries incidental to bazaars and sales of work, under certain conditions. "No exception should be made however, in favour of small public lotteries or prize drawings in which the public in general are invited to purchase tickets."

In view of the findings of this Royal Commission which deals with the whole subject of lotteries and other forms of gambling, and which points out the disastrous social and moral effects of lotteries upon the morale of the nation in a time of financial strain, the the nation is a time of financial strain, the Social Service Council of Canada strongly urges that the bill for Hospital Sweepstakes be not passed. The Royal Commission by its findings states that Hospital Sweepstakes are not in the best interests of Great Britain. Why then should they be considered in the best interests of Canada?

Yours on behalf of the Social Service Council of Canada.

J. Phillips Jones,
General Secretary.

Hon. Mr. MACDONELL: May I ask the honourable gentleman a question? Does that

letter represent the public feeling of the whole country, from one end to the other, or is it merely an expression of opinion by a society?

Hon. Mr. MURDOCK: My honourable friend is in just as good a position as I am to answer that question. I tried to be rather explicit in indicating where this letter came from. I have no doubt my honourable friend would regard it as being worse than useless, as he has the right to do, and I am only giving it as the expression of opinion of the Social Service Council of Canada. It may be that my honourable friend is not concerned about or sympathetic towards the Social Service Council of Canada, but that does not alter the fact that this organization, which presumably represents tens of thousands of reputable and responsible citizens of Canada, has seen fit to send out the letter I have read, a copy of which was no doubt sent to my honourable friend as well as to me.

The Ottawa Citizen of this morning carries an article, under the heading "Many Families at Toronto on Partial Relief," which tempts me to digress for a moment. It points out that some wage-earners, married men who are heads of families, are receiving from their employers in Toronto \$10 a week or less, and are securing from the Relief Department of that great city some additional money to enable them to maintain the health, happiness and well-being of themselves and their dependents. I happened to sit in and listen to the testimony given before a committee of another House yesterday, and thirty-eight Toronto firms were specifically mentioned as paying employees engaged in various forms of industrial activity such a pittance that the city, through the taxpayers, had to come to their relief.

That, in my humble judgment, is an exact illustration of the kind of thing that is proposed by the Bill now under consideration, an Act with respect to Hospital Sweepstakes. Last year the honourable senator from Vancouver (Hon. Mr. McRae) and this year the honourable senator from Victoria (Hon. Mr. Barnard) advocated the establishment of lotteries as a means of securing funds to meet the expenses of hospitals, to keep such institutions up-to-date and to enable them to do work which the cause of humanity demands should be done for those who are in need of it, if we are to live up to the teaching that each man is his brother's keeper. Now, what is the difference, I ask, between shirking our responsibility for digging down into our pockets for the necessary money to keep the hospitals functioning properly, and the em-

ploying of workmen at half the proper wage, or less, so that it becomes necessary for municipal relief authorities to come to the assistance of such workmen? I can see no distinction in the type of people who would do either of these things.

In order that I may not be misunderstood, I want to say that I am whole-heartedly in sympathy with what I am bound to assume is the motive of the gentlemen who are supporting this Bill. I always hold to the view that our hospitals should be fully manned, efficiently equipped and well managed, so that they may render the very best possible services to suffering humanity. Well, the money necessary for all this can be procured in sufficiently large amounts, if we are sincerely desirous of getting it, without our having to resort to legislation of the kind now proposed. If our honourable friends from Vancouver and Victoria, and others who supported the Bill last year and may still be in favour of it, are genuinely concerned to see that the hospitals are provided with the wherewithal they require, then there is a splendid opportunity for the Senate of Canada to demonstrate a real consideration for the unfortunate citizens of this country. Our banks are operating under a charter given by the Dominion Government. Exercising their charter rights, they have fixed the rate of interest on savings bank deposits at two and a half per cent. For the benefit of the poor, unfortunate persons who may not be able to get proper hospital care at Vancouver or Victoria or some other city, would it not be consistent for this House to initiate legislation empowering the federal, the provincial or the municipal authorities to take everything in excess of two and a half per cent that any of us receive on bonds or other securities? I believe there are millions of dollars of potential revenue in this suggestion. If we want to do something for the unfortunate and the indigent, let us "come clean" along these lines. If two and a half per cent is a proper legal rate of interest to pay the poor, unfortunate depositor who places ten dollars in any of our chartered banks, I should like to know why it would not be consistent to require those fortunate persons holding hundreds of thousands of dollars' worth of stock, mining or other, to "cough up" to the federal, provincial or municipal authorities every cent which their securities return them over and above two and a half per cent. The other day a dear citizen of this country passed to his great reward, and honourable members may recall reading in the papers that a part of his personal estate included some \$645,000

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worth of five and a half per cent tax-free bonds. In other words, he had not paid a single penny in respect of his income from those bonds for the relief of the sick or the distressed. I do not say this in disparagement of the deceased gentleman, but I do hold in supreme contempt this proposed means of helping the poor, for that is all this Bill contemplates. Presumably its enactment would arouse such enthusiasm in the mind of the poor, unfortunate coal heaver—I referred to him last session and my honourable friend from Winnipeg (Hon. Mr. McMeans) ridiculed me; perhaps the snow shoveller would be a more appropriate person to cite at this time—it would engender such enthusiasm on the part of the unfortunate snow shoveller that he and thousands of his fellows would be encouraged to gamble a few dollars on the chance of winning affluence and independence. The Bill contains nothing in the way of a clear-cut statement that we are our brother's keeper, and that we who have are ready to divide up reasonably with those who have not. Those thirty-eight employers of labour in the city of Toronto ought to be proud of the fact—they will not be, because they have been shown up—that they are paying workmen wages insufficient to maintain themselves and their families in decent comfort.

Now, I want to express the hope, although I do not for a moment imagine that it will carry much weight here, that the Senate of Canada will not again lower its dignity by passing for the third time a measure that in my judgment has not the slightest chance of becoming law. Honourable members are entitled to their own opinion in this respect, and many of them no doubt know better than I do whether or not my judgment is right.

May I in conclusion quote further from the article in the Reader's Digest on the Return of Lotteries?

The chief argument against the lottery is that it destroys the citizen's sense of civic responsibility (his willingness to pay taxes without hope of return) and breaks down the moral fibre of the individual. Those opposed to lotteries can truthfully cite hundreds of cases of men who won cash prizes, got drunk, beat their wives, eloped with demimondaines, and finally died penniless.

If the hospitals of this or any other of our cities are financially embarrassed, I do not see why those of us who reasonably can should not manfully undertake to discharge our responsibilities, rather than shirk them and thus show our unwillingness to pay taxes without hope of return. Evasion of responsibility is briefly what is proposed by this Bill. I hope the Senate of Canada will not by endorsing its principle again lend its authority to a form

of gambling which in my humble judgment is altogether undesirable for this country, and I do not think for one moment that the principle will be endorsed by the elected representatives of the people.

Hon. Mr. CASGRAIN: May I ask the honourable gentleman just one question? Am I right in understanding him to say that the banks reduced the interest on deposits to two and a half per cent?

Hon. Mr. MURDOCK: I do not think I used the word "reduced." I said the banks had placed their interest rate at two and a half per cent.

Hon. Mr. CASGRAIN: The banks themselves?

Hon. Mr. MURDOCK: Yes.

Hon. Mr. CASGRAIN: I was under the impression that the Government was responsible for the reduction.

Hon. Mr. MURDOCK: As I understand, under their charters the banks have the right to fix the rate of interest. For a number of years the bank interest was fixed at three per cent; at present it is 2½ per cent.

Hon. Mr. McMEANS: Not when you borrow!

Hon. Mr. MURDOCK: No; but that is all you get on your deposits. This being the case, why in these times of adversity should not every bondholder be satisfied with a return of two and a half per cent on his securities?

Hon. C. E. TANNER: Honourable members, my inclination to support this Bill is somewhat strengthened by the very eloquent speech to which we have just listened.

Hon. Mr. MURDOCK: I knew that.

Hon. Mr. TANNER: I had the privilege of receiving a copy of the circular from the Social Service Council quoted by my honourable friend. I read it very carefully, and I must confess it did not convince me that the Bill should be contemplated and rejected. We know that the same Social Service Council for many years presented just as strenuous arguments against repeal of prohibition. From time to time I used to receive circulars from the Council pointing out that the country would go down to certain damnation if prohibition was not upheld. But in every province of the Dominion, as well as in the great country on the other side of the boundary line, after experimenting with prohibition the people came to the conclusion that it had none of the virtues which the Social Service Council claimed for it. Therefore I am very

doubtful about accepting their advice in regard to sweepstakes. The fact of the matter is that, notwithstanding the report by the Royal Commission appointed by the British Government to investigate the question, sweepstake tickets are being bought as freely as ever in Great Britain, and just as much money is pouring into the coffers of the Irish Hospitals Trust. This brings me to the conclusion that, as it was hopeless to attempt to make people sober by prohibition legislation, so it is futile for the Social Service Council or any other organization to say that by legislation people have been prevented from buying sweepstake tickets. Some influence other than legislation will have to be brought to bear to effect the desired change in public opinion. In fact, in my judgment, prohibitory legislation in regard to the buying of sweepstake tickets is the most demoralizing legislation imaginable. The demoralizing effect of such legislation cannot be ignored. I would not venture to ask how many honourable members have sweepstake tickets in their pockets just now.

Hon. Mr. McMEANS: I have none.

Right Hon. Mr. GRAHAM: Probably most of the tickets have been torn up.

Hon. Mr. TANNER: We do know that hundreds of thousands of Irish sweepstake tickets are being sold every year, and that indeed some honourable members who last session voted against a similar bill had sweepstake tickets in their pockets, or at any rate in their desks at home.

Some Hon. SENATORS: Name them.

Hon. Mr. TANNER: I do not pretend to say that persons who oppose this Bill are not sincere, nor would I venture to say that valid arguments cannot be advanced against sweepstakes. But I am convinced that there is a sporting quality in the people of this and many other countries. Many persons like to take a gambling chance, especially our friends in the Old Country. What about the Derby and all the other great turf events in England, and the dog racing there? Do not the people gamble on the outcome? Of course they do. They bet on everything.

An Hon. SENATOR: What about bridge?

Hon. Mr. TANNER: They bet on everything.

Hon. Mr. McMEANS: And lose.

Hon. Mr. TANNER: So I say you cannot prevent gambling. It is a part of our nature; we are born with the gambling spirit. For my part, I get more fun out of buying a

sweepstake ticket than I do out of almost anything else in life. I enjoy all the pleasures of anticipation; and if I lose, I lose cheerfully. I take a chance, as does everyone else who buys a sweepstake ticket. There are millions of persons just like myself in this respect, and I suppose if we did not spend our money in this way we might waste it on something perhaps not half as good.

In my opinion the proposal contained in the Bill is a reasonable proposal. Of course, in the background is the question whether this Parliament really has power to oust provincial jurisdiction in the matter. That is a constitutional question which I would refer to my honourable friend from Regina (Hon. Mr. Laird), who is known to be an authority on such matters. All this Bill purports to do is to place on the Government of any of the provinces the responsibility of deciding whether or not sweepstakes shall be conducted within its jurisdiction. Ordinarily we are willing to trust the discretion of the provincial governments. Certainly the provincial electorate have shown their confidence in their representatives. So why should we hesitate to empower any provincial government to say yea or nay in regard to the conduct of sweepstakes within its boundaries? I am quite satisfied to leave the provinces to decide the question for themselves.

Some objection has been urged against the Bill on the ground that only a small percentage of the proceeds of the Irish sweepstakes reaches member-hospitals of the Irish Hospitals Trust. But it must be borne in mind that the Bill gives the respective provincial governments entire control in regard to what percentage of the proceeds shall be devoted to prizes and to cost of management and what proportion shall be paid over to the public institutions intended to be benefited, and therefore we are not to assume that only one per cent or five per cent of the proceeds will be devoted to charitable purposes. As a matter of fact, any provincial government may stipulate that fifty or even seventy-five per cent of the proceeds shall be turned over to the hospitals and that only a relatively small percentage shall be awarded to the ticket-holders in the form of prizes. In a word, the Bill clothes the provincial authorities with absolute power in the matter.

So, on the whole, I am satisfied to vote for this Bill.

Hon. Mr. SHARPE: Why pass it every year if there is no chance of its getting through the House of Commons?

Hon. Mr. TANNER: Why? Because perseverance is the thing. By persevering we

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may be able to drive common sense into obtuse minds. See how long we struggled in this House before we succeeded—thanks to the efforts of the honourable senator from Winnipeg (Hon. Mr. McMeans)—in getting a Court of Criminal Appeals erected in Canada. Year after year the House of Commons threw out the Bill for that purpose, but finally common sense prevailed and the Bill became law.

The holding of lotteries is to be optional with the provinces. A similar principle is already embodied in the Criminal Code of the country. There we provide that at the option of a municipal authority in any part of Canada a lottery may be held for religious or philanthropic purposes. In the city, in the town, in the municipality, you can set up a lottery.

The only thing I ever won at a lottery in my life was a picture of my noble friend, long deceased, Daniel O'Connell, and I won it at a church entertainment by throwing dice.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. TANNER: I never felt any the worse for that. I have that picture yet. Afterwards, when looking at the magnificent monument of Daniel O'Connell in Dublin, I was glad to think I had a picture of him at home.

The principle of local option is settled right in our statutes to-day. If it is wrong to let a provincial government institute a lottery in a province, surely it is just as wrong to let a municipal council do so. If we are wrong once we are wrong twice; and if we are right once we should be right twice. The principle has been embodied in our statutes for many years, and all we are proposing now is to enlarge that principle, making it applicable to a province, and to leave the matter with the provincial government.

Any honourable member can go to Toronto, Montreal, or any other part of this country where there are horse-races and pari mutuels, and, in pursuance of the law passed by this Parliament in 1912, can spend all the money he chooses in gambling, and can buy as many tickets on the horses as he likes. Is that right or is it wrong? Are we all wrong about this thing? I see men, women and children buying tickets at these race-courses. Is it wrong or is it right?

Hon. Mr. McMEANS: Wrong!

Hon. Mr. TANNER: We have made it right by providing for it in the law; and, to add to the effulgence of this thing, governments come along and say, "Give us a slice of the proceeds."

We start on a small scale in the town, where we educate our children. At church bazaars and entertainments you see the youngsters selling tickets. We provide for that in the law and say it is proper to teach the children to sell lottery tickets. We cannot get away from the fact that we have practically been doing so ever since Confederation. But when these children grow up to be men and women we say to them, "This selling of lottery tickets is a bad thing, a criminal thing; it cannot be tolerated." We should not have taught these people in their youth that it is a good thing to buy or sell these tickets if we are going to tell them when they are grown up that it is all wrong and they should not do it.

As I have said, we have the pari mutuels all over the country, and it is a fact—perhaps honourable members do not remember it—that within twelve months this Parliament, without an objection on the part of anybody, created a new jockey race-course and authorized the operation of the pari mutuel for the further development of gambling in this country. If honourable gentlemen will look up chapter 66 of the Statutes of 1933 they will find that we incorporated, and without a murmur of dissent in either end of this building, the Devonshire Jockey Club, which took over the property of the Western Racing Association, and we provided right in the Bill that the rights of the club should be the same as if it had been incorporated in 1912, so that it could run pari mutuels and have gambling.

Hon. Mr. MURDOCK: Was that not a going concern?

Hon. Mr. TANNER: No, that was an old Ottawa concern which went into bankruptcy and was taken over by the Western Racing Association, of which the Devonshire Jockey Club bought the physical assets. But in order to be qualified to operate pari mutuels the club had to get the legislation which was passed last year, because the Western Association could not transfer the pari mutuel rights.

Hon. Mr. MURDOCK: Was that not a going concern under a permissive law of Canada?

Hon. Mr. TANNER: It is a going concern because we passed a special law making the Act of 1912 applicable to that company. And my honourable friend from Parkdale (Hon. Mr. Murdock) never opened his mouth in opposition to it, nor did anybody else.

That is all I have to say. I am going to vote for the Bill.

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Hon. L. McMEANS: Honourable members, I do not intend to take up the time of this House any longer than is necessary to make it clear that I am taking the same stand that I took last year. I am voting for this Bill solely on the ground that it concerns provincial rights. I am not aware of any law that prevents the holding of a lottery in any province of this Dominion. The Criminal Code exacts a penalty for the running of lotteries, but I do not know how that provision could be enforced if any province made up its mind that it was going to permit them.

I am not going to discuss this question from the moral point of view. I was brought up to believe in provincial rights. I do not think this Bill legalizes lotteries in any way. It may be that not one province will take advantage of it. Manitoba, I am quite sure, will not. Winnipeg is a strictly moral city.

Hon. Mr. CASGRAIN. "Oh, yeah?"

Some Hon. SENATORS: Oh, oh.

Hon. Mr. McMEANS: But that is no reason why the province of Manitoba should have anything to say about what Quebec should do, and I for one would very much resent any interference on the part of the great province of Quebec as to the way in which affairs are conducted in the province of Manitoba. I think the province of Quebec can run its own affairs, and that the province of British Columbia can do likewise.

As a representative from the province of Manitoba I shall vote for any measure that will give that province further jurisdiction. Let the province exercise its powers how it will, I am going to vote for provincial rights every time.

Right Hon. GEORGE P. GRAHAM: In a measure I am like my honourable friend who has just taken his seat, but I am going to vote against this Bill. If this measure is not necessary to enable the provinces to authorize the carrying on of lotteries, then why bother about it?

Hon. Mr. McMEANS: I said they would have the right, but there is a provision in the Criminal Code to punish anyone for carrying on a lottery.

Right Hon. Mr. GRAHAM: I think the honourable gentleman intimated that there would be trouble in enforcing the provision of the Criminal Code, and that in combating it the question of provincial rights might be successfully raised. If the honourable gentleman is for provincial rights, why does he not stand on them?

Like the honourable member from Parkdale (Hon. Mr. Murdock), I am not opposing this Bill because of any feeling that I am better than others. I cannot think of any normal person who is not as good as I.

I am probably as well aware of the condition of the hospitals, the municipalities, and the provinces as anybody else. The condition described as existing in Vancouver is common to every locality. Municipalities everywhere are finding it extremely difficult to contribute to the hospitals the funds necessary for the maintenance of patients committed to their care. Those of you who have anything to do with hospitals in a practical way will readily understand the difficulty of the situation at the present time. The municipalities are objecting to the practice, so frequently indulged in, of sending to the hospitals patients who could be looked after in their own home. The committal of such people to hospitals adds to the already great burdens which the municipalities are called upon to bear. I have every sympathy with the hospitals, the municipalities and the provinces, but the Federal Parliament cannot very well come to the rescue of the provinces every time they require assistance. We are going a long way in that direction now, and in doing so we are overstepping the bounds of the Constitution.

We have heard men prominent in provincial affairs suggesting a change in the Constitution. I am inclined to think that this suggestion is made because the provinces are desirous of escaping some of the responsibilities they assumed at the time of Confederation. The obligation so far as hospitals are concerned rests not with the Dominion of Canada, but with the provinces and municipalities. I am not saying that in times like these the federal authorities should not aid the provinces or the municipalities, but I maintain that we should not rush in to assume, as of right, responsibilities which under the Constitution do not belong to us, even though for the time being we are assuming them as a matter of generosity.

We are in a time of serious depression, the effects of which are being felt by every institution; but I do not think we should attempt to raise money by means of lotteries. It is true that appeals on behalf of hospitals might meet with a more favourable response than appeals on behalf of other institutions. We must not forget, however, that the money for lotteries would come out of the pockets of the people, a great majority of whom ought to be using it to buy bread and butter and to pay their debts to the storekeeper. Men of means do not indulge in lotteries to any great extent.

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In addition to imposing a burden on the people—one which they would perhaps assume voluntarily, aided and abetted, like the honourable gentleman from Pictou (Hon. Mr. Tanner), by their sporting instinct—lotteries would deprive them of money that they should spend in other ways. In nine hundred and ninety-nine cases out of a thousand they would never get back a farthing; nevertheless they would keep on trying to recoup their losses. That is not the kind of education that our young people need.

The difficulties of the world to-day are due in large measure to the desire of humanity to make a living without working for it. You may say this is not the same thing. But the principle is the same. People who indulge in lotteries are eager to gain a large sum of money by a small expenditure. What we ought to be drilling into the minds of our young people to-day is the legitimacy of the old theory of supply and demand, of working or of giving value for what we get, instead of expecting to get something for nothing. Now, if we staid members of the Senate rush in to show the boys how they can make a few dollars without working for them, we shall be encouraging something that has had much to do with the wrecking of the world's financial structure. My honourable friend (Hon. Mr. Tanner) says that we have always attended horse-races, and probably we always shall; but when we do we see something. It is not so with lotteries. We run to the stock exchange and form pools, hoping that the price of some stock will increase far beyond its real value, and intending to sell it at an enhanced price and in that way get something for nothing. This is the spirit that has undermined the business honesty of the world.

As a man getting up in years, I feel that I ought to raise my voice against any such proposal as this, even though I admit the need of the hospitals. It is the duty of the provinces and municipalities to maintain them, and every time they try to evade that duty they attempt to transfer it to some person or body that is not at all responsible for these institutions.

The principle behind this Bill is wrong. I do not wish to encourage anything that would tend to educate the young men of this country to do business in any other way than along the line of good business principles. We have had too much of the other kind of thing and have been in danger of becoming wrecked. I hope that the Senate will act as it did two years ago and defeat the measure.

Hon. L. C. WEBSTER: Honourable senators, I feel that perhaps at this late date I

cannot add very much to the discussion. The Bill has been thoroughly debated, and I am sure we all agree that the case for either side has been well presented. Personally I have given a good deal of study to the question of lotteries, and during a trip to France last month I spent some time endeavouring to discover just what effect they had upon the people of Paris. I may say that my observations confirm what has just been stated by the right honourable senator from Eganville (Right Hon. Mr. Graham), that the people who patronize the lotteries in that community are not members of the wealthiest classes, who can afford to lose some money, but belong to the poorer and working classes. In fact, honourable senators, I was very unfavourably impressed with the way in which the lotteries are conducted in the city of Paris. I was asked dozens of times on the boulevards to buy tickets. Little stores and shops have them for sale, and the bait that is held out is the possibility of large premiums being paid. I presume that the people on the streets who asked me to buy these tickets receive a generous commission on their sales or they would not engage in that work.

I inquired from a number of persons in Paris whether they thought lotteries were beneficial to charitable institutions, and their answer was in the negative. They stated it was an open secret that the charities had suffered from the loss of subscriptions which had been diverted into the lottery channels. I particularly sought the opinion of tradespeople, for I regarded their point of view as being very important. They strongly complained that the lotteries had made such a drain upon the money in circulation that business was slow in consequence. They told me that comparatively poor people would spend one hundred francs on the purchase of a chance in the national gamble and go without some necessities of life which they actually lacked. Many a woman who needs a new hat prefers to buy two chances of winning a few francs, with the possibility of getting one of the large prizes of five million francs, and accordingly there has been a reduction in the expenditures on millinery. The opinion expressed to me was that from a commercial point of view—I am not discussing the moral or the religious side of this question to-day—the proprietors of shops and the working people are sadly suffering by reason of the lotteries permitted in the city of Paris.

Hon. G. LACASSE: Honourable members, I had not intended to participate in this debate, especially after the impassioned plea made by my honourable friend from Park-

dale (Hon. Mr. Murdock) and the dispassionate one by the right honourable gentleman from Eganville (Right Hon. Mr. Graham). Their arguments, I appreciate, were well expressed. But having consistently supported this measure or a similar one in the last three sessions, I want to justify myself once more in speaking and voting in favour of it.

I had expected to hear before this the views of the honourable member from Vancouver (Hon. Mr. McRae), who sponsored the Bill last year. He is back with us from Florida, bearing on his tanned features the imprint of the tropical sun and evidence of contact with the salty winds of the sea. Surely he will not fail to give his views again before this debate is concluded, to show us that he has consistently maintained the attitude he voiced previously.

It has been said that the measure was disastrously defeated in another place last year. Well, the first and second times such a Bill was brought up in the Senate it was turned down too, and just as definitely as it was in the other House, but on the third occasion of its appearance here it was passed. So that gives us ground for a little hope as to what will be the fate of the measure elsewhere in the present session. The honourable gentleman from Pictou (Hon. Mr. Tanner) said that consistency and perseverance lead to success. Well, I challenge the consistency of some gentlemen who leave the poker table to rush down and vote against a measure of this kind. To show my own consistency and earnestness, I am willing to meet all opponents of the Bill half way, and if they can convince me that it is possible to abolish the practice of gambling, I too will vote against the second reading. I think it is not consistent to oppose a measure of this kind strenuously and close our eyes to the existence of charity bazaars, wheels of fortune, games of chance—

Hon. Mr. CASGRAIN: *Pari mutuels*.

Hon. Mr. LACASSE:—*pari mutuels*, and all the rest of these things. Stop all gambling, all games of chance, and I will vote against this Bill. My main reason for supporting this proposed legislation is that it would divert to our own sweepstakes a lot of money which is being spent to-day on other objects, no more worthy, and also that many thousands of dollars now being sent from Canada to purchase gambling tickets in foreign lands would be kept within our own country.

I agree with my honourable friend from Montarville (Hon. Mr. Beaubien), who said that the Bill would be better if it were drafted to include within its objectives the support of educational institutions.

It was truly said by the honourable gentlemen from Pictou (Hon. Mr. Tanner) and Winnipeg (Hon. Mr. McMeans) that this measure does not seek the enactment of any new legislation so much as the acknowledgment of provincial rights. The adoption of it would simply confer upon the provinces the right to do as they please in the matter of sweepstakes.

I am supporting the Bill not only that I may be consistent, but because I want to force the issue, and also because I am desirous of helping in my humble way the hospitals which are in need of funds. I am well aware of the existence of certain municipal problems that were referred to by the right honourable gentleman from Eganville (Right Hon. Mr. Graham). It is true enough that many patients are sent to hospitals nowadays when they could be taken care of at home, but on the other hand it is possible that collective treatment can be given at a lower cost per patient. For one thing, no private practitioner, however much goodwill he may have, can continue to treat people indefinitely for nothing; but persons who have virtually no means can be treated free by hospital staffs, while others, who are able to pay, but may presently be short of money, can be given credit extending over a long period of months, if necessary.

One honourable member said he considered that gambling or the purchase of a lottery ticket was not a sin, but something more or less immoral. I should like to know the difference. It was also contended that if a lottery were established in one province it would mean that before long we should have nine, because all the provinces would find it necessary to follow the example. Well, one way of solving that problem would be to reduce the number of provinces to three or four.

Right Hon. Mr. GRAHAM: Change the Constitution.

Hon. Mr. LACASSE: With all due respect to the views expressed by my honourable friends who oppose the measure, I intend to vote for it.

Right Hon. ARTHUR MEIGHEN: Honourable members, this Bill has been before us three times since I entered the Senate. Formerly I did not take occasion to comment upon it, but was satisfied merely to vote in the negative. The same course would have been followed by me at this time but for the introduction of certain comments by the honourable senator from Parkdale (Hon. Mr. Murdoch), to which I think some reference should be made lest they go out to the public as

perhaps representative of the feelings of all honourable members. I do not know what those comments had to do with the matter at issue. In fact, I can see no relationship at all. They were observations on a report, appearing in the morning press, of evidence given yesterday before a committee of the other Chamber, and they reflected upon the fairness, and perhaps even upon the business ethics, of certain institutions in Toronto.

Hon. Mr. MURDOCK: Will my right honourable friend let me make that point clear, if he did not understand me? What I meant was this, that in my judgment the attitude of the distinguished gentlemen who want to unload upon other people their obligations to help sustain hospitals, is the very same as the attitude of thirty-eight employers in the city of Toronto who, we were told by the morning press, were paying such small wages that the municipality had to give additional money as relief to numbers of those wage-earners who are heads of families.

Right Hon. Mr. MEIGHEN: I am not able to see that the fact of small wages being paid in factories, if such is the case, is an argument in favour of this Bill or against it, and I understood that the debate had to do solely with arguments on one side or the other. I do not know anything of the great majority of the companies referred to in this evidence—or perhaps, to be more in order, I should say who were referred to in the morning press—but I think it is most unfair that evidence which was submitted, and as to which there has yet been no opportunity for explanation or contradiction, should be heralded as indicative of bad habits, unethical practices, and unfair dealings on the part of reputable companies towards their employees. These companies have as yet had no opportunity to make themselves heard, and consequently we have to admit that at the present time we are not in possession of the facts. It may be that what has been said cannot be contradicted or explained, but until opportunity is given for contradiction or explanation we are not justified in saying that we know the truth. I have information in respect of one case which seems to me not only to throw a different light upon evidence given yesterday, but to reflect very seriously upon the responsibility of the man who gave it. Consequently I feel rather strongly that we are adopting a very unfair and unjust practice in assuming an *ex parte* statement by one individual to be the whole facts.

While I am on my feet I am going to try to put into a few words—although I fear my thoughts are not well-ordered—the reasons which have persuaded me in other years and persuade me still to oppose this measure. They will not differ in any essential from those advanced this afternoon by the right honourable senator from Eganville (Right Hon. Mr. Graham). I am not one of those who believe that the habit of gambling, even if it is carried to excess, is one of the most demoralizing things in life, but I think that it is not a habit to be encouraged by statute; and it seems to me that a very serious responsibility is taken by a legislature which puts its imprimatur upon any practice, unless it is of the opinion that the practice is a good one or that a restricted sanction of it would be more effective than total prohibition in restraint of indulgence. If I felt that absolute gambling, such as the purchase of sweepstake tickets, ought to be encouraged and was not at all against the interest of the State, then it would appear to be my first duty to remove that practice from the category of crime in which it is placed by our Criminal Code.

Some honourable gentlemen say, "We believe in provincial rights, and we should let the provinces decide whether these things are wrong or not." The Dominion has sole jurisdiction in the realm of criminal law, and the Parliament of Canada is utterly incompetent to devolve upon any province authority to enact criminal legislation. We have taken the ground that the purchase of sweepstake tickets, being undoubtedly a form of gambling, is something which should be denominated criminal and dealt with under our federal jurisdiction. Personally I agree with that view.

If we are of the opinion of those who feel that the purchase of sweepstake tickets is not something to be denominated a crime, I submit we ought at once to repeal that section of our Code. But so long as we have that provision in the Code, let us not say that while the Parliament of Canada considers the practice a crime, we are willing that the provinces shall consider it otherwise if they so desire. For us to take such a position would be not only quite out of harmony with the spirit of our Constitution, but pretty close to being wholly absurd. For instance, having passed criminal legislation that anyone guilty of theft shall go to jail, we do not then provide that if the theft is committed by any province it shall not be regarded as a crime at all, because provincial rights are involved and we must allow the province to say whether or not it wants to steal. Again,

in relation to murder we do not exempt the provinces, as provinces, from the operation of our criminal law. If we come to the conclusion that there is something which should not be prohibited, then our proper course is to repeal the prohibition. In relation to the liquor traffic, we restricted its operation by—

Hon. Mr. BARNARD: May I interrupt the right honourable gentleman to ask him to explain what in his opinion is the difference between the proposal contained in this Bill and pari mutuel betting? It was objected to, but the Parliament of Canada legalized this form of betting, subject to certain restrictions.

Right Hon. Mr. MEIGHEN: Yes. I have no hope that merely by defeating this measure we shall bring total consistency into the statutes of Canada. But there is this difference in regard to inconsistency to which the honourable member refers. A limitation is made by one authority in favour of a certain practice. That is to say, we contend that we have authority, and we set about restraining the practice. We say, if this betting is conducted at all it must be by pari mutuel. But we do not authorize the provinces to commit what we have defined as a crime.

Hon. Mr. BARNARD: I hope my right honourable friend will allow me to cite another example—the prohibition of liquor during the War. It was a case of provincial local option.

Right Hon. Mr. MEIGHEN: No.

Hon. Mr. BARNARD: Before we had total prohibition.

Right Hon. Mr. MEIGHEN: No. Under our jurisdiction in relation to trade and commerce we did enact by the so-called Doherty Act that no liquor should pass from one province to another save to a destination made lawful by the province to which it went. That is wholly different from passing a criminal law one day and next day saying to the province it may violate that law if it so desires.

I come now to a question which really appertains to the merits of the law as it is, even if this Bill does not pass. I do not think that gambling in sweepstakes or in any other way is a practice to be encouraged by legislatures as something worth while, and especially to be encouraged if the beneficiaries are notable and deserving institutions. I do not like saying in one breath, "This thing is wrong and he who does it goes behind the bars," and in the next breath telling the very same persons, "We do not object to your doing it if your province says it is all right, and the proceeds go to hospitals." I do not

think that what constitutes a crime can cease to be a crime simply because the benefits therefrom go to certain institutions.

An Hon. SENATOR: What about church lotteries?

Right Hon. Mr. MEIGHEN: I have already said that I never expect our statutes can be made wholly consistent merely by the defeat of this measure. I do not think there is any sense whatever in exempting church lotteries from the general prohibition of gambling.

I know there is gambling in everything. The honourable senator behind me said that gambling is in human nature and we shall never get away from it. I believe that is true. I do not believe there is any phase of life where the element of chance or fortune does not intervene. The success of one man as against the failure of another is often due in considerable measure to the hand of chance. In greater or less degree that element is always present. It is present in our everyday affairs—in the purchase of an animal, in the purchase of a picture, certainly in the purchase of a security. We never can eliminate that element. It is part of the whole game of living. In the stock market—and there must always be a market in order that business may be carried on—no man can say that he knows, as against the possibility of intervention of all sorts of contingencies, what is going to take place. Therefore it is essential that certain chances be taken, and they always must be taken by enterprising persons, if the world is to progress as it has done all through the centuries. But this is not to say that gambling, for the sake of gambling, is something that the law itself must encourage. Nor does it say that a man opposed to such encouragement is necessarily guilty of terrible inconsistency if he puts up a quarter on a poker game. When playing a game of poker for this small stake he thinks he is doing nobody else any harm and he is not breaking the law. But he may well say, "As a legislator I am not going to take the responsibility of helping to pass a statute to legalize a practice which I do not think it is generally desired should be encouraged."

Hon. Mr. CASGRAIN: Fire insurance is a gamble.

Right Hon. Mr. MEIGHEN: But the gambling element is pretty well eliminated by the operation of the law of average. We eliminate the gambling element as far as we can, but because we cannot do so entirely it surely does not follow that we must make gambling lawful and encourage our young

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men to believe that it is just as fine a way of making a living as any other. I agree wholly with the right honourable senator from Eganville (Right Hon. Mr. Graham). Surely we should not put on the Statute Book an invitation to young men to seek to make a living and to evade their honest debts to society, or to charitable institutions, by the practice of gambling. I should not like to have to defend such a stand, either in my own home or anywhere else, before my fellows. That is why I shall vote against the Bill.

So far as I am concerned personally, nothing more need be said. We never can get the world perfect. Some argue that the sale of liquor should be entirely prohibited. They say that because liquor is not good for society we ought to make its manufacture and sale a crime and ban it wholly. Assuming their premises to be sound, it does not follow that their remedy is feasible. If the traffic cannot as a matter of practical executive authority be banned, it may be better to seek to control it within certain limits. Our purpose is not to encourage, but rather to restrain the traffic, and we find in practice that we can restrain it better by laws of control than by attempting total prohibition. I must say that in the last few years there has been ample justification for this view in the experience both of Canada and of the country to the south.

Hon. Mr. CASGRAIN: What about the marriage at Cana, where the Lord changed water into wine?

Right Hon. Mr. MEIGHEN: I was not present on that occasion. The reasoning by which we support liquor control, namely, that thereby we reduce a practice which we wish to discourage better than we could reduce it by attempted total prohibition, cannot possibly apply in support of this measure. We do not here pretend to say, "People are going to gamble anyway; therefore turn gambling into certain channels and control it within those channels." This Bill does not seek to do that. It does not seek to shut the door half way. It simply opens the door on certain terms. It says to the people of Canada, "If you wish the proceeds of gambling to go to this or that hospital we do not object, but we do object if you get the benefit yourselves." For these reasons I intend again to vote against the measure.

On motion of Hon. Mr. Marcotte, the debate was adjourned.

The Senate adjourned until to-morrow at 3 p.m.

THE SENATE

Thursday, March 1, 1934.

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

Prayers and routine proceedings.

MANITOBA SUBSIDIES IN LIEU OF PUBLIC LANDS

INQUIRY

Hon. Mr. HUGHES inquired of the Government:

1. When Manitoba became a province what subsidy did she receive in lieu of public lands?
2. How often has that subsidy been increased since then?
3. What was the date and the amount of each increase?

Right Hon. Mr. MEIGHEN: The answer to the honourable gentleman's inquiry is as follows:

1. Nil.
- 2 and 3. An allowance of \$45,000 per annum was granted from January 1, 1882, by Act 45 Victoria, Chapter 5, as indemnity for want of Public Lands, and was increased to \$100,000 from July 1, 1885, by Act 48 Victoria, Chapter 50.

Under the provisions of the Manitoba Boundaries Extension Act of 1912, this grant was increased to \$562,500 in lieu of public lands as from July 1, 1908, subject to certain deductions on account of the retransfer of swamp lands and by reason of an allotment of land as an endowment to the University of Manitoba. (Yearly deductions from 1908 to 1929-30 for swamp lands \$138,492.82; yearly deductions from 1908 to 1929-30 for university lands \$15,000.00.)

Hon. Mr. HUGHES: Was not another increase made later in the final settlement with the province?

Right Hon. Mr. MEIGHEN: There was no increase in the subsidy. There was some reference to a Commission to ascertain what compensation should be made in order that in relation to her public lands Manitoba might take her place on an equality with the other provinces. In its report the Commission recommended compensation to the extent of \$5,000,000. This was duly paid, and duly spent.

Hon. Mr. HUGHES: Five million dollars yearly?

Right Hon. Mr. MEIGHEN: No; one lump sum.

THE WORK OF THE SENATE

INQUIRY AND DISCUSSION

Hon. CHARLES MURPHY rose in accordance with the following notice:

That he will call the attention of the Government to the work of the Senate and to the efforts made by the Senate to secure the initiation in this House of Government measures, and will inquire if it is the intention of the Government to introduce in the Senate at an early date any of the legislation indicated in the Speech from the Throne.

He said: Honourable members of the Senate, those of you who were present in this Chamber on the first of February last will recall that in the course of his speech on that occasion the honourable member from Vancouver (Hon. Mr. McRae) expressed the belief that

The people of Canada have but a very vague and quite erroneous impression as to the responsibility of this honourable House with respect to government.

He then added:

I make bold to suggest that some honourable member, with long experience both in this and in the other House, as well as in the Government, should make a very clear statement on the responsibility of the Senate and the scope of its authority. In this way, I am sure, we should hear much less criticism of this honourable body by reason of the long adjournments which are necessary from time to time for lack of business.

As the author of the suggestion, the honourable gentleman would have been regarded by his fellow members as the proper person to place the Senate in its proper light before Parliament and the country, but he prefers to subordinate his own fitness for the task and allow a member of longer parliamentary experience to undertake it. He has paid me the compliment of asking me to do so, and his request having been reinforced by similar requests from other members of this Chamber, I will ask the indulgence of the House while I attempt to the best of my ability to meet the wishes of my honourable friends. My observations will be confined almost entirely to a narrative of recorded facts, and are not to be taken or understood as embodying any plan of so-called Senate reform, or any fixed views of my own with regard to the best method of dealing with the case that the record establishes. I am merely asking my fellow senators to join me on a short excursion into parliamentary history, so that they may note certain facts as we go along, and observe, incidentally, what stands to the Senate's credit in the matter of money saved.

To get the true perspective through which to view Parliament and its branches, and the rights and privileges of each, it is necessary to

go back to pre-Confederation days and ascertain the intentions of the framers of our Constitution. During the Confederation Debates of 1865 Sir John Macdonald outlined what he and his associates had in view with regard to Parliament in these words:

The legislature of British North America will be composed of King, Lords and Commons. The Legislative Council will stand in the same relation to the Lower House, as the House of Lords to the House of Commons in England, having the same power of initiating all matters of legislation, except the granting of money.

On the same occasion Sir John proceeded to amplify the remarks that I have just quoted, as follows:

In order to protect local interests, and to prevent sectional jealousies, it was found requisite that the three great divisions into which British North America is separated should be represented in the Upper House on the principle of equality. . . . Accordingly, in the Upper House . . . which has the sober second-thought in legislation, it is provided that each of those great sections shall be represented equally by twenty-four members.

There would be no use of an Upper House if it did not exercise, when it thought proper, the right of opposing, or amending, or postponing, the legislation of the Lower House. It would be of no value whatever were it a mere Chamber for registering the decrees of the Lower House. It must be an independent House, having a free action of its own, for it is only valuable as being a regulating body, calmly considering the legislation initiated by the popular branch, and preventing any hasty or ill-considered legislation which may come from that body.

The three great divisions of the country to which Sir John Macdonald referred were Ontario, Quebec and the Maritime Provinces. Each of these being represented by 24 members made the initial membership of the Senate 72. This number was later increased to 96 by the representation given to new provinces.

Now let us begin our journey through the records of Parliament with the year 1868. Few subjects have been more frequently discussed in this Chamber than that of securing for it a greater volume of legislative business. Scarcely had the first Parliament after Confederation got into working order when it was felt that, under the then existing parliamentary procedure, something should be done to originate more bills in the Senate. Accordingly, in 1868, a select committee was appointed to "consider and report whether by any alterations in the forms and proceedings of this House the despatch of public business can be more effectively performed," and that committee, through its Chairman, Sir Alexander Campbell, presented its report on May 7, 1868.

The situation which confronted that select committee and its report bear such close

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relation to what we are confronted with to-day that, with the permission of the House, I will read the whole report:

The Committee are of opinion that the forms and practices of the Senate are well calculated to prevent delay in the passing of bills, or in the transaction of other business; but bills will, according to the present practice, be sent up by the other House of Parliament at so late a period of the session as to render it impossible to give them that full consideration which the public interests require. This complaint has been constantly made in the House of Lords, and in the upper branches of the several colonial legislatures, and has formed the subject of repeated discussions, but no sufficient remedy has been suggested.

The Committee have under their notice, the modes of remedying the evil in question suggested by the committee of the House of Lords in a report of the 7th of May, 1851. These modes were either that some portion of the legislation which originated in the House of Commons should commence in the House of Lords, or that some alteration should be made in the forms and proceedings of the Commons which would enable it to devote more time and attention to legislative measures during the early part of the session.

The Committee would observe that independently of financial measures which begin as of course in the House of Commons, the representative character of that House, and the system of responsible government, render it expedient that some other classes of important bills should be first discussed there; the Committee are, nevertheless, of opinion that it would be quite possible to originate a much larger number of bills in the Senate than has hitherto been the practice in the Legislative Councils of any of the provinces of the Dominion. It appears to the Committee that it must rest chiefly with the Government of the day to accomplish this; the business of Parliament will hereafter, the Committee believe, be principally in connection with public measures, and in the hands of the Government, and it will depend upon Ministers themselves in which House of Parliament many of these measures shall originate. The Committee think that the public interest in the more thorough consideration of legislative measures, as well as in the dispatch of business, would be much better served by a persistent effort on the part of the Government of the day to originate in the Senate as many of their measures as the law and usage of Parliament will permit.

The Committee would further remark that the Constitution, in establishing an Upper House of Parliament composed of life members, contemplates on the part of that branch a supervision, undisturbed by temporary political currents and partisan warfare, of the legislation of the day. It is impossible, the Committee believe, that the Senate shall adequately fill its place in the Constitution and discharge those functions upon which its usefulness to the country so much depends, unless ample opportunity is given for the discussion in that House of all measures submitted for its consideration. In the absence of any other remedy, it might become necessary to secure this, even by the extreme measure of declining to consider bills, with certain exceptions, brought up from the Commons within a fixed period of the end of a session—

Some Hon. SENATORS: Hear, hear.

Hon. Mr. MURPHY:

—but the Committee trust that other remedies may be found. The forms and proceedings of the Senate, the Committee think, are well adapted for the dispatch of public business; whether any change could advantageously be made in this connection in those of the House of Commons must be left to the wisdom of that House to decide.

This report was unanimously adopted by the Senate on May 12, 1868. If any further action was taken, it is not disclosed in the records.

Now let us come to 1874. Another phase of the same subject came up for discussion in 1874 when a special committee was appointed by the House of Commons to consider whether "any facilities can be given for the despatch of business in Parliament, especially in regard to the relationship of the two Houses," and requesting that the Senate "appoint an equal number of members to unite with the members of the House of Commons in the formation of a joint committee of both Houses on the said subject."

The Senate duly appointed a committee of its members to act with the committee of the other House, but, as has often happened with joint committees, nothing practical was done.

From 1874 to 1879 the records are silent on the subject, but in 1879 the Hon. Mr. Miller, speaking in the Senate, voiced a protest against the manner in which legislation had come up from the other branch of Parliament at the close of the session. Evidently there was a change for the better, because in the session of 1880-81 Senator Miller again referred to the matter and said:

I think it is only fair, under the altered circumstances this year, to compliment the Government on the decided improvement which has taken place in that respect during the present session of Parliament. We have had very important measures initiated here, and had full time to discuss them. We have not, on any one single day up to the close of the session, been behind with our work. . . . We have been able to keep up with it, and give it all the time that we thought it deserved. . . . I only hope the good departure the Government have made this year will be followed up in subsequent sessions.

Apparently the improvement that Senator Miller noted in the method of sending up business from the Lower House was not of long duration, because in the Senate Debates for the session of 1882 there is to be found a vigorous protest by the Hon. Mr. Alexander, who did not mince his words, as the following extract will show:

It is time that we spoke freely on this subject, because the people could not elect a body such as the members of this House are, for intelligence and experience, and we ought to desire to raise the Senate in the public estimation, so that they will love and honour this body. I think the Senate must display greater activity, it must not permit any Government, I do not care what Government it may be, to treat us as we have been treated. It is simply discreditable that we should remain without any bills before us until 36 hours previous to the end of the session. What an insult to the House that measures should be brought to us within 48 hours of the end of the session! It is treating us with contempt and showing that they do not care what becomes of the Senate—it is showing that they do not care what use is made of this body, and that they do not care if the Senate gets into bad repute with the country.

Had Hon. Mr. Alexander been a member of the House of Commons in Sir John Macdonald's time, it is not likely that he would have been turned aside as easily as were some members of that Chamber who once voiced a protest similar to his, whereupon Sir John is reported to have told this story:

A man guilty of forgery, was arrested for the crime, immediately put into the dock, tried and convicted. When the prisoner was asked if he had anything to say, he rejoined: "Nothing, further than I think this is a smart place for doing business."

Needless to say, the incipient mutiny was quelled there and then.

In the year 1908 Hon. Mr. McMullen introduced a motion in the Senate with reference "to the agitation regarding the services rendered by the Senate as a part of our legislative system." By way of amendment Hon. Mr. David moved:

That it is desirable, in order to increase the efficiency of the Senate, that more legislation be initiated in the House, that more ministers of the Crown have seats therein, and that any minister personally may introduce and defend Government measures in both Houses.

Then, in amendment to the amendment, Hon. Mr. Béique presented a motion declaring:

That the present constitution of the Senate seems to be on the whole the best which can be devised for this country; that, moreover, in order that this honourable House may give the full measure of its usefulness, it is greatly desirable that means be adopted to keep it more constantly occupied, thereby relieving the House of Commons of part of its work and shortening the sessions of parliament.

After a lengthy and illuminating discussion, the main motion, the amendment and the amendment to the amendment were withdrawn.

On September 12, 1917, the Senate adopted a resolution for the appointment of a special committee:

To consider the question of determining what are the rights of the Senate in matters of financial legislation, and whether under the provisions of the British North America Act, 1867, it is permissible—and to what extent—or forbidden, for the Senate to amend a Bill embodying financial clauses (money bill), the Senate committee to report to the Senate as soon as possible.

The committee that was appointed to give effect to the terms of this motion reported to the Senate in May, 1918, and its report was printed in a special pamphlet. Its principal conclusions were as follows:

1. That the Senate of Canada has, and always had since it was created, the power to amend bills originating in the Commons appropriating any part of the revenue or imposing a tax, by reducing the amounts therein, but has not the right to increase the same without the consent of the Crown.

2. That this power was given as an essential part of the Confederation contract.

The report also contains the written opinions of three eminent members of the legal profession in Quebec and Ontario, the gist of which may be found in this sentence:

Under the circumstances, we are of the opinion that the Senate of Canada may amend a money bill originating in the House of Commons as fully as the House of Commons can do. Of course the powers of the Senate are limited to the same extent as those of the House of Commons by the fact that money bills must be recommended by a message of the Governor General.

The report of the committee was debated at length during the session of 1918, and the speeches then delivered form a comprehensive review of the powers and privileges of the Senate. By adopting the report the Senate expressed its approval of the committee's findings.

In the session of 1919 Senator Nicholls moved:

That a Standing Committee on Finance be appointed, and that Rule 78 of the Rules of the Senate be amended accordingly, and that the senators in attendance on the session be summoned to consider this motion.

In explanation of his motion Senator Nicholls said:

My proposal is that all money bills may be referred to this committee. It has been charged against this House in the past that it does not do its full duty. It may be true that the reports of a Finance Committee can be only advisory or suggestive, and that we have not the power legally to carry into effect any recommendation we may advance. But, at all events, when money bills come before this House, we shall have had a report from this Finance Committee enabling us to know what

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those bills are going to cost us, what will be the cost of the services which the bills are to provide, and, furthermore, we shall feel that we have done our duty to ourselves and the country.

The committee was appointed and became what is known as the standing Committee on Finance. Shortly after the appointment of the committee, the Public Accounts and the Auditor General's Report were referred to it. Later on, the Auditor General was summoned before the committee and furnished information as to the operation of his office, and as to the payments made to the Imperial Government during the War. If the work of this committee were carried on as Senator Nicholls proposed, and extended as circumstances might warrant, it should be of great assistance to this Chamber in directing and crystallizing its scrutiny of public expenditure.

During the session of 1923, on motion of the honourable member from De Lorimier (Hon. Mr. Dandurand), who displays his exceptional parliamentary knowledge and skill in his leadership of this side of the House, it was ordered:

That a message be sent to the House of Commons requesting that House to unite in the appointment of a joint committee to be composed of an equal number of members, not exceeding five, of each House, to consider the following matters:

1. The forms of bills and the best means of affording the information and assistance in the consideration thereof at all stages of legislation in both Houses of Parliament.

2. The better distribution of the work of legislation between the two Houses.

There is another paragraph in the motion so adopted, but as it does not relate to the subject-matter under discussion, I have not quoted it.

The joint committee was appointed, held meetings, and made its report. That report was presented in the Senate and adopted on the 14th of June, 1923. It is printed in full in the Senate Journals for that date. Clause 2 of the report reads as follows:

Your Committee further recommend that the distribution of all private bills, exclusive of divorce bills, be regulated by the Speakers of both Houses jointly, with the understanding that they will see as far as practicable that private bills, exclusive of divorce bills, be introduced one-half in each House.

A further search of the records did not reveal what, if anything, had been done to give effect to this recommendation.

Now let me direct attention to some further proposed remedies. Among those most frequently suggested for increasing the business of the Senate was that of allowing Cabinet Ministers to introduce and explain

their bills in this honourable House. That proposal was made as far back as 1874, when Hon. Mr. Reed moved that "in the opinion of this House a fair proportion of Ministers have not seats in this Chamber." He was sorry that "it was not the intention of the Government to have an additional number of Ministers in this House next Session." He considered that "it was not fair that all the Cabinet Ministers but two should be in the other House," and thought "that the example of the House of Lords might be followed, where one-third of the Cabinet Ministers had seats." At the time in question, that is, in 1874, the records of the House were meagre and incomplete, and they do not afford any further information about the Hon. Mr. Reed's motion.

A fairly diligent search seems to establish that the next recorded reference to Cabinet Ministers appearing in this House in support of their legislation is contained in the Debates and Journals of the House of Commons for 1921. On March 21 of that year Hon. Rodolphe Lemieux moved:

That, in the opinion of this House, it is in the interest of good government that Ministers of the Crown should be permitted to sit in either Chamber, whenever measures and policies are introduced affecting their respective departments.

The mover of that motion, who is now the honourable member from Rougemont in this Chamber, and sits to my left, supported the motion in a convincing speech, during which he said:

I do not see why a Minister of the Crown sitting, for instance, in the Upper Chamber, should not have a right to appear before the House of Commons to explain the policies of his department and to answer questions when the estimates of his department are scrutinized in the House. Nor do I see why the gentlemen who occupy the Government benches in this House should not be allowed to appear in the Upper Chamber to give there such explanation as may be required of them. There is nothing new under the sun. This system which I am now propounding is the system followed in France.

And he might have added that the same practice prevailed in the parliaments of other European countries as well.

The honourable gentleman also took occasion to point out that at the time he was speaking "three Ministers of the Crown have seats in the Upper Chamber, the Minister of the Interior, the Minister of Labour and the Postmaster General." For the information of our new members, I might explain that the then Postmaster General is now the honourable and respected Speaker of the Senate.

Among those who took part in the Commons debate of May, 1921, was the then Prime Minister of Canada (Right Hon. Mr. Meighen), who now represents the Government in this Chamber with the same conspicuous ability that marked his discharge of a like function in the other Chamber. The speech of the right honourable gentleman on the occasion referred to contained the following important expression of his views:

I do not know that there would be very much to be feared if a Minister were permitted to come into this House from the Senate and discuss any topic that is before us; or, vice versa, that a Minister might go from this House to the Senate and discuss any topic that is under discussion there. In practice it would be availed of only in such cases as seemed to call for the attention of the Minister in question in the other House. Very likely it would work out in that way and there would be very little abuse of the privilege.

And he continued:

I must say that much for which the honourable gentleman contends appeals to me, and I can see a very great deal of advantage indeed in such a system as he urges.

The right honourable gentleman also contributed this further piece of information:

It was suggested in the debate in 1908, I think by the Speaker of the Senate at that time, that there was power in either assembly by resolution to give this right to Ministers sitting in the other House.

After a very full debate in which other favourable opinions were elicited, the motion was withdrawn.

Shortly after his translation from the House of Commons to the Senate, the honourable member from Rougemont (Hon. Mr. Lemieux) revived the subject in this Chamber, on May 26, 1931, when he moved the following resolution:

Resolved, that in order to expedite the business of Parliament, Ministers of the Crown should be permitted to appear from time to time before this House for the purpose of explaining and giving information with respect to Government legislation.

Again, the honourable member made a comprehensive speech, and a number of other honourable gentlemen took part in the discussion. Among them was the honourable gentleman who leads this side of the House. He made this important declaration:

Various kinds of reform in our methods of dealing with legislation have been suggested in the somewhat lengthy period that I have been a member of the Senate, and I have come to the conclusion that the only cure for the present unbalanced state of affairs between the two Houses is to be found in a change of procedure which would permit Cabinet Min-

isters who have seats in the other House to appear here to explain their legislation, but, of course, not to vote.

The honourable gentleman went on to express the following opinion:

In my opinion the whole question involves simply a matter of procedure with us. We need only to amend our Rules in order to have the Ministers appear here, if they are willing to come. They do attend now before our committees.

A further contribution to the same debate was made by the right honourable member from Eganville, who sits at my right (Right Hon. Mr. Graham). His conclusion was:

I do think that some way might be found to lessen the difficulties that exist in the transaction of business between the two Chambers. If any government does not wish to have Ministers with portfolios in the Senate, I think it might be represented here by at least three or four Ministers without portfolio, to whom it could confide its business.

So much for the efforts and suggestions made to obtain a larger share of legislation for this Chamber. The evidence that I have thus far adduced makes it plain, I submit, that the Senate has never evaded its responsibilities or shirked its work.

Now, let me turn to another chapter of the Senate's record. Speaking in this House in 1906, Sir Richard Cartwright said:

It is not by any manner of means a trifling thing when I say that the value of a Senate is not only in what the Senate does, but in what the Senate prevents other people from doing.

Critics who make merry over what the Senate has cost the country always take care not to mention what the Senate has saved the country. A few minutes may be profitably devoted to a consideration of the services rendered by the Senate in this latter regard.

As early as 1875 the Senate displayed its concern for saving public funds by rejecting a Bill for the construction of the Esquimaux and Nanaimo Railway. That Bill proposed an expenditure of \$650,000, and a land grant of 1,300,000 acres, both of which were saved for the country by the action of the Senate. Even if the land were not worth more than \$1 per acre, that would represent another saving of \$1,300,000.

The same regard for safeguarding public funds was exhibited by the Senate in 1897. In that year the House of Commons passed a Bill for the purchase of the Drummond County Railway and to provide for the extension of the Intercolonial Railway to Montreal. The Senate rejected the Bill. In 1898 the House of Commons passed a new Bill with respect

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to the same project, which was approved by the Senate, and according to the figures then submitted there was a saving of over \$700,000, as compared with the 1897 proposal.

In 1898 the Senate rejected a Bill for the construction of a railway from Atlin to Dawson City. That Bill involved, by way of subsidy, a gift of 25,000 acres of mineral lands for each mile of railway, and as it was proposed to construct a road about 150 miles in length, that would mean a total gift of 3,750,000 acres of mineral lands to the promoters. During the debate it was alleged, and not successfully disputed, that these mineral lands were worth at that time \$10 an acre. At that figure the saving was \$37,500,000.

In the sessions of 1911 and 1912 the Senate opposed a Bill that was first introduced in the other House in 1911, and again in 1912, to aid highway construction; and the same Bill being introduced in the same House in the session of 1912-13, the Senate again opposed and amended it. After its amendments had been sent back to the Commons, no further message was received from the Commons, and the Bill died with prorogation.

The bills in question did not mention the amount to be expended by the Dominion, but provided "for a subsidy to be paid to any province for the construction of any highways, not exceeding such a sum as might in any year be voted by Parliament for that purpose." Therefore, if the Bill had become law, there would have been an enormous drain upon the Dominion treasury, because, as we know from the experiences of recent years, each province would have embarked on an expensive plan of highway construction. My recollection is that it was stated that \$25,000,000 would be the amount of the first grant from this Parliament, but I have been unable to verify this in the records, although I remember distinctly that it was stated in the press, if not in Parliament, that such would be the initial outlay.

In 1913 the Senate opposed the Naval Aid Bill, involving an expenditure of \$35,000,000, until the verdict of the electors could be obtained on the dissolution of Parliament. The Bill with the Senate amendment was not proceeded with.

In 1924 twenty-six Bills, known as the Canadian National Branch Lines Bills, providing for an expenditure of \$28,311,300, were introduced in the Commons. The Senate rejected seven of these bills, and the saving thus effected amounted to \$12,249,000.

In the session of 1925 further Canadian National Branch Lines Bills were introduced, providing for the construction of two of the lines rejected in 1924. In the case of one of these lines the mileage was reduced from 115 to 27, with, of course, a proportionate reduction in the cost; and in the case of the second line there was a reduction in the mileage from 102 miles proposed in the 1924 Bill to 67 miles in the 1925 Bill, and, again, with a proportionate reduction in cost.

According to the records of the Senate, the action of this House with respect to those branch lines resulted in a total saving of \$10,634,000.

In 1925, the Senate opposed a measure passed by the House of Commons to recoup those who had lost money in the Home Bank failure to the extent of \$5,450,000. In the Senate this amount was reduced to \$3,000,000, and thus a saving of \$2,450,000 was effected.

Without adding other examples, it may safely be said that on the basis of figures definitely ascertainable, and of conservative estimates where actual figures were not available, the Senate has saved the country by its action in amending or rejecting bills a total of at least \$103,650,000. And even that total does not tell the whole story. But it ought to be sufficient to give pause to those who at times assume the role of authorities on the functioning of Parliament, and who, when they come to deal with the Senate, display their fitness and impartiality by looking at only one side of the ledger—and that the debit side.

And, now, a final word as to our predecessors in this Chamber—the men who strove, as the records show, to preserve the character with which the Senate was invested by the Fathers of Confederation, and at the same time strove also to increase its usefulness. No longer do they dwell amongst us. They have gone to that “undiscovered country, from whose bourne no traveller returns.” Among them were types of the highest and best in Canadian citizenship. To recall but a few: there were two Prime Ministers of Canada, Hon. J. J. C. Abbott and Sir Mackenzie Bowell; two former Provincial Premiers, Sir Oliver Mowat and Sir George W. Ross; Cabinet Ministers with portfolios and Cabinet Ministers without portfolios; great merchants like Sir George Drummond of Montreal, Hon. John McDonald of Toronto, and his fellow citizen, Sir Frank Smith—the man who, when all seemed lost in the darkest days of the Canadian Pacific Railway's construction, saved that enterprise from complete collapse by securing for it the Government subsidy which

had plunged into the depths of despair Sir William Van Horne, Sir George Stephen and all the others who had tried to obtain it and failed. By his action in that instance Sir Frank Smith saved not only the Canadian Pacific Railway, but the financial solvency of the Dominion as well. Also deserving of grateful remembrance were distinguished members of the legal and medical professions, and of many other branches of our national life, all of whom made substantial contributions to the country's material welfare. They did more. They upheld the dignity, the self-respect and the independence of Parliament, thus creating a tradition of sustained public service, the study of which may often afford both relief and inspiration, particularly in these iconoclastic days.

Right Hon. Mr. GRAHAM: Honourable senators, if no other honourable member desires to-day to take part in the discussion which undoubtedly will develop on this question, I would move adjournment of the debate until next Tuesday. My colleague who sits to my right (Hon. Mr. Dandurand) will then be present to continue the discussion.

The motion was agreed to and the debate was adjourned.

FISHERIES BILL

THIRD READING

Bill 7, an Act to amend the Fisheries Act, 1932.—Right Hon. Mr. Meighen.

OTTAWA AGREEMENT BILL

THIRD READING

Bill 8, an Act to authorize an agreement between His Majesty the King and the Corporation of Ottawa.—Right Hon. Mr. Meighen.

IMPORTATION OF INTOXICATING LIQUORS BILL

SECOND READING POSTPONED

On the order:

Second reading of Bill 3, an Act to amend the Importation of Intoxicating Liquors Act.—Right Hon. Mr. Meighen.

Right Hon. ARTHUR MEIGHEN: Honourable members, I do not intend to proceed with this motion to-day. It is only right to state that the reason for the delay is to accommodate the Bill as far as we can to the demands of the provinces of Alberta and Manitoba.

Hon. Mr. KING: And British Columbia.

Right Hon. Mr. MEIGHEN: Other provinces may have taken part in the protest, but they do not appear on the record before me. The purpose of the Bill is to permit the importation of liquor from one province to another, provided that when the liquor reaches the other province it goes either to the Liquor Commission or to its licensees. Honourable members will recall that the Doherty Act forbade the transport of liquor across the boundaries of a province unless it was destined to the Liquor Commission of the importing province. In Quebec not only is the Liquor Commission authorized to purchase, but it in turn designates certain others, I think chiefly hotel and restaurant keepers, to receive consignments. The practice has grown up of consigning liquor to such authorized persons instead of to the Liquor Commission. Technically it is a violation of the Act, and therefore it is desirable that the Act be amended so that what is a perfectly correct practice shall not be a violation of the law. Two of the Western Provinces object to the Bill on the ground that it will leave them without the means of ascertaining the destination of the imported liquor. Personally I cannot see why it should. The officials of the Justice Department who drafted the Bill believe that the views of those provinces can be met, but they tell me that it will take about two weeks to bring about an adjustment on a satisfactory basis. Therefore I move that the Bill be set down for second reading one week from to-day.

Right Hon. Mr. GRAHAM: Will the Bill be referred to a committee so that any interested parties may appear and state their objections?

Right Hon. Mr. MEIGHEN: There are no interested parties except the provinces. If the adjustment to which I have referred cannot be made, the objecting provinces will be given an opportunity to appear before a committee.

The motion was agreed to.

NATIONAL RAILWAYS AUDITORS BILL SECOND READING

Right Hon. ARTHUR MEIGHEN moved the second reading of Bill 17, an Act respecting the appointment of Auditors for National Railways.

He said: Honourable senators, the Canadian National-Canadian Pacific Act passed by this House last session provided that auditors for the National Railways should be appointed by resolution of Parliament. I am astonished that the error of that verbiage never appeared to any member of either

Hon. Mr. KING.

House, and I apologize that it did not appear to me. As Parliament consists of His Excellency the Governor General, the Senate and the House of Commons, there could be no "resolution of Parliament"; there might be a joint resolution of both Houses of Parliament. To overcome the difficulty an amending Bill has been introduced and passed in the other House. It is now before us. The Bill provides for appointment of the auditors by statute, and appoints George A. Touche and Company, who have acted as auditors for some time. The Bill goes no further.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

HUDSON BAY ROUTE

INQUIRY—DISCUSSION CONTINUED

The Senate resumed from February 27 consideration of the question proposed by Hon. Mr. Gillis:

To call the attention of the Senate to the importance of the Hudson Bay route to the provinces of Western Canada, and inquire of the Government the cost of same to date.

Hon. R. B. HORNER: Honourable members, I feel inclined to thank the honourable senator from De Lanaudière (Hon. Mr. Casgrain) for the eloquent manner in which he described to the House last Tuesday how for the past three hundred years ships have sailed into Hudson Bay. As I come from Northern Saskatchewan, the section of the Dominion that expects to receive the greatest benefit from the Hudson Bay route, I am somewhat alarmed by his description of the tides in the straits. It is said that time and tide wait for no man, but I fear they play tricks with some men's imaginations. I have talked with a Government representative who spent many years at Hudson Bay, and, if I remember correctly, he told me that the straits could be navigated during the entire year, and that the only difficulty experienced was in the bay.

Now I may point out to honourable senators the reason why we in Northern Saskatchewan believe that we shall benefit by the Hudson Bay route. The country within five hundred miles of Churchill is being opened up, and alfalfa and hay and other grains can be grown there in almost any quantities. But grain grown in Northern Saskatchewan has to cross Manitoba in order to get to the head of the lakes, and to get to Vancouver it has

to cross Alberta, and as the rate on that grain is five cents higher than the rate even from the southeastern portion of Saskatchewan, this adds to our difficulties in competing with the other wheat-growing countries of the world.

I have no doubt that the port of Churchill will prove to be a great success. We must not forget that time is an important element in the development of any great undertaking. Some honourable gentlemen will remember that when the Canadian Pacific Railway was first contemplated it was said that it could never prosper—that it was to run through a desert. Yet it was not very long until a third transcontinental railway was built through that territory. Conditions change as the country develops.

Here is what Sir Wilfrid Laurier had to say in the House of Commons on April 3, 1906, about the port of Churchill:

I hope that I shall live to see a city at the terminus of a Hudson Bay railway at the mouth of the Churchill river.

It is not enough for us to confine our views to the Canada that is now settled; we must look ahead; we must push northward as far as colonization can go. I have great confidence that before many years are passed we shall see towns and villages on the shores of Hudson Bay, as we see on the shores of Norway, where people will be prosperously engaged in the lumbering business, the pulp industry, the fishing industry, the mining industry, and others.

That is what I hope Canadians will see ere long.

Captain Bernier has every faith in the Hudson Bay route, although he admits that modern ships are necessary. If ships were able to go into Churchill three hundred years ago, there is no reason why the Hudson Bay route should not be a wonderful success to-day in view of the advances that have been made in the ship-building industry. Nowhere else, I think, have we made greater advances than in the matter of ship construction and economy of operation.

Just here, in reply to the remarks of the honourable senator from Le Lanauidière (Hon. Mr. Casgrain) as to the size of the harbour at Fort Churchill and the difficulty of turning a vessel, I should like to read an extract from the Canadian Geographical Journal of 1931:

At Churchill, nature has provided magnificent breakwaters consisting of rocky cliffs rising to heights of from forty to seventy feet, enclosing a harbour of six miles in length and from one to two and a half miles in width at low water and one and a half to four miles at high water. The entrance to the harbour consists of a narrow gap between these headlands, with a low-water width of 1,600 feet, 850 feet at 30 feet depth, and 750 feet at 60 feet or more. Inside the entrance there exists to-day an area of 140 acres with depth of 30 feet and over

at low water, and a further area of about 180 acres with depths varying from 18 to 30 feet at low water, beyond which there is a vast area of lesser depth.

Owing to the configuration of the cliffs guarding the entrance the only gales which affect the inside area are those from directions between north-north-east and east-north-east, and because of the inclination of the inner area to the southeast, the only part affected by such gales is a short strip of shore on the west side of the entrance, where two small bays are clearly the beaches on which waves caused by these gales spend themselves.

The distance from Saskatoon to Churchill is 847 miles, and from Churchill to Liverpool 2,967 miles—a total of 3,814 miles, or a saving by the Hudson Bay route of 1,064 miles, with 57 miles less rail haul.

In view of what the honourable senator from Saskatchewan (Hon. Mr. Gillis) told you about the shipment of cattle, you will realize the importance of this.

The Hudson Bay Railway, with shorter routes from the west and south in the future, should revolutionize Canadian commerce. It will give the west closer and more profitable connection with overseas countries; it will open a new field for settlement and unlock a northern empire richly endowed with minerals, timber, water-power and other resources. The trade of the Dominion will no longer flow only east and west; a new trade and travel highway will have been provided. A circle with a radius of 1,600 miles from Churchill includes North Dakota, South Dakota, Minnesota, Wisconsin, practically all of Montana and a great part of Wyoming, Nebraska and Iowa. Build a railway across the northern part of the Prairie Provinces, connecting Churchill directly with a port on the Pacific coast, and the rich Peace River country will be nearer to European markets than Western Ontario is to-day.

I do not believe that we shall entirely abandon the use of Montreal and the St. Lawrence route, but it is my conviction that the port of Churchill will be of great benefit to Northern Saskatchewan.

To show you the enormous quantities of grain that Saskatchewan is capable of producing, I may say that during the time of the Wheat Board, in 1919 or 1920, Saskatchewan exported more wheat than all the other provinces of the Dominion combined. While it is true that we experienced difficulty in some parts of the province—and the people of the East have been very good in aiding us there—nevertheless, the people of the northern part of the province were able to donate cars of feed and potatoes and that sort of thing, to assist those in other parts of the province who were less fortunate than themselves.

I think, in view of what I have pointed out to you, honourable gentlemen, you will realize the great importance of the Hudson Bay route to the people of Northern Saskatchewan.

The Senate adjourned until Tuesday, March 6, at 8 p.m.

THE SENATE

Tuesday, March 6, 1934.

The Senate met at 8 p.m., the Speaker in the Chair.

Prayers and routine proceedings.

THE LATE SENATOR LAWRENCE A. WILSON

TRIBUTE TO HIS MEMORY

Before the Orders of the Day:

Right Hon. ARTHUR MEIGHEN: Honourable senators, news of the death of Senator Lawrence A. Wilson came with great surprise and undoubtedly much sadness to us all. Only a little more than three years ago did he enter the Upper Chamber, after a very industrious and useful sojourn in the Lower House, extending over five years.

Senator Wilson had reached the age of three score years and ten. He had contributed most of his service in this world in the way of business activity, having been for forty years a very prominent wine importer in the Montreal district of the province of Quebec. His assiduity, native shrewdness and intense devotion to his work resulted in success which made him a man of means and enabled him in the latter years of his life to enjoy the wonderful exhilaration which comes from the helping of others. I have no doubt at all that those latter years were the happiest of his life, and in them he did more than most men have the good fortune to be able to do, in distributing among his fellows out of his bounty and bringing joy into the hearts of thousands. We all know of his interest in agriculture, and particularly in charitable institutions. Suffice to say that at the end he was honorary governor of no less than four hospitals in this country. His benefactions to education were equally lavish. His personality was one that is certainly not easily forgotten; indeed, it was one that we love to remember, because of its singular charm. He had urbanity, a gift of happy presence, and in the circles in which he best was known he was veritably loved.

I could scarcely do better in summing up the splendid phases of his life than to quote the following brief extract from an article in a paper published near his home:

Few men indeed have touched the lives of so many individuals in this community with such a kindly grace as did the late Senator Lawrence A. Wilson, and none kept alive so many friendships or so constantly made new ones.

Hon. Mr. HORNER.

Benevolence, finely executed, was the keynote of Mr. Wilson's personality. Innumerable individuals had reason to thank him for kindnesses throughout the years; and institutions innumerable also received his help. Neither race nor creed made any difference to him.

Any institution connected with philanthropy and the relief of suffering could count on him as a friend. Hospitals in particular were the object of his assistance, and educational institutions were enriched by his bounty.

To the people of his native Coteau du Lac he was a veritable father, and sadly will they miss him.

Canada will lament, and deeply will his own neighbourhood lament, the passing of a man of his type and character. His colleagues in this House, who had cultivated a real affection for him, will all join with his friends in tendering sincerest sympathy to the members of his family.

Right Hon. GEORGE P. GRAHAM: Honourable members, the relentless regularity with which occasions of this kind have been thrust upon us during the past months must almost cause us to pause and wonder at the peculiarities of life and the sureness of death. As one writer has said:

Friend after friend departs.
Who has not lost a friend?

In the atmosphere of the Senate, unlike that of any other organization of which I have ever been a participating member, we feel, when one of our fellow members has passed, that we have lost not merely an associate but a personal friend. This is true even of those who may not have come into contact to any great extent with the member who has been called away.

I think that we ought to stop to consider for a moment whether we have any time at our disposal to enter into the smaller bickerings of life, or whether we could not make better use of our time in looking on the brighter side of things, the better side of every individual, and in doing our utmost to make life in general happier.

I first met the late Senator Wilson in a smoking car, I think, a good many years ago. We were both comparatively young men. He was then, as he was to the last, a rollicking, good-natured, big-hearted man. Larry Wilson was never happier than when surrounded by his friends and doing something to cast a ray of sunshine into the shadows and the dark places. Although he was a great success as a business man, I never heard it said that he had done a dishonest act, in business or elsewhere. His father was a Scotch Canadian and his mother a French-speaking Canadian—a combination that helped to make him not

only beloved by the people, but very successful in his business. He had the caniness of the Scotch and the vivacity of the French, characteristics that made him safe in business and the friend of all with whom he came into contact.

As I have said, I knew him for a great many years, and always felt better for conversing with him. He was an example of honesty and brightness and the entire absence of meanness. I never heard of Larry Wilson doing a mean thing to any person; and although his business career was characterized by keenness, his strict honesty was always outstanding.

Having known him for so many years, I feel his passing very keenly, and I join heartily with the right honourable leader of the Government and the other members of this House in extending to his family and friends our sincere sympathy.

Hon. RODOLPHE LEMIEUX: Honourable gentlemen, it is as an old friend of the late Lawrence Alexander Wilson and as President of the Franco-Scottish Society of Montreal that I wish to render homage to his memory. His death created in all sections of the community a surprise, a shock, for Larry Wilson, as he was affectionately called, was known all over Canada. He was a self-made man, and through his activities and his geniality his name soon became a household word wherever he dwelt. He was a born trader, and if he accumulated a large fortune he owed it to his keen business sense, and, above all, to his fairness in dealing with his fellow men.

He was generous, as we all know, and to those who sometimes expressed surprise at his large donations to churches, universities, colleges, artists, municipalities and charitable institutions generally, his only comment was: "My fortune has been built up with the aid of the people; it is only logical that it should return to them." In that cryptic sentence you have the psalm of life of our late colleague.

Let me add that nowhere in the Dominion will his death be more regretted than in his native province.

His very name will recall to this House that the late L. A. Wilson was of Scottish origin. His forbears were Scottish on his father's side and French Canadian on his mother's side. The auld alliance between Scotland and France, though dating back many centuries, has never been forgotten by the descendants of both races in Canada. It seems that there is a natural attraction, or rather a natural affection, between the people

of those races. In London I once heard Lord Strathcona recall the days early in the nineteenth century when a Presbyterian congregation in Montreal, deprived of its church through a fire, was given hospitality in the old Récollet Church for its Sunday service. We know too that, clannish as they are, the Scots and the French Canadians have commingled, so much so that the habitants have practically absorbed the Highlanders who settled in old Quebec after the battle of the Plains of Abraham in 1759. True, the Highlanders conquered the French on the Plains of Abraham, but when they disbanded and founded settlements in French Canada, as for instance at Murray Bay, where I spend my summers, they gradually adapted themselves to the customs, traditions and language brought into their homes by their French Canadian wives. Such is the romance of the Frazers, the Stuarts, the Rosses, the Campbells, the McNeils, the McPhersons, the Warrens, the Macdonalds and the Wilsons. They are, as we know, a splendid people who combine the physical and mental attributes of two great races. The late Senator Wilson often recalled in his speeches the motto of the City of Aberdeen, "Bon Accord."

He had for Sir Wilfrid Laurier a sincere admiration, and often quoted to young students, as a guide in their lives, the following words from an address delivered by the old chieftain in London, Ontario:

Let me tell you that for the solution of our national problems you have a safe guide, an unflinching light, if you remember that faith is better than doubt, and love is better than hate. Banish doubt and hate from your life. Let your soul be ever open to the strong promptings of faith and the gentle influence of brotherly love. Be adamant against the haughty; be gentle and kind to the weak. Let your aim or your purpose, in good report or in ill, in victory or in defeat, be so to live, so to strive, so to serve, as to do your part to raise the standard of life to higher and better spheres.

I am proud to say in this Chamber, which his smiling personality will adorn no more, that Lawrence A. Wilson lived up to that noble ideal.

Hon. J. P. B. CASGRAIN: Honourable members, as I am, I suppose, about the oldest friend that the late Senator Wilson had in the Senate of Canada, I may be allowed to add a few words to what has already been so well said by the honourable gentleman from Rougemont (Hon. Mr. Lemieux). It is so long ago that I first met Lawrence Wilson that I cannot remember when it was, but what I do remember is his wonderful personality. He had a personality

all his own, and that helped him greatly. He was sincere; hence he was absolutely independent.

Lawrence Wilson was a raconteur par excellence. I well remember how he could coin words that would enrich any English dictionary. He had a faculty of expressing himself in a way that pictured exactly what took place. When Sir Wilfrid Laurier would come to Montreal, perhaps to attend a great meeting in the Monument National, Lawrence Wilson would ask me to invite Sir Wilfrid to be his guest for supper at the Windsor Hotel, where Sir Wilfrid always resided when in Montreal. There were many other people who would have liked to be host to Sir Wilfrid, some of whom even had a good supper already prepared for him. I would say to him, "Larry Wilson would like you to have supper with him to-night." Then all I had to do was to wave my hand, and Larry understood. He was a wonderful entertainer; in fact no one could entertain more royally than he, and the rôle of host gave him great joy.

Lawrence Wilson thought that day lost in which he had not done a good turn to somebody. He was always trying to scatter sunshine into the humblest homes round about where he lived. I often accompanied him on his calls. We would go into the home of a poor family, and he would manage with great delicacy to give some money to the mother or father, and he always had some sweets or toys for the children. After we got outside he would remark, "Well, they will be happy to-day, anyway." Thus he passed from place to place, doing good.

People do not fully realize the extent of Larry Wilson's kindness, which was almost proverbial. He was kind to all, including those who were not his friends in a strict sense, though I would not call them parasites. No one ever came to his place who was not received cheerfully and as though he were a guest who would return the compliment the next day. Everybody knows of Lawrence Wilson's liberality to his own native place, Coteau du Lac, forty miles west of Montreal. He had acquired and lived in a wonderful residence there which had been built by Sir John Simpson, of Hudson Bay fame. He kept intact and enlarged upon the old house where he was born. Those who have visited Coteau du Lac have seen the building. With a view to making the people there happy, he bought a lot of property and built a pavilion which is unique. The grounds were deeded to the municipality, and in addition to the pavilion he had other buildings erected. At

Hon. Mr. CASGRAIN.

meetings held there the crowds were estimated to total from five to ten thousand people, and Larry Wilson would have refreshments for everybody. I never saw so many automobiles in any other country place as I have seen there. I remember that Sir Henry Drayton came there on one occasion and delivered a speech in French, and the only thing that worried Larry Wilson was that Sir Henry would not finish his speech, he was so intent on speaking in the language which he said he loved so well. Amusements of all kinds were provided, but these were so refined that the local clergy and even the nuns were able to attend.

Senator Wilson must have had a wonderful constitution, for during his three score years and ten he really lived two lives. His activities in connection with his business necessitated his keeping very late hours, but even though he might not have been able to retire before three o'clock in the morning, he would be at his desk by eight o'clock for another full day's work. Frequently he would do this day after day.

Larry Wilson had the remarkable quality of always being on friendly terms with his opponents. Mr. John Dougall used to preach temperance in his paper, *The Witness*, and would not accept theatre or wine advertisements, yet he and Larry Wilson had the greatest affection for each other. Every birthday Larry would write his friend wishing him long life to continue his campaign for what he thought was right. Larry Wilson's was a rare personality, and I am confident all the members of this House will join me in this prayer. As Christians, who believe in a future life, let us pray together that our dear departed friend, secure in Peter's barque, spreading its broad white sails to the blessed breezes of hope and charity, will cross the immense ocean of divine mercy to the enchanting shore of everlasting felicity.

HOSPITAL SWEEPSTAKES BILL

SECOND READING

The Senate resumed from Wednesday, February 28, the adjourned debate on the motion of Hon. Mr. Barnard for the second reading of Bill A, an Act with respect to Hospital Sweepstakes.

Hon. A. MARCOTTE: Honourable senators, it was my intention early this session to present a motion urging the Government to operate a national lottery and use the proceeds to finance a huge programme of public works for the relief of our working classes. This Bill was introduced before I

could proceed with my proposed motion, but as it covers the same principle, and the discussion has so far been mainly on the subject of lotteries, I shall take this occasion to make a few remarks, first on lotteries in general, then on the present Bill, and, finally, to outline the plan I had in mind.

Lotteries are not a modern institution—a new method of distributing prizes, lots, objects, even lands, and of levying moneys. Many centuries ago, in Egypt, they were practically the only means used to give each family the parcels of lands to be cultivated, and the tools for their cultivation. Over twenty centuries ago the Romans began many of their festivities with lotteries. Italy is still operating lotteries.

On their return from Italy the armies of Louis XII brought the idea back to France. Later on lotteries became so popular that in 1530 King Francis I gave a charter to one Jean Laurent to organize as many lotteries as he might desire, provided he paid a yearly fee of £2,000. In the seventeenth century the English and the Venetian armies were paid in time of war by funds raised from lotteries.

Under King Louis XIV. of France five lotteries were in operation. It may be interesting to note that some of the largest and most beautiful buildings in Paris were built with the proceeds of lotteries—the churches of Saint Louis, Saint Roch, and the Daughters of Saint Thomas, such buildings as the Pantheon and the Military School, and many others. In 1776 all lotteries were abolished in France and were replaced by the Royal Lottery, which brought into the treasury about ten millions yearly.

If much has been said in favour of lotteries, if millions of people are enjoying this mild mode of gambling, much has also been said and written against lotteries. The principle is claimed to be immoral and it is urged that it encourages the spirit of gambling.

I will not discuss the subject on religious grounds. A matter of conscience is a personal right not to be denied or discussed. But we have to take people as they are, if not as they should be.

Are lotteries popular? The answer is given by the results where lotteries are conducted under the law, and sometimes against it.

Let us consider for a few moments the arguments advanced against lotteries. The honourable senator from Parkdale (Hon. Mr. Murdock) has based his arguments mainly on the circular issued by the Social Service Council of Canada, and an article published in the March issue of the Readers' Digest, entitled "The Return of Lotteries." The cir-

cular of the Social Service Council was very well answered by the honourable senator from Pictou (Hon. Mr. Tanner) and it is needless for me to repeat his argument. The honourable senator from Parkdale said:

In the March issue of the Reader's Digest, which I was looking through the other day, among many articles well worth reading, I found one entitled "The Return of Lotteries." I will not quote the entire article by any means. The first sentence, which pretty well gives the gist of the whole thing, reads this way:

"Lotteries were once labelled by Henry Fielding as 'a taxation on all the fools in creation.'"

These are strong words, but are they a strong argument? I am going to read the whole article, and honourable senators will be able to draw their own conclusions. The article, which is loaded with interesting facts, proceeds:

Yet about thirty governments in the world to-day are conducting lotteries, and taking their cuts as the most painless form of taxation possible in these times. And, surprisingly enough, nowhere is the lottery as overwhelmingly successful as it is among the thrifty, gold-loving, conservative French.

What with the unbalanced budget, gold headaches, and so on, the French Government has been desperate in its search for new revenues. A lottery was suggested. Conservatives protested that this form of raising money belonged to the primitive days when Augustus and Nero balanced the Roman budget through lotteries. The necessity of getting many francs somewhere, and quickly, finally silenced their arguments. Even so the French Government began very timidly, issuing only 200,000,000 francs, or about \$17,000,000 worth of tickets on September 20, 1933.

The tickets were gobbled up by the thrifty French with such feverish speed that even the pro-lottery people were amazed.

I would ask honourable members to pay particular attention to the following:

The French seized on the national lottery as a new amusement with delirious enthusiasm, and forgot their troubles to speculate wildly about their chances in this new, gay national game.

Here I pause to read this extract from the Ottawa Journal of February 7, 1934:

Making Millions as Riots Ensue
Associated Press Cable

Paris, Feb. 6.—While police and troops were firing into rioting mobs to-day, several new millionaires were in the making. A mile from the scene of battle, the huge Trocadero Palace was jammed with people watching the French governmental drawing, with a grand prize of 5,000,000 francs (\$315,000) and 15 other prizes of 1,000,000 francs each. The populace cheered the result of the drawing, apparently oblivious of the riots almost within earshot.

This shows what lotteries are doing to alleviate the depression weighing on the minds of anxious people.

The Government rushed new issues and the series proved such a success that at the end of 1933 those in charge estimate 2,000,000,000 francs, or around \$140,000,000 worth of tickets were sold. From the total received the French Government gets forty per cent for pensions and farm relief—a new revenue, falling like manna.

But France isn't the only country astonished at the response to this reborn form of getting money. The Republic of Panama participated very profitably in a sweepstakes on the Christmas Handicap run at Panama City on December 24 last. Tickets, sold in issues of \$500,000 each, were peddled throughout the United States, our laws being unenforceable—thus painlessly taxing plenty of citizens of the United States for the upkeep of Panama public hospitals.

For years the Irish Free State has taken a \$4,000,000 to \$5,000,000 slice of revenue annually from the \$35,000,000 spent throughout the world for the several Irish Hospitals Sweepstakes based on the Epsom Derby, the Grand National, and other horse-races run in England—where lotteries are forbidden, and most of the money invested in the Irish sweeps is spent by Englishmen and Americans.

What about Canadian money?

Down in Mexico, a successful, honest \$20,000,000-a-year lottery is operated by the Government. Around \$3,500,000 is taken annually from total subscriptions for the support of public hospitals. Spain has enjoyed its \$25,000,000 Christmas lottery, once the biggest in the world, and sliced considerable revenue from it. Cuba has its lottery, and it flourishes in an orderly fashion even when governments are changing and people are being butchered in Havana streets. Mussolini is conducting more and more lotteries for various public works in Italy; Hitler in recent months conducted a national lottery to raise funds for unemployment relief. Sweden's national lottery is extremely popular, and the government's slice from it goes for the support of literature, art, drama, and music.

At this point may I quote a dispatch which appeared in the Montreal Star of Friday, September 29, 1933:

Italy's Profit From Lotteries More Than \$40,000,000 Yearly

Rome, Sept. 29.—Italy's Government makes a considerable profit from the weekly state lottery, which is estimated to bring in more than 500,000,000 lire (\$40,000,000 at present rates) a year into the state's coffers.

The actual figures for the past six months show that the Government received from this source no less than 263,000,000 lire (\$20,000,000).

This weekly state lottery is an old and extremely popular institution in Italy and thousands of poor people enter it regularly every week. It has been calculated that the pennies of the poor assure the continuance of this handsome source of gain to the Government.

The lottery is held in eight of the chief cities of Italy. In the first six months of the year 144,667,000 lire were paid out in winnings. The system adopted is very simple and consists of attempts to guess the five numbers between one and ninety that are drawn in each of the eight cities.

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The article in the Reader's Digest deals next with Soviet Russia:

Soviet Russia is one country where the lottery does not appear to provide much fun. Everybody who buys a government bond is given a ticket eligible for a cash prize. This is done to cheer up the Russian workers, because they have to buy bonds, so much being taken out of their pay weekly for the purchase of these. If they object they face the prospect of losing their food cards—starvation. On the day of the drawings newspapers and the radio flash the winning numbers of tickets which the workers pocketed with their bonds. But only a few of the winners ever bother to collect their winnings. They don't see any use in having the money, because there is practically nothing in Russia on which they can spend it. As a result the Soviet lottery treasury has unclaimed prizes amounting to 19,000,000 rubles in its coffers.

I wonder if the C.C.F. propagandists would care to publish that paragraph?

With most of the rest of the world enjoying the dreams and revenues incident to lotteries, lotteries and sweepstakes of all kinds are prohibited in Japan, England, and the United States. The serious-minded Japanese are notoriously poor gamblers. All sorts of betting on horse-races and most racing were rigidly outlawed years ago after an infuriated track crowd not only hacked the jockeys to pieces, but a horse as well, because losers thought the race had been fixed. After these fatalities the Mikado and his Elder Statesmen decided that gambling and the Japanese temperament did not mix.

Once the lottery was the Government's favourite form of raising new levies in England, but under the questionably virtuous rule of George IV a flock of Puritan scruples were embodied in the Act of 1826. To-day Englishmen are the greatest buyers of sweepstakes and lottery tickets in the world, spending an estimated \$200,000,000 a year on them. Lately, bluff, hearty Sir John George Stewart-Murray, Duke of Atholl, leading the battle for the legalization of lotteries in England, grew so disgusted with seeing Englishmen send their money to Ireland and Calcutta that he decided to do something about it. He began to sell flocks of tickets, with the sole explanation that the proceeds would be "disposed of in such manner as the Duke of Atholl shall, in his absolute and uncontrolled discretion, see fit." Exactly 337,000 Englishmen had so much faith in the Duke's discretion that they paid an average of about \$2.50 for the tickets. From the proceeds His Grace gave \$290,000 to needy British hospitals. The rest he distributed as 748 gifts to certain ticket holders, without explanation. Punctilious Scotland Yard haled the distinguished Duke to common, dreary Bow Street and there he was fined twenty-five pounds for violating lottery laws. He contended gallantly that since he made no promises there was no contract, and therefore no lottery. His ingenious defense failed, but he served notice that he would continue his private war.

Once our forefathers of both church and state esteemed lotteries as a valuable institution of our national life. George Washington, in 1776, bought one of the first tickets in the Continental Congress \$5,000,000 Lottery, when Congress needed money to fight the redcoats.

In those days public lotteries constituted the most popular and effective method of raising money for the worthiest causes. King's College, now Columbia University, was founded directly on the proceeds of a widely advertised lottery. Harvard, Yale, Brown, and Dartmouth repeatedly invited the public to take a chance for the benefit of higher education. John Hancock and Benjamin Franklin were among the chief patrons of various gambles for public progress and improvements.

The popularity of lotteries reached a peak during the Civil War reconstruction period in the days of the Grand Extraordinary Louisiana Lottery. Once a ticket in this gamble reposed next to the small change in the old cracked sugar bowl on the shelf in at least one out of every four kitchens in the United States.

This is the lottery mentioned by the honourable senator from Toronto (Hon. Mr. Hocken). What was the reason for its abolition? It was simply this:

The lottery promoters, a private corporation, abused their privileges flamboyantly and extravagantly. At a time when the Louisiana Company was doing a \$28,000,000-a-year business, the State collected only \$40,000 annually as its revenue. Louisiana clergymen and associated reformers broadcast news of the greed and dishonesty of the Louisiana Lottery promoters far and wide. Small merchants and solid citizens from Maine to Mexico were told time and again that if the nation's spenders didn't pour \$28,000,000 annually into the maw of the lottery monster this money would go into the tills of legitimate business. As a result the Louisiana Lottery was exiled to Honduras, by Act of Congress in 1893, and it eventually died there because of the avarice and crookedness of the people who ran it.

There you have the explanation as to why this lottery was abolished. It was a private affair, and consequently greed, avarice and corruption reigned.

However, increasing millions of dollars are spent in this country every year for foreign lotteries and sweepstakes—not to mention other millions spent on sub rosa lotteries operated here. Why can't the laws against lotteries be enforced in this country? The New York State law holds that anybody who "participates" in a lottery is guilty of a misdemeanour. The giving of "any consideration" for a chance to win a prize constitutes participation. If the Ladies' Aid Society of a Baptist Church in Zion City, New York, gives a charity entertainment, charges no admission whatsoever, but nevertheless gives a "chance" on a crazy quilt to everyone who attends, is that a lottery? It certainly is, under the law. Of course the law is never enforced. If it were, many of our leading Catholic, Jewish, and Protestant clergymen and laymen might go to gaol. A check-up shows that churches, lodges and fraternities constitute about eighty per cent of the lottery law violators in this country.

Now I come to the argument of the right honourable senator from Eganville (Right Hon. Mr. Graham).

The chief argument against the lottery is that it destroys the citizen's sense of civic responsibility (his willingness to pay taxes with-

out hope of return) and breaks down the moral fibre of the individual. Those opposed to lotteries can truthfully cite hundreds of cases of men who won cash prizes, got drunk, beat their wives, eloped with demi-mondaines, and finally died penniless.

Is there any probability of a change in our lottery laws? This winter Governor Ritchie found revenues for unemployment relief in Maryland inadequate. With his customary forthrightness he now tells the Legislature he wants to change the Maryland Constitution so that sweepstakes can be operated by the State. A vote by the people of Maryland next November on whether to permit a State sweepstakes lottery is now pending. The Maryland experiment will be worth watching. However, the probability is that our lottery laws will not be changed unless those who believe the gambling instinct should be legally curbed find their future tax burdens too much to bear.

Now you have the whole article, and I leave it to you, honourable senators, to decide whether you will draw from it the same conclusion that the honourable senator from Parkdale (Hon. Mr. Murdock) did.

I would not pass by the argument of the honourable senator from Stadacona (Hon. Mr. Webster), deduced from his study of the conditions created by lotteries in France. He states that he was informed that the lotteries were not beneficial to charitable institutions. There is a good reason for that. The benefits from lotteries are not for these institutions. The article just read mentions that 40 per cent of \$140,000,000—that is \$56,000,000—went for pensions and farm relief. I should like to know if our Western farmers, so hard hit for the last four years, would not be thankful for such relief.

The honourable senator was especially struck by the fact cited to him that many a woman needing a new hat would rather buy a chance to win a prize than purchase the hat. As the honourable senator made his visit to France just a few weeks ago, it may be that these ladies had sense enough to refuse to follow the fashion of wearing straw hats during the winter-time. But surely that is not the main reason for a lottery doing a business of \$140,000,000 in a few months.

Honourable senators, the article I have just read does not mention what is taking place in Canada, and that is what should interest us first and last. Under our Criminal Code small lotteries may be operated for certain purposes; certain gambling devices, forbidden otherwise, are allowed to function in certain places and on certain occasions. These sections of our Criminal Code are so well known that it is not necessary to cite them. Why this discrimination? It is simply because the benefits to the community are greater than the possible danger.

Where is the wrong? Lotteries are not sinful. No church, nor members of a church, would use or advocate them if they were. So we have to consider only the social side of the question. The problem has been rightly stated by the right honourable leader of the Senate. He said:

And it seems to me that a very serious responsibility is taken by a legislature which puts its imprimatur upon any practice, unless it is of the opinion that the practice is a good one or that a restricted sanction of it would be more effective than total prohibition in restraint of indulgence.

He added:

I know there is gambling in everything. The honourable senator behind me said that gambling is in human nature and we shall never get away from it. I believe that is true.

He concluded:

So far as I am concerned personally, nothing more need be said. We never can get the world perfect. Some argue that the sale of liquor should be entirely prohibited. They say that because liquor is not good for society we ought to make its manufacture and sale a crime and ban it wholly. Assuming their premises to be sound, it does not follow that their remedy is feasible. If the traffic cannot as a matter of practical executive authority be banned, it may be better to seek to control it within certain limits. Our purpose is not to encourage, but rather to restrain the traffic, and we find in practice that we can restrain it better by laws of control than by attempting total prohibition. I must say that in the last few years there has been ample justification for this view in the experience both of Canada and of the country to the south.

It has also been stated that we should not encourage our young men to believe that this is just as fine a way of making a living as any other. Is this not overstepping the mark? You may gamble on the stock market, play the races, drink, play the wheel at fairs, buy lottery tickets at bazaars, and this every day and as much as you wish, and there is no wrong, no danger of teaching our young men any bad habits; but let them buy a lottery ticket three or four times a year in a lottery controlled by the Government, and right there and then, these young men are morally and socially poisoned. This is a conclusion with which I cannot agree.

Surely honourable senators are aware that our laws against lotteries are openly violated every day. Millions of tickets are sold and purchased the year round, in Canada, and millions of good Canadian dollars are lost to our country. The sum has been estimated at four or five million dollars. This amount can be arrived at only when there is a fair chance to check figures, and if you take into account the large number of tickets sold and never accounted for, how many more millions

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will you find? It is an offence to purchase a ticket; so if any one is defrauded he dare not look for redress.

Is there a demand for lotteries, and is that demand growing in intensity from year to year? You have the answer right here in this honourable Senate. Two years ago this Bill would not pass the Senate, but last session it went through. It is true that it was defeated in the other House, but who can say what will be its fate this year?

There was a conference some weeks ago with the provincial governments, and for the first time at such a conference lotteries were on the agenda of matters to be discussed. It is true that there was no discussion on the question, but the statement was given the press that if it was brought before Parliament it would be an open question and members would be free of party allegiance in regard to it. What is the result? We have this Bill before us, and there is also one before the Legislature of the province of Quebec. Is it a satisfactory state of affairs to have a conflict between federal and provincial jurisdictions in regard to the criminal law?

I have here a copy of the Quebec Bill. Section 6 provides as follows:

6. Le pouvoir, attribué au lieutenant-gouverneur en conseil par l'article, 1, n'est exercé que si une loterie de la nature de celle visée par la présente loi n'est pas prohibée par un statut du parlement du Canada.

Ce pouvoir ne peut non plus être exercé, si le parlement du Canada autorise le gouvernement canadien à organiser une loterie générale dans tout le Canada pour des fins semblables à celles prévues par les dispositions précédentes.

Honourable senators can see what is coming.

Hon. Mr. LEMIEUX: Would the honourable gentleman kindly read in English the clause which he has just read in French?

Hon. Mr. MARCOTTE: I have not had a translation made, but I may be permitted to give my own.

The power conferred upon the Lieutenant Governor in Council by section 1 is exercised only if a lottery of the nature aimed at by the present law is not prohibited by a statute of the Parliament of Canada.

Nor can this power be exercised if the Parliament of Canada authorizes the Canadian Government to organize a general lottery in the whole of Canada for purposes similar to those provided for by the preceding sections.

The aim of the Bill is educational aid and public assistance.

Hon. Mr. McRAE: Would the honourable senator say whether that is a Government Bill?

Hon. Mr. MARCOTTE: It is a Government Bill, of the Legislature of the province of Quebec.

Hon. Mr. LEMIEUX: By whom was it introduced?

Hon. Mr. MARCOTTE: Nobody will question the fact that the Attorney-General for the province of Quebec knows of the existence of our Criminal Code. What is coming I leave to you to guess. There is no denying the fact that the demand of the public for government lotteries is steadily growing.

Let us come to the present Bill. There is one feature of it that I do not like. It makes the lottery a provincial affair, limited to the boundaries of any province. The Quebec bill also is provincial in nature, but there is no mention of the territorial limits. You will have a multiplicity of lotteries. We are able to foresee the difficulties created by the very clauses of the Bill.

The main objection to the many lotteries which are bound to come into existence is the matter of expenses. There will be different forms of management, and numerous employees, as well as salaries and commissions, and printing and advertising expenses to be paid. These will tend to reduce greatly the share allotted to hospitals or universities. This is confirmed by the report of the English Commission on Lotteries. It will also provide facilities for frauds.

I should like to see the Federal Government take control of a national lottery, which could be called National Relief Works Lottery. Then there would be only one lottery, the aim of which would be to give work to our people by a distribution among the provinces of public works, more especially those calling for manual labour. In this way employment would be given in the place of direct relief. Much has been said about the necessity of giving our people work to do. Unemployment has been deplored, especially in the case of our young people. Work is desired, but the obstacle is lack of funds. Here is a way to secure the necessary money without burdening our budget, which already is heavily loaded. This lottery would be under the control of either the Minister of Finance or the Minister of Labour. Instead of sweepstakes, depending on the results of races abroad, drawings of lots could be made, say four times a year, or oftener if desired, on fixed dates.

The printing of tickets, advertising cards, pamphlets or any necessary literature could be done by the Government Printing Bureau. The tickets could be distributed through our post offices. Tickets would be bought and

sold like stamps, postal notes or money orders, and the postmasters would be the selling and collecting agents.

As there would be only one lottery of an official character, the drawing being under the control of the Government, the tickets would be well known and there would be no danger of fraud.

In this way a multiplicity of lotteries would be avoided. There would be no great costs for salaries, publicity, commission on sales or collections. These being reduced to a minimum, the share of the Government would be larger, and the beneficiaries would be not the winners of the lottery, but the workers at large.

This would not cost the Government or the country one cent, and here is the reason. Fixing the price of a ticket at one dollar and the share of the Government at twenty-five per cent—basing the amount of business on results obtained in France, Italy, and Ireland, not to mention other countries—I submit we may fairly estimate the share of the Government at a minimum of six millions a year. Six millions would be amply sufficient to guarantee the interest and sinking fund on a special loan of \$50,000,000. The interest at four per cent would amount to \$2,000,000, and \$4,000,000 annually would form a sinking fund, so that the whole sum would be paid off in a few years. If we believe that general conditions are improving, the spending of fifty million dollars on special public works throughout the country would give employment to those classes of labour which are in need of work, and be of immense benefit generally.

Each ticket should bear, as it were, a cheque stamp of three cents. This would pay the cost of printing the tickets and the necessary literature. Postmasters would make no charge for selling and collecting these tickets, this being their contribution to the national relief, or if it were deemed desirable they could be paid through the sale of the stamps.

It has been stated and written that this sort of gambling would tax the poorer classes by inducing them to part with their little spare money to buy tickets. Even so, it would be to their benefit, for those who did not win a prize would get work and wages—something far more important than a lottery-winning ticket.

Every winning ticket could be taxed five per cent or more on the amount so won, this sum to go to the Income Tax Department.

Any excess profits over the amount necessary for payment of interest and funded debt could be applied by the Government to assist hospitals and universities, or otherwise.

By the elimination of expenses the profits would be larger and a greater number of prizes could be allotted.

According to the circular of the Social Service Council, placed on Hansard:

1. Hospitals received only one-seventh of the amount wagered.

2. Prize money equalled approximately one-half.

3. The balance went to the sellers and to "expenses."

That is, two-fourteenths went to hospitals, seven-fourteenths to prize money, and five-fourteenths to sellers and overhead.

But even at that it is paying. Listen to this dispatch from Sydney, New South Wales, dated April 14, 1933:

When the 100th New South Wales State lottery was drawn recently, the Director announced that the total profit realized from the lotteries had been about \$7,500,000.

This, he said, was a complete vindication of the system of assisting the hospitals by lotteries.

The first lottery was drawn in August, 1931.

But under the present suggestion twenty-five per cent would go to the Government and seventy-five per cent to the purchasers of tickets. Expenses would be very small and would be paid by the purchasers of tickets. The real beneficiaries would be the workers and consequently the community at large; for, first, we have work to give; second, the purchasing power of the worker being increased, our industries would get their share of benefit; and, third, the works would remain as a permanent improvement. Then the provincial governments, not having to contribute to the payment of direct relief, would, as in the past, be in a position to help their hospitals and universities.

It has been stated that this gambling method of raising moneys cannot be countenanced by law; it is too dangerous. But, honourable senators, which is the wiser policy, to legalize a mild mode of gambling, controlled by the Government, well organized and kept in check, or to let our working classes starve to the point of despair? Which is the more dangerous course for our young people, to buy three or four lottery tickets a year, or to stand by idly witnessing the despair of their parents and with no hope of a betterment of affairs for themselves? In any event, lottery tickets will be bought in this country. Why not control and use to good purpose what cannot be stopped?

These are the things that I wanted to submit for your consideration and the attention of the Government. The aim of the present Bill is somewhat different from the

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objective I had in view, but even with its defects the measure is a step in the right direction.

For these reasons I shall repeat what I have done on previous occasions, and support the Bill.

Hon. A. D. McRAE: Honourable senators, as I was sponsor for the Sweepstakes Bill which was before this House last session, I felt that my views on sweepstakes were so well known and the subject had been so thoroughly discussed that there was no necessity for my taking up the time of honourable members in restating my position. However the honourable senator from Essex (Hon. Mr. Lacasse), when speaking in favour of the Bill on Wednesday last, expressed the hope that I would state my views again before the debate was concluded and show that I had consistently maintained the attitude I voiced last session. I willingly comply with his request. Of course I shall vote for the Bill. The reasons I advanced for its adoption last year exist and are even more urgent to-day.

That the sentiment in favour of sweepstakes is growing throughout the country every honourable member must know. I have made it a point during the past year to inquire carefully from time to time as opportunity offered, and it is my firm opinion that if a plebiscite on sweepstakes were submitted to the electors of my province the vote would be three to one in favour of sweeps. The Premier of one of our great provinces early in the year expressed himself as favourable to sweepstakes for charitable and educational purposes, and he speaks for the majority of the electors of that province. I presume the same sentiment prevails throughout the country.

Press reports following the conference of the provincial premiers in this city in January of this year indicated that there is the possibility of a general discussion on this issue in the other House. I agree with the honourable gentleman from Ponteix (Hon. Mr. Marcotte) that this is not an ideal Bill, but I submit it is in keeping with the sentiment which has been built up in this country in favour of the support of hospitals. As he quite rightly says, it is a step in the right direction. I am hopeful that the Government of the day, if unable to approve this Bill, will see fit to submit at the next general election a plebiscite on sweepstakes, with a view to obtaining a true record of the wishes of the Canadian people.

I followed very closely the debate which took place on this question last week. I wish to refer to only two points which, it

occurs to me, have not received the consideration they merit.

There has been, in my humble opinion, much misunderstanding with respect to the net moneys which would be available for hospitals under the Bill now before us. In this connection the honourable senator from Parkdale (Hon. Mr. Murdock) read a letter he received from the Social Service Council of Canada. I believe the same letter was received by most honourable senators, although I personally was not favoured with one. Apparently I was not on the preferred list. This letter, which will be found in Hansard at page 94 draws attention to the report of the Royal Commission on Lotteries and Betting, issued in London, England, in 1933, and gives figures in connection with the Irish Sweepstakes for the years 1931 to 1933. I think there must be an error there, because, as the report was issued in 1933, the Commission could not have had before it the audited statements giving the percentages for that year. Therefore I take it that the report deals with the years 1931 and 1932.

The Social Service Council says the Commission's report shows that hospitals received only one-seventh of the amount wagered, one-half was spent on prizes, and the balance, five-fourteenths of all the money collected, was paid out to sellers and for overhead expenses. Apparently there is some serious mistake in these figures. I hold in my hand three published, certified, audited statements of sweeps in 1930 and 1931. I may say that these statements are made by Craig, Gardiner and Company, chartered accountants, and carry unqualified auditors' certificates to the effect that they have examined the accounts, receipts and disbursements, and obtained all the information and explanations required, and that the report is a true copy. Had I contemplated speaking on this Bill I would have endeavoured to get the auditors' statement for the 1932 sweepstakes, which undoubtedly is now available. The Royal Commission could not have had these statements—at least, not for 1933, as that year was not then complete. However, the statement for 1931 comes within the period on which the Royal Commission reports.

The first auditors' report covers the sweepstake on the Manchester November handicap, 1930. This was a small sweep, the amount of money collected being only £658,358, or roughly \$3,300,000. The expenses of 10.84 per cent include all items except the payment of 7 per cent to the Hospital Trust, Limited, for promoting the sweep, making the total expenses for this sweep 17.84 per

cent. There was paid to the hospital in this instance only 20 per cent of the gross takings, and 62.16 per cent was paid in prizes. This year was not within the Royal Commission's period of inquiry, and the audited statement is the most unfavourable one I have here.

Coming to the auditors' report for the same handicap in the following year, 1931, we find a very much improved situation, no doubt due to the fact that gross takings were much larger, namely £2,941,851, which, expressed in our dollars, would give gross takings of about \$15,000,000 at to-day's rate of exchange. This audited statement shows the general expense reduced to 6.69 per cent, which, added to the payment of 2.24 per cent to the Hospital Trust Limited, for promoting the stake, makes a total expense of 8.93 per cent of the gross takings. There was paid out in prizes 66.07 per cent, and to the hospitals 25 per cent of the gross takings, which would be somewhat less than \$4,000,000.

The third statement to which I now refer is most interesting. It is the auditors' report for the sweepstake on the Derby for 1931. The takings in this case were £2,789,696 17s. 0d., a very tidy sum of slightly over \$14,000,000 at to-day's rate of exchange.

The total expenses in this sweepstake, including the payment to the Hospital Trust, Limited, the promoters, is only 6.80 per cent of the takings. Of the balance 68.20 per cent was paid out in prizes and 25 per cent to hospitals.

These audited reports of two of the 1931 Irish sweeps show expenses to be 8 per cent instead of 35 per cent, or $\frac{5}{14}$, as reported by the Social Service Council. And 67 per cent was given in prizes, instead of 50 per cent, while the payment to hospitals on these two big sweeps, of the four held in 1931, was 25 per cent of takings and not $\frac{1}{4}$ or 14 per cent, as stated in the letter read by the honourable gentleman from Parkdale. As the figures I have quoted are correct for the year 1931, it is difficult to understand the increase in expense which would be necessary in the year 1932 to place the aggregate expenses for the period in keeping with the findings of the Royal Commission as reported by the Social Service Council. The Commission could not possibly have the figures for the year 1933, which is included in their report.

Honourable senators might well study the list of hospitals and the percentages given to each which make up the contribution of £697,424, or roughly \$3,500,000.

In this audited statement of the Derby sweep for 1931 I find in the list of distributions the name of the South Cork Infirmary—which

was referred to last week by the honourable the junior senator from Toronto (Hon. Mr. Hocken). This institution got the sum of £20,922 14s. 6d., or approximately a little over \$100,000 in our money to-day. Not a bad little hospital contribution, particularly as there is a North Cork Infirmary, which received the larger sum of £27,896 19s. 4d. Then the City of Cork lying-in hospital got £10,461; Fever Hospital, Cork, £24,409, and the Dental Hospital, Cork, £6,974. So we find the City of Cork hospitals got from this one sweepstake, the Derby, a total of £90,665 3s. 0d., or more than \$450,000. I understand Ireland runs four sweepstakes a year.

The honourable the junior senator from Toronto, speaking in the Senate on Tuesday, February 27, as reported in Hansard, page 86, read an excerpt from the Irish Times of Dublin (date not given) to the effect that the Free State Government has not paid the Cork South Infirmary for the period of two years—they must have been 1932 and 1933; and that at a meeting of the committee the treasurer said the hospital owed £3,249 and their position at the end of the year would be impossible, as they would have a deficit of £5,000. But that is not a bad showing, considering what they had received and apparently spent the previous year, namely £20,000, obtained from sweeps. I disagree with the conclusion of the honourable senator that the financial position of the South Cork Infirmary indicates that hospital sweepstakes have not accomplished the purpose for which they were inaugurated. Sweepstakes cannot be held accountable for the Irish Government's failure to turn over the proceeds to the hospitals.

I believe that the Irish Government have recently put a special tax on and derive a substantial revenue from hospital sweeps. This tax of course might account in part for the discrepancy between the figures given by the Social Service Council and the facts disclosed by the certified audits as to the expense of conducting sweepstakes.

I have given a great deal of thought and have made many inquiries in an effort to arrive at a fair conclusion as to the sum a single lottery would provide for the hospitals in British Columbia. I think most people feel that the amount of money paid out for prizes in the Irish sweeps is unnecessarily large. Fifty per cent, or one-half of the takings, would be just as satisfactory as 67 per cent, or two-thirds, which is the average of the two 1931 sweepstakes for which I have auditors' reports. Under the direction of an honorary board of citizens the expenses

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should not exceed 10 per cent. If 50 per cent of takings is allowed for prizes, there remains 40 per cent for hospitals. Under proper organization, the takings of sweepstakes in British Columbia should amount to at least \$5,000,000, the larger portion of which would come from sources outside of Canada. Forty per cent of these takings would mean \$2,000,000 net for our hospitals in British Columbia—more money than they ever dreamed of getting in a single year, and more than they will need for any continuous period of years. That is why in my original proposal last year I included the sick, destitute and maimed.

As a further evidence of the money these sweeps would provide for our hospitals, allow me to read an extract from the Australian Press Bureau, of November 6, 1933, with regard to Australia's State Lotteries:

Sydney (Australia) . . . More than \$12,500,000 has been expended on hospitals in Queensland in recent years; 88 maternity hospitals have been equipped and constructed in provincial towns; \$600,000 is now available for the immediate construction of a new maternity hospital at Brisbane. All the money for this work has been obtained from the State's lottery.

These details were given by the Queensland Home Secretary, who said the State lotteries had enabled the Government to provide baby clinics, child welfare centres, and dental services for children and the unemployed.

So much for the financial advantages of these sweeps. I do not think that part of the question is open to argument.

I now come to the second point. I refer to the moral side, which has been dealt with at such length in this debate. The honourable senator from Parkdale (Hon. Mr. Murdock) when opposing this Bill disclaimed any holier-than-thou attitude. Personally I have nothing to say in that regard except that I do not plead guilty to the accusations of the holier-than-thou people who passed judgment on me in connection with a similar measure last year. I fear they are the same professional reformers who set back the cause of temperance for at least a generation. I am not unmindful of the fact that the Church dominant in the Irish Free State has not raised its voice against sweepstakes. I am one of those who believe in taking things as you find them, not as you would wish them, and then making the best you can of the situation; and that is the way I face this issue.

There is no use in shutting our eyes to the situation in this Dominion with regard to sweepstakes. It is a notorious fact that the practice of purchasing tickets in foreign sweepstakes is tremendously on the increase. The great majority of my acquaintances buy

tickets, and many tickets, each year. Hundreds of thousands of dollars leave this country by devious routes and find their resting places largely in Ireland and India.

The honourable senator from Stadacona (Hon. Mr. Webster) says he was in Paris last month and found the people who patronized the lotteries were not the wealthy people, but the poor and the working classes. I was in Paris, too, a few weeks before him, and was very much taken with the smooth working of the lotteries as I saw them. While every friend I met in Paris appeared to have lottery tickets, I based my conclusions on the press reports, which gave the occupations of the winners. Taking these reports as indicative of the people who were buying the lottery tickets, I found that in sweepstakes, as in every other undertaking, business or sport, the great middle class, about which you hear so little these days, carried the burden. One thing that impressed me was the gala night and the interest and amusement which accompanied the drawing in Paris, confirming the entertaining feature which was so ably put before us by the honourable senator from DeLanaudière (Hon. Mr. Casgrain) last session.

I listened with great interest to the very devout address made by the honourable senator from King's (Hon. Mr. Hughes) on Wednesday last, in which he referred to the gangster reign in Chicago. He might have proceeded a step further to the super-gangsters, the abductors for ransom, who are challenging the personal liberty of the Americans and thus shaking democracy to its very foundation. What are these gangsters the product of? Of a law forced on a people by a minority—legislation which the great majority would not support. There can be no stronger example of the futility, yes, the positive harm, of passing legislation which the majority of the people will not approve or live up to. The violation of the 18th Amendment by the great majority of the citizens of the United States brought about that disregard for law and order to which the honourable senator referred. Legislation which has not the approval of a large majority cannot be successfully enforced. Law violation brings disrespect for all law.

What is being done about the violation of section 236 of the Criminal Code, which this Bill proposes to modify? Once in a while, very seldom indeed, we hear of some poor chap being fined \$20 for having a lottery ticket in his possession. But is any effort made to arrest and fine the tens of thousands of us who buy lottery tickets every year? There is hardly a club, men's or women's,

in this country where the members cannot get tickets from some of the employees. At swell clubs, little clubs, big clubs, barber shops, manicure shops, beauty parlours and hundreds of other places throughout the Dominion tickets of foreign sweepstakes can be and are being procured. Is anything being done about it? Not a thing. After the drawing of every big sweepstake you will see a list of the winners published in our press. They must have bought tickets. They are violating section 236 of the Criminal Code. Is anything done about it? Not a thing.

The only action sometimes invoked is under paragraph 3 of section 236, whereby the informer against the winner gets the prize money—a procedure, indeed, which I would hardly say is consistent with the high moral attitude of many of the opponents of this measure. The net result, of course, is that the winner must immediately get his uncle or his aunt to bring suit against him and thus forestall the culprit who would otherwise get his illegal prize money. That is certainly on part of the Criminal Code which should be repealed. If to win a sweepstake is to continue to be a breach of the Criminal Code, then it should be the duty of the Attorney-General of the province to take action, and the money if forfeited should go to the State. I am disappointed that some of the honourable senators who so strongly oppose the Bill have not introduced an amendment to correct this ridiculous situation.

We have heard a good deal about provincial rights, and now we may have at least one province considering sweepstakes on its own account. What is going to happen if a province decides to authorize sweepstakes? Is the Attorney-General of that province, a member of the Government which authorized the sweeps, going to interfere? Will the Federal Government deny the use of the mails, or will the Postmaster General, in whose discretion this matter rests, decide that the mails shall carry the lottery tickets only in the province authorizing the sweep? I have reason to believe that is what might be done, but is it practicable? The mails to-day, notwithstanding subsection d of section 7 of the Post Office Act, carry tickets to and fro in connection with foreign lotteries. We have not heard of anyone being prosecuted because tickets have been picked up by the postal authorities.

We have heard considerable in this debate about protecting the youth of the country. This, I submit, honourable gentlemen, can best be done by precept, example and education, not by prohibitory legislation which is not enforced. I contend that the majority

of the people of this country are in favour of sweepstakes and that no government has the courage to enforce the present Act. Why not recognize this fact and legislate accordingly? It is a dead letter. Sweepstake betting cannot be eradicated. It should be controlled, regulated, and, like the liquor business, made to pay something either directly or indirectly to the State.

I do not think I can close my remarks better than by quoting the last paragraph from the speech of the right honourable leader of this House (Right Hon. Mr. Meighen) on February 28. His words can be applied with equal force to sweepstakes. He said:

We never can get the world perfect. Some argue that the sale of liquor should be entirely prohibited. They say that because liquor is not good for society we ought to make its manufacture and sale a crime and ban it wholly. Assuming their premises to be sound, it does not follow that their remedy is feasible. If the traffic cannot as a matter of practical executive authority be banned, it may be better to seek to control it within certain limits. Our purpose is not to encourage, but rather to restrain the traffic, and we find in practice that we can restrain it better by laws of control than by attempting total prohibition. I must say that in the last few years there has been ample justification for this view in the experience both of Canada and of the country to the south.

The sooner we deal with this issue the sooner we shall make progress to the end that I know is fervently desired by all honourable members, that is, to guide and protect the rising generation and the weak-willed members of the community.

Hon. J. P. MOLLOY: Honourable senators, for reasons best known to myself I have been for a considerable period of time a silent voice in this Chamber. I have played the part of MacMillan's owl. He had an owl in his store, and a customer one day asked him if the bird ever spoke. MacMillan answered, "No, he never speaks, but he's a devil to think." So on my part, although I have not spoken, I have trained myself to be a fairly good thinker and an attentive listener, and I have paid very close attention to every word spoken by every honourable member in this Chamber.

When the honourable the junior member from Toronto (Hon. Mr. Hocken) discussed this Bill he divided his remarks into two sections—the Louisiana Lottery and the demoralizing effect that the enactment of this measure might have upon many of our young people. As to the Louisiana Lottery, as explained by the honourable member from Ponteix (Hon. Mr. Marcotte), the lottery was discontinued because its management became corrupt.

Hon. Mr. McRAE.

With respect to the demoralizing effect of participation in lotteries, I do not agree with the views of the honourable the junior member from Toronto. No one can convince me that the spending of from one to five dollars by any good citizen of this country to purchase a lottery ticket will tend to his demoralization and that of his family and neighbours. I wonder if the honourable senator has ever been shocked by the hopeless outlook of those of our fellow citizens who have lost their last nickel and mortgaged their future by gambling on the stock exchange, the grain exchange, the mining exchange or similar institutions. I admit that sweepstakes are a gamble. But so are operations on the stock exchange, the grain exchange, the mining exchange. In fact everything that we do from the time we get up in the morning until we go to bed at night is a gamble.

The right honourable member from Eganville (Right Hon. Mr. Graham) in the course of his remarks on this Bill expressed his deep concern for the youth of this country. And well he might. The youth of this country need all the attention that the right honourable member and his friends—and I am one of them—are quite willing and eager to give them. Our youth to-day do not conduct themselves better than, indeed perhaps not as well as, the youth of the Irish Free State, where lotteries are conducted at what we might term the very threshold of their homes. We have done certain things, not connected with sweepstakes, which have not been conducive to the elevation of our youth. Let me cite our prohibition legislation. Has prohibition tended to the elevation of the youth of this country? I submit it has not. On the contrary, it has encouraged them to violate the law. They violated the law by purchasing illicit whiskey from those who were in league with the bootlegger.

But conditions in this respect were even worse in the United States. Arthur Brisbane, a prominent American newspaper editor, went so far as to say that prohibition was such a curse that some of the best fathers and mothers preferred to make their own whiskey rather than let their children run the risk of being poisoned by drinking the product of the bootlegger at public or semi-public gatherings. I say that prohibition has done more harm to the youth of Canada and the United States than all the sweepstake tickets that could be issued by reason of the enactment of this law.

Something else is taking place in this country and in the United States as a result of the invention of the automobile. I have

heard it said time and again that the automobile is the greatest machine of the age. With this I agree in part, if not entirely. That it is a great machine I will not deny, an invention that can be and is used for many good and useful purposes. It has been purchased at a tremendous cost to the Canadian and the American people. That is one side of the picture. But there is another side. Without fear of contradiction I make the statement that the automobile has been the greatest waster of time and money—

Hon. Mr. CASGRAIN: Hear, hear.

Hon. Mr. MOLLOY: —and the greatest agency of crime that has ever emanated from the mind of man.

Hon. Mr. CASGRAIN: Amen!

Hon. Mr. MOLLOY: Are we going to prevent the production of automobiles? Not by any means. Let those who wish them have them, particularly those who can pay for them. And if people can get them without paying for them, so far as I am concerned they also may have them.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. MOLLOY: I know something about Western Canada, for I have lived longer in that part of the country, perhaps, than any other member of this Chamber or any member of the House of Commons, with the possible exception of one man who was born there—and he cannot be blamed for that. I know that the purchase of automobiles at the extravagant prices asked by the manufacturers and paid by the people in days gone by has tended more than anything else to place the people of Western Canada in the position that they occupy to-day. In passing let me remark that they have nobody to blame but themselves. We hear people speaking of the causes of the depression, and of this and of that, until they finally come around and focus the blame upon the Government. The Government is not to blame. I am not here to defend the present Government, and I do not want to be understood as doing so; but I want to make it clear that, after all, the position in which people find themselves to-day is largely due to themselves and not to the Government, no matter what party may be in power to-day or may come into power to-morrow.

In this country we have legalized things of which I am ashamed. I have mentioned two. One is prohibition and the other is the automobile, both of which have brought some of the best families of this country to the greatest depths of degradation ever known.

We also have legalized divorce in this country, as we have a right to do, and our divorce law is fairly administered; but I for one, honourable gentlemen, think it is a shame and a scandal that in this country, the fairest in the universe, there should be such a thing. I cannot change it, however, and therefore shall make no particular effort to do so. But, in view of the prohibition laws of the past and the divorce law of the present, let no man tell me that the enactment of a law which would permit a poor man to invest one dollar in a lottery would make him a criminal.

One thing I had forgotten. I should have congratulated, as I will now do from the bottom of my heart, the honourable member from Victoria (Hon. Mr. Barnard), who has been manly enough, and big enough, and has had sand enough, although beaten once, to bounce up again and reintroduce this Bill. I congratulate also the honourable member from Vancouver (Hon. Mr. McRae), who made a fight for this Bill last year, and who resumed his seat only a moment ago, after making a most manly fight again at this present session. We do not sit on the same side of the House, and never will, so far as I am concerned—

Some Hon. SENATORS: Oh, oh.

Hon. Mr. MOLLOY: Nevertheless, I can see merit in the other fellow. I am big enough for that. I may say also that I have seen some petty things done, in days gone by, by some people who were associated with me politically.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. MOLLOY: The honourable member from Parkdale (Hon. Mr. Murdock) very eloquently opposed this Bill the other evening, and took as the basis of his remarks a letter from the Social Service Council. Unfortunately, for the moment, I cannot read, but that letter was read to me when it first arrived, and I may say that the second reading, by the honourable member from Parkdale, did not improve the case one bit. I want to say to the Social Service Council, and to the signer of the letter, the Reverend Mr. Jones, with whom I am not acquainted—and whose acquaintance I will not seek for the moment—

Some Hon. SENATORS: Oh, oh.

Hon. Mr. MOLLOY: —that I am first, last and always a Canadian of Irish extraction, and I am not going to take any dictation from the Social Service Council of Canada or any other organization that exists in this

country, whether it is the church to which I belong or some church which I do not intend to join.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. MOLLOY: And let me say in all meekness and humility to the Social Service Council that I will take anything from them in the way of suggestions, and that if they will exert themselves to the utmost to mind their own business I will try to mind mine.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. MOLLOY: Meantime I am going to vote on this question and any other question that comes before me as a member of this House, and as a sincere and honest, though perhaps somewhat benighted, Canadian.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. MOLLOY: We have been told that the buying of sweepstake tickets is gambling. I accept that statement. It is nothing more nor less than simple, unadulterated gambling. That is where I stand upon this issue. My observation has taught me—and if any honourable member of this House can enlighten me and cause me to think otherwise, I shall thank him most sincerely—that everything you do, every move you make, is a gamble. I may be wrong, but I am absolutely and firmly convinced of that fact. I believe that the gamble begins when the babe draws its first breath, and I believe it is a gamble whether it will reach maturity. The babe in the cradle is surrounded by an element of gambling. Call it what you will. The tot that toddles to school is a gamble. The youth and the adult, as they face life with its trials, troubles, temptations and terrors, are involved in a gamble. I believe that to walk to the altar is a gamble. Not to do so is also a gamble.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. MOLLOY: Now is the time to challenge that, if you will. I believe that that element surrounds us all; that it follows the aged and the infirm as they walk with shortened steps towards the sunset. That, I believe, is the situation all through life.

The strongest point with me is that this is a poor man's Bill. It gives him his stock exchange, his grain exchange and his mining exchange. This is the Bill of the common man. If this Bill were supported by the so-called aristocrats of Canada, or by the autocrats or the plutocrats of Canada, backed up by that philanthropic and benevolent body

Hon. Mr. MOLLOY.

known as the Bankers' Association, would it meet with the same opposition that it now encounters?

Some Hon. SENATORS: Oh, oh.

Hon. Mr. MOLLOY: I do not think so.

Morgan's *Life of Napoleon*, a splendid work entitled, "Twenty Thousand Miles in the Conqueror's Path," closes with these, to me, impressive and significant words:

If he had not turned his back on the common people, all mankind to-day would worship at his shrine.

I do not expect that anybody will worship at my shrine, and I do not care.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. MOLLOY: The fact remains, of which I am very proud, that I come of the common people. I am a descendant of those who came into this country one hundred and fifteen years ago to hew out a home in the hardwood bush of the county of Wellington. I am a pioneer, and the son of a pioneer, in the province of Manitoba. I belong to the common people; I respect them, I love them, and will do anything within my power to promote their peace and prosperity.

I stand for this Bill, as I said before, on the ground that it provides the stock exchange, the grain exchange, the mining exchange of the poor man—the man with the pick and shovel, the day labourer, the clerk in the store, the man holding a position which does not bring him great returns, and who therefore cannot buy shares by the thousands, or grain by the one hundred thousand or million bushels; the poor man—and I am one of them—who may want to invest a dollar or two once in twelve months on a chance in what you may call a gamble.

There is going to be a general election in this country in the not distant future. I do not know who is going to win. Four years ago I thought I knew, and it cost me about fifty dollars within about a minute.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. MOLLOY: So I am not prepared to take a chance on the next election. Fifty dollars, by the way, is more than I have ever expended on sweepstake tickets—believe it or not. But what I want to say is that when that general election comes, win who may, I think it is only proper and right that this question should be submitted to the people by way of a referendum—that is a fair proposition, and it would not be very costly—and I prophesy that the vote in favour of what is proposed in this Bill will

sweep this country from the Atlantic to the Pacific. It will poll more votes than the great Conservative party, whether they win or lose.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. MOLLOY: It will poll more votes than the great Liberal party, whether they win or lose.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. MOLLOY: It will poll more votes than the C.C.F. and all the other hangers-on they may have.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. MOLLOY: I make that prophecy in all confidence, and sincerely suggest that this question should be submitted to the people, and that we should be relieved of the necessity of dealing with it session after session.

The honourable member from Parkdale (Hon. Mr. Murdock) is very much worried about the elected representatives in the other House. I may say to him that I was associated with that very honourable body for a longer time than he was, and that during my time there were what I might term the elected members and the selected members of that House. This is a distinction without a difference. My experience in the other House was that many, perhaps a majority, were always eager and anxious to be on the winning side.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. MOLLOY: I am not of that particular type myself. When I was in the other House I followed my leader and my party. I knew that if my party was right my leader was right. If my party was right, how could he be wrong? So I simply stuck. I do not agree with the increased number of parties of late years. When I was in the other House there were two parties, and two only. And that is all there should be to-day—

Some Hon. SENATORS: Oh, oh.

Hon. Mr. MOLLOY: —because the others came in under what we might term false pretences. One party would be enough if it were the right party.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. MOLLOY: So I submit that it is fair that this question should be placed before the people.

I will not speak any longer, because the hour is getting late and other honourable members may wish to say something. I want to make this clear, that I will vote for this

measure as long as breath is within me, and should the Bill become law and prove a failure I would be the first member of this House to vote to have it repealed.

The motion for second reading was agreed to on the following division:

CONTENTS

Honourable Senators

Aseltine	Marcotte
Aylesworth (Sir Allen)	McDonald
Barnard	McMeans
Black	McRae
Blondin	Molloy
Bourque	Morand
Burns	Murphy
Calder	Parent
Casgrain	Planta
Coté	Pope
Dennis	Prévost
Donnelly	Rainville
Foster	Raymond
Green	Riley
Harmer	Robinson
Horner	Tanner
Lacasse	Taylor
Laird	Tobin
Lemieux	White (Inkerman)
L'Espérance	White (Pembroke)—40.

NON-CONTENTS

Honourable Senators

Ballantyne	McGuire
Beaubien	Meighen
Buchanan	Michener
Copp	Murdock
Gillis	Rankin
Graham	Schaffner
Griesbach	Sharpe
Hatfield	Sinclair
Hocken	Smith
Hughes	Webster
Little	Wilson (Rockcliffe)—23.
McCormick	

The Bill was read the second time.

The Hon. the SPEAKER: When shall this Bill be read a third time?

Some Hon. SENATORS: Now.

Right Hon. Mr. MEIGHEN: Honourable members, I have been waiting for the honourable senator from De Lanaudière (Hon. Mr. Casgrain) to insist that this Bill be sent to Committee of the Whole. As he has failed—not ignominiously, but gloriously—I take that duty upon myself. I think the Bill should go to Committee of the Whole, and I would suggest to-morrow, if that is satisfactory.

Hon. Mr. BARNARD: Thursday would be better.

Right Hon. Mr. MEIGHEN: That is quite agreeable to me.

The Senate adjourned until to-morrow at 3 p.m.

THE SENATE

Wednesday, March 7, 1934.

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

Prayers and routine proceedings.

SHIPPING BILL

FIRST READING

Right Hon. Mr. MEIGHEN introduced Bill E, an Act respecting Shipping.

He said: The House will remember very well that last session we had before us two bills respecting shipping, one affecting shipping in inland waters, and the other shipping beyond those limits. Both were before the Committee on Banking and Commerce—or was it the Committee on Railways, Telegraphs and Harbours?—and received long consideration.

Right Hon. Mr. GRAHAM: I think it was the Committee on Banking and Commerce.

Right Hon. Mr. MEIGHEN: Perhaps it was. The committees are pretty much the same except for the Chairmen. As I say, the bills received long consideration, and much evidence was heard. The larger Bill was finally withdrawn, and the one respecting inland waters shipping was passed, and is now law, although it has not been called into effect.

Hon. Mr. CASGRAIN: It is not law.

Right Hon. Mr. MEIGHEN: It is suspended law.

As I am now introducing the second Bill in modified form, it behooves me to explain briefly the modifications. The reason the main measure was withdrawn last session was that, while in pursuance of the procedure outlined in the Statute of Westminster it became the part of Canada to repeal as respects Canadian shipping the laws of the United Kingdom which theretofore had applied to Canada, and to enact a shipping law of our own, it was necessary before we could depend upon the efficacy of our own law in all parts of the world to impose certain duties upon officials beyond the jurisdiction of the Parliament of Canada. Those duties, however, could be imposed only by the respective governments of the United Kingdom and of the Dominions, and there had not been on their part any undertaking that such laws would be passed, nor any

Right Hon. Mr. MEIGHEN.

understanding as to their form, sufficient to enable us to depend upon the protection essential in the application of our law. Consequently it was recommended, on the advice of counsel for the Committee, that we should not cut ourselves adrift from the protection of the British Acts until we were quite certain that we could depend upon legislation by the other Dominions, lest we should find ourselves in a cul-de-sac, without the protection of any efficacious law.

The present Bill is very much along the line of the previous one, but instead of presuming to cast duties upon parties beyond the pale of the legislation of Canada, as the other one unfortunately did, it is made permissive in that regard; and then there is a suspensory clause which keeps us under the existing British Acts until it is possible for this new Act to become effective as a result of steps on the part of other Dominions to impose duties which we cannot impose. The intention is that the new Act, if passed by Parliament, shall be called into effect when we feel that enough has been done to give real legislative sanction to the operation of maritime law, as applied to our own shipping, in sufficient parts of the world.

It will be some little time before the Bill is printed, as it is of extraordinary length and contains considerable interlineations. I have introduced it to-day so that the printing may be begun and the Bill read the second time as soon as possible and then referred to the Committee.

Right Hon. Mr. GRAHAM: May I inquire whether there is any connection between the re-introduction of this Bill and the postponement of the proclamation bringing the Inland Waters Act into operation?

Right Hon. Mr. MEIGHEN: Not that I know of. I do not think there is the slightest connection. If the right honourable gentleman asks me why the Inland Waters Act has not been brought into operation, I shall have to request a delay before making a reply.

Hon. Mr. CASGRAIN: Perhaps I might answer the right honourable gentleman. Some gentleman from the West slipped in at the end an amendment providing that it should come into force only by proclamation.

Right Hon. Mr. MEIGHEN: Oh, I do not think so. I think that that provision was in there from the beginning, and also in the previous Act.

The Bill was read the first time.

HUDSON BAY SHIPPING COSTS

Before the Orders of the Day:

Hon. Mr. CASGRAIN: Honourable members, I am rising before the Orders of the Day are called, to refer to a matter of urgency. Companies with which I am connected have for some time been making charters for ships, and in the Montreal Standard of the 3rd of March, last Saturday, there is an article which I wish to read. As honourable members know, considerable negotiations are necessary in the chartering of a ship; you cannot go about it as if you were hiring a taxi. So I am taking the liberty of calling attention to this newspaper article, in order to give the Government notice of what is going on. It reads as follows:

Every Bushel of Wheat from Hudson Bay
Route Cost Government \$1.23

(Montreal Standard's Parliamentary Correspondent at Ottawa). Ottawa, March 3.—For every bushel of wheat shipped via the Hudson Bay route last year, the Dominion Government expended \$1.23. And about the same the year before.

Wheat shipments from Port Churchill in 1932 totalled 2,700,000 bushels. To permit this movement of grain the Government's expenditures on the Hudson Bay route for the year amounted to \$3,328,000.

This sum would have paid the combined lake and ocean freights on 40,000,000 bushels of grain from Fort William to Liverpool at the rates prevailing during the period last summer when the Hudson Bay route was open to navigation.

The Hudson Bay Railway, the Port Churchill developments and the aids to navigation in the Strait, cost \$53,000,000, entailing annual interest charges of \$2,650,000.

Hon. Mr. GILLIS: I rise to a point of order. Is this a matter of urgency?

Hon. Mr. CASGRAIN: The Orders of the Day have not yet been called. The article goes on to say:

Maintenance costs of \$414,000 and operating deficit of \$163,000 brought the total Government disbursements up to \$3,328,000 last year. This does not include provision for sinking fund or expenses of icebreakers.

Hon. Mr. GILLIS: Mr. Speaker, are we interested in this matter?

The Hon. the SPEAKER: There is a point of order.

Hon. Mr. GILLIS: What is the honourable gentleman speaking to? Is there a motion before the House? We have already disposed of the first reading of the Shipping Bill.

Hon. Mr. CASGRAIN: The Orders of the Day have not been called.

Hon. Mr. GILLIS: This is not a matter of urgency.

Hon. Mr. CASGRAIN: Companies that I am connected with have been chartering ships for a long time. They have to make charters—

Hon. Mr. GILLIS: If the honourable gentleman wants to bring a matter to the attention of the Chamber he should give notice of it. This is not a matter of urgency.

Hon. Mr. CASGRAIN: That is the opinion of the honourable gentleman. In my opinion it is of great urgency. There is only one more short paragraph in the article:

If the shipments from Churchill were increased ten times to 27 million bushels the interest charges would still constitute a transport subsidy of ten cents a bushel, or more than the combined lake and ocean freight via Port Arthur and Montreal for the greater part of last season.

Right Hon. Mr. MEIGHEN: I had never heard the figures which the honourable gentleman has given us. If it were not for the unimpeachable character of the authority he has quoted, I should not have believed them.

THE WORK OF THE SENATE

DISCUSSION POSTPONED

On the Order:

Resuming the adjourned debate on the question proposed by Hon. Mr. Murphy:

To call the attention of the Government to the work of the Senate and to the efforts made by the Senate to secure the initiation in this House of Government measures, and to inquire if it is the intention of the Government to introduce in the Senate at an early date any of the legislation indicated in the Speech from the Throne.—Right Hon. Mr. Graham.

Right Hon. Mr. GRAHAM: Honourable members, as I explained previously, my object in moving the adjournment of this discussion was to keep the matter open until the honourable leader of this side of the House (Hon. Mr. Dandurand) is present, as he wishes to speak on it. I suggest that if no other honourable member desires to speak to-day, the order should stand until to-morrow.

Right Hon. Mr. MEIGHEN: I desire to speak myself, but the honourable leader on the other side has the floor and I shall be satisfied to have the debate adjourned until he is able to be present. However, I am quite sure that it would be agreeable to him, as to me, that any honourable members speak to-day who care to do so. I may say that we have a very important meeting of the Banking and Commerce Committee resuming immediately after the House adjourns; so most of us will be busily occupied during the afternoon in any event.

The Order stands.

The Senate adjourned until to-morrow at 3 p.m.

THE SENATE

Thursday, March 8, 1934.

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

Prayers and routine proceedings.

HOSPITAL SWEEPSTAKES BILL

CONSIDERED IN COMMITTEE

On motion of Right Hon. Mr. Meighen, the Senate went into Committee on Bill A, an Act with respect to Hospital Sweepstakes.

Hon. Mr. McLennan in the Chair.

Section 1 was agreed to.

On section 2—Attorney-General of any province may authorize sweepstakes for hospitals within that province:

Hon. Mr. BEAUBIEN: Honourable senators, the second reading of this Bill was passed by a substantial majority, and I presume that every honourable member, whether favouring or opposing its principle, hopes that the Bill, if enacted, may help to lighten the heavy burden now borne by every province with respect to hospitals. But I would have the scope of the measure enlarged so as to empower the province of Quebec to apply the proceeds of sweepstakes for the benefit of the University of Montreal. Without doubt that is the most pressing need now confronting our province. I hope the honourable sponsor of the Bill will see no objection to the amendment. I beg to move, seconded by Honourable Mr. L'Espérance:

That in line 15 of section 2 there be added after the word "hospitals" the words "university or universities."

Hon. Mr. CALDER: Mr. Chairman, I do not know that I altogether like that amendment. I am not opposed to the province being able to give, say, a portion of this money to universities, but there may be other charities to which it would like to give money.

Hon. Mr. HUGHES: The Provincial Government?

Hon. Mr. CALDER: Yes. As I understand it, the matter is entirely under the control of the Provincial Government. I quite understand the need of the province of Quebec as far as universities are concerned, but I foresee that in some other provinces where there are State-maintained universities there may be no such need at all. To judge by what the honourable member from Vancouver (Hon. Mr. McRae) said the other day, it is

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quite possible that one of these sweepstakes will provide more money than is required. It seems to me that the Bill should be made a little broader; that the Government of a province should have the right to devote such portion of the funds as it thinks advisable to education or to any other purpose which it deems fit.

Furthermore, I am inclined to think that we should keep in mind what has been referred to as the main object of the Bill. I think we will all agree that the maintenance of hospitals, the care of the sick, and that sort of thing, are very desirable, and I should like to see it provided in the Bill that the moneys derived from sweepstakes, or at least a portion of them—I should be inclined to say at least fifty per cent—shall be definitely earmarked for hospitals.

Hon. Mr. McMEANS: They might be used for election purposes.

Hon. Mr. CALDER: I do not know that the governments might not be permitted to use them for campaign purposes. We all remember the discussion that took place last year as to the necessity of campaign funds, and the method of raising them. It was also suggested at that time that the State should furnish these funds. I do not know that it would not be a good idea to have them come out of the sweepstake moneys. However, my main point is this: though I am not committing myself for the moment, I am inclined to think that a definite proportion of the funds derived from sweepstakes should be devoted to hospitals.

Hon. Mr. HUGHES: By the provincial governments.

Hon. Mr. CALDER: By the provincial governments. Then let them do as they see fit with the remainder.

Hon. Mr. FOSTER: Although I voted for the second reading of the Bill, its scope is not such as would commend itself to me, because in the province from which I come the public hospitals are supported by a general assessment upon real estate. For instance, there is a general assessment upon our homes and other buildings to provide for the maintenance of public hospitals. I may say in this connection that the assessment for hospitals is greater than the assessment for police or fire protection. Consequently, there is no necessity for collections or drives to raise money for hospitals, and they are not in debt at the end of the year.

I do not think that even the amendment proposed by the honourable senator from Montarville (Hon. Mr. Beaubien) goes far

enough. I think the Bill should be wide enough in its scope to enable a provincial government, if it should be thought desirable to hold a sweep, to devote the proceeds to any charitable purpose it may see fit.

Hon. Mr. BARNARD: In reply to the honourable gentleman who has just taken his seat, I would point out that if the funds were to be made available for any charity that might choose to apply for them, the position of the Government, or the official administering the fund, would be intolerable. As we all know, there are hundreds of charities of different kinds, some of importance and some of much less importance. Most of us who are, or claim to be, decent citizens have our own pet charities. The result would be that all kinds of influence would be brought to bear on the Attorney-General or the administrator of the fund to induce him to make grants for charities which in many cases really did not need them.

Furthermore, it must be remembered that this fund is to be administered under regulations drafted by the Attorney-General, assisted, I presume, by his colleagues in the Government, and I think that in designating two specific objects we are going quite far enough. If a large amount of money should be realized, as has been suggested, and if the hospitals and universities were already provided for, government funds would be available for other purposes. So we are really arguing in a circle. I am quite prepared to accept the amendment of the honourable gentleman from Montarville (Hon. Mr. Beaubien), but I think it would be a mistake to attempt to broaden the scope of the Bill any further.

Hon. Mr. CALDER: In the province of Saskatchewan, for example, we have but the one university, and it is maintained entirely by the province. I have no doubt that condition will continue. On the other hand consider our hospitals. We have a small number of private hospitals which are managed by corporations and which, I think I am right in saying, belong for the most part to the sisters of the Roman Catholic Church. In addition, we have in cities like Regina, Moosejaw and Battleford, municipal hospitals, such as, I understand, are established in the province of New Brunswick, and all these hospitals are regularly maintained by taxes, not only from our cities, but from our towns, villages and rural municipalities as well. The total amount received by all such hospitals from private contributions is very small indeed.

Now, assume that this Bill is passed and that the province of Saskatchewan deter-

mines to establish a lottery. If that lottery produced a great deal of money, what would be done with it? The present system of maintaining the hospitals by means of taxation appeals to me as a good one, and I feel it should not be disturbed. We must remember that conditions in various provinces differ. If we are going to pass legislation permitting the governments of the provinces to raise money by sweepstakes, we should leave it to those governments to decide what they will do with the money.

Hon. Mr. HUGHES: Hear, hear.

Hon. Mr. CALDER: And I say we should not write into the Bill the specific purposes to which the money should be applied. Suppose some millions of dollars were raised annually by sweepstakes in my own province of Saskatchewan, I should not object at all if the Government used part of that money to reduce provincial debt. Most of our provinces are at the present time seriously handicapped by lack of revenue, and if part of the proceeds of sweepstakes were applied to general debt reduction we should only be following the practice of other countries about which the honourable gentleman from Ponteix (Hon. Mr. Marcotte) told us the other day. As conditions in the various provinces differ greatly, it seems wise to leave entirely to the respective governments the question of what to do with any money raised by sweepstakes.

Hon. Mr. MACDONELL: Honourable senators, apparently the view now held is that any moneys raised by sweepstakes should not be earmarked for hospitals, but might be used for education or any other purposes that the provincial governments deemed necessary. Therefore I think it might be well to change the title of the Bill by eliminating the word "Hospital" and substituting perhaps the word "Provincial," or any term that might be thought more suitable.

Right Hon. Mr. GRAHAM: I am afraid it is a bad Bill. It is going to cause trouble.

Hon. Mr. HUGHES: I think we have not had time to frame an amendment that would meet the suggestion of the honourable member from Saltcoats (Hon. Mr. Calder). As I am in favour of that suggestion, I think we ought to take time to prepare an amendment. This is too important to be rushed through.

Hon. Mr. McRAE: I move that the Committee rise and report progress, and ask leave to sit again.

Right Hon. Mr. MEIGHEN: I have no particular objection to that, Mr. Chairman,

but I really do not see the necessity for it. I should prefer the Committee to make progress now, but I am not pressing the matter. There is no difficulty about framing an amendment to meet any view the Committee may have. Personally I could not make this a good Bill in any way. The suggestion of the honourable member from Montarville (Hon. Mr. Beaubien) is simply that the measure be enlarged to include universities as beneficiaries of sweepstakes; and the honourable member from Saltcoats (Hon. Mr. Calder) suggests that one-half the proceeds of sweepstakes be devoted to hospitals and the other half to any purposes that the Government might determine.

Hon. Mr. HUGHES: That the Provincial Government might determine.

Right Hon. Mr. MEIGHEN: It means the Provincial Government. If the Committee wishes to give expression to that or any other view, it would be the work of but a few minutes to prepare an amendment. Personally, being opposed to the measure, I should like to see its purpose limited, because by limiting its purpose we limit participation in sweepstakes. I must repeat that I see no necessity for the Committee to rise just now.

I may say that I have some letters of commendation—for my opposition to the measure, not for the reasons I gave; also letters of criticism from two or three cowardly yaps, who did not sign their names. I make that remark only in the hope that in some way the definition will reach them.

Hon. Mr. BEAUBIEN: Honourable members, there is of course the danger that the Bill may not be passed if we widen its scope. It was an enlargement of the list of beneficiaries which killed the previous measure. The question is how far the sweepstakes door is going to be opened. If we open it too wide, people may object on the ground that we shall be having sweepstakes throughout the year. The sponsor of the Bill, the honourable gentleman from Victoria (Hon. Mr. Barnard), objects to any widening because of this very danger. Therefore I have made my amendment as narrow as I possibly could make it with a view to the present needs in the province of Quebec. However, I recognize very well that the needs are different in the various provinces, and if the intention is to increase the number of beneficiaries of sweepstakes I would strongly urge that we should not restrict the provincial governments to spending on hospitals alone any money received as a result of this measure. In the province of Quebec most of the hospitals are maintained

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by the Public Charities Fund. I think I read to the House last session a list of no fewer than fifty of them. In other words the people are paying, through taxation, for the upkeep of these institutions. Well, if this Bill is passed and the Government of Quebec decides to establish sweepstakes, why should it be obliged to apply the receipts to something for which the public is already paying freely?

It seems to me, honourable members, that we must either limit the application of this measure or make it wide enough to include all charitable, educational and philanthropic purposes. If the second course is chosen, then the Government of each province will be free to use the funds according to their local needs. I have made my amendment narrow because I did not want to hinder the passing of the Bill. The principle of the measure has been adopted by the Senate by a substantial majority. Personally I am sorry that that is so, but we cannot always have things our own way. However, in view of this action by the Senate, I feel that I should not be justified in putting any obstruction in the path of the Bill, and for this reason I have restricted my amendment to include the giving of aid to our universities.

Hon. Mr. CALDER: I am inclined to think that that is a somewhat narrow view. The honourable member speaks only for his own province. Of course, he has a right to do that, but at the same time he must consider the conditions that exist in other provinces. It is proposed that this Bill shall be, not purely a Quebec measure, but one applicable to all the provinces that desire to take advantage of it. The situation respecting universities in the province of Quebec is different from that in Saskatchewan, where our only university is already taken care of by the State. And I think I am safe in saying that ninety per cent of our hospitals are provided for, and have not been obliged to rely upon public charity or private contributions. If we should have sweepstakes in Saskatchewan, for what should we use the proceeds? It is all very well to say that this Bill is bad and must therefore be kept within certain bounds which would suit one particular province, but we must have a wider outlook than that. This question must be considered from the standpoint of all the provinces. If sweepstakes are good for this country, if we are to have them, we must frame the Bill to suit conditions existing throughout the Dominion.

There are in this clause one or two other features that at present I am inclined not to favour. However, I have not examined the matter as closely as I should like to do, and

it seems to me we should be given a little more time to consider the whole situation. We can discuss it much better outside the House. The clause we are now on is the crux of the Bill, and it is very important that we should not be rushed in dealing with it. We should have ample opportunity for considering what the purposes of the sweepstakes are to be, and for what purposes the funds are to be used. If we had more time to consider the exact wording of the clause we should be in a better position to draft any amendment that might be thought necessary.

Hon. Mr. DONNELLY: Honourable members, the Bill we are now considering has been before the Senate on three occasions, that is, twice before the present session, and it has always been known as an Act with respect to Hospital Sweepstakes. I have understood that we were in favour of sweepstakes as a means of raising funds to assist hospitals, and possibly other charitable objects, and I think if we try to go further in this we shall be getting away from the principle of the Bill to which we gave second reading. I should not like to maintain that to spend money on education would be to spend it on charitable purposes. Therefore I think we should not be justified in amending the Bill along the line suggested.

Hon. Mr. FOSTER: Honourable members, in those provinces where public hospitals are supported by moneys raised through taxation, it would be, I think, a mistake to introduce sweepstakes or anything else that would tend to take away from the people their sense of responsibility for the maintenance of those institutions. Of course, it may be said that if receipts from sweepstakes pay for the support of hospitals, the sources from which revenue was formerly derived for that purpose would become available for other charitable objects. In the province from which I come, the maintenance of public hospitals through taxation has been made possible by our sacrifice of other public services, such as old age pensions, which we have never felt we could afford, mothers' allowances, and so on. We believe that the hospitals are more important than these. I should be sorry to see this Bill passed if it were to result in the Government's receiving a large sum of money which could be used only for the support of hospitals. As to the amendment of the honourable gentleman from Montarville (Hon. Mr. Beaubien), that the distribution of sweepstake receipts be extended to include universities, I may say that the university in my province,

supported as it is by grants and votes of the Legislature, is getting along very well. I do not say that it has by any means all the money it wants, for universities can always use more money. I feel that the amendment should be widened to authorize the provincial governments to spend the receipts from sweepstakes, not on hospitals alone, but on such charitable purposes as to them may seem best.

Hon. Mr. CALDER: I move that the Committee rise, report progress, and ask leave to sit again.

Right Hon. Mr. GRAHAM: That motion has already been made by the honourable senator from Vancouver (Hon. Mr. McRae).

Honourable members, before the Committee rises, as I suppose it will, may I ask if it is not clear now what a lot of trouble this Bill is going to cause?

Hon. Mr. CALDER: Not at all.

Right Hon. Mr. GRAHAM: Someone intimated that the provincial governments would be at the mercy of many applicants, if the Bill were passed. Why, we are hearing from some new applicants already, before the Bill has left our hands.

Hon. Mr. CALDER: The provincial governments are at the mercy of many applicants now.

Right Hon. Mr. GRAHAM: There will be more and more applicants. I shall take advantage of this opportunity to refer to one in particular. In all the larger and in some of the smaller cities there is an organization known as the Federated Charities. That is, the various charitable bodies co-operate in a joint appeal to the public, the funds collected being divided among them on a prearranged basis. I would ask honourable members to consider the probable effect of the Bill in discouraging those who now contribute so liberally to the appeals made on behalf of the Federated Charities.

Progress was reported.

SHIPPING BILL

SECOND READING

Right Hon. ARTHUR MEIGHEN moved the second reading of Bill E, an Act respecting Shipping.

He said: Honourable members, I explained the main features of this Bill yesterday. It will be some time before copies are ready for distribution. A similar Bill, in pretty much the same form, has already been reviewed by the Senate, and I see no reason why this measure should not be given second reading

to-day. Of course, until the Bill is printed no further action can be taken, but in the meantime, I think, it may as well be referred to the Standing Committee on Banking and Commerce.

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

CANADIAN AND BRITISH INSURANCE COMPANIES BILL

FIRST READING

Right Hon. Mr. MEIGHEN introduced Bill F, an Act to amend the Canadian and British Insurance Companies Act.

He said: This is the companion Bill to that which is now before the Standing Committee on Banking and Commerce, respecting Foreign Insurance Companies, and its purpose is analogous to the purpose of that Bill.

The Bill was read the first time.

THE WORK OF THE SENATE

INQUIRY—DISCUSSION CONTINUED

The Senate resumed from Thursday, March 1, consideration of the question proposed by Hon. Mr. Murphy:

To call the attention of the Government to the work of the Senate and to the efforts made by the Senate to secure the initiation in this House of Government measures, and to inquire if it is the intention of the Government to introduce in the Senate at an early date any of the legislation indicated in the Speech from the Throne.

Hon. RAOUL DANDURAND: Honourable members, I must congratulate the honourable senator from Russell (Hon. Mr. Murphy) on his very interesting presentation of the facts with respect to the work of the Senate. Those facts related to two questions: the initiation of a greater number of Government measures in this House, and a review of what it has accomplished for the benefit of the country since Confederation. I intend to deal solely with the first question.

The honourable gentleman has admirably shown what has been the standing complaint of the Senate since its inception,—that for a considerable period in the early part of every session no legislation comes to us from the other House, but in the few weeks before prorogation we are well nigh overwhelmed with work.

I entered this Chamber in 1898. There still sat here a number of senators who had been appointed by royal proclamation in 1867. They were outstanding men and had been active in public life for nearly half a century. I had almost reached my thirty-sixth year, and I regarded those honourable gentlemen with

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awe and reverence. I noticed that on the first Friday we adjourned over the week-end. This continued for weeks and weeks. Our Order Paper was merely a blank sheet. But perhaps we benefited by listening to a longer prayer than the one we hear to-day from the lips of His Honour the Speaker. The Senate had been organized on the same pattern as the House of Lords. Some honourable members may not know that in those days an Anglican Bishop in full canonical robes would kneel at the table and pray with us—and for us—for fifteen or twenty minutes. Then we would adjourn until next day. A number of senators from the extreme East and the extreme West used to arrange for accommodation in this city for the period of the session, and then for four or five months they enjoyed congregating here from day to day to participate in the prayers. When His Lordship died the various denominations asked to be given official recognition in this service. They became so insistent that the Prime Minister of the day decided that what was good enough for the House of Commons should be good enough for the Senate, and he suggested that His Honour the Speaker should perform the duties of chaplain.

Why is it that for weeks and months we are without work? I direct the attention of my honourable colleagues to these facts, and I am drawing on thirty-six years' experience. The debate on the Address, as honourable senators are aware, gives members of the other House full scope to speak on everything contained in the Speech from the Throne and on everything outside the Speech. We know also that the debate on the Budget covers an equally broad field; and that the voting of supply is sometimes long drawn out. These three fine morsels, which require very nearly three months in the other House, are disposed of by us in a few days. Usually our debate on the Address lasts only a few hours, but sometimes it is adjourned to the next sitting and concluded then. The Budget, in the form of a Supply Bill, comes to us in the last hour, sometimes even in the last ten minutes, of the session. I often suggested to my Cabinet colleagues that they should give the Senate an opportunity to discuss the Supply Bill for at least an hour before the time set for prorogation. I represented to them that it was undignified for the Senate to be given such a short space of time in which to consider the Bill. But we must not forget that the debates on the Address and on the Budget and the voting of supply are, one might say, peculiarly the business of the House of Commons. In the debate on the

Address all the affairs of the country may be reviewed; the debate on the Budget relates particularly to financial and economic questions; and the voting of supply necessarily involves lengthy discussion. So it is not surprising that the House of Commons has to give two or three months' consideration to these three major subjects, which we dispose of in less than forty-eight hours.

When I became a member of this Chamber I met Sir James Loughheed, who was not very much my senior. We decided that we might just as well pray at home, and we began to move the adjournment of the House for a week, and then for two weeks. I remember that in the session of 1903 I moved that the House adjourn for a month. At once Sir Mackenzie Bowell and the Hon. Mr. Scott jumped up in protest. They were scandalized that such a long adjournment should be suggested. Sir James walked over to me and said, "We had better postpone this motion until to-morrow." But while we were conversing the Speaker put the question, and the motion was carried. Thereupon Mr. Scott declared in solemn tones: "Nevermore will I meddle with a motion for adjournment. In future the Senate may do as it pleases." During the course of that session he made several motions for adjournments of two or three weeks. On one of those occasions I could not restrain the impulse to remind him of what he had solemnly declared when I had made a similar motion.

Why has it been the custom of the Senate to adjourn for two or three weeks at a time? Because the House of Commons does not take up its legislative programme until its vitality has been weakened by those three important debates. Now, if asked why of a five-month session there remain only two months for legislation, I would point out to my colleagues that the legislation in the other House is in the hands of 245 members, as compared with 96 members in this Chamber. Further, discussion on the bills is much longer in the other House because there the political and electoral factor is always present. At times—after half a dozen bills had reached the Senate—my colleagues in the Cabinet would ask me where we stood in the matter of legislation, and I would answer, "We have nothing before us." "Nothing before you! Why, we have already sent you half a dozen bills." I would reply, "Yes, but whereas in discussing those bills in the House of Commons you for the most part address yourselves to the electors, we address ourselves to the question, and it is a much shorter procedure."

Since 1867 it has been a standing grievance of the Senate that we are idle for months and then overwhelmed with legislation. I recognize that a laudable effort has been made by my right honourable friend (Right Hon. Mr. Meighen) to alter this unsatisfactory condition, and that to a certain degree he has succeeded. It may be urged that since there has been no substantial improvement there is no cure. But I submit there is a very simple cure, and it is to be found in the proposal introduced by my honourable friend from Russell (Hon. Mr. Murphy)—the desirability at the beginning of the session of initiating more measures in this House. Why has it not been done? Because we have seldom had more than two ministers with portfolios sitting in the Senate, and usually only one minister. When I entered this Chamber, in 1898, the then Minister of Justice, Hon. Mr. Mills, and the Secretary of State, Hon. Mr. Scott, were the only members of the Government with seats in the Senate. The measures emanating from their departments were introduced here because of their presence in this Chamber, but the legislation of the other twelve or fourteen departments, whose ministers were in the House of Commons, went to that House. It is quite natural and proper that a minister should want to father his own bills. He feels that it is his right to bring his own child, as it were, to the baptismal font.

I admit that certain measures, like money bills, should be presented in the House of Commons. Then there are others which I should not very much care to see introduced in this Chamber—bills involving differences of opinion between the two parties, or of such a character as to give rise to argument for presentation to the electors. Such measures, after we had disposed of them quietly, would be sent to the Commons and there taken up in a quite different spirit. For that reason, even though they did not involve the expenditure of money, I should hesitate to suggest that they originate in this Chamber. I think it is preferable that bills of that kind should go first to the arena of the Commons, where the members interested may cross swords.

The difficulty which arises from the desire of ministers to handle their own legislation could very easily be overcome by having them present their legislation in this Chamber. I have suggested this procedure on more than one occasion in the Senate, and as I do not think my honourable friend (Hon. Mr. Murphy) has placed on record the notice of motion that I gave on the 22nd of June, 1922, I will read it. It is as follows:

That he will move to make the following a rule of the Senate as rule 18A, and that the senators in attendance on the session be summoned to consider the same, namely:

18A. When a Bill or other matter relating to any subjects administered by a department of the Government of Canada is being considered by the Senate or in Committee of the Whole, the minister administering the department may with the assent of the Senate enter the Senate Chamber, and, subject to the rules, orders, forms of proceedings, and usages of the Senate, may for the furtherance of legislation relating to the Bill or matter in question take part in the debate.

I added—and I apologize for reading my own remarks—the following comment:

We have all noticed during our experience, whether long or short, in this Chamber, that the ministers having the administration of the departments have generally felt that it was their duty to introduce legislation concerning their departments themselves. The consequence has been that they have generally introduced their legislation in the Chamber in which they had a seat; and as, since Confederation, they have mostly been in the House of Commons, the legislation has been initiated in that Chamber. If they were allowed to initiate their legislation in the Senate, I am quite sure that we would not have to face the condition which we are facing to-day, and which we face every session, of having nearly all of the public Bills, and legislation concerning matters of considerable importance, brought before us in the last days of the session. If the rule were amended, it seems to me that they would take advantage of the opportunity to come here to further their legislation while the Commons were engaged in some other discussion. Generally there are long discussions on the Address; supply has to be voted, and the Budget speeches occupy the attention of that House for several weeks, while we in this House, a body of 96 members, are waiting for the Government legislation to be reached in this Chamber.

I suggested this method some ten years ago; the right honourable the junior member for Ottawa (Right Hon. Sir George E. Foster) suggested it last week; and I will submit it to the judgment of the Senate on Monday next at the second sitting.

It was on a Thursday that I brought this matter to the attention of the House. The session was then drawing rapidly to a close, not because we had not important work to do here, but because the Commons were concluding their labours. I had in hand at that time perhaps a dozen important bills. Honourable members who are sufficiently interested may look up the record. This notice was placed on the Order Paper for the Monday. As we met on the Saturday, I spent Saturday evening and the whole of Sunday trying to understand and digest certain clauses of a Bill relating to customs or excise, of which, I must confess, I could make neither head nor tail. Suddenly I remembered that this motion was set down for the next day; so I took up

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the telephone and called the Minister of Finance, Mr. Fielding, told him of my worry about the Bill, and asked if he would not do some pioneering and be the first minister from the Canadian House of Commons to enter the sanctum of the Upper House to present a bill and explain it. To my surprise I met with a chilly response. He, it seems, had had quite enough to do in piloting the Bill through the Commons. I then said, "At all events, you will come and explain it to me," whereupon he directed me to a certain official. After working with this official for an hour or more on this involved piece of legislation, which I had understood to come from the Customs Department, but which the officials of that department claimed had come from the Department of Finance, I walked into the Senate the next day in fear and trembling. But all my worries of the previous forty-eight hours were groundless, for no objection was raised to the Bill, and it passed. I may say, however, that objection was raised to it in all parts of the country when it came into effect. Boards of Trade from East to West met and demanded some explanation. I then began to understand why Mr. Fielding had refused to come to the Senate to discuss the Bill.

When the Monday arrived, I felt somewhat discouraged at the lack of enthusiasm on the part of my colleagues for the proposal that they should come here and for the second time present their legislation in Parliament. I met also with some objections, which are reflected in an amendment that I proposed to make to the motion. I had not absolutely decided to drop my motion, but I suggested amending it. I said:

As I understand that some honourable members would like to discuss this motion for a revision of our rules at some length, I will ask that it be postponed until the second sitting to-morrow; but I will indicate a small amendment in the notice so that it may be incorporated with the proposed rule. I desire to insert before the word "enter" the following words:

"On the initiative of the Minister representing the Government."

The purpose of that was to meet the objection which had been raised, that if we altered our rules the Senate might henceforth insist on ministers being present to explain their legislation, and I was told that under certain conditions members of the Cabinet in the other House would prefer to have the leader of the Government in the Senate handle their bills for them.

The majority at that time was sitting on this side of the House, and one of my colleagues somewhat facetiously voiced his objection in these words: "Go and present my

measure to the Senate? Why, if I did that, chances are nine out of ten that it would never reach the Commons." He preferred to remain on his own ground. I used to remark that it was far easier for a Minister of the Crown to get his legislation through the House of Commons, where he had a solid majority behind him, than it was to get it through the Senate; and sometimes I requested more thorough explanations than had been given in the Commons, because I had to convince a majority sitting opposite to me.

I have also met some Commoners who have said: "Allow our ministers to go to the Senate? Why, if we did that the prestige of the House of Commons would be lessened and the influence of the Upper Chamber increased. We prefer to retain all the benefits that flow from the initiation of legislation in the Commons."

The inferiority of our position in regard to publicity is due to the fact that most of the measures that interest the public are introduced in the other Chamber, and by the time the discussions in that House are completed, and the last argument is presented, the lemon has been squeezed dry, to use a colloquial expression. After two hundred and forty-five members in the other House have spent weeks in discussing a subject pro and con, it is difficult to present new arguments on it, and before the question reaches the Senate the public, through reading the newspapers, have been surfeited with it.

On the last day of the 1922 session, at the suggestion of Sir James Lougheed, I decided to postpone the motion standing in my name. Although I did not attempt to revive it at a later session, I wonder whether it would not be opportune—and I leave it to the discretion of my right honourable friend—to amend our rule so that ministers of the Crown in the other House could, if so inclined, come into the Chamber. Deputy ministers are permitted to come to the floor of the Senate. Why should not ministers sit with us and take part in the discussion regarding legislation emanating from their departments? I can recall a number of occasions during the last five or ten years when ministers have attended meetings of Senate committees in order to discuss measures in which they were interested.

There is one aspect of this matter which my honourable friend (Hon. Mr. Murphy) did not touch upon, simply because he limited himself to the historical point of view. I refer to the fact that the Senate is considered to be a revising body and as such has played its part since its inception. The initiation of bills in this Chamber would

change that situation and make the House of Commons the revising body. Furthermore, arguments have been advanced against the abandonment by the Senate of the position of a court of appeal in regard to legislation coming from the Commons. As a matter of fact, to judge from the statements made by the Fathers of Confederation, and by Sir John Macdonald prior to Confederation, and cited by my honourable friend from Russell (Hon. Mr. Murphy), we have been appointed mainly for the purpose of giving sober second thought to proposed legislation, and, of course, if we originated legislation and passed it on to the House of Commons for approval, we should not be fulfilling that function.

It seems to me, however, that private legislation might very well be divided equally between the two Chambers. Many members of this House, more especially those who have entered it recently, do not know just how it is that private bills are initiated sometimes in this Chamber and sometimes in the Commons. It all depends on the solicitor in charge of the Bill, who sends his petitions to the three branches of Parliament. If he sends his cheque to the Clerk of the Senate the legislation is initiated here; if he sends it to the Clerk of the House of Commons the Bill belongs to that House. Apparently money talks. I have suggested many times that an official should be appointed to receive petitions for private legislation and distribute them equally between the two Houses of Parliament. This, of course, would not apply to divorce bills. He would not allow the House of Commons to touch them.

Hon. Mr. TANNER: How would it do to offer a bonus for bills, or something like that?

Hon. Mr. DANDURAND: I must apologize to the House for the length of my remarks. I intended simply to state my reaction to the situation as I have observed it from year to year since 1898.

Right Hon. ARTHUR MEIGHEN: Honourable members, I do not think I have had the pleasure, either in the other House or this one, of listening to a more succinct or more cogent speech than that of the honourable senator from Russell (Hon. Mr. Murphy). It was an example of comprehensiveness and brevity, and was couched in language which would have done credit to the judgment of any court.

This is the first occasion on which a motion of this character has come before the Upper House during my membership, and it has come at a time when pressure of duties, chiefly committee work, has made

it impossible for me to give to suggestions that study which they certainly merit and which alone would fit me to speak on the topic with that satisfaction to myself and to the House which I should desire. The subject did come before the other House in 1921, as a result of the motion referred to by the honourable senator from Russell (Hon. Mr. Murphy), and I recall, though somewhat faintly, the course of the debate. The debate on this subject may now be conducted with more leisure, and certainly with more thoroughness, and if it conduces to clarity of thought and definiteness of conclusions, then, I think, I could not do a better service than seek to have those conclusions implemented by such amendments to rules as will at last make them effective. I am saying that not as expressive of a belief that it can be done, but of an intention to make a real effort to obtain results.

The subject is surrounded with difficulty. Over a number of decades the course of discussion has been very much the same. The grounds of complaint have been common from one session to another, one Parliament to another, and even one generation to another. I for one am firmly convinced that the hour has struck for definite progress, and I hope that out of this debate will come conclusions sufficiently specific to enable us to set ourselves to achieve that progress, and that we shall not relax our efforts until we get results. It is little less than a travesty that this Chamber, prepared for work, ready to serve the people of this country, should be compelled to wait more or less idly for weeks, perhaps for months, while discussions, which are no doubt necessary under any democratic system, are proceeding in the other Chamber, and that a plethora of legislation should be thrown at us in the latter part of each session, when we have no opportunity to do what we ought to do in the way of reviewing it, and all that the other House expects of us is that we shall pass it without thought, without amendment, and without delay. The Fathers of Confederation never intended that this travesty should occur in the practical working-out of our constitutional system.

When we come to consider ways by which we may bring about a more satisfactory state of affairs, a number of difficulties present themselves. I purpose to discuss at this time nothing but suggestions put forward and very carefully elaborated in the speech of the honourable senator who has just taken his seat (Hon. Mr. Dandurand). These are suggestions which seem to have survived the

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debates of other years, which cling to memory and strike honourable members as being practical and probably capable of realization.

The first is that there should be a larger volume of legislation introduced in this Chamber. When speaking on that topic honourable members have in mind mainly governmental legislation, because under our parliamentary system legislation is of necessity mainly governmental. It cannot be otherwise. The functions of government expand, while those of individuals diminish. There is an evolutionary process, and the volume of legislation tends to become increasingly governmental. Therefore, let our first thoughts centre upon this type of statute.

I make the statement that in my opinion the volume of governmental legislation initiated here cannot be greater than it is unless an entirely new plan is adopted with respect to representation of the Administration in this House. The present system, which apparently is an abiding one, since it was the same under the late Government, is to have the Administration represented here by one member, and he probably a minister without portfolio—as it is better he should be, for reasons which I may afterwards adduce. I think that if the system is continued it will not be possible to increase the volume of governmental measures introduced in this Chamber, for the reason that there is a limit to the legislation which can be both mastered and directed by one person. The leader of the Government in the Senate has to master all the legislation of all departments of the Government. It is his duty to do so, and he cannot possibly discharge his office unless he does it. A minister of the Crown must necessarily supervise to some extent the preparation of legislation which emanates from his own department. When it is prepared he must make himself familiar with it, he must sponsor it in his House, and defend it against attack. But that duty is confined to legislation from his own department. The Prime Minister alone, while he is not expected to acquaint himself with details, must have knowledge of and take responsibility for all Government legislation. But the representative of the Administration in the Senate has that onerous and detailed duty with respect to every single governmental measure.

Hon. Mr. DANDURAND: Though he is called a minister without portfolio, he has all the portfolios in his hands at one time.

Right Hon. Mr. MEIGHEN: So far as parliamentary duties are concerned—I am not

saying this by way of complaint at all—he virtually has to do as much work as all the other members of the Government. I remember that in the debate of 1921 in the other Chamber the then member for Halifax, who is now President of the Exchequer Court of Canada, drew attention to this fact and strongly emphasized that, much as he would like to see an increase in the volume of legislation introduced in the Upper House, there could be no increase so long as the principal duties in the way of sponsoring legislation there devolved upon a single member; and in fact, he said, the volume should be decreased in those circumstances. It seems to me that an increase in the number of Cabinet ministers in the Senate is a prerequisite to an expansion in the volume of governmental legislation introduced here.

It is the responsibility of the leader of the Government in this Chamber to familiarize himself with all governmental legislation, regardless of whether it originates here or in another place, to the extent of being able to defend it when it comes before us for consideration. But his duties with respect to any measure which he introduces are very much greater. He may have considerable work to do in amending it, perhaps in recasting it entirely. He has to attend meetings of the committee which considers it and, if necessary, hears witnesses. He has to spend hours upon it; in some instances very many hours and days and weeks. It is certainly not a matter for regret, but on the contrary should be one for pride, that this is so, for, whatever may be possible elsewhere, the fact is that in the Senate he will never succeed in getting his legislation passed until he does make himself thoroughly conversant with it. At the present time the committee work, as all honourable members know, is undoubtedly the most useful work that the Senate does.

Now, I fear that this prerequisite of more Cabinet ministers with seats in the Upper House is one which we are not likely to attain. It is one of the characteristics of democracy that the more it has the more it wants; and in the mind of the public the cure for any ills of democracy is always more democracy. No amount of argument, no amount of example, no array of disaster exhibited from other countries, will ever change that situation. It may be because of this that the pathway of democracy has been rather rocky, perilous and full of catastrophes in late years. Democracy has been dethroned in the greater part of the Occidental world, and to-day there are only two democratic governments left in the whole continent of Europe. But these reflections do not carry

us very far. We are a long way from the failure of democracy in Anglo-Saxon lands. It will be a long time before there is any serious thought of a change of system in Canada, or in any other British or Anglo-Saxon country. Consequently we may as well resign ourselves to the conviction that the House which the people elect, which they look upon as peculiarly their own, and as reflecting their ideas, is the House which will contain the ministers of the Crown. The Government of which I had the honour to be the head for a brief period—with emphasis on the adjective—had three representatives in this Chamber. During that time we laboured under continuous attacks in the other House on the ground that we had far too many ministers in the Senate, where they were free from public criticism and could not be made to answer to the representatives of the people. It seemed to be an almost universal belief that if a department had any money to spend, the head of that department had no business whatever to be in the Upper House. For myself I should despair of the success of any move to have more ministers sitting here. It is altogether unlikely that we should be able to bring that about, and therefore there is a distinct limit to the volume of governmental legislation which can with advantage be initiated and sponsored in the Senate.

However, within that limit much is possible. This session five governmental bills, I think, have already been introduced in this Chamber. They have to go to our committees for the main review which they will get before they pass out of our hands. I do not think the proportion of governmental legislation which may advantageously be introduced in the Senate can be enlarged much over the proportion initiated here in the last two sessions and that which we are to have in the present session. But there is an area in which I think considerable advance might be made, and that is the area of private bills. By virtue of the rules of the Senate, as I apprehend—but it may be merely by virtue of custom—divorce bills are peculiarly measures which must be taken up in this Chamber first. I see no serious objection to placing all private bills in the same category in this respect, and I am at a loss to know why this should not be done. It may be argued that honourable members of the other House should not be debarred from the privilege of introducing and expounding these measures in which their constituents may be specially interested, and that such bills should not first have to run the gauntlet of the Senate. There is some force to that objection. Of course it would apply to

divorce bills as well, though I suppose no member is very eager to have the honour or credit of introducing those measures. But the objection is one which could readily be surmounted. For instance, it might be arranged that any member of the other House should have the privilege of introducing any private bill he wishes, that he or any other member should have the right to speak upon it on the first reading, and that it should then be sent over to this Chamber, where all three readings would be given before it is returned to the Commons for further consideration. This would work to the advantage of the general system, because a great number of private bills are usually introduced in the early part of the session. Thus they would arrive here before the big harvest from the other House reaches us, and our time would be occupied in performing a service of real value—a service which I think, with all due deference and respect, the members of this body, on account of their comparative freedom, their ability to give those bills unfettered consideration, are more capable of performing than are the members of the other Chamber. If this should be brought about—and I see no reason why it should not—the balance would be restored to a considerable degree, though not wholly. At all events, some worthwhile progress would be made towards dividing more fairly and more happily for all concerned the responsibilities of the two Houses of Parliament.

Another proposal has been under discussion on several occasions. It was expounded quite ably in the speech of the honourable member from Russell (Hon. Mr. Murphy), and again, in still greater detail, by the honourable senator from De Lorimier (Hon. Mr. Dandurand). It is the establishment of a practice, properly introduced and sanctioned, whereby any minister from either Chamber would be permitted—and indeed obliged, if invited or requested—to go to the other Chamber for the purpose of explaining any measure which he may be sponsoring. In speaking on this in 1921, as honourable members know from a reference made by the honourable senator from Russell, I rather welcomed the idea and saw no serious difficulty in the way. The subject was then discussed upon a motion by the honourable gentleman who is now the senator from Rougemont (Hon. Mr. Lemieux). After two or three addresses he was supported, in part, by the honourable member from Halifax to whom I have previously alluded. That honourable gentleman, however, restricted his support to ministers sitting in one House being privileged to enter the other; he was not prepared to have the arrangement made reciprocal. I do not recall which House was the

one and which the other. But at the time I could not see any substance in the distinction he sought to draw, nor can I now. I fail to see any valid objection to ministers from the Commons being permitted to address this Chamber in support of measures emanating from their respective departments; and, conversely, to ministers from this House being for a similar reason permitted to enter the other Chamber. As the honourable senator opposite me (Hon. Mr. Dandurand) has very clearly shown, the rules could be so amended as to invite ministers, and really make it their duty to come when invited, to expound their measures. Their right to do so should not be restricted in any way except by motion, duly carried, in the Chamber to which they went. Of course, the power of each Chamber to control its own proceedings must remain supreme; therefore the attendance of a minister must necessarily be subject to such rules as the Chamber might prescribe to govern his presence and his rights while he was within its bounds. Very little mechanism is necessary for this purpose. I fancy it could be done by joint resolution. I have no doubt it could be done by amendment of the rules of the two Houses. It is assumed that such visiting ministers, if we may so denominate them, would have no right to vote; we could not give them the right constitutionally; but the right to speak and to explain is very distinct from the right to vote, and I do not think there can be any question as to our constitutional powers in respect of this limited right.

This brings me to a relevant consideration. It seems to me that if such right were extended to ministers of the Crown, it ought to be and could very happily be extended to the sponsors of private bills in either House. An honourable member of the Commons introduces a private bill and it is given first reading. The bill then comes to this Chamber for main consideration. The private member who has sponsored the bill should, I think, have the right to come to this Chamber and, keeping at all times within the rules which we erect, seek by argument to get his bill passed. I do not see how we could extend the right to ministers of the Crown without extending an analogous right to a private member in relation to a bill which he sponsors. Similarly, a member of this House who introduces a private measure ought to have the right to go to the other House and take his part in seeing that it is given the fullest and fairest consideration at the hands of that Chamber. This, it seems to me, lends some support to the suggestion of the honourable senator from Russell (Hon. Mr. Murphy) and the

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honourable senator from De Lorimier (Hon. Mr. Dandurand), for the reason that it removes objections which naturally would arise to private legislation being transferred by the Lower House for initial and main consideration to the Upper House. Somewhat formidable objections which would be advanced by the proponents of that legislation are pretty much removed if those proponents are able to go to the Chamber where the legislation gets its first and principal consideration and themselves assist its passage there.

These are all the comments I feel I can justify making at the present time. I hope the course of the debate will be such that there will be no difficulty in discerning at its end just what the views of this House are, and I sincerely trust they will not be so far divergent from those I have expressed as to prevent me from putting my hand to the plough and seeking to make some progress in this very essential reform.

Some Hon. SENATORS: Hear, hear.

Hon. W. M. ASELTINE: Honourable members, I crave your indulgence for a few minutes. As I am one of the younger members of this honourable body, in fact the last one appointed, it is with considerable hesitation that I rise to add a few words to what has been so eloquently and learnedly stated by the honourable senator from Russell (Hon. Mr. Murphy) and other honourable gentlemen. I realize that neither by experience nor otherwise am I qualified to add anything to the debate, but I have in my possession a letter written to me on January 2—a few days after my appointment to the Senate—by Mr. John Morrison, of Yellow Grass, Saskatchewan. Mr. Morrison was one of the earliest settlers in the Milestone district, south of Regina. He is a grain grower, a public-minded citizen, and prominent locally, provincially and federally. I believe he is very well known to the right honourable leader of this House.

Right Hon. Mr. MEIGHEN: Hear, hear.

Hon. Mr. ASELTINE: Mr. Morrison was formerly a leading member of the Progressive party and represented his district in the House of Commons from 1921 to 1925. He is one of the many people in Western Canada who think that the Senate performs an important service in the government of our country. While we are discussing the important question raised by the honourable member from Russell, as the point covered by this letter was not mentioned by him, I think it well worth while that its contents should be placed on record. After congratulating me, Mr. Morrison says:

I have been consistently and persistently upholding the institution of the Senate. The C.C.F. and Farmer-Labour party shout "Abolish the Senate!" A shallow, vote-catching cry! Little they realize how often the Senate has saved the day for us, after some ill-thought-out legislation or Bill has slipped through the Commons, more for party gain than the country's good. For instance, when the Commons passed a Bill to abolish the Crowsnest Pass Agreement, little knowing the import of it, the Senate threw it out, and Western agriculture was saved at least \$25,000,000 annually. The interest on \$25,000,000 will keep our Senate expenses paid for eternity.

Of course, I am not vouching for the correctness of Mr. Morrison's figures, but in my opinion untold millions of dollars have been saved to the people of Western Canada by the action of the Senate in rejecting the Bill to abolish the Crowsnest Pass Agreement.

On motion of Hon. Mr. Riley, the debate was adjourned.

The Senate adjourned until Tuesday, March 13, at 3 p.m.

THE SENATE

Tuesday, March 13, 1934.

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

Prayers and routine proceedings.

WHEAT SHIPMENTS FROM PORT CHURCHILL

INQUIRY

Hon. Mr. CASGRAIN inquired of the Government:

1. Was any wheat shipped from Port Churchill during 1933?
2. If so, how many bushels?
3. Did this shipping of wheat cost the Government any disbursements of public money?
4. If so, how much?

Right Hon. Mr. MEIGHEN:

1. Yes.
2. 2,707,891 bushels.
3. Operating expenses of elevator and power house, September 30, 1932, to September 30, 1933, \$63,579.54; revenue on grain shipped during 1933, \$11,114.31. This was for cleaning of 1932 grain granted free storage during trial period. Free elevation or free storage no longer obtains.
4. Net cost to Government was the difference between operating expenses and revenues, as given in answer to No. 3, which amounted to \$52,465.23.

CATTLE SHIPMENTS FROM PORT
CHURCHILL
INQUIRY

Hon. Mr. CASGRAIN inquired of the Government:

1. Were there any cattle shipped from Port Churchill since that port has been opened for navigation?
2. If so, how many heads were shipped from Churchill?
3. Did the Government disburse any money in connection with the shipment of these cattle?
4. If so, how much?
5. Did the Government pay for the lumber used in preparing the ship, or ships, to receive the cattle?
6. Did the Government pay for the erection of the stalls for the cattle?
7. If so, how much did the lumber and erection of the stalls cost?
8. Did the Government contribute any money for the charter of the ship, or ships, which carried the cattle?
9. If so, how much?
10. What was the total expenditure, if any, that the Government expended in connection with these shipments?

Right Hon. Mr. MEIGHEN:

1. Yes, in 1933.
2. 200 head.
3. Yes.
4. 200 stalls at \$15 each... ..\$ 3,000
Towards freight \$3 per head.. 600
Water pipe equipment... .. 200
Total... ..\$ 3,800
5. Yes.
6. Yes.
7. Answered by No. 4.
8. No.
9. Answered by No. 8.
10. Answered by No. 4.

RAILWAYS COMPRISING CANADIAN
NATIONAL SYSTEM
INQUIRY

Hon. Mr. HUGHES inquired of the Government:

1. What were the names and the mileage of the individual railways when acquired by the Dominion that now constitute the Canadian National Railways of Canada?
2. Were any of these railways provincially owned when acquired by the Federal Government?
3. Did the Federal Government, at any time, acquire any railway owned by the provinces or by individuals, that are not now a part of the National System?
4. If so, did the Federal Government sell or otherwise dispose of such railways?
5. If sold, what was the cost to the Federal Government and what was realized from the sale?
6. Did the Federal Government acquire any railway that had been built in the territory of more than one province; if so, the name of the railway, the mileage and the names of the provinces in which built?
7. What are the amounts and the descriptions of any and all obligations of any province, relative to the railways now comprised within the Canadian National Railways of which such provinces have been or are being relieved by the Dominion?

Right Hon. Mr. MEIGHEN: The answer to the honourable gentleman's inquiry is as follows:

1. See Exhibit "A".
2. No.
3. No.
4. Answered by No. 3.
5. Answered by No. 3.
6. Answered by Exhibit "A".
7. See Exhibit "B".

Exhibit "A"

Canadian National Railways—railways comprising system; mileage at acquisition dates; and territories served

	Mileage at Acquisition dates	Province or Territory served
Canadian National Railways System—		
Canadian Government Railways—		
Intercolonial Railway, including branches and Prince Edward Island Railway.	2,181.7	Nova Scotia, New Brunswick, Prince Edward Island and Quebec.
Quebec and Saguenay Railway.....	67.4*	Quebec.
Lotbiniere and Megantic Railway.....	29.68	"
St. John and Quebec Railway.....	171.8	New Brunswick.
National Transcontinental Railway.....	1,997.88	New Brunswick, Quebec, Ontario, Manitoba.
Canadian Northern Railway.....	9,559.5	Nova Scotia, Quebec and West to British Columbia.
Grand Trunk Pacific Railway.....	2,874.16	Ontario and West to British Columbia.
Grand Trunk Railway—		
Grand Trunk Railway of Canada.....	3,583.19	Quebec and Ontario.
Grand Trunk Western Railway.....	991.69	United States.
Atlantic and St. Lawrence Railway.....	172.21	"
Canadian National Railway—		
Quebec, Montreal and Southern Railway.....	157.09	Quebec.
Atlantic, Quebec and Western Railway.....	104.17	"
Quebec Oriental Railway.....	98.15	"
Kent Northern Railway.....	26.6	New Brunswick.
Inverness Railway and Coal Co.....	60.9	Nova Scotia.
Manitoba Northern Railway.....	132.22	Manitoba.
Central Vermont Railway.....	520.16	Quebec and United States.

* Actually taken over before completion.
Right Hon. Mr. MEIGHEN.

Exhibit "B"

Statement Showing Provincial Guarantees of Railways Acquired by Government as Part of Canadian National Railways

Provincial Guarantees	Date of maturity	Amounts Outstanding at Acquisition		Amount Outstanding at Dec. 31, 1933	
		\$	cts.	\$	cts.
Ontario—					
Canadian Northern Railway—					
3½% 1st mtge. deb. stock.....	1936	1,135,982	19	1,135,982	19
3½% 1st mtge. deb. stock.....	1938	6,724,015	40	6,724,015	40
Total, Ontario.....		7,859,997	59	7,859,997	59
Manitoba—					
Canadian Northern Railway—					
4% Conv. deb. bonds.....	1930	10,784,046	66		
4% Ontario Div. bonds.....	1930	5,583,039	99		
4% Winnipeg Term. bonds.....	1939	3,000,000	00	3,000,000	00
4% 1st mtge. deb. stock.....	1930	2,859,998	87		
4% Sifton Branch bonds.....	1929	1,137,340	00		
4% Gilbert Plains Br. bonds.....	1930	2,433	33		
4% Man. & So. Eastern Br. bonds.....	1929	512,460	00		
4% Minn. & Man. R.R. bonds.....	1930	349,000	00		
Total, Manitoba.....		24,228,318	85	3,000,000	00
Saskatchewan—					
Canadian Northern Railway—					
4% 1st mtge. deb. stock.....	1939	8,029,999	99	8,029,999	99
Grand Trunk Pacific Railway—					
4% 1st mtge. ster. bonds.....	1939	9,879,408	00	9,874,062	00
Total, Saskatchewan.....		17,909,407	99	17,904,061	99
Alberta—					
Canadian Northern Railway—					
4% 1st mtge. deb. stock.....	1939	5,586,665	64	5,586,665	64
4½% 1st mtge. deb. stock.....	1942	6,424,000	00	6,424,000	00
4½% 1st mtge. ster. bonds.....	1943	2,799,997	73	2,799,997	73
Grand Trunk Pacific Railway—					
4% 1st mtge. ster. bonds.....	1939	2,430,000	00	2,430,000	00
4% 1st mtge. ster. bonds.....	1942	1,159,596	00	1,153,764	00
Total, Alberta.....		18,400,259	37	18,394,427	37
British Columbia—					
Canadian Northern Railway—					
4% 1st mtge. deb. stock.....	1950	16,412,001	13	16,412,001	13
4½% Terminal deb. stock.....	1950	8,614,000	00	8,614,000	00
Total, British Columbia.....		25,026,001	13	25,026,001	13
New Brunswick—					
St. John and Quebec—					
4% 1st mtge. deb. stock.....	1962	2,727,977	40	2,727,977	40
Totals, Provincial Guarantees.....		96,151,962	33	74,912,465	48

THE LATE MARQUIS OF ABERDEEN
TRIBUTE TO HIS MEMORY

Before the Orders of the Day:

Right Hon. ARTHUR MEIGHEN: Honourable senators, I beg leave to make reference to the death in England of a former Governor General of our country, the Marquis of Aberdeen and Temair. Mention of the name of this distinguished man carries the

mind back to a time beyond the experience in public life of by far the greater number of members of this Chamber. From 1893, over forty years ago, until 1898, he occupied the exalted post of representative of the Crown in this Dominion. This was not the first of his distinguished services under the Crown, for in the previous decade he had performed the duties of Lord Lieutenant of Ireland. It is a tribute to his practical success in both

offices that in the middle of the first decade of this century he was reappointed to his former position in Ireland, in which country he is remembered for his faithful and efficient discharge of onerous and no doubt troublesome functions over a period of ten years. He has also been known, more particularly in later times, as one of the foremost officers and toilers in the service of the Church in Great Britain, he having been High Commissioner of the Church of Scotland.

Most of us recall the time when Lord Aberdeen was Governor General, even though we were not then in public life. We know of the acceptability and the strict regard for constitutional usages with which he discharged the duties of his office. We know also of his kindly and genial nature, and of the high respect in which he and his distinguished consort were held by the people of Canada. To have survived for so long a time after having reached a post of such great responsibility is in itself a record rarely achieved.

When we think of his performance of his duties here, the episode that comes first to mind is perhaps that occasion when, not for the purpose of thwarting the will of Parliament, still less the will of the people, he decided that he should not accept the advice of the Government of the day, but should rather give opportunity later for the expression of what seemed to be the real will of Parliament. The propriety of his decision is best attested by the fact that never since, so far as I know, has any Government ventured to give advice of the character of that then refused. I may be forgiven if at the moment I express regret that the principle upon which he acted—that the will of the people, as represented by Parliament, should prevail, even though it entailed the turning back of advice given immediately by the Government of the day—has not at a later date been acknowledged as the soundest by some eminent public men in Canada.

It is indeed a valued privilege to join in expressing on behalf of the Senate of Canada our respect for the late Marquis of Aberdeen, our gratitude for the services which he rendered, and the honour which we accord to his name.

Hon. RAOUL DANDURAND: Honourable senators, it was my privilege to come into fairly close contact with the late Marquis of Aberdeen, who was appointed Governor General in 1893 and remained in office until the autumn of 1898. Two years prior to his appointment I crossed the ocean with him, and I then learned of the importance which he and Lady Aberdeen attached to the office

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of the King's representative in this Dominion. Having been apprised that he would be offered the appointment as successor to the then incumbent of that office, Lord Aberdeen came to Canada, accompanied by his wife, about two years before the office became vacant, in order that they might familiarize themselves with the people and conditions in this country. They went to Hamilton, Ontario, where they lived for a year in a fine mansion that had been the home of the late Senator Turner, and they did considerable travelling in that time.

During the five years they were officially in Canada, Lord and Lady Aberdeen led very active lives. As other occupants of Rideau Hall have been wont to do, they went from the Atlantic to the Pacific, visiting many places and meeting the people. They devoted themselves whole-heartedly to philanthropic and social work, in which field, although Lady Aberdeen seemed to be the more active, she was always assisted by her husband. She founded the Canadian Council of Women, in order to bring together representatives of all the social and charitable associations throughout the land for the exchange of views and mutual help. Some years later she founded the International Council of Women to co-ordinate the work of the national councils which she had been instrumental in persuading various countries of the world to establish. I remember meeting her at the international gathering in Paris in 1900, when the representatives of Canada played no insignificant role. The Marquis and his wife founded the Victorian Order of Nurses. The Order has extended throughout the Dominion, and in my part of the country is doing magnificent work. They also founded the Aberdeen Association for the distribution of books to newcomers in the West who were without contact with any kind of library. Thousands of books, newspapers and reviews have been sent to these immigrants by the Association. I had the pleasure of attending some of the meetings of these associations held here and at Montreal, and I observed that the Governor General and Lady Aberdeen gave their whole soul to the development of the work in which those organizations were engaged.

As my right honourable friend (Right Hon. Mr. Meighen) has said, Lord Aberdeen on his return to England was appointed Viceroy of Ireland. For years he and his gifted wife devoted their lives to the welfare of the Irish people. Among other good works they founded a clinic for the treatment of tuberculosis, and I understand it is still doing good work. In many ways they showed their

heartfelt solicitude for the people whom they were governing, so to speak—for we know that in Canada and her sister dominions the Governor General for the time being does not govern, and should rather be called Viceroy, inasmuch as he represents exclusively the Crown.

I remember having conversations with Lord Aberdeen in which he would repeatedly tell me that ever since an ancestor of his accompanied William the Conqueror to England his family had maintained some relation with their ancestral lineage. For instance, he claimed that his name Gordon perpetuated that of Gourdon, a Norman ancestor. He gloried in the historic association of Scotland with France, and in claiming affiliation with the French of this country he frequently referred to the ancient history in which his ancestors bore so prominent a part.

I join with my right honourable friend in expressing my sympathy and that of my colleagues who sit around me with Lady Aberdeen—a gracious lady who gave so many years of her life to promote the welfare of the Canadian people.

CANADIAN SEALING AND FISHERY INTERESTS IN PACIFIC WATERS

MOTION AND DISCUSSION

Hon. J. D. TAYLOR rose in accordance with the following notice:

That he will call attention to the administration of Canadian sealing and fishery interests in Pacific waters; and will move that a special committee of the Senate be appointed to inquire into the results of existing treaties in this connection; with power to call for persons and papers and to take evidence under oath.

He said: Honourable senators, I feel happy in having selected a subject which, while not in any sense controversial, will, I think, be very interesting to every member of this House.

Four years ago, in connection with the conventions respecting the halibut and sockeye salmon fisheries, I discussed the circumstances under which matters of this kind were brought before Parliament, and I suggested that it would be more satisfactory to refer them to a committee of the Senate in order that information might be gathered which otherwise was not available on the floor of the House when appropriate legislation was being discussed. I was reminded, and quite properly so, by the honourable gentleman opposite who at that time led the House (Hon. Mr. Dandurand) that these conventions were submitted to us simply for our approval or disapproval, without power to amend them in

any way. He was good enough to add that if in the succeeding session I or any other member would move for a committee to be set up to deal with fishery matters he would be very happy to co-operate. I remind the honourable gentleman of the incident, and his sincerity of purpose justifies me in expecting his help upon this occasion.

At that time I expressed my regret that such an important department as the fisheries should be treated as an orphan, and urged that a Minister of Fisheries ought to be appointed. Later on the Government of that day placed in the estimates an item for the setting up of a separate department, and the present Government followed its good example by appointing as the first Minister one of the brightest and, in the business sense particularly, one of the wisest of the public men of Canada. It is, I am sure, a matter of regret to those interested in our fisheries that the honourable gentleman was so soon transferred to the even more important Department of Finance. While we cannot criticize this action, I am certain that all those interested in our fisheries hope that the Government will soon find a worthy successor to the first Minister to hold the portfolio.

The three matters covered by my motion are of primary interest to British Columbia and have become so ripe for discussion and consideration that this is a most opportune time to bring them to the notice of honourable gentlemen.

First in importance comes pelagic sealing. I remember very well when our sealing fleet was the pride of the Victoria water front. A large number of the local population then depended on sealing for their livelihood—men who had sailed around the Horn in boats which they themselves had built in the shipyards of Nova Scotia, New Brunswick, and Newfoundland. We in British Columbia were proud of that addition to our population, and those thrifty and industrious people on their part were pleased to settle amidst surroundings so pleasant as those of Victoria.

But very soon these men passed through a very anxious period. Many of their boats were seized and held in Russian ports for alleged trespassing. Then followed a long period of uncertainty while the right of our nationals to engage in pelagic sealing in certain parts of the Behring Sea and the North Pacific Ocean was being discussed and settled in their favour. But this absolute right had to be restricted; otherwise within a few years the seal herd would have been exterminated. The prospect of discontinuance of pelagic sealing was all the more dis-

appointing to Victoria because in the meantime the halibut fishery had reached a considerable development, and the halibut season, following immediately after the sealing season, gave the seal hunters a better chance of making a living than when they had to depend on sealing alone.

The Sealing Treaty was arranged, as all similar treaties have always been arranged, without any reference to this Parliament. I was a member of the House of Commons at the time and discussed the matter with the Prime Minister of the day, the late Sir Wilfrid Laurier. It is matter of public knowledge now that he resisted the suggestion then made to give up in perpetuity the right of Canadians to engage in pelagic sealing on the high seas, and because of his insistence a time limit was set upon the operation of the treaty. Sir Wilfrid urged that ten years would be sufficient to ensure the rehabilitation of the herd, but eventually a time limit of fifteen years was agreed upon. This period expired in 1926. Since then it has been open to the Government of Canada to take up with the United States Government a revision of the 1911 treaty.

I have not the treaty before me, but I can outline its terms. Canada was to receive fifteen per cent in number of the sealskins taken annually upon the Pribilof Islands, the breeding ground of the seals. Canada and the United States agreed that their respective nationals should not hunt seals upon the high seas, but this prohibition was not to apply to the Indians of either country.

At the outset the American Government showed a disposition to deal quite generously with Canada. It advanced what for those days was a large sum of money to be paid to the owners of the Canadian sealing fleet as compensation. This was in anticipation of our annual quota of the sealskins. But the Government of Canada was less generous in its allocation of the money, and, greatly to the disappointment of some of our sealers, only a relatively small proportion was distributed among them; the balance remains in the treasury. I need say no more about this phase, for a new generation has arisen in Victoria which perhaps has forgotten the incident or has forgiven the Government responsible for withholding the money. Of late years the official reports of the Canadian Department of Marine and Fisheries disclose that the American Government does not appear to deal so generously with Canada in its allocation of sealing money, if we are to judge by the fact that the payments to Canada for giving

up her sealing rights each year become less and less, until in 1932 the American Government has paid Canada only \$2,600 as our share for the 49,000 sealskins taken. This amounts to about five cents for each sealskin.

If I am asked, "What do you suggest your proposed committee should discuss?" I reply that at the very outset it should ascertain how our share of these 49,000 sealskins has been computed at only \$2,600. If it be suggested that I am exaggerating the number of sealskins taken in 1932, as the Canadian blue-book shows a total of only 34,000, I would point out that the American returns show 49,000 odd were taken, and contain the further information that this is just 188 more or less—I forget which—than the number taken the year before.

At the time of the treaty the seal herd numbered 250,000; to-day it is 1,250,000. I understand it is contended that under the treaty we have no interest whatever in the extra million seals, and that our only recourse is to get the treaty so revised that we may share in the proceeds not only of the sealskins taken each season, but of the natural increase in the herd. This also the proposed committee might well consider and report upon.

There is another very important aspect of pelagic sealing that is looming larger and larger in the minds of persons interested in the fisheries of British Columbia. There has been an unexplained diminution in the sock-eye salmon. This is the most important of the British Columbia fisheries. Our experts, men who have given a lifetime to the study of the habits of the salmon, and whose constant thought is of the welfare of that branch of our fishermen's livelihood, have been puzzled to know what becomes of the salmon. For years they attributed the diminution to the rock slide at Hell's Gate. That was pure imagination. From my knowledge of the fisheries of the Fraser river, after many years of residence in that vicinity, I could not see how that occurrence could have been responsible for even a fraction of the results attributed to it. But the official idea that nothing else was responsible persisted for so long that two or three years ago it was actually made the basis of a proposal for another convention with the United States. By this convention we were to hand over the salmon fisheries—in addition to the other two fisheries—to American management, so that the Americans, who evidently were reckoned to be smarter than mere Canadians, could come in and set up establishments at the headwaters of the Fraser river to breed fish, a moiety of which were to be presented to

Canada and the United States for the perpetuation of the run.

Fortunately for us, but unfortunately for the theorists, this Parliament blocked that convention, and the Government, who up to that time, apparently, had not really considered its terms, was moved to withdraw it and substitute another convention. This new convention has not yet been adopted by the United States Senate. In the meantime, while these means of accomplishing the salvation of the salmon were being discussed between the two governments, the sockeye salmon came back unannounced, without any assistance from us or from the United States, and in 1930 we had the biggest run and the biggest pack of sockeye salmon in twenty years. So I am not surprised that I see no mention of Hell's Gate when I pick up the bluebook. That notion has disappeared with other myths.

If we had this committee, possibly we could consider, with the aid of the experts and the biological staffs, the question of what happened that caused the salmon to disappear, and what happened that caused them to come back unassisted by either Government.

While I am associating the salmon with the seals, another thought occurs to me. We escort the seals every year on the way from their living grounds in the South Pacific up to the Pribilof Islands. A Canadian mine sweeper joins the American fleet in watching over them as they pass through the northern waters tributary to the United States and to the coast of Canada. Our share of the cost of that patrol is over \$10,000. I mention that just to contrast it with the \$2,600 which we get as our share of the proceeds of the seal harvest which we have spent \$10,000 to protect.

Harking back again to the unexplained shortage of the sockeye salmon in those waters, there is this further idea. When the Americans took over the control of the seals there were only 250,000, I think, swimming in those waters. As the seals are carefully harvested, the herd has increased by 50,000 or 60,000 or 70,000 every year since, and as there are so many more to be fed, it seems very likely that the extra seals make considerable inroads into the salmon.

We know very well from our experience of sea lions, which are killed every year by parties sent out by the Government, that the average daily food consumption of animals of that description is anywhere from fifteen to twenty full-grown salmon. Yet we seem oblivious to the fact that an additional million seals are feeding on our sockeye salmon, and there is no one in authority in Canada to

institute an inquiry, or push it with our friends in the United States, as to who properly should pay for the feeding of those seals during their progress northward. That interesting subject, I think, might be referred to the committee which the honourable gentleman opposite (Hon. Mr. Dandurand) was good enough to promise me the last time I discussed the matter with him.

I have said that this subject, under three heads, is really open for determination at the present time. As to the seals, it is opportune because of the fact that the period for which we made the convention ended in 1926 and the convention is subject to the usual notice on the part of either Government at any time.

We come next to the halibut, which is the subject of a convention made in 1924. This question is ripe for discussion because of the nature of Canada's representation on the Halibut Commission as contrasted with the representation of the United States. The Halibut Commission consists of four commissioners, two appointed by each Government. They direct the operations of a large number of men of scientific knowledge and high attainment.

The United States have appointed as their commissioners, first, a Mr. O'Malley, head of the Fisheries Service for the whole of the United States, and one of the brightest minds in the whole American service. He is an outstanding man in every association of his life. Mr. O'Malley is a frequent visitor to the halibut grounds to the north. Next they have—or had, for I think he has been replaced, although of that I am not sure—Mr. Miller Freeman, of Seattle, a publisher, a recognized authority on fisheries publications in the United States. He has for a lifetime followed fishery lore, and is supposed to be one of the men best qualified to give advice, as well as information, on matters connected with fisheries. That is the American representation—two of the liveliest minds in the country, working in close association with the biological experts who carry on their labours at the University of Washington, in Seattle, where Mr. Miller resides.

On the Canadian side whom have we? We have Mr. Babcock, of Victoria, Commissioner of the Fisheries Service of British Columbia. That service inaugurated the attempt to study and follow up halibut lore; so it was but natural that its commissioner, Mr. Babcock, should be associated with the Halibut Commission. But upon assuming this responsibility Mr. Babcock was not relieved of any of his other duties. He continued to be the head, in fact almost the whole staff, of the

Provincial Fisheries Service, and as such he is tied down to his desk in Victoria administering detail. He has so little opportunity to do anything else that he has been paid off for services to the commission with a nominal honorarium of \$1,000 a year. He is in no sense the servant of this Government or this Parliament. Nevertheless, from the beginning, he has been our senior representative. Our junior representative has been Mr. Found, the present Deputy Minister of Fisheries, perhaps the busiest civil servant in Ottawa. One would wonder how a man with his multifarious daily duties concerning the details of fisheries from British Columbia to Prince Edward Island could possibly be of assistance in a problem wholly located on the far north Pacific coast, where even those who live in the southern coastal cities have very little connection with it. I say that by reason of their multifarious duties these two gentlemen are unfitted to render the service that we are entitled to ask from our representatives on the Halibut Fisheries Commission.

I may tell you what the halibut fisheries problem means. There was a time when halibut could be found at Plumper's Pass, between Vancouver and Victoria, where the little halibut boats, even rowboats and boats of the smallest capacity, could go out and catch day by day enough halibut to supply the markets of Victoria and Vancouver. But very soon boats from the American side predominated, and Canadian governments were so oblivious to the situation that they tolerated the poaching, as we in British Columbia regard it, of large American fleets, and made no serious effort to put an end to it. The result is that the fishery, being virtually uncontrolled, is on the verge of disappearing. What a few years ago was worth countless millions is now down so low that the reports of the Halibut Fisheries Commission—I refer particularly to No. 5—indicate that after eight years it has made very little progress in restoring the fishery. It gives us no real assurance that it has done anything except to inquire into the situation, and it acknowledges that the fish are becoming less numerous every year. So extinction is still easily possible.

I ask whether it is not worth the while of Parliament to try to do something; whether a committee of this House should hesitate to engage in a study of the situation with a view to keeping the subject alive and preventing the extinction of a natural source of wealth.

The third division of my subject is the sockeye salmon of the Fraser. As I have

Hon. Mr. TAYLOR.

said, a convention was arranged with the United States whereby we were to allow Americans to come to Canada and put up hatcheries and control the course of events at the headwaters of the Fraser river. A year after it was first presented that convention was modified to a great extent, and in 1930 it was submitted to this Parliament in much better form, and was passed. The United States Senate, however, has not yet consented to it. As we are not acquainted day by day with the negotiations in regard to treaties of this kind, and very properly so, it is not surprising that I do not know just where this matter stands at present, and what is being done. Certainly, however, something is being negotiated, because there is a very strong feeling in the State of Washington, as well as in British Columbia, that something should be done to control trap and seine operations at the mouth of the Fraser. Would it not be well for Parliament to attempt to find out, in confidential sessions of the committee, if necessary, just where the Salmon Convention stands at present, what is the nature of the further concessions being asked from Canada, and whether or not we should encourage our Government to grant those concessions? Otherwise this convention may come to us on the last day of this or some other session—as it did in 1930—after having been signed by our friends in the United States, when it would not look well for us to go back on it.

I am particularly interested in the sockeye fishery problem. I live at New Westminster, where we have, I suppose, about 3,000 white fishermen—very largely of Scandinavian origin, and real fishermen—and 2,000 Japanese fishermen. These 5,000 men make their entire livelihood out of the fisheries, except for what they can scrape out of their little chicken and fruit farms of a few acres each. It has been suggested by authority that, in the interest of a treaty with the United States to help out the fisheries on both sides of the line, these 5,000 citizens should be sacrificed; that fishing with gill nets—which is the way they fish—should be stopped, and that traps and seines should be put at the mouth of the Fraser to take all the fish that can be caught. You will ask, "Who suggests this?" It is not always suggested in the open. In the Canadian Annual Review, of which we all receive a copy every year—a book published in Toronto and supposed to be an authority on any subject it deals with—I have recently read a statement which, although I do not know its origin and have never heard it at home, is said to have come from the Prime Minister of the day in

British Columbia. It was that unless this salmon treaty was passed by the Senate at Washington, his Government would recommend closing the Fraser river as a fishing stream and making the mouth of the river available for seining and trap locations. I suggest to this honourable House that a senator who comes from that district, as I do, may be excused if he feels that there is some urgency connected with the proposal to destroy the livelihood of five thousand people, to make their boats and their nets of no account, and to render valueless their houses and little gardens. If these men are forced to quit fishing they will have to move to wherever they can find work. Consequently this matter is important to them. Discussion on the problem is being kept alive, and just a few days ago I had a communication with respect to a large delegation that was to hold a meeting at New Westminster to deal with the question. I think that the Senate would not be agreeable to what is proposed if it had a knowledge of the facts and an opportunity of making its influence felt in time. I realize that if we wait until the convention with the United States is signed it will be too late then to make a change. I hope it is not too late now.

I may say to honourable senators that I have a considerable collection of literature here, from which I am prepared to read dates and other particulars, if desired. I do not think it is necessary; I therefore have spared the House from listening to a discussion of these details. I submit in all sincerity that the fisheries, under the heads I have mentioned, might very profitably be referred to a committee of this House, and it is on this account that I move the motion which stands in my name, and which is seconded by the honourable senator from Victoria (Hon. Mr. Barnard).

On motion of Hon. Mr. McRae, the debate was adjourned.

PRIVATE BILL

FIRST READING

Bill 10, an Act respecting a certain patent owned by The Firth-Brearley Stainless Steel Syndicate Limited.—Hon. Mr. Sharpe.

CANADIAN AND BRITISH INSURANCE COMPANIES BILL

SECOND READING

Bill F, an Act to amend the Canadian and British Insurance Companies Act, 1932.—Right Hon. Mr. Meighen.

THE WORK OF THE SENATE

INQUIRY—DISCUSSION CONTINUED

The Senate resumed from Thursday, March 8, consideration of the question proposed by Hon. Mr. Murphy:

To call the attention of the Government to the work of the Senate and to the efforts made by the Senate to secure the initiation in this House of Government measures, and to inquire if it is the intention of the Government to introduce in the Senate at an early date any of the legislation indicated in the Speech from the Throne.

Hon. D. E. RILEY: Honourable senators, I moved the adjournment of the debate, not with the intention of speaking on the question, but at the request of an honourable senator who was not then in the House, and I shall not take up more than a few moments of your time to-day. When I first came to this Chamber I held the same opinion that I think the great majority of the people, particularly in Western Canada, hold to-day, namely, that the Senate is an expensive and useless appendage of our parliamentary system. But since coming here and observing the important place that this body occupies and the work it does, I have changed my mind, and I believe now that the statement we so often hear, that the Senate is one of the safeguards of our legislative system, is quite true.

I think the principal reason for the impression prevailing in the West is that the people do not realize the importance of the work that is done by this House. The only way of correcting that impression is through publicity in the press. Lately we have heard the press severely criticized on the ground that it pays very little attention to what is going on here. There is, I think, some justification for that criticism. For example, last session our Standing Committee on Agriculture and Forestry held a number of sittings and heard some very important evidence with regard to the cattle industry, but the press gave very little publicity to any of that evidence.

When we consider that a number of honourable senators are also members of the Fourth Estate and control some of the leading newspapers of Canada, it would seem that the press cannot be too strongly criticized for its failure to keep the public informed of at least the most important activities of this Chamber and its committees. It is true that a small amount of publicity is given, but I think the honourable members to whom I have alluded might lay aside their modesty and take more active steps to see that our people are kept informed of the important

part that is played by the Senate in the legislative life of this country. This is merely a suggestion, and it is the only one I have to make.

Hon. RODOLPHE LEMIEUX: Honourable senators, I have very little to add to the excellent speeches which have been delivered on the question so ably brought to the attention of the House by my honourable friend to my right (Hon. Mr. Murphy). My memory is carried back to 1884, when he and I were desk-mates at the University of Ottawa. On holidays we used to visit the galleries of the Houses of Parliament, and look on at the great men of the day who occupied the seats of the mighty. He and I have always had high regard for the Senate of the Dominion and the House of Commons. Back in those days the Senate occupied a splendid hall, possibly the most noted on this side of the Atlantic.

Hon. Mr. DANDURAND: Hear, hear.

Hon. Mr. LEMIEUX: I agree with my honourable friend from High River (Hon. Mr. Riley) that the press might give more prominence to the deliberations and other legislative activities of this body. But, after all, the Senate is what it is by virtue of the worth of its members.

Hon. Mr. CASGRAIN: Hear, hear.

Hon. Mr. LEMIEUX: I am proud to say that all honourable members appear to agree with the sentiments expressed by my honourable friend who initiated this debate (Hon. Mr. Murphy). His statements were clear-cut; his facts and arguments were marshalled in a masterly and lucid way. But for fear of causing him to blush, I should compare his speech to one of Mr. Asquith's, of which Lord Curzon said that the phrases were like tramping soldiers marching past, with the sun glinting on their bayonets. On analyzing that speech, I find the following outstanding features: (1) the usefulness and necessity of the Senate were amply demonstrated by the Fathers of Confederation, and especially by Sir John A. Macdonald; (2) there is a pressing need for a strengthening of the relations between the two Chambers, so as to secure for the Senate its proportionate share of legislative work in time for proper consideration; and (3) the records clearly show in dollars and cents the valuable protective services that the Senate has rendered to the exchequer of Canada since 1867. These are but brief references to what might be called the headlines of the admirable presentation by my honourable friend.

Hon. Mr. RILEY.

My honourable friend who leads this side of the House (Hon. Mr. Dandurand) reminded honourable members the other day of his long services to Canada within this Chamber. Perhaps I shall be permitted to say that I too am an old parliamentarian, for I have sat continuously in this Chamber or the other almost forty years. I was a member of Parliament when the late Lord Aberdeen called upon Sir Wilfrid Laurier to become his chief adviser. I have the same affection—shall I say the same fanaticism?—for parliamentary institutions that I had in my boyhood days, when my honourable friend (Hon. Mr. Murphy) and I used to listen to debates on important public questions. On one side of the House of Commons there were then Sir John A. Macdonald, Sir Leonard Tilley, Sir Charles Tupper, Sir Hector Langevin, Sir Adolphe Chapleau, Mr. Thomas White, Mr. Pope, Sir Adolphe Caron; and on the other side Alexander Mackenzie, Edward Blake, Sir Richard Cartwright, David Mills, Sir Wilfrid Laurier, Sir Louis H. Davies, Sir George Ross, and many others.

The other day, after reading a statement dealing with the usefulness of Parliament, I came to the conclusion that British parliamentary institutions, although human and at times failing to do the best that could have been done, have on the whole been a wonderful asset for mankind. Many people, dismayed by the breaking up of parties on the morrow of the World War, proclaimed the uselessness of Parliament and the barrenness of its struggles. An English writer, who has retained few illusions of men and institutions after his experience on the battle-swept fields of Europe, answers them in these words, which I commend to my honourable colleagues:

With all its failings of the front bench and the party system, with its sham indignations and sham fights, Parliament is still the national forum in which all grievances come up for hearing, all opinions find expression, all conflicts find a way of compromise. Without these ventilating Chambers, these sounding-boards of word and idea, we should lose our only safeguard against underground conspiracy, or open tyranny. Political passion would find its vent in other ways, by direct action and explosive rebellion. Intolerance would have no safety valve. Looking around the world to-day and seeing the decay of parliamentary system, and its perilous results, we should, I think, find some consolation in our allegiance to the "Talking Shop" at Westminster.

Now, these words apply as well to Canada as to Great Britain. I look upon the British parliamentary system as the greatest asset in the world to-day, and as Canadians and British subjects we should cling to it. When after the French Revolution a man of genius

turned Europe into an armed camp and proceeded from the Rhine to the Neva to enslave every nation, when kings and emperors were bending before his legions, one institution remained adamant and refused to yield. That institution was the Parliament of Britain. It saved Europe's civilization and the liberties of the world.

The present situation after a war of unparalleled magnitude and unforeseen consequences should set us Canadians pondering whither we are drifting. Russia, Italy, Germany are in the hands of dictators. Even the United States of America has practically abdicated all legislative power in favour of its distinguished President, Mr. Roosevelt. It cannot be denied that there is a law of attraction in the affairs of this world. If we are to remain Canadians, imbued with British parliamentary traditions, let us not drift lightly into new forms, let us not accept new theories of government. We must not only preserve our institutions, we must consolidate them.

As has been clearly demonstrated by my honourable friend who sits to my right (Hon. Mr. Murphy), there is a weak point in the relations between our House of Commons and our Senate. My right honourable friend the leader of the House (Right Hon. Mr. Meighen) and my honourable leader on the left (Hon. Mr. Dandurand) have shown very clearly that the Senate is not treated fairly in the apportionment of legislative work. Bills are received in this Chamber too late. Why? Can we not be trusted with important measures at the very beginning of the session? Did we not last session, at the instigation and under the leadership of the right honourable gentleman, pave the way for the railway legislation which is now on the Statute Book? Was any time lost, was any useless discussion indulged in? I never before attended any committee so well led as was the Committee on Railways, Telegraphs and Harbours last session, and I never listened to a debate in the Senate which was more admirable than the debate on the railway legislation. We may have differed on several points, but the fact of the matter is that the most important railway legislation ever brought before the Parliament of Canada was passed promptly after it had been thoroughly discussed both before the Committee and in the House. Party spirit is never injected into our debates. Therefore I submit we should obtain a fair proportion of the legislative work. I may be told that all bills come before this House. Yes, they are rushed to this House. I am asking the right honourable gentleman—I am sure he feels his responsibility, and we are

glad that he has the responsibility, because he has unquestionably the ability to discharge it—

Hon. Mr. CASGRAIN: Hear, hear.

Hon. Mr. LEMIEUX: —I would ask the right honourable gentleman that from the very beginning of the session the Senate should receive a fair share of the legislative work of the session. He can impose his will on the Government. Men of his brain power are scarce in the House of Commons and in the Senate—they are scarce in Canada, and, I repeat, he can impose his will. I think I speak the mind of all honourable members when I say that much depends on the right honourable gentleman obtaining from the Government a fair share in the division of the legislative work of the session between the two Houses.

Before the public loses its confidence in the Senate we should have what for many years we enjoyed, the presence of two, at least, or three ministers of the Crown on the floor of this House. And their colleagues in the other House should have the right to appear in this Chamber, as is the case in France. Last fall, while in Paris, I saw ministers leaving the Palais Bourbon and going to the Luxembourg to explain Government measures to the assembly of which they were not members. This is common sense. And our parliamentary system is based on common sense. Why should we hesitate in this matter? The rules of the Senate might be amended to permit ministers of the Crown to attend here to explain their measures, but, of course, not to vote. It is true that the Senate does not amend money bills, but I submit that the Estimates should be studied more closely by a committee of this House. I was pleased to hear my honourable friend from Moncton (Hon. Mr. Robinson) this afternoon give notice of a motion to that end. We cannot amend a money bill, but why should we not discuss the Estimates? We are interested in the good government of Canada and in the wise expenditure of her revenues, and therefore the Senate ought to be given the privilege to scrutinize the Estimates to see if certain reductions might not be advisable. I am pleased to find in a report from the Finance Department that this year there has been a very drastic reduction of expenditure. By scrutinizing the Estimates we might be able to recommend further reductions.

Now, as regards the composition of the Senate, would it not be well to select part of our representation from among the provincial legislatures, the boards of trade and the uni-

versities? I go further. I am expressing only my personal opinion, and I do not know whether it may be shared by others, but I am inclined to think that the great churches of this Dominion should have representatives in this House. As a Catholic I should be pleased to see here the Lord Bishop of the Anglican Church of Ottawa, and I am quite sure my right honourable friend would not object to the Lord Archbishop of the Catholic Church—

An Hon. SENATOR: And the Moderator of the Presbyterian Church.

Hon. Mr. McMEANS: Do not leave out the Baptists while you are at it.

Right Hon. Mr. GRAHAM: That is one of your difficulties.

Hon. Mr. LEMIEUX: —and the head of the Methodist Church—

Right Hon. Mr. GRAHAM: No, the United Church.

Hon. Mr. LEMIEUX: It is not so "united" as that; but I will not pursue the subject, for the reverend gentleman might not be willing to attend. I remember that some years ago, on the death of King Edward, the late Lord Grey, then Governor General, was very desirous of having a memorial service in front of the Parliament Buildings. He wanted the Anglican Bishop to read the prayers. Sir Wilfrid Laurier, with his long experience in the government of Canada, said: "Beware, Your Excellency! The other churches will claim the same privilege." "But," said Lord Grey, "His late Majesty was head of the Anglican Church, and therefore the Anglican Bishop should read the prayers." Sir Wilfrid replied, "I make no objection at all, but I would suggest that before reaching a decision you inquire, and ponder and pause." Lord Grey said, "All right, I will see you to-morrow." Meanwhile he consulted some of the Roman Catholic bishops, the Moderator of the Presbyterian Church, the General Superintendent of the Methodist Church—there was no United Church then—and the Anglican Bishop. When he met Sir Wilfrid he said: "I think you are right. They all want to have precedence one over the other. I think, Sir Wilfrid, the best thing to do is to follow your judgment. We will have five minutes of silence before the Tower." And so the ceremony took place: at the end of five minutes of reverent silence the band played the Dead March in Saul.

Hon. Mr. LEMIEUX.

As honourable members are aware, bishops sit in the House of Lords. The honourable senator from Russell quoted these words of Sir John Macdonald from the Confederation Debates of 1865:

The legislature of British North America will be composed of King, Lords and Commons. The Legislative Council will stand in the same relation to the Lower House as the House of Lords to the House of Commons in England, having the same power of initiating all matters of legislation, except the granting of money.

I have listened to the debates in the House of Lords on several occasions. There the Lords spiritual and the Lords temporal sit side by side. I do not see why in our quiet, judicial atmosphere in which questions of national import are discussed we should not hear the voice of some of those who represent the great churches of Canada. I am speaking only for myself; I do not claim to speak for my honourable friend the leader of the left. I may say that at the beginning of the British regime the Bishop of Quebec, Monseigneur Plessis, was a member of the Legislative Council. He was a very wise and prudent man and undoubtedly one of the greatest bishops in the history of Canada. True, there was some little trouble. My honourable friend from Grandville (Hon. Mr. Chapais), who is so well versed in Canadian history, might tell us what brought about the bishop's resignation. I should be pleased to see some of the dignitaries of our great churches in their red, their violet and their black robes sitting in this Chamber. It seems to me that their opinion on many questions coming before us for consideration would be of great service to the country.

With all my heart I support the motion of my honourable friend from Russell (Hon. Mr. Murphy). I am pleased to see him in the best of health, and I hope he will long continue to be an active member of this Chamber.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. LEMIEUX: I cannot forget that it has taken me fifty years again to become his desk-mate. I was his desk-mate at the University of Ottawa half a century ago, and the other day as I greeted him I said, "Fifty years after!" We must correct this weakness which certainly exists in the relations between the Senate and the House of Commons. We must get our proportionate share of legislative work, and it must reach us in due time, so that we may give it ample consideration. We must prove to the country that we have a duty to discharge, and that that duty cannot be properly discharged if legislation is passed

over to us in the last few hours before prorogation. I read with great relish the report of the committee presided over by Sir Alexander Campbell, who, I can assure you, was a cool-headed man and in his day perhaps one of the best jurists of the Dominion. In that report he made this veiled threat:

In the absence of any other remedy, it might become necessary to secure this,—

That is, work intelligently distributed during the session.

—even by the extreme measure of declining to consider bills, with certain exceptions, brought up from the Commons within a fixed period of the end of a session.

It happens that during the time I was Speaker of the other House I came here on several occasions and saw around the table the late Hon. Mr. Béique—a close student of the legislation of this Parliament—the late Sir James Loughheed, my friend the leader of the left (Hon. Mr. Dandurand), and my right honourable friend from Eganville (Right Hon. Mr. Graham). Whilst the other members of the House were conversing, they were discussing a complex piece of legislation with a view to amending it. The Senate amendments to that legislation later went to the House of Commons and were approved.

I think perhaps I have trespassed long enough on the time of the House. I thank honourable members for their attention, and I support with pleasure the proposal so ably presented by my old schoolmate at Ottawa University.

Hon. Mr. McMEANS: I move the adjournment of the debate.

Hon. Mr. CASGRAIN: Before the debate is adjourned I should like to remind the honourable member from Russell (Hon. Mr. Murphy) that he has forgotten many of the occasions on which the Senate has effected savings.

Hon. Mr. McMEANS: Is the honourable gentleman going to speak now?

Hon. Mr. CASGRAIN: I am going to say only a few words.

Hon. Mr. McMEANS: I have moved the adjournment of the debate.

Hon. Mr. CASGRAIN: Let me say what I have to say. It will not take a minute. Many honourable senators will recall the Skeena Railway project. At the time of the Klondyke gold rush there was a Bill to authorize the building of a railway of about one hundred and eighty miles in length. The Senate killed the Bill and thereby saved some \$9,000,000 or more of good Canadian money.

Hon. Mr. DANDURAND: We were offering no money; we were giving frozen lands.

Hon. Mr. CASGRAIN: In any event the Senate prevented the building of that railway, which otherwise, like many others, would be on our hands now and costing us a great deal of money.

On another occasion a Bill providing for the building of twenty-nine branch lines was sent up to this House, and although there was a Liberal majority in power, with a Liberal majority in the Senate, the Bill was killed in this House. The following year, when twenty-nine branch line bills were presented, only some of them were allowed to pass. I suppose that even some of those that passed should not have gone through.

The Senate has not been properly treated. The right honourable gentleman (Right Hon. Mr. Meighen) knows how many hours and how many days of travail we suffered last year in the bringing forth of the Bill relating to shipping in inland waters. That Bill, which was sent to the other House, where it passed, was to come into force by proclamation. But it has never yet been proclaimed, the result being that Canadian bottoms have had to compete with those of other nations, a situation for which I think the Government is to blame.

Now, just one more word and I am through.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. CASGRAIN: There is another feature that has not been mentioned. Where in Canada can you find a body of men who know more about this country than do honourable members of the Senate? Within twenty-four hours any member of this House can secure information about any part of Canada from Cape Breton to British Columbia. A promoter may come along and claim that there is oil or gold or something else in a certain district, but anyone who cares to go to the senator from the district in question can secure the very best and most disinterested information in regard to it. That, to my mind, is one of the most valuable characteristics of the Senate. I am sure that any honourable member could learn anything he wanted to know about the province of Quebec, right back to the time of Champlain, from the honourable senator from Grandville (Hon. Mr. Chapais), or about the city of Winnipeg from the honourable member from that city (Hon. Mr. McMeans). I defy contradiction when I say that from no other body in Canada can information of this kind be secured.

On motion of Hon. Mr. McMeans, the debate was adjourned.

The Senate adjourned until to-morrow at 3 p.m.

THE SENATE

Wednesday, March 14, 1934.

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

Prayers and routine proceedings.

FRENCH TRANSLATION OF DEBATES

INQUIRY

Before the Orders of the Day:

Hon. RODOLPHE LEMIEUX: Honourable members, I should like to ask the right honourable leader of the Government whether it is the intention to appoint a translator of Senate Hansard. Since the beginning of the session I have not seen one French translator of our debates. I learn from the question put by my honourable friend from Mille Isles (Hon. Mr. Prévost) that Mr. Potvin has been transferred to the Civil Service Commission. Is there a translator to take his place and give us a French translation of the debates?

Right Hon. Mr. MEIGHEN: I understand that the French translating was done for some years by Mr. Potvin, and done very well, although there were some arrears at the time of his appointment to the Civil Service Commission. Thereafter the translating was done by Mr. DeMontigny, and, as I am advised, admirably done. On his assumption of other duties temporary provision was made for the translation, but the expedient adopted is not one that can be permanent. I rather apprehend that the situation will be taken care of permanently, either at once or on the passing of a Bill relating to translation which is now before the other House. In any event, I can assure the House that adequate provision will be made for translation.

Hon. Mr. LEMIEUX: That is satisfactory.

HOSPITAL SWEEPSTAKES BILL

QUESTION OF PRIVILEGE

Hon. Mr. PARENT: I rise to a question of privilege. I happened to read last night in the Journal an article which to my mind reflects upon members of the Senate. It appears, with headlines, as follows:

Sweepstakes Bill strongly opposed by United Church.

Considered and emphatic protest against the Sweepstakes Bill, recently passed by the Senate of Canada, was registered unanimously at the opening session this morning, in Chalmers United Church, of the Presbytery of Ottawa of the United Church of Canada, under the chairmanship of Rev. J. Hurst, of Manotick.

Hon. Mr. CASGRAIN.

A resolution submitted by Major the Rev. Dr. T. J. Thompson, of Glebe Church, and seconded by Rev. Dr. John W. Woodside, of Chalmers Church, was adopted, without discussion, as follows:

"The Presbytery of Ottawa of the United Church of Canada desires to register a considered and emphatic protest against the Sweepstakes Bill recently passed by the Senate of Canada, and soon to be submitted in the House of Commons.

"We deem it regrettable that a body of legislators not immediately responsible to the electorate should have discredited the Canadian people by projecting a measure at once unethical, economically unsound, and morally disintegrating.

"We are confident that the responsible representatives of the Canadian electorate in the House of Commons will reject this measure."

I should think that the best way to handle these people would be to have this article inserted in Hansard, for future generations to take cognizance of it.

Right Hon. Mr. GRAHAM: It will be inserted now.

Hon. Mr. PARENT: At the moment I have nothing to add but this: "Pardonnez-leur, Seigneur, car ils ne savent ce qu'ils font."

Right Hon. Mr. GRAHAM: This Bill has not yet passed the Senate.

Hon. Mr. CASGRAIN: Which shows they are wrong.

Right Hon. Mr. GRAHAM: The newspapers have made a mistake, or have been badly informed. The statement has been published all over the land that we have passed this Bill, whereas it has been given only two readings and is only partially dealt with in Committee of the Whole. The promoter of this Bill might even withdraw it in committee.

GOVERNMENT SALARIES AND WAR PENSIONS

RETURN

Hon. Mr. SINCLAIR: Honourable senators, I wish to draw the attention of the right honourable leader of the Government to a return brought down yesterday in response to an order moved in my name last session. I really asked a question, but the right honourable gentleman suggested that it be made an order for a return, and I had no objection. I want to find out the total amount paid by the Government in salaries to the Civil Service, including all boards and commissions, and in pensions for war service, for the year ending March 31, 1933. The return which the right honourable gentleman laid on the table yesterday gives a mass of information, but

without any detail, and I should like to ask him if he would see that the question is answered in the form in which it was asked.

Right Hon. Mr. MEIGHEN: I shall have the matter looked into, and if the answer is incomplete it will be made complete.

THE WORK OF THE SENATE

INQUIRY—DISCUSSION CONTINUED

The Senate resumed from yesterday consideration of the question proposed by Hon. Mr. Murphy:

To call the attention of the Government to the work of the Senate and to efforts made by the Senate to secure the initiation in this House of Government measures, and to inquire if it is the intention of the Government to introduce in the Senate at an early date any of the legislation indicated in the Speech from the Throne.

Hon. L. McMEANS: Honourable senators, when I moved the adjournment of the debate I had no intention of trying to add anything to the learned arguments that had been presented. I wanted chiefly to congratulate the honourable gentleman from Russell (Hon. Mr. Murphy) upon his very interesting and instructive address. May I respectfully suggest to him that, as he has given us so good a treatise, he should proceed further and write a book on the work of the Senate. I do not know anyone who is better qualified, or who feels more strongly than he the need for such a book. There are, to my knowledge, two works dealing with the Senate. One was written in 1914 by the Hon. Sir George Ross, who deals principally with the constitutional aspects of this body. And in 1926 there was published "The Unreformed Senate of Canada," by Professor Robert A. Mackay, a book with which I presume all honourable members are familiar. I do not like the title of it. Professor Mackay has assembled a great deal of information, but much of it is misleading, and I must say that I disagree with many of his conclusions.

With due respect to the honourable senator from Russell (Hon. Mr. Murphy), may I say that he overlooked many actions of the Senate whereby money has been saved to the people of Canada. If he inquired a little further into the matter he would find that the total savings effected by this House have been very much in excess of the amount he mentioned. The honourable gentleman from West Central Saskatchewan (Hon. Mr. Aseltine) reminded us of the matter of the Crownest Pass rates, and the honourable senator from De Lanaudière (Hon. Mr. Casgrain) pointed out the Yukon Railway Bill. There were many other instances of the same kind.

I remember the omnibus railway Bill that was sent over from the House of Commons, calling for an expenditure of some \$40,000,000. The Senate refused to pass that measure because it was of the opinion that the different roads mentioned therein should have been dealt with separately. I am sure that the honourable gentleman could discover many other matters upon which the Senate has taken action that has subsequently proved wise and reflected credit upon this House.

Another instance that comes to mind is the Niagara Power Bill, which I remember very well. After a big lawsuit the city of Toronto was asking for the passage of certain retroactive legislation, and about \$30,000,000 of Niagara Power Company bonds were in danger of becoming worthless. The United States was keenly interested in the affair and the Assistant Attorney-General of that country came over here and presented certain arguments for the consideration of the Senate. In the end we made a compromise and amended the Bill. As a result the city of Toronto was displeased and sent a protest to many cities and other municipalities throughout the Dominion, asking them to join in a demand for the abolition of this body.

I will not take up the time of the Senate by making further references to such matters. In the book to which I have already referred, Professor Mackay contends that the Senate no longer protects the rights of the different provinces. In my opinion he is wrong. I concur in the absolutely contrary opinion expressed by Sir George Ross, that the protection of such rights is the chief function of this honourable body. Professor Mackay says the mere fact that every province is given representation in the Cabinet is a sufficient guarantee that the interests of the provinces will not be neglected by the Government of the day. I do not think any honourable senator will agree with him. I cannot see why the Senate was constituted if not for the very purpose of protecting provincial rights. Books of this kind are widely read, and unless its erroneous statements are contradicted they are likely to be taken as the absolute truth. For this reason I would urge the honourable member from Russell (Hon. Mr. Murphy) to exercise his literary ability and put into book form his profound knowledge of our parliamentary institutions.

I cannot agree with some of the observations made yesterday by the honourable gentleman from Rougemont (Hon. Mr. Lemieux). He suggested that our great churches, our universities, and other bodies

be given representation in the Senate of Canada. Perhaps after I have read what the learned professor from Cornell University thinks about the matter my honourable friend may become a convert to his views.

Hon. Mr. MURPHY: He is a graduate of Dalhousie University.

Hon. Mr. McMEANS: He is described on the title page of his book to be Assistant Professor of Government at Cornell University. I think he was a graduate of Toronto University. Cornell granted him a six months' holiday so that he might write a book on the Senate of Canada. Instead, he has written this book on "The Unreformed Senate of Canada." I do not agree with all the learned gentleman's opinions. His work reminds me of the literary efforts of another gentleman—"Four Days in China," in six volumes.

Hon. Mr. LÉMIEUX: A Chinese puzzle.

Hon. Mr. McMEANS: This quotation from "The Unreformed Senate of Canada" is for the benefit of my honourable friend from Rougemont:

The necessity for an Upper House, composed for the most part of experienced legislators, becomes the more apparent when we consider the fluctuating membership of the House of Commons. For example, out of a total of 235, the election of 1921 brought in 113 new members who had no experience even in a provincial legislature, 54 members who had served one term in Parliament, and only 48 members who had served longer. While this 'turn-over' was inordinately large because of the rise of the Progressive Party, at every election many members of the House of Commons fall out. Such changes may be necessary to meet changes in public opinion, but they make for poor legislation. The extent to which the Senate conserves experience is borne out by the table given above which classifies members according to experience in public life.

I direct my honourable friend's attention particularly to this passage:

Moreover, it is a fair question whether an Upper House ought to be an assembly of notables. It is a common assumption, but a questionable one, that eminent professors, scientists and authors ought to gravitate towards an Upper Chamber equally with successful business men and politicians. Yet does a knowledge of the intricacies of the atom or the ability to write learned books constitute a passport to a political assembly? Italy's Senate is founded on that principle, but appears to have no more political influence, and has certainly less real power, than has the Senate of Canada. Probably no other Upper Chamber in the world has in its membership so many expert administrators and legislators, or so many eminent financiers, journalists, scientists, and men of letters as has the British House of Lords, yet the House of Lords is a weak body. The assumption that an Upper Chamber should be composed of

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notables resembles closely the common fallacy of democracy that every man is a potential governor. Were the Senate an assembly of university presidents, railway builders, merchant princes, financiers and labour leaders, the position of senator might entail more honour, but it is extremely doubtful whether the House itself would have more power or political influence than it has to-day. What is required in the membership of an Upper Chamber, when the Lower makes and unmakes governments and controls the purse and public policy, is not so much eminence as qualities which make for good legislation, familiarity with the nation's problems in general and in detail, and a sufficient degree of independence to face the waves of popular prejudice which frequently affect the Lower House. In a word, it is to compensate for the weaknesses of the membership of the Lower House, which are the weaknesses of democracy itself—lack of special training, provincialism, and prejudice.

This should be a sufficient answer to the honourable member's desire to introduce clerics, professors and scientists into the membership of this Chamber in preference to ordinary men who can feel the public pulse.

Hon. Mr. CASGRAIN: He wants bishops and moderators to become senators.

Hon. Mr. McMEANS: I do not know whether they would be at all conversant with public opinion in matters affecting the country at large. I am merely calling the attention of the honourable gentleman to these views. I have the greatest respect for his political wisdom, based upon long experience in public affairs, and I apologize to him if he finds himself unable to agree with the learned author.

Turning to page 136 of this book, I find the professor reached these conclusions:

The Senate is not so much a check on the House of Commons as it is upon the Cabinet, and there can be no doubt that its influence in this respect is salutary.

Then he quotes Sir Clifford Sifton:

In twenty years at Ottawa I have never known a case in which a Government was anxious to take the verdict of the people on a Bill rejected by the Senate.

May I read one further paragraph:

The Senate to some extent has protected Parliament against the encroachments of the Cabinet. This is particularly to be observed in the amending of various government railway bills. . . . And, incidentally, it may not be going too far to say that the Senate has saved the country in actual cash, by such activity, more than the total cost of its upkeep since federation.

The honourable senator from Russell (Hon. Mr. Murphy) has already drawn the attention of the House to this national saving.

I do not deem it necessary to attempt to controvert in detail the learned author's con-

clusion that the Senate has failed to protect the rights of the provinces. It will suffice to call attention to the Lake of the Woods Bill, which was twice passed by the Commons and twice rejected by this House. By this action the Senate upheld the claim of the province of Manitoba to a very valuable hydro-electric power site on the Winnipeg river. The honourable leader on the other side (Hon. Mr. Dandurand) will recall that he was strongly in favour of the Bill. What was the result of its rejection by the Senate? An arrangement was reached satisfactory to both parties. In my opinion this case clearly shows that the Senate has never failed to carry out one of the main purposes for which it was founded—the protection of provincial rights.

Hon. Mr. HUGHES: Also the protection of minorities.

Hon. Mr. McMEANS: Quite so. A matter which I consider of major importance has not yet been touched on in the course of this debate. The Senate has always had the right to introduce public bills, and in this respect it stands in a different position from the other House. What I complain of is the situation in regard to public bills that originate in the Senate; and if any change in the rules is contemplated this should be borne in mind. A Bill originating in the Senate and dealing with a matter of great interest is referred to a committee. That committee, after hearing evidence in regard to it, and giving the subject-matter careful consideration, returns the Bill to the Senate, where it is read the third time and passed. But although the Bill has been passed by a House in which there are one ex-Prime Minister of Canada, fourteen ex-Cabinet Ministers, and two ex-Prime Ministers of provinces—and surely that means something—the senator who has sponsored it here has to hunt up some private member of the House of Commons who will undertake to introduce it in the other Chamber, and the consequence is that any one of the 245 members of that House can talk out the Bill, regardless of the time and labour we have expended upon it.

Take for instance the Bill to establish divorce courts in Ontario. That Bill, which dealt with a controversial subject, was passed by this House four times. How far did it get in the House of Commons? Three times it fell by the wayside, and the fourth time not a single member of either of the great political parties dared to introduce it in the other House. There was one independent member in that House, however, the leader of the C.C.F., who took charge of the Bill. But it was defeated. The following session

he introduced it himself and finally got it through. I could mention several similar instances.

Let me take the case of a Bill which I had the honour of introducing—a Bill to establish appeals in criminal cases. A committee of this House considered it during two sessions. We circularized all the judges of this Dominion, and all the Attorneys-General in the different provinces, and secured evidence as to the working of a similar Act in England. Yet, notwithstanding the fact that we had devoted a great deal of time and work to the Bill, when it reached the other House it was reduced to the status of a private bill.

Hon. Mr. CASGRAIN: Oh, no. If it is a public bill in this House it is a public bill in the other House.

Hon. Mr. McMEANS: I beg leave to differ. I had to take that Bill myself and hunt up a member to introduce it. The present Judge Tweedie, of Calgary, introduced it, but it never got beyond the initial stage. He was a private member.

Hon. Mr. CASGRAIN: It is a public bill.

Hon. Mr. McMEANS: But it has to be introduced by a private member, and if you cannot secure the consent of the Government to it you will get nowhere. The Bill that I refer to passed this House unanimously, but it was impossible to get it through the other House. Finally its provisions became law through what I might call a fluke: the other House sent up here a Bill to amend the Criminal Code, this House inserted in it the provisions that I had sponsored, and when it was sent back the House of Commons accepted those provisions in order to preserve the Bill.

If there is to be a change in the rules, it should cover such cases, because no member will introduce a public bill in this Chamber unless he knows it is going to receive some consideration at the hands of the other House.

I need not take up your time any longer, honourable members. I hope the honourable gentleman from Russell (Hon. Mr. Murphy) will incline his ear to what I have said. I am sure that if he does we shall all be indebted to him, and the result will redound to the credit of the Senate of Canada.

Hon. J. S. McLENNAN: Honourable senators, like other honourable members of this House, since the commencement of this debate by the honourable member from Russell (Hon. Mr. Murphy) I have been reflecting upon

various phases of the question of how we can make the time we spend here of greater value to the country. This has led me to a consideration of a certain form of service which has not yet been mentioned. I speak of the work done by the various select committees of the Senate from year to year. Almost every year these committees have made a valuable contribution to our knowledge, or at all events to the collecting and arranging of information for presentation to the House.

Naturally, I recall first the committees whose meeting I have attended, and of which, in some cases, I have been a member. About 1919 a committee was appointed, under the presidency of the late Senator Fowler, to consider the navigability of the Hudson Bay and Straits. At that time the honourable gentleman opposite who smiles at me (Hon. Mr. Casgrain) submitted views which he still holds, and which he has just recently presented to us with equal force.

Another committee I recall was the one appointed to consider the machinery of government. It studied exhaustively the question of making parliamentary government more effective. I regret to say that the honourable the leader on the other side (Hon. Mr. Dandurand) and myself are the only surviving members of that committee. Only the other day I looked over its report, and I think we will both agree, even after the passage of years, that it did a very creditable piece of work.

A committee on the St. Lawrence Waterways met under the chairmanship of the honourable senator from Pictou (Hon. Mr. Tanner) and gathered together and crystallized in concise form much valuable information.

Some honourable members will recall the committee on the Fuel Supply of Canada; also the efforts made by the late Senator Nicholls of Toronto, who through more than one special committee brought before the House various schemes for promoting the industrial life and the prosperity of Canada at a time when there were many difficult problems to be faced by the Government and by the people of the country.

Then I would call the attention of the honourable senator from Russell (Hon. Mr. Murphy) to the action of the Senate committee on the Hoppe leases. I remember the July heats in which the report of that committee was adopted. Certainly there has been no evidence since of any intention to controvert the position taken by that committee, which by its recommendation saved to this country an extremely valuable deposit of coal, some eighteen thousand square miles

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in extent, and estimated at something like two hundred million tons. At the same time that committee made some very valuable suggestions to the Government in regard to regulations for the control of vast potential sources of wealth of this kind, urging that they should not be handed over to private individuals without an adequate return to the State.

Coming down to later times, we recall that the honourable senator from High River (Hon. Mr. Riley) last session told us of the work done by the Committee on the Commerce and Trade Relations of Canada. He informed us that the evidence it gathered on the cattle export business was sought out and used at the Imperial Conference, greatly to the advantage of the Canadian side of the case, and carried the day in the dealings between representatives of the United Kingdom and those of Canada. Good work has been done also by the Committee on Agriculture, which continues its labours.

I think that nobody who has spoken in this debate realizes more distinctly than I do the advantages of press publicity. Speaking to fewer than four score persons, no matter how effectively, one feels that what one says will carry but a short distance without the publicity that comes through the press. What is said here is sent out in condensed form by press wire to the various newspaper offices of Canada, and only what the men at the desks in those offices regard as news with a capital N is published. It is not a great deal.

What is the reason? The reason is, it seems to me, that nothing follows from these good reports of ours. Those who have been connected with the various committees, and whose views are embodied in their reports, are inclined to believe that the material is excellent, but that about the time when the reports are to be adopted by this House there is injected a virus from which death ensues. That virus, I think, is the lack of sanction behind the committees' recommendations.

I do not know of any way in which we in our present corporeal condition can make recommendations so good, so deep, so effective and so practical that the press, the country, and those who administer its affairs will give them the attention they merit. I fear, that, human nature and our system of administration being what they are, unless we become supermen we shall have to wait a long time for recognition.

But I do not want to conclude my remarks on a discouraging note. There is another phase of public service connected with the workings of this House. I think that we have all been struck with the tremendous amount

of work laid on the shoulders of the leader of the Government, and also with the inadequacy and mediocrity of the information given to him concerning legislation which it is his duty to lay before this House. The older members of the Senate will recall with pleasure the extreme skill of the late Sir James Loughheed in making such inadequate and indifferent information meet the situation—a skill which gave us all the impression that he was thoroughly well informed on every phase of knowledge from the higher intricacies of insurance to the economy of internal combustion engines. Those who did not know Sir James, or did not see him working, will find the same dexterity, the same ingenuity and the same grasp of facts displayed by the right honourable gentleman who is the present leader of the House.

I have a suggestion which perhaps would lead to an improvement in the practice that has so long obtained here. It is that the chairmen of committees, or possibly other selected members, should be assigned the task of familiarizing themselves with the history, character and significance of every bill that comes before us, and of effectively taking charge of it. In that way the leader of the House would be spared a great deal of work—work which is not perhaps among the chief of his duties, but which nevertheless is vastly important and takes up much time. I feel sure that if such assignments were made to lieutenants—if I may use that term—the result would be a notable improvement over the handling of all Government measures exclusively by the leader, however able he may be. I have been told that when Sir George Drummond was Chairman of the Senate Committee on Banking and Commerce, some time in the first decade of this century, he employed a lawyer of ability to do all this preliminary work with respect to every bill which came before that committee.

Hon. Mr. CASGRAIN: At his own expense.

Hon. Mr. McLENNAN: I am glad to have that confirmed by my honourable friend from De Lanaudière. While I am not suggesting that any such course be followed now, it is something that perhaps is well worth consideration by the right honourable gentleman who is responsible for Government legislation in this Chamber.

Hon. SIR ALLEN AYLESWORTH: Honourable senators, I am so keenly interested in this debate that I am unwilling to allow it to come to an end without trying to make some small contribution to it, although I fear I shall not be able to add anything useful

to what has already been said. The question under consideration is one not only of much importance to this legislative body and to the country, but of special interest to each member of this House.

The grievance of which we all complain—the fact that the Senate, well equipped as we think it is for its work, is yet left, session after session, without enough work to do—is as old, perhaps, as the Senate itself; it certainly antedates my personal participation in parliamentary affairs. I came into the House of Commons some thirty years ago and found this question a very live one at that time—exactly the same complaint, exactly the same difficulties to meet in finding any means of remedying the complaint. And at that time there were in the Senate two ministers of the Crown, each with a portfolio: the Secretary of State, Hon. Mr. Scott, and the Minister of Trade and Commerce, Sir Richard Cartwright. Sir Richard, at any rate, was then in full vigour, not exactly at his prime, but certainly with all the energy and strength of his older years. And it was an annual complaint on the part of those two gentlemen to their colleagues in Council that the Senate was having nothing to do, that the House of Commons was being overworked, and that there was no reason under the sun why some of the Government and public bills with which the Commons were grappling should not have been first introduced in and dealt with by the Upper Chamber.

But I think that a moment's consideration will convince us that the practical difficulties in the way of any such working-out of the matter are insuperable. I believe it is not possible to overcome them. Take the case of any minister who has a measure to support, relating to his own department. The measure probably is to a large extent the work of his own brain, or at any rate it has been drafted and considered by the officials of his department, and he is in a better position to give explanations about it and to promote its passage than any other member of Parliament possibly can be. It is not to be thought that he will be willing to hand over the conduct of that measure to someone else. He must, almost as a matter of necessity, present it personally. That being so, where is he going to do it? Suppose he had the privilege, or the right, to go from one Chamber to the other and to present his bill in either. Would any man be willing to go by preference to the Chamber of which he was not a member? Why should he? Suppose it were one of us. Suppose we had a minister, with portfolio, in this House—or even that any one of us were supporting a measure in

which he was vitally interested—would he be willing to go to the House of Commons to present that measure, if he had the legal right to do so? Suppose the Commons were short of work and clamouring for more, and that we were overworked, would any member of this House willingly go to the other House rather than stand up here and introduce his measure? Certainly not. Here he has friends and acquaintances whom he meets every day. In the other place he would be among comparative strangers. And this would be all the more so if the position were reversed, if a member of the Commons came over here to introduce legislation. In his own House, if he is a minister, he can feel assured of a sympathetic and friendly majority in the audience; he would not be a minister if that were not so. But if he came here, especially if it were soon after a general election, he might find himself faced with a hostile assembly. There is every reason, to my mind, why any minister or any private member should prefer, and properly prefer, to present his case before the assembly in which he holds his seat.

In the old days of which I was speaking this very question was a matter of annual grievance. Both the ministers to whom I have alluded, the Secretary of State and the Minister of Trade and Commerce, used to argue in Council that it was outrageous for the Senate to be adjourning because of nothing to do when there were in hand plenty of Government measures which could just as well be presented in the Senate as in the Commons. But the trouble was that they could not get any of their colleagues from the Commons to take the same view. On one occasion when I was in the Department of Justice and had some comparatively unimportant amendments to the criminal law and to other public measures, which it was agreed should be introduced, dear old Mr. Scott came to me personally and in private conversation asked, "Won't you let me take these things into the Senate first?" I had to tell him that I was not willing. And by way of argument I asked him: "Would you do a similar thing yourself, Mr. Scott? Would you let me introduce one of your State Department bills in the House of Commons first?" He replied that he would rather handle his own work.

Now, that is simply human nature; that would be true with any of us. And so, in my judgment, even if we had ministers of the Crown in this body, as we always used to have—and as, I venture to say with great respect, we ought still to have—we should not be any nearer to a solution of this ancient problem. The ministers among us would be

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introducing their own public legislation here, but that is all. I agree, and I think everybody must agree at once, with the remark of the right honourable gentleman who leads the House (Right Hon. Mr. Meighen), that before we can ask or hope for the introduction first in this House of more public measures, we must, as a prerequisite, have some ministers with portfolios as members. And I think we may just as well recognize now that there is no reasonable expectation of any of us seeing that prerequisite fulfilled in the future. The trouble is that a practice in the opposite direction was begun. One Prime Minister, the predecessor of the present one, took the position when forming his Cabinet in 1926 that all his ministers with portfolio were to be and ought to be in the House of Commons. The right honourable gentleman went so far, I am sorry to say, as to declare more than once in the House of Commons that his Cabinet was a committee of that House. I venture to observe that as a matter of constitutional practice or constitutional law it was nothing of the kind; but, that Prime Minister having taken such a position, his successors are likely to follow it. Although we recently had here for a few years our greatly lamented friend the first Minister of Labour in the present Government, we now have no minister with portfolio, and I doubt that we are ever likely to have another. So I think it is impracticable to hope that any greater amount of public legislation will be introduced first into this House.

We can look for additional work only in the direction of private bills. In that regard the practical difficulties in the way may, I think, be more easily overcome. No extensive amendment of the rules of either House would be necessary; indeed, perhaps a complete reversal of the present order of things could be brought about under the present rules. We all know that ever since Confederation all divorce bills have been introduced in the Senate. As a matter of history I do not know how it came about, but I have always understood that the Prime Minister of that day, Sir John A. Macdonald, simply said to his colleagues in the Senate, "Now, you take divorce." The Senate was willing to do the work, the Commons was equally willing that the Senate should do it, and so from that day to this all divorce bills have been introduced and dealt with first in this assembly.

Is there any reason why exactly the same course should not be followed with respect to all private bills? The right honourable leader (Right Hon. Mr. Meighen) suggested that the sponsor of a private bill in the

House of Commons might have the measure given its first reading there, that it should then be independently introduced here, and after being given third reading here its further consideration should be resumed in the Commons. But what is the advantage or necessity of such procedure? Why should not every private bill, as a matter of necessity, be introduced first in the Senate and after third reading be sent to the House of Commons? If this course can be followed without difficulty in the case of divorce bills, it should be equally without practical difficulty with respect to all private bills. The real and only impediment in the way is the unwillingness of the sponsor in the House of Commons to have his bill introduced in another Chamber. That difficulty is of a sort inherent in human nature, but you can overcome it by an arrangement such as was made, I think, in regard to divorce bills.

I do not believe there would be the least practical advantage in setting up a joint committee of the two Houses to consider this question. As the honourable leader on this side (Hon. Mr. Dandurand) explained the other day, there was formerly such a joint committee, but its deliberations came to naught. If we set up a small committee to act jointly with a corresponding committee of the House of Commons, I very much doubt whether there would ever be any practical outcome from their conferences. The truth is that everybody likes to exercise any power that he possesses, and no one will willingly surrender it. This feeling, coupled with the natural preference of a member to address an assembly of his more intimate friends and acquaintances, will always operate strongly against any proposal that the sponsor of a private bill should introduce it elsewhere than in the Chamber of which he is a member.

With regard to the detailed consideration of private bills, everybody knows that the real work is done in committee. Any member of the House of Commons should have the right to attend and to explain to the committee the provisions of any bill in the passing of which he felt a special interest. So far as I can see, in that respect no change would be required in the rules of either House.

As to working out the details by which all private bills must come first to the Senate, I think it can be best arranged in the way suggested, that is, by the personal intervention of the right honourable leader of this House. All we can do is to strengthen his hands in the undertaking to which by his remarks in this debate he has already committed himself. I do not think it would be of advantage to appoint any formal com-

mittee. But are we not able to give to the right honourable leader of the House our unanimous support in his effort to prevail upon his colleagues in the Cabinet, and especially upon the Prime Minister, to arrange, by whatever change in the rules of the House of Commons may be necessary, that in future sessions all private bills shall, as is now the case with divorce bills, be introduced in the Senate?

Just a word or two on a point that I had overlooked. The sponsor of any private bill, either in this House or in the House of Commons, is, in point of fact, most likely to be the choice of the solicitor who has prepared the measure. The solicitor advises his client on the requisite procedure to obtain the desired legislation. Then in all probability he is instructed to proceed, and he selects some member of the House of Commons to sponsor the bill. He might just as well select a member of the Senate if the rules required, as they do in divorce proceedings, that private bills should be first introduced here. I believe that is the only practical solution of the matter which the honourable senator from Russell (Hon. Mr. Murphy) has so ably brought to our attention.

On motion of Hon. Mr. Buchanan, the debate was adjourned.

PRIVATE BILL

FIRST READING

Bill 11, an Act respecting Prudential Trust Company, Limited.—Hon. Mr. Beaubien.

ROYAL CANADIAN MOUNTED POLICE BILL

FIRST READING

Bill 22, an Act to amend the Royal Canadian Mounted Police Act.—Right Hon. Mr. Meighen.

CANADIAN PACIFIC RAILWAY COMPANY BILL

FIRST READING

Bill 23, an Act to ratify and confirm the agreement respecting the joint use by the Canadian Pacific Railway Company of certain tracks and premises of His Majesty at Saint John, N.B.—Right Hon. Mr. Meighen.

CANADIAN NORTHERN ONTARIO RAILWAY COMPANY BILL

FIRST READING

Bill 24, an Act to ratify and confirm an agreement made between The Canadian Northern Ontario Railway Company and The Campbellford, Lake Ontario and Western Railway Company.—Right Hon. Mr. Meighen.

The Senate adjourned until to-morrow at 3 p.m.

THE SENATE

Thursday, March 15, 1934.

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

Prayers and routine proceedings.

FRENCH TRANSLATION OF DEBATES INQUIRY

Hon. Mr. PREVOST inquired of the Government:

1. Is Mr. Potvin, translator of Senate Debates, still in that post?
2. If not, when did he leave, and who has succeeded him?
3. If the position is still vacant, why, and when will a new translator of Senate Debates be appointed?

The Hon. the SPEAKER:

1. No.
2. Mr. Potvin was appointed a member of the Civil Service Commission of Canada on October 11, 1933.
3. The position is vacant pending action on the part of the Senate. Meantime the work of translation is being performed.

PUBLIC ACCOUNTS AND ESTIMATES

APPOINTMENT OF SPECIAL COMMITTEE

Hon. C. W. ROBINSON rose in accordance with the following notice:

That he will move:

That a special committee be appointed to take into consideration and report from time to time upon the public accounts of Canada, the reports of the Auditor General, together with current accounts, and the Estimates for the fiscal year 1934-35, with power to send for persons, papers and records; to employ counsel and clerical and stenographic assistance as required; and that the said committee be composed of the Honourable Senators—

He said: Honourable senators, this motion is largely a result of the very interesting debate initiated by the honourable member from Russell (Hon. Mr. Murphy) on the work of the Senate. Several honourable members have discussed with me the desirability of having a special committee appointed to consider and report upon the public accounts of Canada and the reports of the Auditor General, together with current accounts and the Estimates, with a view to helping the Government in its efforts to cut down expenditures wherever possible.

Finance enters into many of the activities of government. At one time the Senate Standing Committee on Finance examined the public accounts and the Auditor General's report, and summoned before it the Auditor

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General to furnish information on the operation of his office and as to certain payments. This excellent work has not been carried on for some years. Now the Supply Bill is sent over to us in the last hours of the session and we are expected to pass it perfunctorily. We know the powers of the Senate are limited. We have no power to initiate measures which call for public expenditure, but it is well established by authorities on constitutional law that we have power to amend money bills by reducing the amounts therein. I submit that it is not only our right but our duty to examine very carefully every money bill referred to this Chamber, and, if deemed advisable, to amend it for the national good. This motion is made, not in any spirit of criticism, but solely in the hope that by a very careful consideration of the national finances we may help the Government and thus benefit the Dominion.

Of the many questions which to-day are engaging the attention of the thinking people of Canada while, as we hope, we are emerging from the depression which first became apparent in 1929, there is perhaps nothing of greater interest to the public generally than the question of debt and taxation. However optimistic we may be, we cannot ignore the fact that the volume of our national, provincial and municipal debts is increasing at an alarming rate, with the inevitable result that taxation is becoming so burdensome that we scarcely know how we shall be able to meet the demands of the future. Therefore I am confident that a thorough examination of national finance by a strong committee of the Senate would be of great benefit to every citizen of this country.

A study of the question of debt and interest opens up a very wide field. The desirability of reducing the rate of interest is being discussed not only in Canada, but all over the world. The best method of bringing about further economies in public expenditures is also of prime importance. I believe that by studying these matters and scrutinizing the Estimates we might be able, notwithstanding constitutional limitations, to render the Government and the country very valuable assistance.

I have listened with a great deal of interest to the current debate in this Chamber on the work of the Senate. Undoubtedly the Fathers of Confederation were wise when they followed the old English precedent of a bicameral Parliament, and I am convinced that it would be a very grave mistake to abolish the Senate. Indeed, I question the wisdom of some of the provinces—although perhaps this is going beyond the scope of

the motion—in doing away with their legislative councils. Had they been retained, those second chambers would in all probability have proved a salutary check on the tremendous increase of public debt which the provinces are now lamenting.

Much has been said on the question of publicity for our debates. Naturally the activities of the Senate do not commend themselves to the notice of the newspapers of the Dominion as much as does the work of the other Chamber, but possibly the Senate itself is in a measure to blame for this lack of interest in its proceedings. It seems to me that we should not take a fault-finding attitude, but should try to initiate something, to make use of the power we have, and to do work which will commend itself to the newspapers. I can suggest at least one way in which we could get publicity, if we wanted it, and that is to hold an inquiry into the newspaper combine in Canada.

An Hon. SENATOR: Hear, hear.

Hon. Mr. ROBINSON: There is, I suppose, no other combine in this Dominion as efficient and thorough, or such a close corporation, as the newspaper combine.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. ROBINSON: I say this, not by way of criticism, but simply to point out a method by which we could get all the publicity we might desire.

Right Hon. Mr. GRAHAM: The newspapers would charge you ten cents a line for it.

Hon. Mr. LAIRD: Why do you not propose such an inquiry?

Hon. Mr. ROBINSON: Why do I not propose it? I have suggested it, and it is probably the first time such a suggestion has been made in this House. Knowing something about newspaper work, as I do, I think it would be an exceedingly interesting investigation.

I am not going to take up the time of the House further with this proposal. I simply desire, with the best of goodwill, to set it in motion. I should be very sorry indeed to tread on the toes of the Committee on Finance, but as it has not seen fit to be very active, and a number of members of this House would like to see some activity along this line, I am acting as their mouthpiece. The committee which I propose would be a special committee, appointed for this session only, and if for a little while it should encroach on the work the Finance Committee is supposed to do, I should hope to be forgiven.

With these few words, honourable members, I wish to move the motion which has been read, and to suggest that the following senators compose the committee: Honourable Senators Murphy, Buchanan, Foster, Parent, Lacasse, Copp, Donnelly, Griesbach, Black, Tanner, McRae, Dennis, Sharpe, Horner, L'Espérance and the mover.

Right Hon. ARTHUR MEIGHEN: Honourable members, the very brief consideration I have been able to give to the terms of this motion does not lead me to think that any of the powers given to the committee, as detailed in the motion, save possibly the power to employ counsel and other experts and to incur expense, are beyond those possessed by the Finance Committee. I see no reason for objecting to the passage of this motion if it is not taken as implying that expenses may be incurred by the committee and become a charge upon the Administration without the passage of the motion that is usual in such cases. I do not want to say there will be a refusal of any such assistance, within reason, as the committee may desire. On the other hand, I do not want it to be implied, simply because this motion carries, that the Government is assuming extraordinary expense.

Hon. RAOUL DANDURAND: Honourable members, I would remind the Senate that there has been but one attempt to refer a Supply Bill to our Finance Committee since its inception. I was then sitting on the other side of the House. A motion to refer a Supply Bill to that committee was made in the very last days of the session, but I objected on the ground that the Senate could not profitably undertake a study of the Bill at that late stage.

I welcome the suggestion of the honourable gentleman from Moncton (Hon. Mr. Robinson) that during the session there should be an examination of the public accounts, the Estimates and the Auditor General's report, with a view to modifications and reforms of various kinds that might be helpful to the Government in power. The recommendations of such a committee might very well be discussed when it made its report to the Senate. I heartily agree with the motion.

Hon. Mr. MacARTHUR: I am fully in accord with the object of this motion, but, judging from the remarks of the right honourable leader of the House, I should take it that this special committee would have special powers that do not pertain to the Finance Committee, which, although appointed from year to year, has never functioned. I should like to ask the right honourable leader to

explain why this special committee should be empowered to engage counsel and do various other things that the Finance Committee cannot do.

Right Hon. Mr. MEIGHEN: I have made a reservation in that regard. Under the terms of that reservation the committee could engage counsel if its request for counsel should be granted by the Senate. I thought I had reduced the scope of the resolution to that of the commitment made year by year to the Finance Committee.

The motion was agreed to.

PRIVATE BILL

SECOND READING

Hon. Mr. McMEANS, for Hon. Mr. Sharpe, moved the second reading of Bill 10, an Act respecting a certain patent owned by The Firth-Brearley Stainless Steel Syndicate Limited.

Right Hon. Mr. MEIGHEN: Honourable members, I am disposed to think that the Bill had better be read a second time, but I hope that too much significance will not be attached to the second reading, which usually implies adoption of the principle of the measure. I am informed by the Department of the Secretary of State that there is objection to this Bill on the ground that the patent now sought to be restored has already fallen into the public domain. I am not aware how it came about that the Bill was passed by the other House, unless that House wished to demonstrate the traditional function of the Senate as a Chamber of sober second thought. The intimation to me from the Department is that the Bill should be rejected; but the Private Bills Committee is the proper place for determining whether the patent has fallen into the public domain, and, if it has, whether under the precedents it should be restored. I therefore support the motion for second reading, and if this is passed I shall move that the Bill be referred to the Standing Committee on Miscellaneous Private Bills.

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

ROYAL CANADIAN MOUNTED POLICE BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 22, an Act to amend the Royal Canadian Mounted Police Act.

Right Hon. Mr. GRAHAM: What is the Bill about? I have only a vague idea.

Hon. Mr. MacARTHUR.

Right Hon. Mr. MEIGHEN: I should like to have the Bill referred to Committee of the Whole, but not to-day. My object in wishing to have the Committee stage deferred is that I may be prepared to answer intelligently the question just asked by the right honourable gentleman opposite.

Right Hon. Mr. GRAHAM: That is a reasonable reason.

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

CANADIAN PACIFIC RAILWAY COMPANY BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 23, an Act to ratify and confirm the agreement respecting the joint use by the Canadian Pacific Railway Company of certain tracks and premises of His Majesty at Saint John, N.B.

Hon. Mr. DANDURAND: Will the right honourable gentleman explain?

Right Hon. Mr. MEIGHEN: The Canadian Pacific Railway and the Canadian National Railways use jointly certain premises in Saint John, New Brunswick, for terminal and other purposes. The Canadian National Railways' interest, unlike the great body of the assets of that system, is not a proprietary interest, since the title is in the Crown, in the right of the Dominion of Canada, the property having formerly belonged to the Intercolonial Railway.

An agreement was entered into on the first day of January, 1927, for the joint use of premises for a period of twenty years, and it was provided that, if ratified by Parliament within that period, the agreement should continue in force for ninety-nine years. The railway company has not power to enter into engagements of this kind for longer than twenty-one years, without parliamentary sanction. If ratification is given now, the agreement will be validated for ninety-nine years.

Hon. Mr. CASGRAIN: An emphyteutic lease.

Right Hon. Mr. MEIGHEN: The purpose of this measure is to give that ratification.

I may say that there is a companion measure, which has to do with the joint use of certain tracks and premises at Belleville. The period of time provided in that agreement has virtually expired; so action must be taken. It was thought expedient that as the Belleville agreement was coming up for validation, we should deal at the same time with

the Saint John agreement, although only about seven years out of the twenty definitely provided for therein have expired.

Hon. Mr. CASGRAIN: But in Belleville the land does not belong to the Federal Government. It is not the same thing at all.

Right Hon. Mr. MEIGHEN: It belongs to The Campbellford, Lake Ontario and Western Railway Company, but it had not the power to make an agreement for longer than twenty years.

Right Hon. Mr. GRAHAM: Honourable members, I do not know much about this Saint John agreement, but I presume the matter has been investigated by the officials of both railways and in addition by the Trustees of the National Railways.

Right Hon. Mr. MEIGHEN: Oh, yes.

Right Hon. Mr. GRAHAM: And I suppose the same is true of the Belleville agreement. One of the parties named in that agreement would perhaps not be found listed as a going concern to-day, but ratification of the agreement is essential to the successful operation of other interested lines. I suppose the Bill will go to the Railway Committee?

Right Hon. Mr. MEIGHEN: Yes. The Campbellford, Lake Ontario and Western Railway is, I understand, a part of the Canadian Pacific Railway.

Right Hon. Mr. GRAHAM: It is another name for the Canadian Pacific line from its original main line.

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

CANADIAN NORTHERN ONTARIO RAILWAY COMPANY BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 24, an Act to ratify and confirm an agreement made between The Canadian Northern Ontario Railway Company and The Campbellford, Lake Ontario and Western Railway Company.

He said: Honourable members, this is the Bill to ratify the Belleville agreement, to which I referred when dealing with the preceding measure. In this case the full period of time for which the railways had power to make the agreement has expired; so unless Parliament acts the agreement will no longer be in force.

Hon. Mr. CASGRAIN: Is it to be validated for ninety-nine years?

Right Hon. Mr. MEIGHEN: A great difference between this case and the preceding one is that the extension here is for 999 years, such being the period for which it was provided that Parliament might validate the agreement, if it desired so to do at any time within twenty-one years after the agreement was made. I understand the Minister of Justice has expressed the view that we cannot do otherwise than ratify or fail to ratify the agreement, and that if ratified it must be for 999 years—which is merely another way of saying for a permanent term.

Hon. Mr. CASGRAIN: That is the limit for the emphyteutic lease.

Right Hon. Mr. MEIGHEN: My honourable friend will be the only one of us alive then.

Right Hon. Mr. GRAHAM: The Campbellford, Lake Ontario and Western Railway may be unknown to many honourable members, but it is really the Campbellford line of the Canadian Pacific Railway. When the Canadian Pacific wished to get a second road through from the east to Toronto it did not double-track, but built a line across from its main line, reaching the frontier at Belleville. The agreement referred to in this Bill is really between the Canadian National Railways and the Canadian Pacific Railway.

Hon. Mr. CALDER: Why is the name of this Campbellford railway used here? Was there a company in existence before the Canadian Pacific Railway took over the line?

Right Hon. Mr. GRAHAM: No; I think the Canadian Pacific built this line under the name designated here. But I am speaking only from memory as to that.

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

The Senate adjourned until Tuesday, March 20, at 3 p.m.

THE SENATE

Tuesday, March 20, 1934.

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. COPP, for Hon. Mr. McMeans, Chairman of the Committee on Divorce, presented the following Bills, which were severally read the first time:

Bill G, an Act for the relief of Gertrude Ethel Mosgrove Roast.

Bill H, an Act for the relief of Clara Dingman Freeman.

Bill I, an Act for the relief of Marguerite Pearl Hopper.

Bill J, an Act for the relief of Sadye Harris Rosenberg.

Bill K, an Act for the relief of Eva Brabant Paradis.

Bill L, an Act for the relief of Williamina Muir Briggs.

CANADA'S IMPORTS, EXPORTS AND EMIGRATION

INQUIRY AND RETURN

Hon. Mr. CASGRAIN inquired of the Government:

1. What was the value in money of the imports to Canada yearly from 1867 to 1933, both inclusive?

2. What was the value in money of the exports from Canada during the same period?

3. What was the exodus in number, yearly, from Canada to the United States in the same period?

Right Hon. Mr. MEIGHEN: Honourable members, this inquiry involves the bringing down of a great mass of statistics. I have here the material in answer to the inquiry, but would ask that the inquiry be made an order for a return, with a view to avoiding the expense of printing.

Hon. Mr. CASGRAIN: Is that the return?

Right Hon. Mr. MEIGHEN: Yes.

ST. LAWRENCE ROUTE—RAILWAY FREIGHT RATES ON GRAIN

ORDER FOR RETURN

Hon. Mr. GILLIS moved:

That an Order of the Senate be issued for a Return showing:—

1. The total indebtedness of the ports of Montreal and Quebec, respectively, under management of the Harbour Commissioners.

(a) The amount spent by such authorities, respectively, on improvements, upkeep, maintenance, overhead and borrowing charges during the last ten years.

(b) If any of these capital charges have been liquidated—how much, by whom and when?

(c) If interest charges have not been paid in full, how much has been unpaid in respect to each port and if the Dominion Government paid any portion of such interest charges, how much did the Government pay in respect to each port?

2. The number of grain elevators between the head of the Lakes, to and including the City of Quebec, owned respectively by the Dominion Government, Harbour Commissioners or subsidized by the Dominion Government.

(a) The name and description of each such elevator and the cost, expense of annual maintenance, upkeep and overhead.

Hon. Mr. COPP.

3. The total expenditure from all sources for dredging reclaiming works on the St. Lawrence River between the eastern end of the Lachine Canal, Montreal, and the Gulf of St. Lawrence.

(a) The amount supposed to be expended for the year 1934 by all Government Departments for dredging on the St. Lawrence River from Lake Ontario to the Gulf of the St. Lawrence.

(b) The number and value of dredges with auxiliaries owned or operated under Dominion Government control.

(c) The annual cost of maintenance, upkeep, operation and repair of such dredges during each of the last ten years.

4. The number and value of ice-breaking vessels operated by the Dominion Government between the head of the Lakes and Sydney, N.S.

(a) The approximate cost of operating, maintenance, upkeep and repair of such vessels during each of the last ten years.

5. The number of vessels, including ice-breakers, operated between Lake Ontario to and including the Lower St. Lawrence between October and December 31, 1933, for the purpose of keeping the ports of the St. Lawrence River open for navigation, looking after aids to navigation and other services.

(a) The total cost for the above period.

(b) Whether the Dominion Government paid the whole of such cost. If not, how much of it did the Government pay?

(c) Whether shipping contributed to the cost of such service and, if so, how much?

6. The number of shipping accidents on the St. Lawrence River during the fiscal year 1933-34.

(a) The number of such accidents which were major casualties.

(b) The number of ocean and coasting vessels ready to proceed to sea that failed by reason of weather conditions to depart from the St. Lawrence River.

(c) The number of such vessels still in Canada.

7. The approximate value of lighthouses, lightships and other aids to navigation including radio aids and buoy boats, but not including dredges and ice-breakers on the St. Lawrence.

(a) The cost of operating, maintaining and upkeep generally of the above during the last ten years.

8. The rate of railway freight charges per bushel on wheat from Saskatoon to Churchill in 1933.

9. The rate of railway freight charges per bushel on wheat from Saskatoon to Montreal in 1933.

10. The rate of railway freight charges per bushel on wheat from Saskatoon to Fort William in 1933.

11. The rate of railway freight charges per bushel on wheat from Fort William to Montreal in 1933.

12. The water rate charges on wheat per bushel via St. Lawrence Waterways to Montreal from Fort William between 1923 and 1934.

The motion was agreed to.

CANADIAN SEALING AND FISHERY INTERESTS IN PACIFIC WATERS

MOTION—DISCUSSION CONTINUED

The Senate resumed from Tuesday, March 13, consideration of the question proposed by Hon. Mr. Taylor:

To call attention to the administration of Canadian sealing and fishery interests in Pacific waters; and to move that a special committee of the Senate be appointed to inquire into the results of existing treaties in this connection; with power to call for persons and papers and to take evidence under oath.

Hon. A. D. McRAE: Honourable senators, I congratulate the honourable gentleman from New Westminster (Hon. Mr. Taylor) upon the very able and interesting speech which he made on this motion last week. He showed an interest in and sympathy for the fishermen in his district, such as one would expect of one long resident on the banks of that mighty river, the Fraser, which will go down in history as the greatest fish-producing river in the world, though it is to-day but a puny relic of its glorious past. There is no incident in history comparable with the decline of the Fraser river fisheries, no other such glaring example of the destruction of a natural resource which should have continued in perpetuity for the benefit of the nation. I shall support this statement later with some figures taken from annual reports.

I have never been interested in fishing on the Fraser myself, that river having passed its zenith before I went to British Columbia. Nevertheless I was for a considerable number of years actively concerned in the other fishing districts of British Columbia and vied with my neighbours and competitors in the struggle, which, if it had any limit at all, ended only after the last fish in the sea had been caught. My remarks to-day are therefore based on my experience in the fishing business.

I would not have honourable members think that I am approaching this subject in a critical mood. Quite the contrary is the case. I appreciate the good work done by the Department of Fisheries; but that department, like others, cannot be expected to break new ground, to venture on new experiments, or anything that might result in serious failure. In my opinion, it is the duty of the Government to undertake such matters, and this House would be rendering a most useful service in that regard should it see fit to deal favourably with this motion.

In his address on this subject the honourable senator from New Westminster (Hon. Mr. Taylor) discussed three points—the seal fisheries, the halibut fisheries, and the sockeye salmon. I intend to refer briefly to these points.

I think that you honourable gentlemen, as Canadians, appreciate the importance of the great halibut fishing industry on our coast. Last year there were produced from the seas of the world 89,000,000 pounds of halibut. Of that total 36,000,000 pounds came from the halibut banks of Europe, 1,000,000 pounds from the halibut banks of Japan, 6,000,000 from the halibut banks of the Atlantic, and 46,000,000 pounds from the halibut banks of the Pacific immediately off the coast of British Columbia and Alaska. This, honourable senators, will give you some idea of the magnitude of the industry on our coast.

It might not be out of place for me to remark upon an unusual characteristic of the halibut. It would appear that Nature had reversed itself, for the average female halibut at maturity, which is about twelve years, weighs from 200 to 500 pounds, while the male does not exceed 30 pounds in weight, most males weighing only 15 pounds. On the most northern halibut banks on our coast the average weight of the male is about 8 pounds. Halibut being very slow to mature, the process requiring, as I have said, twelve years, it did not take long to discover that intensive fishing for these fish could not continue for any long period, even in the Hecate Straits, between Graham Island and the coast of British Columbia, where we find probably the finest halibut banks in the world. This territory might well have been regarded as within the sphere of influence of this Dominion only, but it has not been so regarded, it having been opened up not only to our own fishermen, but to the fishing of the American fleet as well. The result has been the depletion of the halibut.

It was, I think, in 1923 that the first Halibut Treaty was inaugurated. That was succeeded by the treaty of 1930, which had five years to run, and which may thereafter be cancelled on two years' notice. To the best of my knowledge, and so far as I have been able to ascertain, the present Halibut Treaty is working out satisfactorily to both the big and the little interests. The production has been well maintained, the total for last year being 46,000,000 pounds as compared with an annual average of 50,000,000 pounds over ten years. There is but one thing to regret with respect to the halibut fisheries, namely, that only 18 per cent of the catch in the North Pacific is caught by Canadian boats, 82 per cent being caught by American bottoms. That is due in great measure to the Americans having larger equipment, which can be taken farther out to sea. However, this larger American catch is not without its good feature for us, because the great bulk of the fish now goes over the Canadian National Railways by fast ex-

press to New England. I happen to know that last Sunday night seven cars came through on the Canadian National fast express from Prince Rupert, booked for Boston. It is profitable traffic, and the movement of fish through Prince Rupert is very helpful. I know of nothing in the present treaty which calls for criticism, except possibly the fact that although we catch only 18 per cent of the fish we pay 50 per cent of the general expenses. However, I imagine the expenses are so trifling that they are not worth considering.

With respect to the Sealing Treaty, which was dealt with so fully by the honourable senator from New Westminster (Hon. Mr. Taylor), I find that when the original treaty came into effect, in 1911, there were 215,000 seals in the herd. The report for 1933 puts the total of seals at 1,318,000, a tremendous increase in twenty-two years. Honourable senators may be interested to know that these seals travel all the way from Hawaii up to Alaska, to the breeding grounds on Pribilof Islands; and on their return trip they follow the currents and go down on the Japan side to the Hawaiian Islands again. On the way north they pass within reachable distance of our coast, and in the past our Indians, our fishermen and many of our sealers followed the herd, and killed the seals en route, with the result that before this treaty was made the herd had been nearly exterminated.

The average annual sum which this country has received from the treaty during the past twenty years has been \$50,000, making a total of a little over \$1,000,000 to date. The big receipts occurred around the twenties. Since then the receipts have not been so satisfactory, the net for 1932 amounting only to \$2,538. As a result our Government has discontinued turning the skins over to the American agents in St. Louis and is now shipping them to London. I may say that the treaty provides for the turning over of the skins to representatives of the Canadian Government on the hunting grounds, and just why we have not taken possession of the skins in the past is not clear to me. An analysis of the expenses at St. Louis shows that there was little if any diminution in the cost of treatment during the last three or four years, although the price of skins was steadily going down; consequently there was not much money left over for us.

I do not know how great a change there has been in fur values this year as compared with those of last year, but it may be interesting to honourable members to know that, according to reports, we have already sold about one-third of last year's pack, on a

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basis which indicates that we may soon again be making a profit of \$50,000 as our share of the annual kill. Last year we got approximately 8,100 skins, that number being our 15 per cent of the total. I should like honourable senators to have in their minds a fair picture of the practical effects of the treaty, because I intend to make later a suggestion upon which our 1934 sales to date will have a bearing.

There has been much discussion as to the effect of the increasing herd of seals on our Pacific Coast fish, particularly the salmon. The Department of Fisheries is of the opinion that the increasing herd has no serious effect. It is claimed that the seals live largely on squid and fish of that kind. Of course, if the seal has not the taste for good fish, it is just possible that he would not bother with our salmon. But after reading the report of the Biological Society I should say that salmon constitute 25 per cent of the food of seals. I do not think we can doubt that 1,300,000 seals swimming up our coast must consume large quantities of fish destined for our rivers. It is said that in the sixties and seventies the herd was very much larger, about 4,700,000 seals, and that there was plenty of fish then. But at that time there was no commercial fishing, and it may be that Nature provided the seal in order to keep the salmon down to numbers that the rivers could support. Perhaps it will never be determined to what extent the seals do interfere with our fish, but one thing is certain, that our northern fisheries are shrinking, for causes unknown to the authorities. It would be difficult to exaggerate the quantity of fish that such a vast herd of seals might consume. But for the fact that they are killed off by the authorities; the sea lions (similar to, but more destructive than our seals) on our coast would, I believe, exterminate all our fish in the course of ten years. We destroy about 1,500 sea lions a year, and in that way keep the numbers down.

Hon. Mr. CASGRAIN: Is the pelt of the sea lion valuable?

Hon. Mr. McRAE: No. The sea lions are shot on the rocks and fall into the sea, and there is no way of saving them. The pelts would not be of any use, and the carcass is not large enough to trouble with for reducing purposes, as it is too hard to handle.

Now I come to the third point to which the honourable senator from New Westminster (Hon. Mr. Taylor) referred at considerable length, our sockeye salmon fishery. In 1930 Parliament approved a treaty with the United

States covering the sockeye salmon of the Fraser river. That treaty has not yet received approval at Washington. By it the United States recognized for the first time, in part at least, the right of this country in the sockeye salmon of the Fraser river. It provided for an equal distribution of the fish between the two countries.

A situation the opposite to that of the seals exists with respect to the sockeye salmon of the Fraser river. The seal herd, which breeds entirely in United States territory, passes our shores on the way to the breeding grounds. Under the Sealing Treaty between Canada and the United States we agreed that our nationals should not hunt seals upon the high seas, but this prohibition was not to apply to the Indians of British Columbia. With this exception we agreed to give the seal herd absolute protection in its passage along our coast. In fulfilment of our part of the treaty, essential to the existence of the herd, we have forced our fishermen to discontinue seal hunting, and we rigidly prosecute any infraction of the regulation; we prosecute even an Indian who shoots seals, he being allowed under the treaty to kill them only with a spear.

The sockeye salmon breed and propagate in the Fraser river, entirely within Canadian territory. During the first year they remain in the river, then proceed to sea for three years. These foolish fish, on their return from the sea, circle around Puget Sound, where two-thirds of them are caught in American traps. The other third get through to Canadian waters, where a few more are caught, and the remainder go up the Fraser river to spawn and propagate their kind.

Who pays for the upkeep of the Fraser river sockeye salmon fishery? On reference to the records I find that in the last twenty years the Dominion Government has appropriated \$11,260,000 for fish protection and development in my province, and it has collected by way of revenue from dues and licences some \$2,900,000—but nothing from the United States—the net outlay being approximately \$8,200,000. It would be fair to say that about half of this money has been spent on the Fraser river and its watershed. In other words, during the last twenty years we have spent more than \$4,000,000 over and above what we received in revenue. The Americans have not paid a single cent. For whose benefit has the expenditure been made? The records show that the Americans, with their modern equipment, have caught two-thirds of the fish, and only one-third has been caught by Canadian fishermen.

May I digress a moment to describe briefly the different methods of fishing? The Americans are using the most modern equipment in the world, that is, the seine and the trap. In certain respects we have the same equipment, but to a large extent we debar its use for sockeye salmon fishing. I have looked over the fishing equipment in the Eastern and Southern States and have seen nothing approaching the modern methods of fishing in vogue on our western coast. The seines used to be half a mile long; to-day the Americans use seines a mile long. This is a very effective and economical method of fishing, but still more economical is the trap. By the use of traps the Americans catch most of the sockeye salmon before they get into our brackish water. In contrast with this modern equipment we use gill nets—about the same equipment as was used on the Sea of Galilee two thousand years ago. This is not an economical method of fishing.

Right here and now I express my entire accord with the honourable member from New Westminster that we must not disturb our fishermen at this time—we must allow them to continue to gain their livelihood for the present. But I submit, honourable members, we are ages behind the times in our fishing industry. Twelve thousand men are engaged in British Columbia fishing to-day. These men at best make a very precarious living. Two thousand men could do the work with modern fishing methods. When economic conditions approach normal and the other 10,000 men can be absorbed into other branches of labour we should modernize our fishing regulations to permit the use of modern equipment. You cannot hold back progress in fishing any more than you can in any other branch of industry. Once the industry is put on a modern basis it will become self-sustaining. I may be asked why it has not already been put on that basis. I reply, because for the last twenty years it has been the football of politicians, quite regardless of the party that has been in power.

As I have pointed out, during the past twenty years we have expended \$8,000,000 for the propagation and protection of the Fraser river fishery. To what end? To provide two-thirds of the fish for the fishermen of the United States. I submit, honourable members, that as a quid pro quo we should ask Washington to approve the Sockeye Salmon Treaty which, as I have said, has already been approved by this Parliament. Under that proposed treaty the United States would get half the sockeye salmon from the Fraser river and pay one-half the expense. Failing this,

we should give notice of our intention to withdraw from the Pelagic Sealing Treaty. I venture to say that the Sealing Treaty is costing us at least as much as, and probably many times more than, the value of the seal-skins we are getting at the present time.

Hon. Mr. HUGHES: Was that treaty negotiated by a joint committee?

Hon. Mr. McRAE: Yes, by a joint committee.

And now I shall give the House a few figures to show the calamity which befell the Fraser river and Canada, in the debacle of the fisheries of that river. I have before me the records for the last twenty-five years of the fish returns from the Fraser river. Formerly in a big year we had a tremendous catch of sockeye salmon. For instance, in 1913 the record was 2,684,596 cases, worth to-day about \$15 a case. Think of it! Forty million dollars' worth of sockeye salmon in one year! Do honourable members wonder that I describe the Fraser river as the greatest fishing river the world has ever known? In the three intervening years, the off years, the catch would be somewhere around 400,000 cases—sometimes higher, sometimes lower, but that would probably be the average, worth, say, \$6,000,000. What was the catch last year? Only 53,000 cases. As a matter of fact, an examination of these statistics indicates that the "big-year" catch has shrunk 90 per cent, and the off-year catch from two-thirds to 33 per cent, and the Americans' catch two-thirds of these. There are great fishing opportunities in the Fraser river under proper regulations. The Columbia river fishery has been brought back. By taking proper measures we can restore the sockeye fishery of the Fraser river. That is an opportunity.

Before concluding my remarks I desire to refer to the Biological Board. Its appropriation roughly is about \$250,000 a year, and about half of that sum is expended on the Pacific coast. My observations lead me to believe that the Board might better direct its efforts to accomplish more practical work than it is doing at the present time. I have in mind what has been done at Jasper Park, where, in 1927, lakes Medicine and Maligne were stocked with speckled trout. At that time there were no fish at all in those lakes; for the last two or three years they have provided some of the best speckled trout fishing in the country, and fishermen get the maximum legal catch of twenty-five fish, averaging three and a half pounds each. This development has been brought about in six years. It is a striking demonstration of what can be done by propagation. Similar work

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could be carried on in all the provinces. By this means not only would there be plenty of sporting fish, but there would be food fish for the local residents. I am satisfied that we have never made anything like a real attempt in this direction, and it is a matter which the proposed committee might well develop.

The fishing industry is very important to Canada. Last year the catch represented a value of \$26,000,000. In the heyday of prices, in 1929 and 1930, the total value ran from \$50,000,000 to \$55,000,000. I am confident that the industry is capable of much greater development in the future.

Honourable senators from the Maritimes are, of course, interested in this motion, and they have suggested that the scope of the motion should be enlarged to include all Canada. In compliance with this wish and with the concurrence of the mover, I beg leave to offer the following amendment:

That all the words after the word "that" be left out and the following substituted therefor:

"A special committee of the Senate be appointed to inquire into and to make a comprehensive study of all phases of the conditions relating to the sealing trade and the Canadian fishing industry, and that the committee have power to send for persons, papers and records, and employ clerical and stenographic services as required, and to report from time to time."

Hon. Mr. KING: I move the adjournment of the debate.

Right Hon. Mr. MEIGHEN: I had hoped that the debate might proceed further to-day, but I am in the hands of the House. I know honourable members are not prepared for a vote on the question, and I am not suggesting we should pursue the debate to that objective, but I thought possibly we could make some further progress.

Hon. Mr. DANDURAND: The practice is to move adjournment of the debate if no other members are ready at the moment to speak on the question. Therefore if no other honourable senators are disposed to continue the debate, the motion of the honourable member from Kootenay East (Hon. Mr. King) is in order.

Right Hon. Mr. MEIGHEN: To be entirely consistent, I shall try to say something on the motion.

The motion is welcome, in that it affords the House an opportunity of turning its mind to the subject of fisheries, a subject which it would appear from the debate has not been under review in this Chamber. Possibly it is a question which has not had at the hands of Parliament the attention it merits. The

honourable senator from New Westminster (Hon. Mr. Taylor) delivered a most fascinating address. I congratulate him that he has caused me to become interested in Canadian fisheries for the first time in a really serious way, for, having been most of my life in the interior, and never having had much time for fishing as a recreation, I had not given any serious thought to the question.

I am not going to take a position to-day in regard to either the amendment or the motion, save to make one comment. I know the House will not be desirous of launching inquiries which make it necessary to bring witnesses long distances, and consequently involve considerable expense, unless it is felt not only that the question to be considered is important—and in this all will agree—but that there is a reasonable prospect of attaining results commensurate to the outlay. This being so, it is well that the purpose of every inquiry should be as definite as possible, and it should be a prerequisite, I think, that a *prima facie* case is made against the administration of a branch as at present conducted. I do not think that merely because we are interested in a question we should seek to inquire; we should be convinced that a substantial reform is possible, and should have some definite idea as to how that is going to be accomplished.

I am not prepared to make any comment on those portions of the speeches of the honourable senators who have preceded me which refer to the sockeye salmon fishery. I should like to hear more about that subject, especially from honourable senators who come from British Columbia and are therefore very close to the seat of operation of the industry. The honourable senator from Vancouver (Hon. Mr. McRae) has given the House the benefit of his personal experience during a number of years in the industry and of a practical knowledge which he has gained of its conditions, and which the rest of us do not possess. Nor do I think there is any particular reason for comment upon that part of his remarks in which he dealt with the halibut fisheries. Apparently opinion is reasonably unanimous that our present treaty arrangements in this regard are working out fairly satisfactorily. The main contention seems to be that we have a substantial grievance in relation to the sockeye salmon—that is, the salmon of the Pacific—and that while perhaps we have not such a grievance with regard to the sealing industry, we should endeavour to secure an abrogation of the Pelagic Sealing Treaty in order that we may come to some terms with the United States in respect of sockeye salmon. This, at all events, is

the contention put forward by the honourable senator from Vancouver (Hon. Mr. McRae). I am not quite certain that the honourable senator from New Westminster (Hon. Mr. Taylor) went so far as to express dissatisfaction with the Pelagic Sealing Treaty itself.

It is well that we should review some of the history of the subject brought to our attention by the honourable senator from New Westminster. It is a most engaging story. In the sphere of negotiation we have been fairly successful with our neighbours to the south. As far as the salmon fishery is concerned we have come to the stage of negotiating a treaty, but that treaty has never become effective, because, after standing for a long time awaiting consideration by the Senate of the United States, it ultimately met reverse.

Now, what is the situation between this country and the United States with respect to the seal? As the honourable senator from Vancouver has related, in the early spring these animals, which have been inhabiting the waters off the shores of the Western United States—and it is the waters alone they inhabit—set off for the Pribilof Islands, in Bering Sea, which are part of the American territory of Alaska, and make their habitation there. They reach these islands some time in the month of May, and it is because of their landing there, and therefore becoming visible, that we are able to judge of their numbers from year to year. Throughout the summer they remain in these islands, which are their breeding ground, and it is there that under present conditions the seal hunting takes place. The hunters, as I understand it, devote themselves entirely to the males, because male seals in large numbers, like the males of our domestic sheep, are somewhat superfluous, one male to about thirty females being quite sufficient. The diminution of the males, therefore, in no way interferes with the propagation of the herd.

Towards the fall of the year, when the young seals are old enough to take to the sea, the herd starts south, foraging, no doubt, among the fish of our waters as well as those of the open sea. When they reach a point about opposite the southern shore of California, where they make virtually no stay, they turn north again, and, travelling during the course of the winter months, they land once more at the breeding grounds in the month of May.

The history of sealing was at first one of hunting upon the breeding grounds alone; but the opportunity to catch the seals in the water soon became apparent, and our fishermen, as well as those of the United States, began to engage in pelagic sealing—the hunt-

ing of the seal at sea. This had deleterious results, inasmuch as no discrimination was made between the male and the female. Indeed, the practical result was to handicap the females in the race for life, because they were more easily caught, being slower to return than the males, which were always many days ahead. The consequence of large numbers of the victims being females was a diminution of the herd. What applies to the American herd applies similarly to the Japanese herd, whose objective is Robben Island, in Japanese territory—formerly it was Russian—and also to the Russian herd, whose breeding grounds are in the Commander Islands in the Bering Sea. While these herds are closely related biologically, they are three distinct herds, the first coming under the jurisdiction of Russia, the second under that of Japan, and the third under that of the United States, by reason of their breeding grounds being in the territories of those countries. Canada's interest, therefore, was in pelagic sealing alone, a most destructive method of catching the seal, and one which in the general interest should be curtailed and indeed abandoned. As a result of the pelagic sealing the seals, which formerly numbered 4,700,000, were reduced to only 133,000 in the year 1910, when our share, as I understand it, was 2,600. It became evident, therefore, that unless something were done the herd would disappear entirely and the industry would be no more.

The Paris Award, in connection with which Sir Hibbert Tupper took a prominent part, was reached in 1894. Under this award, which largely gave effect to a *modus vivendi* in operation since 1890, the seals in the territory within a radius of sixty miles of the breeding grounds were protected, and the months of May, June and July were established as a closed season. These regulations, however, did not apply to Japan and Russia; consequently Japanese and Russians invaded the territory which the Canadians and the Americans, felt to be their own, and had made forbidden ground. This invasion resulted in the destruction of many seals and almost in the elimination of the industry itself.

In 1911, after prolonged negotiations, a treaty was finally consummated, a very distinguished member of this House, the honourable member from North York (Hon. Sir Allen Aylesworth) taking an eminent part. That treaty, known as the quadripartite treaty, the parties being Great Britain, the United States, Russia and Japan, is the one under which we operate to-day, and under which the results referred to by the honourable senator from New Westminster (Hon.

Mr. Taylor) and the honourable senator from Vancouver (Hon. Mr. McRae) were attained. It went into effect for a period of fifteen years, and was to remain in operation until abrogated upon one year's notice by any one of the parties. It contained the reservation, however, that upon notice of abrogation being given there should be a convention of the participating nations for the purpose of substituting another treaty in its stead. As no such notice has been given, the treaty is still in effect.

Under this treaty pelagic sealing is no more; it is forbidden to catch seals in the water; and since the year 1911 the sealers of Russia have had to confine their efforts to the Commander Islands, the sealers of Japan to Robben Island, and those of the United States to the Pribilof Islands. These nations have also been able to restrict the efforts of their hunters to the males, and, no doubt, to limit the numbers caught, with a consequent multiplication of the animals to the extent already referred to. Whereas there were only 133,000 in 1910, there were 1,219,000 in 1932, and, according to the figures of the honourable senator from Vancouver, in 1933 there were 1,300,000 odd seals. The increase is now about 100,000 per year or a little more, which is equal to the catch in the heyday of the sealing industry, when there were 700,000 seals inhabiting the waters of the Pacific.

Hon. Mr. CASGRAIN: How do they make the census?

Right Hon. Mr. MEIGHEN: The seals are all to be found on these islands, and within a comparatively limited area. I presume the nations concerned insist upon a census each year, and the treaty provides that such a census shall be kept. The results from the standpoint of the herd have been so excellent that it has now reached proportions not far removed from those of pristine times.

But, it is said, Canada does not derive very much benefit. I am not so sure that Canada is entitled to a great deal. Canada gets fifteen per cent of the pelts taken on the Pribilof Islands, fifteen per cent of those taken on the Russian islands, and ten per cent of those taken on the Japanese islands. My information is that Russia stopped counting in 1925, and that since then we have not been able to get any information as to what is happening with respect to that country. I mention this for the information of those who are really desirous of our establishing more intimate relations with Russia. Russia simply stepped out of the picture some eight years ago.

Hon. Mr. HUGHES: And we have had none since then?

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Right Hon. Mr. MEIGHEN: We have had none since then. We do get, I think, about 170 pelts per year from Japan, and the number that we received in the depleted years of the industry from the United States has now increased, so that our fifteen per cent of the American catch represented 8,183, I think, in 1933. Therefore it was certainly far better for Canada that the treaty conditions should be put into effect than that there should be a gradual elimination of the whole herd, as would have happened had there been no treaty at all. It is true that for many years we received very little from the pelts taken.

The honourable senator from Vancouver (Hon. Mr. McRae) states, and quite rightly, that although we are entitled to take our fifteen per cent on these islands we actually have not done so. I am advised that the expense of maintaining facilities and an organization on the islands is the reason. These facilities would have to be there long before the appearance of the seals, and would have to remain for some time afterwards. Although it is not specifically designated in the treaty, a plan was arrived at by mutual arrangement, under which the Americans took the seals to a company in St. Louis, where they were dressed and tanned and placed upon the market, Canada getting fifteen per cent of the proceeds.

I might have mentioned that after the treaty took effect in 1911 Russia, Japan, Great Britain and the United States, by mutual arrangement, refrained entirely from hunting the seals for a period of five years, and that it was not until the expiration of that time that the actual terms of the treaty were implemented by action. It was during that period that the Americans conceived the idea of substituting an American market for the old market in London, and established a company in St. Louis. For a time, during the high prices of the war period, St. Louis was the greatest fur market in the world. The Canadian Government, however, has been co-operating with the market authorities of London with a view to restoring to some degree the importance of that centre. As a consequence our seals were sold there in 1933, and at very satisfactory prices, and it is hoped that henceforth, so far as Canada's share is concerned, we shall get better results through London than we have been obtaining through St. Louis.

Such is the history of the sealing industry on the Pacific. It is not a tragic history. It is a history of beneficent arrangements made between friendly countries for their mutual advantage; and did it stand alone it would not seem to me to be open to very serious

attack. The contention, though, of the senators who have spoken, which has been strongly urged by the honourable gentleman who has just sat down (Hon. Mr. McRae), is that the principle applied by the Pelagic Sealing Treaty of 1911, namely, that the primacy of right to control the whole industry belongs to the country which owns the breeding grounds, has unfortunately not been applied in the case of salmon. If it had been so applied, Canada, because of its ownership of the salmon breeding grounds, would be first in line for the harvest, instead of the United States, which appears to reap two-thirds of that harvest at the present time.

All I need say now is that if when the debate is over it seems that there is a sufficient object to be served by a committee, I shall offer no objection on the part of the Government to the appointment of one. I certainly trust that even if we do not get to that ultimate result, the debate will have had the effect of engaging the attention and the interest of all honourable members of this House in one of the first industries of our country.

On motion of Hon. Mr. King, the debate was adjourned.

THE WORK OF THE SENATE

INQUIRY—DISCUSSION CONTINUED

The Senate resumed from March 14 consideration of the question proposed by Hon. Mr. Murphy:

To call the attention of the Government to the work of the Senate and to the efforts made by the Senate to secure the initiation in this House of Government measures, and to inquire if it is the intention of the Government to introduce in the Senate at an early date any of the legislation indicated in the Speech from the Throne.

Hon. W. A. BUCHANAN: Honourable senators, when the honourable gentleman from Russell (Hon. Mr. Murphy) introduced this discussion nearly three weeks ago, he gave notice that he would call the attention of the Government to the work of the Senate. In the meantime we have been hearing considerable about this subject, and I am convinced that the attention not only of the Government but of the whole country has been called to the work of the Senate. The newspapers have been severely criticized for the insufficient publicity they give to this Chamber and its committees, but on looking through newspapers in the last ten days or so I have found that this discussion has been fairly well reported and has been the subject of editorial comments, some of which have been surpris-

ing to me, because they came from sources which I had always looked upon as being critical of this body. The arguments and facts presented by the honourable senator from Russell seem to have convinced the writers of those articles that the Senate has real merit, and that it has made a considerable contribution towards safeguarding the treasury of this country ever since Confederation.

I think this debate has been useful if for no other reason than that it has enlightened the country. I am going to confess that it has also enlightened myself, one of the comparatively new members of this House, and it has strengthened my feeling that the Senate is an institution which renders valuable services to this country. I will touch briefly on one or two points along that line of thought.

This discussion was introduced by a speech with a twofold purpose: to call attention to what the Senate had done in the past, and to inquire as to what might be done with a view to making it in the future a more useful branch of our parliamentary system. Under the first heading, with regard to what has been done, the honourable senator from Russell made clear that by reason of the Senate's action on money bills which had been sent over from the other House, some \$100,000,000 had been saved to the national treasury. I want to stress one money-saving action which was not included in the list presented by the honourable senator from Russell, but which has already been mentioned by the honourable gentlemen from West Central Saskatchewan (Hon. Mr. Aseltine) and Winnipeg (Hon. Mr. McMeans). I refer to the contribution to the pockets of the farmers in Western Canada as a result of what was done here with the Crowsnest Pass agreement in respect to rates on flour and wheat.

If there is any part of Canada where the Senate is strongly criticized, it is the West; and if there is any element in the West which is particularly strong in that criticism, it is the element known as organized farmers. I do not think they have realized the fact that the present Crowsnest Pass rates might not have been in existence had it not been for the protection afforded by this House back in 1919, and I think this discussion will reveal to them the great benefits they received from what was done here then. My present object is to emphasize the importance of that matter, though I am not going into any details at the moment. There is no question that a large sum—it could easily be \$25,000,000, as estimated—was indirectly transferred to the pockets of the farmers of Western Canada because of the safeguarding in that agreement

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of the preferential rates on wheat and flour. So the Senate has protected not only the treasury of Canada, but also the producers of the West.

Much of the criticism against the Senate has been made by people who are not familiar with the history of this Chamber and the way in which it has dealt with a large number of important measures that have come before it for consideration. Many critics probably formed their unfavourable opinions when some measures towards which they were sympathetic were defeated here. It is not generally appreciated that the Senate can and often does take a position hostile to what are commonly called the vested interests of Canada. If there is one insinuation more frequently made than any other, it is that this body is largely composed of men who are in sympathy with the vested interests, the large corporations. It is charged that senators are, as a whole, reactionaries. If that charge had been true when the Crowsnest Pass agreement came up for consideration, the provision for preferential rates on wheat and flour would have been wiped out, which is undoubtedly what the railroads would have liked to happen. But the Senate stepped in and took a position contrary to the views of the railroad corporations, and saved these rates. I am participating in this debate largely because of my desire to emphasize the value of the assistance then given to Western Canada producers through the protection of those rates and the maintenance of an agreement that had come into existence back in the year 1897.

And I submit to honourable members that the savings effected by the Senate cannot be fully measured by the cost of various projects as estimated in the bills rejected here. There has been a reference to the proposal made during the period of the Klondike excitement to build a railroad from White Pass to Dawson City. I am not quite familiar with the suggested route, but at any rate a bill was sent over from the other House providing for the construction of a railroad to serve the Klondike goldfields, and that measure was thrown out by the Senate. I was surprised to note, in the speech of the honourable senator from Winnipeg (Hon. Mr. McMeans), that the late Sir Clifford Sifton was quoted as saying he had not known a case in which a Government was desirous of going to the people on a bill rejected by the Senate. My recollection is that this particular Yukon railroad measure was sponsored by the Hon. Clifford Sifton, at that time Minister of the Interior, and that it was popularly supported

by those who had great faith in the development and future possibilities of the Yukon.

It would almost seem that the Senate has the gift to vision the future and see what is going to happen. The spending of a large sum of money was avoided at the time that bill was defeated here, but who can estimate what has been the total saving in the intervening years? If that railroad had been built and placed in operation, it would probably be a part of the Canadian National System now and its deficits an added burden on the treasury of Canada, or perhaps its tracks might have been pulled up long ago and we should be taxed for interest on the bonds of a non-existing line.

I come to another matter, which is rather a delicate subject to deal with here. I refer to the question of branch line measures, a subject which I feel should be mentioned if for no other reason than that thereby the people of the West might come to give more favourable consideration to the position the Senate has taken on these measures at various times. I know that up to a few years ago the building of branch lines was very popular in Western Canada. Indeed, when we had some of those railroad bills before us I myself perhaps held strongly to the view that we should keep on building branch lines in order to open up the country and provide facilities for settlers in the West. But what has happened in the last three or four years goes to show further the Senate's ability to legislate for the future. If this House had accepted holus-bolus all the branch line construction bills brought to it in the past, what a great additional burden our people would have had to shoulder to-day!

During the time I have been a member here I have come to feel that the Senate can render a very great service to Canada through the carrying on of inquiries in existing committees, or perhaps in special committees appointed to deal with particular problems. Nearly all the congressional inquiries at Washington are conducted by the Senate, though some of them are carried on in a way that might not be possible here. I do not know of any legislative body in this country that numbers among its members so many experienced legislators as does the Senate of Canada. There are in this Chamber honourable gentlemen who have served in municipal life, in provincial legislatures and cabinets, and in the House of Commons, and even a considerable number who have been members of the Federal Government. These men, with their ripe experience, are well qualified to inquire into matters about which the people are greatly concerned and desire the utmost information. My hon-

ourable friend from Sydney (Hon. Mr. McLennan) rather bemoaned the fact that the work of our Senate committees did not seem to lead anywhere—that their recommendations were not followed by action. In many instances that is possibly true. But I think the important benefit gained from these inquiries is the information which the people receive, and which enables them to form opinions on questions that are before the country.

I am familiar with the work of two committees, ones on which I served and which in my opinion gave good service. One was the Special Committee on the St. Lawrence Waterways, and the other was the Standing Committee on Agriculture and Forestry, which devoted considerable attention to the live stock industry last session. I feel that both committees justified their appointment and that, although no immediate action followed upon the report in either instance, the public received some important information which will sooner or later prove of benefit. The live stock inquiry possibly awakened the interest of packers and others who were being criticized in some of the evidence that was tendered.

If it is the intention to continue to have useful inquiries in the Senate, there are two suggestions I should like to make. I am not proposing anything additional for this session, for I realize that if we are to carry on all the investigations that are now planned we shall have plenty of work to keep us busy. In the debate on the Address in reply to the Speech from the Throne the right honourable leader of the House (Right Hon. Mr. Meighen) made some references to unemployment, and I entirely agree with his remarks. I understood him to say that even if we do have a recovery from the present business depression there will not be employment available for everyone, because the mechanization of industries, including agriculture, has made it impossible to provide work, even in ordinary times, for all who want it. Now, if this be so, would it not be well next session to use one of our existing committees, or to appoint a special one, to inquire into the unemployment situation with a view to finding out whether any policy can be discovered for making less difficult the problem which now seems to be a permanent one?

Another question that I thought might be dealt with by a committee is immigration. It is dangerous to mention that subject at the present time in many sections of Western Canada, on account of the general feeling that there are already more people in the

country than we need, and that we should only aggravate the situation by encouraging settlers to come in from other lands. On the other hand, certain persons feel that our transportation problem can be solved only by bringing more settlers into the country.

An Hon. SENATOR: Hear, hear.

Hon. Mr. BUCHANAN: Might we not have an inquiry with respect to immigration? The inquiry need not involve much expense. By bringing before the proposed committee Government officials and others who have interested themselves particularly in matters of unemployment and immigration, we might secure information that would be useful to Parliament and to the country at large.

The honourable member from Russell (Hon. Mr. Murphy) also addressed himself to the question of what could be done to provide more work for the Senate. He covered this pretty fully, as did also my honourable leader (Hon. Mr. Dandurand) and the right honourable leader of the House (Right Hon. Mr. Meighen). Since they took part in the debate I notice a number of bills have reached us from the other House, of the nature of what I might call departmental, or non-contentious legislation.

The suggestion that ministers sitting in the other Chamber should be invited to attend this House and explain measures in which they are interested appeals to me very strongly, particularly in respect to non-contentious legislation. The country becomes tired of the prolonged debates in the other House on the Address and the Budget and is eager to see the legislative business of the session expedited. The adoption of the suggestion would promote this end. I agree with those who think that it would be most unwise to introduce contentious legislation in this House, but there can be no valid objection to departmental legislation being initiated here. I find that in several countries of Europe it is the practice for ministers to go from one Chamber to the other to deal with legislation in much the same way as has been proposed during this debate.

Undoubtedly the right honourable leader of the House has introduced some very important legislation in this Chamber.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. BUCHANAN: If I have any criticism to direct towards the press—which, of course, would be directed also towards myself—it would be that the proceedings before the standing committees of the Senate are not as fully reported as they should be. For instance, such important measures as the

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Shipping Bill, the Railway Bill and the Insurance Bill now before the Bank and Commerce Committee are of great public importance and should be given adequate space by the press.

Too often there appears in the newspapers the laconic line, "The Senate did not sit to-day." It is in the hope of providing more work for the Senate, and so convincing the public that it is really a constructive branch of Parliament, that I make these suggestions. Those of us who come from Western Canada, and have to remain here during the entire session, probably get somewhat more restless than those of our colleagues who live within easy reach of the Capital. We from the West should like to be busy every day in the week. I do not wish to imply that this Chamber is not doing all that it should do. Under present conditions it is expediting the sessional business far more effectively than the other Chamber. There is no waste of time in the Senate. But I feel that if the rules of both Houses were amended in relation to the introduction of legislation here, we should have more work to do and in this way the session would be shortened.

With respect to the suggestions made for the reform of the Senate, there is a tendency on the part of the public to regard us as a body of very old men who have long passed our period of usefulness. I may have shared that view before I entered this Chamber, and I want to make this confession. Since my appointment I have come to the conclusion that some of the very ablest members of this Senate are men well advanced in years. An outstanding example was the honourable gentleman who formerly sat in front of me, the late Senator Béique. To me it was always most inspiring to watch his keen analysis of the bills under discussion, his unerring judgment in directing attention to any flaws of draftsmanship, and his helpful suggestions by way of amendment. He was nearly ninety years of age at the time of his death. I am not a lawyer, but I believe his was one of the brightest and keenest legal minds in the Senate, indeed in the country at large. I see before me other senior members who I feel are rendering very useful service to their country. Therefore I am not in sympathy with the proposal that senators should retire on reaching a certain age.

Should a change in the constitution of the Senate be a subject for consideration at some future date, I would suggest that something might be done to better balance the representation of political views in our mem-

bership, and so broaden its appeal to the country at large. In making this suggestion I am not concerned with the political fortunes of the party with which I have been identified. No matter which party is in power, there is a tendency for its representation in the Senate to become overbalanced, to the exclusion of representation of other political elements. I would suggest that instead of the admission of clerics to the Senate, the provincial governments be allowed to nominate a certain proportion of the membership, say a third. I make that suggestion for the reason that, so far as I know, there is no representation in this Chamber of extreme radicalism, and because it is sometimes charged that the Senate lacks progressive and advanced opinion. If during the last ten years the Government of Alberta, for instance, had had an opportunity to nominate members, there would be to-day at least two senators from the United Farmer party, and I do not think the Senate would be the worse for their presence. We should have the advantage of hearing their views at first hand, and of drawing attention to any unsoundness in those views. The representation of radical elements in this Chamber would presumably help us in our deliberations and improve our standing in the estimation of the country.

I wish to add my tribute to those already paid to the honourable senator from Russell (Hon. Mr. Murphy). He delivered what to me was a most comprehensive address on the purpose and functions of the Senate. I feel certain that what he has said will enlighten the public and remove any lingering doubts as to the usefulness of this Chamber, its eagerness to do all the work that can be presented to it, and its being ever on guard to protect the treasury and further the interests of the whole Dominion.

Hon. C. C. BALLANTYNE: Honourable senators, I desire to make but a few brief remarks on the eloquent and impressive speech delivered a few days ago by the honourable senator from Russell (Hon. Mr. Murphy). Much good is bound to flow from this debate, but I am afraid so much stress has been laid upon repeated requests that more work be given to this honourable House that the public may conclude this is an inactive branch of Parliament.

The honourable member who has just taken his seat (Hon. Mr. Buchanan) has referred to important legislation introduced in this House during the past two sessions. One of the most important bills ever placed before Parliament, the Railway Bill, based on the report of the Duff Commission, was introduced in this

House. For some six weeks it was very carefully considered by the Standing Committee on Railways, Telegraphs and Harbours and practically redrafted. The right honourable leader of the House (Right Hon. Mr. Meighen) and every other member of the Committee brought to bear their legal skill and practical experience to such good purpose that when the Bill reached the other House little if any change was made in it. Last session the right honourable leader introduced the Shipping Bill, the largest bill I have ever seen. This session we have had two very important insurance bills and the Admiralty Bill under consideration. I stress the fact of the introduction of these bills in this House because of an interview that I had a short time ago with a very important business man in the city of Montreal. He said to me: "Senator, how did it happen that the Railway Bill was introduced first in the Senate? I was always under the impression that all bills had to be introduced in the House of Commons first, and were allowed to percolate to the Senate afterwards." Now, if we have done nothing more than inform the public that legislation can be and is initiated in this House, we have certainly accomplished a great deal.

Like several other senators, I had some years' experience in the other House, and I have reached the conclusion that if we are not as continuously active as they are in another place, it is due to difference of procedure rather than to anything else. By way of illustration allow me to refer to the passage of the Railway Bill in the Commons last session. The Minister of Railways on first reading made a few explanatory remarks; on second reading the principle of the bill was debated for several days; then it was referred to the Standing Committee on Railways, Canals and Telegraph Lines; after being discussed there for some time it was reported to the House for consideration in Committee of the Whole; this consideration extended over several days, and even on the motion for third reading, I think, there was further debate. Compare that slow procedure with what happened in this Chamber. On the first reading the two leaders dealt with the Bill very briefly; on being given second reading it was referred to the Standing Committee on Railways, Telegraphs and Harbours, where it was dealt with effectively and expeditiously.

I do not wish to make any invidious comparisons, but I submit that the committee work of this House is vastly superior to the committee work of the other House. After any of our standing committees has con-

sidered a bill, only a very short time is devoted to it in Committee of the Whole. My point is that this House can do its legislative work in half the time taken by the other House, and do it more effectively. A striking instance of this is to be found in the debate on the Address in reply to the Speech from the Throne. We pass the Address after a three-hour debate; in the other House the debate lasts three weeks and sometimes longer. The reason is obvious: honourable senators are appointed for life; members of the other House are elected by popular vote.

I am not in agreement with the honourable senator from Lethbridge (Hon. Mr. Buchanan) that the provincial governments should be granted the right to nominate senators. I believe this House was constituted for the purpose of safeguarding not only minority and provincial rights, but also the rights of all the people of Canada. The Senate has never failed to discharge that duty in the most creditable and thorough manner, and I for one should not like to see any change made in the manner of appointment to this honourable House. If members were to be elected by popular vote, instead of the small, anaemic Hansard that we read each morning, we should be confronted with a voluminous report of our proceedings; in a word, we should soon find ourselves pretty much on the same basis as the other House.

I agree with the honourable senator from North York (Hon. Sir Allen Aylesworth) that all private bills should be introduced here, and I sincerely hope that whatever Government is in power will take steps to bring this about. I think it would be only fair for us to express our gratification to the present Government for handing over to this House the important legislation to which I have referred.

Before resuming my seat, I may be permitted to say that the Senate and the country are to be congratulated upon the fact that we have here, in the person of our leader (Right Hon. Mr. Meighen), such an experienced parliamentarian, a man with such an analytical mind and so extraordinarily qualified in every way to occupy his important position.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. BALLANTYNE: I see opposite me the honourable senator from De Lorimier (Hon. Mr. Dandurand), the dean of the Senate, a man rich in parliamentary experience, and seated next to him the right honourable senator from Eganville (Right Hon. Mr. Graham), to refer to no others. In view of the ability of our leader on this side, and on the other side the experience that only

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mature years can bring, I do not see that the Senate of Canada has need to apologize to anyone for the work it has done in the past, or is doing now, or will be called upon to do in the future. Let me repeat that I do not want to see any change in the method of appointing members of this Chamber. I am opposed to the summoning of clerics, and I certainly do not want to hear any radical views expressed in this House. We have heard enough of such views in the other House, and we read enough of them in the press to satisfy us all.

I am very glad that the honourable senator from Russell (Hon. Mr. Murphy) has brought this subject before us, and I thank honourable gentlemen for the kind attention with which they have listened to my remarks.

On motion of Hon. Mr. Griesbach, the debate was adjourned.

TECHNICAL EDUCATION BILL

FIRST READING

Bill 32, an Act to amend the Technical Education Act.—Right Hon. Mr. Meighen.

TRANSCONTINENTAL RAILWAY- CANADIAN PACIFIC RAILWAY AGREEMENT BILL

FIRST READING

Bill 25, an Act to ratify and confirm an Agreement respecting the joint use by His Majesty and the Commissioners of the Transcontinental Railway of certain tracks and premises of the Canadian Pacific Railway Company at Quebec.—Right Hon. Mr. Meighen.

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of the Bill.

Right Hon. Mr. GRAHAM: I understand that the Railway Committee will sit before the House adjourns for Easter.

Right Hon. Mr. MEIGHEN: Oh, yes.

Right Hon. Mr. GRAHAM: Probably Thursday morning.

Right Hon. Mr. MEIGHEN: Or to-morrow.

Right Hon. Mr. GRAHAM: So we can consider this Bill together with the other two bills that have to do with terminal arrangements. Under those circumstances I see no objection to the second reading being given now.

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

The Senate adjourned until to-morrow at 3 p.m.

THE SENATE

Wednesday, March 21, 1934.

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

Prayers and routine proceedings.

LEAGUE OF NATIONS

NOTICE OF MOTION FOR CANADA'S WITHDRAWAL

Hon. A. D. McRAE gave notice of the following motion:

That on Tuesday, April 17, he will move:

That this House is of the opinion that Canada should withdraw from membership in the League of Nations and that no further money should be voted to the League.

He said: In explanation of this notice of motion may I say that the failure of the League of Nations to attain the object for which it was founded, namely, world peace, is now generally recognized. The present deplorable preparations for war throughout the world are disturbing to every lover of peace. The responsibility that may rest on Canada, as a member of the League, to take part in future wars, if this country should participate in negotiations immediately preceding the outbreak of another world war, is a matter of concern to every Canadian. In these difficult times, when we must conserve every dollar of our resources, the annual payments to the League—

Hon. Mr. MURDOCK: Honourable members, my understanding is that the rules of the House provide that a speech should not be made on the giving of a notice of motion.

Hon. Mr. McRAE: It is not a speech, but an explanation.

Right Hon. Mr. GRAHAM: Which some speeches are not.

Hon. Mr. MURDOCK: I rise to a point of order, and I should like the point settled, if you please, Mr. Speaker. I do not see any distinction between a speech and an explanation.

Hon. Mr. McRAE: If the honourable gentleman will hear me through, he will, I think, agree that it is only an explanation. I am explaining why I am giving this notice so far in advance of the date when I intend to make the motion.

Hon. Mr. MURDOCK: I still insist that the honourable gentleman is out of order in the explanation he is making.

The Hon. the SPEAKER: Strictly speaking, the point of order is well taken, but my information is that it is the practice for the

Senate to allow short explanatory remarks when a notice of motion is given. Unless it is the unanimous wish of the Senate that the honourable gentleman from Vancouver be permitted to go on with his explanation—if the honourable member from Parkdale (Hon. Mr. Murdock) insists on his point of order, I shall have to maintain it.

Hon. Mr. MURDOCK: I respectfully insist that nothing but the honourable gentleman's notice of motion should be included in the record.

Hon. Mr. CALDER: Honourable members, speaking to the point of order, I should like to have a statement from the honourable leader of the other side of the House (Hon. Mr. Dandurand) as to what has been the practice in this Chamber. Ever since I have been here, an explanation like that being made now has been permitted. The explanation is for the benefit of every member, so that he may know what is going to be moved, and why.

Hon. Mr. McRAE: Honourable senators, I am afraid this discussion is much ado about nothing. I have read all that I intended to read, except a couple of sentences, which, if they are not acceptable, need not be placed on the record. I was saying that in these difficult times, when we must conserve every dollar of our resources, the annual payments to the League, which now total millions of dollars, are of serious moment. For these reasons, I feel my proposed motion merits the careful consideration of this honourable House.

I now come to the final reason why I give notice of this motion so far in advance. I do so in order that honourable members may have ample opportunity to consider this important matter—

Hon. Mr. MURDOCK: Honourable senators, I still insist that the rules of the House in this connection should be observed.

The Hon. the SPEAKER: I declare the point of order well taken.

Hon. Mr. DANDURAND: I have been asked by my honourable friend from Saltcoats (Hon. Mr. Calder) what the practice has been in former years. I do not recall that any lengthy explanation has ever been given on a notice of motion. If anything were said beyond a phrase or two, it might call for an answer, and one could not be given, since no debate is permissible on a notice of motion. So a notice of motion is generally given without any explanation, and the debate takes place when the motion is made.

Hon. Mr. McRAE: Honourable senators, I should like to ask a question of the honourable senator from Parkdale (Hon. Mr. Murdock). Has he any objection to my explaining, some three weeks in advance, why I intend to make my motion?

Hon. Mr. DANDURAND: I did not personally raise any objection.

Hon. Mr. McRAE: No. My question was directed to the honourable gentleman from Parkdale (Hon. Mr. Murdock). I should like honourable senators to know that this advance notice is given so that honourable members may have ample opportunity to consider this important matter, and in the hope that we may have a full debate on it when the House reconvenes after Easter.

Hon. Mr. MURDOCK: Honourable senators, I hope that His Honour the Speaker will instruct that everything that the honourable senator from Vancouver (Hon. Mr. McRae) has said, after he gave his notice of motion, is to be expunged from the record, as having been presented contrary to the rules of the House.

Some Hon. SENATORS: No.

The Hon. the SPEAKER: This places me in a difficult position. On referring to the rules of the House I find that rule No. 21 provides:

When a senator wishes to give notice of an inquiry or motion, he reduces the notice to writing, signs it, reads it from his place during a sitting of the Senate, and hands it in at the Clerk's table.

This rule does not apply to motions with respect to Bills, nor to motions dealing with reports of committees, nor to formal, routine, subsidiary or incidental motions, notice of which, when necessary, may be given by word of mouth, or by any means which places such motions among the Orders or on the notice paper for any day.

I can find no rule definitely stating that a speech is not allowed on the giving of notice of motion, but this is to be inferred from rule 21. However, as I have previously said, I am informed that the practice of the Senate has been to allow an explanation whenever it seems that one would conduce to a better understanding of the purpose of the proposed motion.

Right Hon. Mr. GRAHAM: Permission to speak must be given unanimously, though. Honourable senators, I am out of order—I admit it.

Hon. Mr. CASGRAIN: Well, sit down!

Hon. Mr. DANDURAND.

Right Hon. Mr. GRAHAM: Does not this bring us to the point from which we should never have departed—observance of the rules of the House? We complain a good deal about the short time we are in session. Well, there is a certain routine through which all bills should go, but we suspend the rules as a matter of course. I have come to the conclusion—and what has just happened has brought it more forcibly to my mind—that we could spend our time very profitably if we observed the rules of the House. For instance, when a bill requires a couple of days' notice, let us insist on that notice.

Hon. Mr. CASGRAIN: That is all very well, but the right honourable gentleman should practise what he preaches. He says he himself is out of order.

The Hon. the SPEAKER: I would point out that the Speaker is under a handicap in that he is not supposed to intervene, even if a rule is broken, unless some honourable senator calls his attention to the breach. Thus it comes about that sometimes an honourable senator, although he may be out of order, is allowed to address the House, but a little later another honourable member for a breach of the same rule may be called to order. It seems to me it would be well for the House to reconsider the rule which prevents the Speaker from taking the initiative, except in extreme cases.

Right Hon. Mr. MEIGHEN: Honourable members, I do not think we can adopt the practice of insisting on notice in every case, because to do so would involve inconveniences not paid for by the result. I quite agree that the rules should be followed all the time. Any rule can be suspended by unanimous consent. In this respect we are following the practice of all parliaments. But when there is a valid objection to the violation of a rule, it is only right that the rule should be immediately enforced. However, I do not think enforcement should go to the length of having prior discussion expunged from the record. That discussion, even though it be contrary to the rule, is part of the record, as is the debate upon the point of order. It seems to me the right practice is to require unanimous consent for suspension of any rule. The rules of the House are for the protection of all members, and any individual member has the right to insist on their enforcement at all times. In the present case I think the enforcement can go no further than it has already gone.

CANADIAN NATIONAL RAILWAYS— POOL TRAINS

INQUIRY AND DISCUSSION

Hon. J. P. B. CASGRAIN rose in accordance with the following notice:

That he will call attention to the newly appointed trustees of the Canadian National Railways, and will ask that information be placed on the table of the Senate concerning the pool trains.

Right Hon. Mr. MEIGHEN: I can give the answer if the honourable gentleman is willing to take it.

Hon. Mr. CASGRAIN: Yes.

Right Hon. Mr. MEIGHEN: I am told the practice is to give this information after the speech on the question.

Hon. Mr. CASGRAIN: I am willing to proceed now if the right honourable gentleman so prefers.

Right Hon. Mr. MEIGHEN: I am prepared to give the information now. It seems to me much more appropriate to do so before the speech than afterwards.

I have been given a copy of certain remarks made recently in the other House by the Hon. Minister of Railways (Hon. Mr. Manion) on the subject of pool trains. If the honourable gentleman wishes anything further than these remarks, which occupy about three pages, he will find it in a debate in the other House on the 8th of the present month.

Pool Trains

Montreal-Quebec, Montreal-Toronto, and
Toronto-Ottawa Passenger Services

On the Orders of the Day:

Hon. R. J. Manion (Minister of Railways and Canals): Mr. Speaker, a few days ago the hon. member for Quebec East (Mr. Lapointe) made some inquiries regarding the pooling of trains between Montreal and Quebec. I promised at that time that I would get whatever information I could. I telegraphed an inquiry to Mr. C. P. Fullerton, chairman of the board of trustees. His reply points out that the passenger train pooling arranged for in the Montreal-Toronto, Ottawa-Toronto and Montreal-Quebec services, as extended effective March 11, will produce a total saving of approximately 1,000,000 train miles per annum, divided approximately evenly between the two companies, and, on the basis of a conservative estimate, will represent a saving to each company of approximately \$500,000 per annum.

The total number of engineers, firemen, conductors, and trainmen affected by the reduction of passenger train mileage is ninety-six. This is also divided approximately equally between the two companies. A number of employees of other classes that incidentally will be affected cannot be definitely determined until services are actually in effect, but these will likewise be divided approximately equally

between the two companies. In practically all cases employees displaced by pooling arrangement will retain employment by exercising seniority rights to other positions, resulting in junior employees being returned to freight service. With the improvement in traffic, Mr. Fullerton states that the management is convinced that after the extension of pooling, as arranged for, is in effect, there will be more men in actual employment than at the time the Canadian National-Canadian Pacific Act, 1933, became effective, and that with continued improvement in traffic, there will not be any increased unemployment but rather the contrary. Arrangements as made for the pooling of passenger train services were adopted only after careful consideration of all the conditions involved, so as to effect economies by avoiding duplication of train services and still maintain, with as little disturbance as possible, adequate service to the public.

In regard to the statement as to displacement of all Canadian National services between Montreal and Quebec, the Canadian National Railway operates, and will continue to operate, between Montreal and Levis, the Ocean Limited and Maritime Express, two trains in each direction daily, and has arranged to provide another train between Charny and the Palais station at Quebec connecting with the Maritime Express to and from Montreal.

Mr. Fullerton points out in this telegram that he has conferred with the Canadian Pacific, and that this statement which I have just read is a joint statement of the two companies.

May I add that I am advised that 80 per cent of all passenger traffic between Montreal and Quebec has always been carried by the Canadian Pacific railway, as it is an older line and passes through more of the settled communities on the north shore.

May I add as well that in the pooling of passenger trains, the economies and the profits, if any, are split equally between the two railway companies. In this regard it may be well to point out that according to an official statement, which I hold in my hand, the increase in gross revenue, for the first two months of this year, as compared with 1933, for the Canadian National and Canadian Pacific railways together, has been \$6,700,000, of which \$3,900,000 increase has gone to the Canadian National Railways, and \$2,800,000 to the Canadian Pacific Railway. I mention this in reply to suggestions, which are sometimes made, that in agreements between the two companies the Canadian National Railways is getting an unfair deal.

These figures of earnings show that apparently the management of the Canadian National Railways is looking after the interests of the Canadian National quite capably, and I have no doubt that the arrangements made between the Canadian National and Canadian Pacific railway officials are made on a fair and equitable basis to both companies.

In regard to the inquiry of the hon. member for Bow River (Mr. Garland) as to train service between Ottawa and Toronto, I have made inquiries and am informed that while some changes have been made in the time of departure and in the connections, there has been absolutely no change made in the service between the two cities except, it is claimed, to better it somewhat.

Hon. Mr. CASGRAIN: Honourable gentlemen, the purpose of the inquiry of which I have given notice is to call the attention of this honourable House to a very serious situation, namely, that to-day competition between our two great railway systems is just as keen as it was before the passage of the Railway Bill last session, and that there seems to be no way of getting the officials of the two railways to remedy this undesirable condition.

It will be within the recollection of honourable members that last session, pending the coming into force of the Railway Act based on the report of the Duff Commission, we passed unanimously a motion recommending that a certain number of Canadian Pacific and Canadian National officials should confer with a view to arranging further economies in the operation of their respective railways.

As I had something to do with that motion, I made it my business to see the Canadian Pacific officials, with several of whom I am on intimate terms. When I used to speak against the extravagant building of lines in the Northwest, the late Senator Turiff would exclaim by way of reproach, "We have heard from a C.P.R. man." I did not then, nor do I now, think it a disgrace to be a friend of the Canadian Pacific Railway. It is one of the greatest transportation systems in the world, and no company since Confederation has done so much to develop this country as has the Canadian Pacific Railway Company. As I say, I went to certain officials of the Canadian Pacific Company. I put before them a concrete case that I had had the honour of bringing to the attention of this House. They would not do anything. Then I went to the Canadian National Railways and Mr. Fraser, their chief counsel, said to me, "Oh, it is up to the C.P.R. to propose that." So between the two sets of officials nothing came of my proposal. Later I inquired from time to time of the officials of both roads, "Are you getting together and doing something?" They replied, "Oh, yes, we are doing a lot." But I could never find out what they were actually doing. I have a slogan with respect to the railway situation of Canada: one railroad is a necessity, but two railroads serving the same place are a luxury. This is no time for this country to indulge in luxuries.

Hon. Mr. BALLANTYNE: Were the interviews to which the honourable senator has referred with Mr. Fullerton, the Chairman of the Board of Trustees of the Canadian National Railways?

Right Hon. Mr. MEIGHEN.

Hon. Mr. CASGRAIN: I do not wish to drag the Canadian National trustees into this discussion.

Now, I am advised that the Canadian Pacific officials think their company would lose prestige if its trains ran over any right of way of the Canadian National. The Canadian Pacific is a great company and, as I have said, it has done much for this Dominion, but it must not forget that it cannot in these days play the part of the dog in the manger. Why should the company lose prestige? I do not think it has any more prestige to lose, anyway. I have always admired the Canadian Pacific Railway, for several reasons. In the early days I was on a Canadian Pacific survey through a God-forsaken country. There was a foot of snow on the ground and we were in our summer outfits. I was one of the chain men, and I remember having to wade through a creek. I kept warm by shaking myself. It shows that hardships do not kill anyone. That was at the time of the Mackenzie Government.

The building of the C.P.R. commenced in 1882. There was the incident of 1872, the time of the Pacific scandal; but that does not come into this question. After the contract to build the railroad was agreed upon, the C.P.R. got, first, some \$25,000,000 in solid cash. In 1882 that was a great deal of money. Then the company was granted 25,000,000 acres of the very best land, selected by itself—more than the total area under wheat for many years. Besides, it got with its contract no less than 614 miles of railway which had actually been completed by the Government. That gift was handed to the company on a silver platter. Then it was given plans, profiles and field notes, the results of ten years of survey work. So it had everything necessary to enable it to proceed with the project.

Hon. Mr. GILLIS: And exemption from taxation.

Hon. Mr. CASGRAIN: On top of that, it was allowed to import into this country free of duty anything needed for the road. It was also exempted from land taxes; it paid no taxes on the land it owned. Furthermore, it was guaranteed a monopoly, so that for a period of twenty years no other company could lay one mile of track in the whole of the Northwest. I remember that the C.P.R. cut off the pass of my dear old friend the late Senator Watson—and he was not a wealthy man—because he was opposing it. At that time he was the only Liberal elected west of the Great Lakes. Thank God, I was able to bring into this House the legislation which

governs the passes which all honourable gentlemen now carry. Under that law we travel free, and we owe no gratitude to any railroad in this country.

In addition to what I have already mentioned the C.P.R. was allowed to fix its own rates. There was no railway board in those days. There was a railway committee of the Privy Council, but it acted very indifferently. Furthermore, the C.P.R. distributed \$100 shares of stock in the company upon the payment of \$25. I am speaking now about something that I know only by hearsay. I was too young in those days to appreciate it; but I have heard about it for more than forty years. I may be wrong, but I have not the slightest doubt that, if I am, the right honourable gentleman who leads this House will put me right.

Hon. Mr. DANDURAND: That was the market value for a number of years.

Hon. Mr. CASGRAIN: Pardon me. The shares were issued to the inner circle. One very old man, Sir Francis Hincks, when offered some of those shares at \$25, said, "At my time of life I would sooner have the cash."

Some Hon. SENATORS: Oh, oh.

Hon. Mr. CASGRAIN: And those shares paid a dividend of \$6—six per cent on the par value. That is my information. If it is wrong I stand to be corrected. When you receive twenty-four per cent on your money you get back in less than five years all that you have put in.

I am not begrudging anything that has been given to the C.P.R. It was needed for the building of a railroad through a country where there were no people at the time except a few Indians—Flatheads and Crees—who had no money to buy tickets or to pay for the carriage of freight. As a matter of fact, for years the Indians did the freighting with their Red River carts—they did some for me—and they did it more cheaply than the railroad could do it.

Then came a time when the C.P.R. was very close to bankruptcy, and Mr. Van Horne, as he then was, came up to Ottawa with Mr. George Stephen to ask Sir John A. Macdonald to advance them some \$22,000,000 in order that the railway might carry on. Sir John, contrary to his habit, said: "I have done all I am going to do for the C.P.R. I will do no more." Next morning Mr. Van Horne visited Mr. Collingwood Schreiber, the Deputy Minister of Railways of the time, and said to him, "There is nothing for us to do—we are ruined and bankrupt," and he broke down,

for perhaps the only time in his life, and cried like a child. But that did not get him any money. Then he went to the old Russell House, and who should come in but the Hon. Frank Smith, of Toronto, who was, I think, a minister without portfolio in the Government of Sir John A. Macdonald. He saw these men looking very dejected, and when he heard their story he said, "Don't go away," and he went to Sir John and asked him to help them. Sir John replied, "I have done so much for them that if I give anything more to the C.P.R. I may be put out of office." But Frank Smith, who was a clever Irishman, said, "If you give them something you may be put out of office, but if you do not, and they fail, you will certainly be put out." So Sir John changed his mind, and Frank Smith went back and told these men what had happened. The next morning a prominent man in Montreal, a great banker, perhaps one of the greatest in the city, was sitting in one of the biggest banks with a revolver in his hand, and had it not been that the answer of Sir John Macdonald was favourable this man would have blown his brains out.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. CASGRAIN: That is history. If he had done that, the institution he represented might have gone down with him.

On that occasion Sir John A. Macdonald saved the C.P.R.—and I am glad to be able to say that those \$22,000,000 were refunded to the last cent and the country did not lose anything in consequence of what had taken place. So the C.P.R. went on its way and created not merely the greatest transportation system in Canada, but what is perhaps the greatest transportation system in the world. The facilities of that company encircle the globe, and its ships do business throughout the seven seas.

The Canadian Pacific Railway Company is a great company. At the same time it should not forget that the people of Canada have been good to it. It should realize to-day that it is not the only pebble on the beach. The C.P.R. feels that if it were to use part of the Canadian National System—and here is the concrete subject I desire to bring before the House—there would be a loss of prestige. Only on Monday last, in another place, the Prime Minister said we were losing \$1,250,000 a week on our railways. That means \$65,000,000 a year. Last session when I said that we were losing a million dollars a week, or \$52,000,000 a year, my statement was questioned. As we are now losing \$65,000,000

annually, there has not been much improvement since last session.

We have appointed trustees. Are they useful, or are they not? That is the question. If they are useful, and if, as the Prime Minister has said, we are losing \$1,250,000 a week, why did this Government wait until the very last day of the year but one to appoint them? On the other hand, if they are not useful, why did the Government appoint them? I think it will require all the talent and ability and eloquence and powers of persuasion of the right honourable gentleman (Right Hon. Mr. Meighen) to give to this honourable House and to the country a satisfactory answer to that question. It will tax his cleverness to prove that the Government was not remiss in its duty. Of course, some flimsy excuses have been given.

My motion of last year in regard to this matter would have been all right had it not been that I was weak enough, as a friend of the C.P.R., to alter it at the solicitation of the chief counsel, Mr. Flintoft. My motion provided that the Chairman of the Railway Board should be called in to decide questions between the two railways, but that provision was removed and the motion became, like a resolution of the League of Nations, a pious hope. Such resolutions do not work. For the last fourteen years we have had examples of them all over the world. They have no sanction.

The right honourable leader in the other House went to a conference in London. What happened? It was a monumental fiasco. And what did he bring back? He brought back the idea of a Central Bank—something that nobody wants.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. CASGRAIN: I thank my leader (Hon. Mr. Dandurand) for putting me right in regard to an incident relating to the city of Montreal. At the time of its occurrence I lived in the district of Quebec. The C.P.R. line from Quebec followed the shore of the St. Lawrence pretty well until it came within twenty-five or thirty miles of Montreal. Two very influential men, Sir Adolphe Chapleau, at one time Prime Minister of the province of Quebec, and member for Terrebonne, and Hon. Rodrigue Masson, who was a Dominion Cabinet Minister, twice a senator, and once Lieutenant-Governor of Quebec, managed to switch the line of railway. Immediately east of Terrebonne there is a tangent forty and a half miles in length, dead straight and dead level, where a train can run with perfect safety. This road, called the Quebec, Montreal, Ottawa and Occidental Railway, was

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being built for the province of Quebec. It was going not to Montreal, but to Ottawa, and the direct line passed through Terrebonne, in which these two gentlemen were interested.

Hon. Mr. DANDURAND: It put Montreal on a side-line.

Hon. Mr. CASGRAIN: On a switch. The road went to St. Martin Junction. Even there it had a good right of way; but I will tell you about that later on.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. McLENNAN: My recollection is that the Quebec and Occidental was built before the Canadian Pacific was more than well started, and later it was handed over to the C.P.R.; so that company was not responsible for what had taken place.

Hon. Mr. CASGRAIN: The honourable gentleman is right, because the road he speaks of was finished in 1878. I was on the first train that went over it to Montreal. Sir Henri Joly de Lotbiniere, the then Prime Minister of Quebec, and Hon. Luc Letellier de St. Just, the Lieutenant-Governor of the province, were present, and we had quite a party. Everything was satisfactory except the road itself. We got snowed in and were about two days coming from Quebec, and we had to stay overnight at Saint Vincent de Paul—not in the penitentiary, but in a very poor place. And when we got near to Montreal we were stuck at Hochelaga.

In all seriousness, the use of this line I am talking about would save large sums of money and would not require a cent of expenditure. At this very minute, while I have the privilege to be speaking to this honourable House, a train could be started for Quebec from Place Viger station, without a single additional rail having been laid. In order to run on a straight line it would be necessary to use the Canadian National tracks for twenty-five miles, and the Canadian Pacific feels it would lose business on that account. For fifty-five years we have been going around two sides of a triangle—almost a right-angled triangle—instead of travelling along the hypotenuse, which, as everybody knows, is much shorter. The two sides of this triangle extend about forty miles, while the hypotenuse is only about twenty-six miles. People going from Montreal to Quebec, after travelling on the fastest Canadian Pacific trains for thirty minutes and covering thirteen miles, are half a mile farther from Quebec than when they started out, as any honourable member can verify by looking at the timetable.

The line from Saint Martin Junction, almost at right angles from the main line to Quebec, crosses the Rivière des Prairies at a height of 74 feet, and then ascends until it reaches the old station at Mile End, where the height is 220 feet. Thence it comes down in a sort of S direction, to Place Viger station, because the road is too steep for the trains to go straight. The distance between Place Viger and Park Avenue stations is six and two-tenths miles and the fastest trains take seventeen minutes to cover it, on account of the stiff grades.

Hon. Mr. GILLIS: May I ask what all this ancient history has to do with the notice of inquiry that the honourable gentleman placed on the Order Paper? That notice deals exclusively with the trustees of the Canadian National Railways and pool trains, and I submit that what the honourable gentleman is saying now has nothing to do with those subjects.

Hon. Mr. CASGRAIN: I am trying to give as clear a picture as possible of the circumstances. I want to tell honourable members that the line which was originally selected, and which to-day is publicly owned, could be used for the Montreal-Quebec route, and that it would run out of Place Viger station on a level line, and continue almost at water grade until the road crosses the Canadian Pacific. Mr. Beatty himself says that it would save forty-five minutes on the run from Montreal to Quebec. In the summer-time the Canadian Pacific trains take four hours and thirty minutes to make that run; so if forty-five minutes were deducted the time would be reduced to three hours and forty-five minutes. In addition, the Canadian Pacific would save a lot of money by no longer having to carry passengers up those steep grades and around those sharp curves.

I am proposing a desirable change. But unfortunately the trustees of the Canadian National decline to act, because the Canadian Pacific makes no request of them to do so. I have gone to the Canadian Pacific about this matter, not once but many times, and have been unable to get any results. I have also gone to the Canadian National, but have found it impossible to get anything done. So we are just as badly off as if no trustees had been appointed. If this Canadian National road were used there would be a saving of \$1.25 on a return ticket. The Canadian Pacific would make money by the change, and the Canadian National would benefit from the use of the line. As it is now, the Canadian National line is very little used, because people going to Quebec travel

by the Canadian Pacific, but anyone could save money by taking the Canadian National as far as Vacluse, to board a Canadian Pacific train there, for by so doing he would have to pay for travelling only twenty-six miles instead of forty. I am sure the right honourable leader of the House is ingenious enough to find some means of getting action on this thing. So long as the Canadian Pacific says, "We will not budge," and the Canadian National says, "We will not go to the Canadian Pacific," nothing can be done.

If I may, I should like to refer to one other matter before I conclude. The right honourable leader will remember that last session I made considerable reference to the gap between the period dealt with at the end of the Drayton-Acworth report and that which was taken up at the beginning of the Duff report. That gap extended from 1917 to 1923, and, as I could get no information as to why it occurred, I did a lot of thinking about the matter, and I believe I have found the reason.

During the first three years of the intervening period the country operated only the old Mackenzie & Mann road, the Canadian Northern, which had 14,000 miles of tracks. One year its deficit was \$70,000,000, which is an average of \$5,000 a mile. That is certainly a large deficit. Surely somebody must have bought tickets on that line, and some freight must have been paid for. The gross receipts per mile of the Canadian Pacific for years and years were not as much as that.

The conclusion I have reached is that it was during the period of the gap that a group of financiers in Toronto, knowing that the Government was going to take over the Canadian Northern, went around and bought up all litigious claims that they could find against the road. La Banque d'Hochelega had taken in some Canadian Northern bonds as collateral for money loaned, and was willing to sell them for thirty cents on the dollar, but the minute the Government took over ownership of the road the price asked for the bonds was pushed up to par and coupons became good. Anyone who wants to know more about this has only to look up my speech in the Senate Hansard of the 5th and 6th of September, 1917. It took me two days to deal with the matter. Those people, being aware of what was going on, purchased \$147,000,000 of litigious claims, for which the Government had to pay when it took over the road. Hence the deficit of \$5,000 a mile. So perhaps there is a good reason for that gap I referred to.

Right Hon. ARTHUR MEIGHEN: Honourable senators, it may be that I have failed

to apprehend exactly the purport of all the remarks of the honourable gentleman who has just sat down, but I assure you that I have tried sedulously to appreciate the significance of every one of his sentences. His notice of inquiry was that he would call attention to the trustees of the Canadian National Railways, and ask for information about the operation of pool trains. In view of the terms of that notice, I cannot understand why he should now exhibit such delicacy with relation to the trustees. His notice specifically states that he is going to ask the House to take a look at them.

The inquiry, in so far as it asks for information, is very vague, and consequently the answer may not be what is desired. I shall endeavour to summarize that answer. After co-operative management of the two systems was decided upon, pool trains were adopted and extended, and solely in consequence of the operation of pool trains an annual saving of \$1,000,000 a year is now being made, which saving is being divided almost equally between the two systems. That is no negligible achievement.

Hon. Mr. CASGRAIN: It is not much, compared with \$65,000,000.

Right Hon. Mr. MEIGHEN: It does not, of course, approach the amount of the deficit. That deficit, though, would be smaller if the honourable gentleman's assiduity in the public interest had been of earlier birth, and if he had sought to prevent the additions made to the National System in the last nine years, which additions I think I can say were one and all prejudicial to its balance sheet. The Canadian National was of course handicapped from the beginning by constituent elements which could never—or, at all events, not within the lifetime of the present generation—be placed on a paying basis. It is handicapped to-day not only on this account, but also because of those incomprehensible additions to which, so far as I know, the honourable senator never took any exception. At any rate, if he took exception, it was wholly ineffective. I call his attention to the tremendous load heaped on the system in the province of Quebec. The honourable gentleman knows what I mean. He is aware that \$6,000,000 was paid for a heterogeneous series of disconnected lines—

Hon. Mr. MURDOCK: The Quebec, Montreal and Southern Railway.

Right Hon. Mr. MEIGHEN: Yes. The system would have been better off if it had paid \$6,000,000 to prevent the acquisition of those additional lines. Therefore the deficit

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is greater than it should have been, and I do not doubt that it will take a long time to scale the mountains that are in front of the National Railways.

The honourable gentleman complains that we are not proceeding rapidly enough along the line of Government policy, and he is especially critical of the delay in the appointment of the National Railways trustees. He tells us it was represented to the House last session that the policy decided upon, with a view to effecting economies in the operation of both systems, was probably a wise one, and he complains that the putting of this policy into effect was considerably delayed by the failure to appoint trustees earlier. He asks why, if the policy was good, it was not put into effect immediately, and why, if the policy was bad, it was ever adopted. The same question could be asked with respect to any item of policy decided upon by any Government. My mind goes back to a time when I was fairly young, when the honourable gentleman's leader of that day feared he had been too slow—that he had not risen to his opportunities and acted promptly enough in projecting the great Transcontinental Railway. All political leaders are at times troubled by similar fears. But though when the time comes to act they may fear they have been too slow, after the result of the action is manifest they sometimes begin to wonder whether they have not proceeded too rapidly.

I now brace myself for the tremendous task of answering the honourable gentleman's question why the trustees were not appointed earlier. It was the belief of the Government that a board of trustees, erected according to the plan suggested by the Duff-Flavelle Commission and given the necessary sanction of authority and means of enforcement, could bring about economies by compelling the two systems to work together. That this conclusion was wise is now, I think, pretty generally agreed. Therefore, the honourable gentleman asks, why was action not taken sooner? Well, if there had been too much haste and the wrong men had been appointed, far more harm would have been done than if no appointments had been made. The summer had nearly gone before the three trustees were selected. I may tell the honourable senator there were demands that various divisions of Canada be represented on the board; but, after all, the Government could choose only three men. Many were the arguments advanced as to what portions of the country had the highest and strongest claims to representation; and no doubt claims were also made on behalf of in-

dividuals, on the ground that they were better qualified than others for the positions. Finally decisions were made, and certainly there was no error on the side of haste. All one can say is that the Government acted more wisely than if it had made poorer but more prompt selections. In my opinion, the men appointed were well chosen.

Hon. Mr. LEMIEUX: Hear, hear.

Right Hon. Mr. MEIGHEN: In this connection I call special attention to the chairman. I ask the honourable gentleman to have some sympathy for a Government which had to do without my services between the two sessions. All the details are not known by me, but I do know that the final decision arrived at was a wise one. I believe that in the whole country there could not have been found for the chairmanship a man better qualified than the Hon. C. P. Fullerton. From those who have witnessed at close range his work since he has been in office, I gather that the experience of the past few months has entirely confirmed the predictions of his best friends.

I know the enforcement clauses of the Bill enacted last session have not yet been called into play. It is a reasonable presumption that the utmost effort is being made by the Board of Trustees, and probably by the executive of the other system as well, to arrive at agreements voluntarily and so avoid resort to the tribunal provided for by the Act. I have no personal information, but it is altogether likely that much of what has been under discussion still awaits realization by way of co-operative decision, and I do not doubt that at no distant date it will be necessary to set up the tribunal.

I do not know whether the instance referred to by my honourable friend is one of those now under consideration by the executives of the two systems. I am not on the Trustee Board of the Canadian National, much less am I on the directorate of the Canadian Pacific. The Administration is not venturing to exercise political or governmental control in the operation of either system or in the enforcement of individual instances of co-operation. All I can do, therefore, is to call the attention of the chairman of the board to the remarks of my honourable friend with respect to this case in the province of Quebec.

That much can be done beyond what has already been achieved is undoubted. The honourable gentleman places the deficit at \$65,000,000.

Hon. Mr. CASGRAIN: The Prime Minister does.

Right Hon. Mr. MEIGHEN: If I recollect correctly the figures brought down recently, \$52,000,000 odd is the deficit for 1933. It is confidently expected this will be substantially reduced in 1934.

The benefits resulting from the operation of pool trains and from other economies put into effect by joint action have been about equally divided between the two systems; but in respect of the returns from increased traffic the proportions, according to the figures brought down in the other House, are \$3,900,000 to the Canadian National and \$2,800,000 to the Canadian Pacific, indicating that the Canadian National in this regard has gained faster than the Canadian Pacific.

It is expected that for 1934 the deficit will be considerably reduced in consequence partly of the co-operation already in effect, of further measures of co-operation which may be confidently anticipated to be brought about very shortly, and of improved conditions. I shall be indeed surprised if for this year the result does not approximate to a 35 per cent reduction of the deficit of 1933. If this result is to be attained the future is not altogether dark. Of course, the deficit figures are arrived at after taking into account the interest obligations.

Hon. Mr. CASGRAIN: Depreciation.

Right Hon. Mr. MEIGHEN: On the same principle that depreciation has always been accounted for in railway finance; that is, it is never taken into account. The railways claim their provision for maintenance makes it unnecessary to provide for depreciation.

All I can promise my honourable friend is that this and any other instance he may bring to our attention will be passed on to those who are now in control. At the hands of the men on the Trustee Board and also, I hope, of the corresponding officials of the Canadian Pacific, no doubt his representations will receive that consideration which they merit as tending to promote further economy of operation, an economy which will inure to the benefit of the people of Canada.

Hon. RODOLPHE LEMIEUX: Honourable members, I may be permitted to say a few words on this question, as I was born about the time when the railway of which my honourable friend from De Lanaudière (Hon. Mr. Casgrain) has spoken so eloquently, the Q.M.O. and O., was constructed. This road was built by the Quebec Government to provide railway connection between Quebec and Montreal and Ottawa. At first the trains stopped at St. Martin Junction to enable passengers to reach Ottawa by way of

Hull. Shortly afterwards construction was continued to Mile End, then to Hochelaga and finally to Dalhousie Square, in Montreal, where later on the C.P.R. built the Place Viger station and hotel.

When my good father sent me to college at Ste. Therese,—where I met my colleague from Ponteix (Hon. Mr. Marcotte)—I went on a platform car from Hochelaga to Ste. Therèse. My father said to me: "I am sending you to college on a platform car. This is the way to honour and glory!" I replied, "On a third-class fare!"

Honourable members will recall that the road, being state-owned, gave rise to many objections. The Quebec Government transferred it over to the late Louis Adelaar Senecal. The management of the road aroused so much public indignation in the province that even Sir Wilfrid Laurier—then Hon. Wilfrid Laurier—went out of his way to write a very trenchant article in one of the Quebec papers in protest against what he called the action of "The den of the forty thieves." He borrowed his metaphor from an Oriental source. An action for libel was instituted against Mr. Laurier. He pleaded justification, and after a very hectic time the jury returned a verdict in his favour. Then the Quebec Government engineered a campaign here to force Sir John A. Macdonald to take over the road as part of the Canadian Pacific system. I remember when prominent members of the Conservative party in Quebec, headed by no less a man than the late Sir Adolphe Chapleau—a group known as the "Bolters"—succeeded in holding up the Federal Government, and the state-owned road was merged into the Canadian Pacific system. Later on the Bolters were brought into the presence of the old Chief and there was a general reconciliation.

The Canadian Pacific has always provided a good train service between Montreal and Quebec, and Montreal and Ottawa. The Canadian Pacific bought the short line from Vaudreuil to Ottawa. By the other line, on the north shore, an excellent train service is given to the many villages and towns between Ottawa and St. Martin.

The question is whether or not the Canadian Pacific and the Canadian National should agree to pool their trains between Montreal and Vacluse. Has not my honourable friend (Hon. Mr. Casgrain) heard objections from some of the Quebec members in the other Chamber and from the public against the present pool service between Quebec and Montreal? You may please the people along the line on which you run your pool trains, but you are certain to displease

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the people on the other line, whose train service you discontinue or very materially curtail. My honourable friend is a very able land surveyor, and I presume he knows that the road between Montreal and L'Epiphanie is somewhat rickety; but it has been in operation for many years and the residents in the various communities which depend on that line for their transportation facilities would protest very vigorously against any change. I agree that the other line needs more traffic. Why? Because even throughout the winter there is an auto-bus service between Vacluse and Montreal. While there a few months ago I was told by a member of the family whom I was visiting that they never used the Canadian National railway, simply because they enjoyed a frequent auto-bus service, the buses running every ten or twenty minutes and coming from as far as Louisville and even Three Rivers.

The honourable senator says that the Board of Trustees of the Canadian National and the executive of the Canadian Pacific should be directed to bring about a pooling of trains on the line. I agree with him that it is a shorter line than the other, but we must accustom ourselves to the inconvenience of taking a longer route: our purse is empty.

Hon. Mr. CASGRAIN: The line is all built.

Hon. Mr. LEMIEUX: Yes, it is all built, but you will create trouble if you presume to meddle with the Canadian National trustees. Last session when the Railway Bill was before this House the question was raised: Who shall direct the trustees? The answer was: Nobody shall direct them.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. LEMIEUX: I have implicit faith in the present chairman of the Canadian National Board of Trustees. I have watched Mr. Fullerton before committees of this House, and I am convinced there is no abler railway executive. He is also a leader in his chosen profession of the law. The right honourable leader of the House (Right Hon. Mr. Meighen) said he did not know much about the other two trustees. Well, I happen to know Mr. Labelle, of Montreal.

Right Hon. Mr. MEIGHEN: The honourable gentleman misunderstood me. I said I had confidence in the members of the Board, but especially in the chairman. I know the other two gentlemen.

Hon. Mr. LEMIEUX: I stand corrected. Mr. Labelle is a very able and diligent gentleman, and I would trust his judgment on any

railway question. I am not so well acquainted with the trustee from Ontario. He is a "dollar-a-year" man. I do not like the designation, but I am told he, too, is very able. The trustees should be given the fullest liberty of action, and Parliament should not seek to interfere with them in any way whatever. Parliament, it is true, represents public opinion, but the railway situation has reached a climax, and we must concede to the Board of Trustees power that some persons may regard as arbitrary. I admit that the service proposed by my honourable friend would be over a short line, but something would have to be done to secure that line. A few days ago the Quebec Legislature amended the Montreal charter to permit dismantlement of a railway track which the Canadian Pacific laid down some years ago.

Hon. Mr. CASGRAIN: That is not the question at all.

Hon. Mr. LEMIEUX: But it would cost money to renew the track.

Hon. Mr. CASGRAIN: You would not need to renew it. You are on the wrong track.

Hon. Mr. LEMIEUX: No, I am not on the wrong track. The C.N.R. starts at a station in the eastern part of Montreal. According to my honourable friend, it then runs along the shore of the St. Lawrence over the Bout de l'Île bridge. This bridge is not strong enough for the passage of trains and would have to be rebuilt.

Hon. Mr. CASGRAIN: That is right.

Hon. Mr. LEMIEUX: My honourable friend should set us the example: no new bridge. The Government must practise drastic economy to save this country from financial disaster.

Hon. LUCIEN MORAUD: Honourable senators, my honourable friend from De Lanaudière (Hon. Mr. Casgrain) has given us his views on the pooling of trains. I was a member of the executive of the Canadian National Railways for a couple of years, and I should like to move the adjournment of the debate in order that to-morrow I may have an opportunity of speaking to the motion. If, however, it is desired that the debate shall proceed, I shall endeavour to explain what has been done since last session to bring about the pooling of train services.

It is a complicated matter to bring about a satisfactory pooling of trains. On receiving instructions we appointed three experts to meet three experts appointed by the

C.P.R. and with them to work out a joint arrangement satisfactory to both systems. The proposed pooling agreement involved a reduction not only of train services, but also of personnel, and only lately did those experts reach their first agreement for pooling the train service between Montreal and Toronto. Subsequently, the agreement was extended to take in the service between Quebec and Montreal and between Ottawa and Toronto. This agreement has resulted in a reduction of five Canadian National and eight Canadian Pacific trains, with a resultant saving in operation costs of hundreds of thousands of dollars. Of course there is no doubt that the ideal scheme would be to have a general pooling throughout the country; but it seems that the experts of the two lines cannot agree as to that.

I understand that from the 1st of January to date the increase in the revenue of the Canadian National Railways has been twenty-four per cent, and of the Canadian Pacific Railway seventeen per cent; so, if business continues to improve as it has been doing recently, the country may reasonably expect by next year a \$25,000,000 reduction in the deficit. The pooling of passenger trains—for there is no question of pooling the freight trains—will not bring about as great an economy as some people expect, but the saving will probably amount to \$15,000,000 or \$20,000,000, a very substantial sum.

This pooling problem has been worked on for a year by the experts of both roads. It is a rather complicated matter, involving reductions of all kinds, including a reduction of men; and whenever a reduction of service is mentioned protests are heard from the community affected. All that I desire to say, since I am not permitted to adjourn the debate, is that the executives of the Canadian National Railways have tried since last year to comply with the instructions given them, and under the circumstances have done as well as could be expected.

TECHNICAL EDUCATION BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 32, an Act to amend the Technical Education Act.

He said: The purpose of this Bill is to extend the time during which moneys already voted in respect of technical education may be expended. It simply provides for an extension from the 31st of March of this year when the present power to spend the money expires, to the 31st of March, 1939.

Hon. Mr. DANDURAND: Can the honourable gentleman tell us what amount remains to be expended in the various provinces?

Right Hon. Mr. MEIGHEN: No, I cannot give the details to the honourable gentleman at the moment. I would suggest that we give the Bill second reading now, and when I move the House into committee I shall give the honourable gentleman the information he asks for.

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

CANADIAN SEALING AND FISHERY INTERESTS IN PACIFIC WATERS

MOTION—DISCUSSION CONTINUED

The Senate resumed from yesterday consideration of the question proposed by Hon. Mr. Taylor:

To call attention to the administration of Canadian sealing and fishery interests in Pacific waters; and to move that a special committee of the Senate be appointed to inquire into the results of existing treaties in this connection; with power to call for persons and papers and to take evidence under oath.

And the amendment moved by Hon. Mr. McRae:

That all the words after the word "that" be left out and the following substituted therefor: "a special committee of the Senate be appointed to inquire into and to make a comprehensive study of all phases of the conditions relating to the sealing trade and the Canadian fishing industry, and that the committee have power to send for persons, papers and records, to employ clerical and stenographic service as required, and to report from time to time.

Hon. J. H. KING: Honourable senators, it has not been my privilege or fortune to have such close connection with the British Columbia fisheries as has been enjoyed by my two distinguished confrères from that province. The honourable senator from New Westminster (Hon. Mr. Taylor) has not only lived in the environment of the Fraser river salmon fisheries, but, on account of his public duties and the public offices he has held, over a long period of years, he has been very closely associated with the administration of the law relating to those fisheries. Consequently he is thoroughly familiar with their history. I should like to take this occasion to congratulate the honourable senator upon the magnificent address which he delivered on introducing his motion a week ago. My honourable friend the senator from Vancouver (Hon. Mr. McRae) has been associated with the commercial side of the fishing industry and has acquired information with which it has not been my good fortune to come into contact. However,

Right Hon. Mr. MEIGHEN,

during the period when I was a member of the previous Government I frequently came into touch with the administration of the fisheries of British Columbia.

I may say to this honourable House that the administration of those fisheries is no easy task. This is probably due to various causes. To begin with, our fisheries extend over a great coast-line, and the catch is very large. Unfortunately for us, we have no large centres of population near at hand to absorb the catch, and therefore in the development of the industry it became necessary that large sums of money be invested in facilities for the curing, canning, or preserving in cold storage of the fish, in order that they might reach the markets of the world in proper condition. In the development of the industry there were two groups of individuals or companies to be considered—those who took the fish from the sea, and those who had invested their money in the canneries, cold storage facilities and curing plants. From time to time committees and commissions were appointed to investigate and to smooth out the difficulties that necessarily occurred in the matter of administration as between these groups; and I should like to make the statement now that of late years these difficulties have, I think, been largely overcome. The administration to-day is carried on fairly smoothly, and I believe there is a constant effort on the part of the officials of the department to hold the balance fairly between the two interests concerned.

It is not my intention to take up the time of this Chamber in going over the ground which has been so ably covered by the three speakers who have preceded me. It is evident from the discussion that the two treaties entered into between Canada and the United States, one relating to pelagic sealing and the other to halibut, have fulfilled their purpose. We know from the statistics given in regard to the seal that the herd has been rehabilitated. The question that confronts us now is whether it is beyond the bounds of possibility that the nations interested will have to adopt measures to curtail the growth of this herd that passes back and forth through Canadian waters.

As far as the halibut industry is concerned, we have been working under treaty arrangement since 1923, and the result of last year, at any rate, would indicate that the purpose of the treaty is being accomplished. I understand that the fishermen of the Northern Pacific were allowed last year to take 45,000,000 pounds of fish during the fishing period. It was found by the fishermen that they were able to take this quota during a

period from four to six weeks shorter than the time allowed them. We are informed that not only the fishermen, but also the people engaged in disposing of the fish are so well satisfied with the work of the Commission that they are to-day asking that its powers be increased and that it be allowed to control the movements of fishing vessels so that their operations may be spread over the full period. One can understand the reason for that. If the catch is brought in over an extended period marketing conditions will be better than if it is brought in within a comparatively short time.

In his remarks of yesterday my honourable friend from Vancouver made a rather interesting statement. It will be found on page 169 of Hansard. Referring to the Hecate Straits, he said:

This territory might well have been regarded as within the sphere of influence of this Dominion.

In making that statement the honourable gentleman was absolutely correct. A most distinguished member of this House who has had great experience in the matter of negotiation between Canada and the United States on the fisheries question—I refer to the honourable senator from North York (Hon. Sir Allen Aylesworth)—has called my attention to the fact that in July, 1908, the American Government were desirous of laying a cable from Gray's Harbour, Washington, northward through Hecate Straits, east of the Queen Charlotte Islands, across Dixon Entrance and up into the passage to Ketchikan, and they made representations to the British Government, and through Mr. Whitelaw Reid, then United States Ambassador in London, asked for permission to do so. This letter is to be found in full at page 205 of the Appendix to the British Counter Case in the North Atlantic Coast Fisheries Arbitration at The Hague in 1910. It is interesting to note that in his letter the Ambassador had this to say:

It will be noted, however, that Hecate Straits and Dixon Entrance are British waters. This bit of information, which my honourable friend from North York has placed in my hand to-day, is, I think, of great interest not only to the members assembled here, but to Canada generally; and if a committee of this Chamber should be set up it would be well to have this reference carefully investigated and made a matter of record. I may say that the permission asked for was granted.

In talking to the honourable member from North York this morning I suggested that he should speak on this subject and make this statement himself, because I knew that he certainly would deal with the situation much

better than I could. However, it was not his desire to take part in the discussion, and I am pleased to have had the opportunity of bringing this matter to the attention of honourable members.

My honourable friend from Vancouver (Hon. Mr. McRae) suggested that if a committee were set up it might be advantageous to have it study the question of the propagation of our fish. He cited the result of the activities of the Biological Board in placing fish in the lakes about Jasper Park. I have in mind a similar experience which shows what can be done in the way of propagation, if we can get the people interested. In 1912 some of our friends in the Kootenay country, who were interested in sport, prevailed upon the department to send in a quantity of Kamloops trout, and these were placed in Premier lake, which was devoid of fish at the time. Within four years fish up to fourteen pounds were being taken out of that lake. That naturally caused some excitement throughout the countryside, and our friends formed a club. In the year 1921 or 1922 they built a small hatchery and proceeded to have eggs hatched that had been taken from the cut-throat and the rainbow trout. They got into some difficulties, and the Department of Fisheries was prevailed upon to lend them an expert, who was sent there at small cost, and finally they were so successful with their hatchery that three of four years ago they built a new one, which now supplies all they need and in addition enables them to give to the Dominion Government many thousands of eggs and fish. These have been placed in the park lakes to the north, at Banff. Last year the hatchery made a profit on shipping eggs to various parts of the province.

I believe that the department could do much good work along the line of having the lakes and rivers supplied with a quantity of sporting fish. In every community there are men who are very eager to help in the preservation of these fish. Not only is the sport advantageous to the people who live near lakes and streams, but we know that it is one of the strongest attractions for tourists and visitors. In illustration of this point I have only to mention Campbell river, on Vancouver Island, where what is known as the Tyee Club has been in existence for many years. People come from all over the world to fish the Tyee salmon, and if you are taking part in the sport, say in July or August, you get up at half past three in the morning, go to a spit, get into your boat with a guide and go out before sunrise. When the sun comes up you will see from sixty to one

hundred boats moving back and forth, trawling for these fish. That sport is of great advantage to the local residents and furnishes a wonderful pleasure to those who engage in it.

As my honourable friends from British Columbia know, now and then a rumour is started that someone engaged in purse-seine fishing has secured permission to purse-seine off a certain point, or certain points, and as a result there is much consternation. I do not believe the department would permit such a thing, but a committee of the kind suggested might very well consider the matter for the purpose of obtaining, by resolution or otherwise, definite assurance that those areas which are capable of development for sport fishing shall be preserved free from interference.

With regard to the sockeye salmon question, I have no doubt that if it had rested entirely between the federal governments of Canada and the United States it would have been settled many years ago, but unfortunately those who have been trying to negotiate a treaty for saving and improving the sockeye fishing on the Fraser river have met with stubborn resistance from the State of Washington, whose coast line is passed by the salmon as they come into the Fraser river. So long as a profit could be made by those who were engaged in the salmon fishing the State of Washington would not take a reasonable position in a discussion, and it was only within the last five years, when it became evident that some agreement between the two countries was essential to prevent the extinction of the fish, that the authorities of that state were willing to consider in a satisfactory manner the making of a treaty.

In 1929 we were informed that a proposal then being presented to Parliament would be agreeable to the authorities in the State of Washington. But some objections were raised in the House of Commons by members from British Columbia, and the bill was withdrawn. It was reintroduced in slightly amended form in 1930, when it was passed to the satisfaction of all concerned. But unfortunately no agreement has yet been reached on the matter in the United States Senate, although many people who have been following the course of negotiations are still hopeful that that body will pass the bill. Whatever is done will have to be with the concurrence of the State of Washington. In my opinion, if the treaty should pass and commissioners be appointed and given powers as suggested, it is not too much to expect, as my honourable friend from Vancouver (Hon. Mr. McRae) said yesterday, that the salmon fishery will be restored, and it will be capable of producing

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every year wealth to the value of twenty to thirty million dollars.

Therefore this fishery is certainly a subject that might well be considered by this Chamber or a committee. The honourable mover of the resolution (Hon. Mr. Taylor) has not definitely stated the limits to which the committee should be confined. His address dealt principally with three matters, the two existing treaties and the one now under consideration at Washington. I notice that the right honourable leader of the House indicated in his address of yesterday that if a committee is appointed its powers should be strictly defined. I think he felt that a committee to investigate fisheries in British Columbia should not be a "fishing" committee, and in this I am in agreement with him. There seems to be peace in the province with regard to the administration of the fisheries, and I should not like to see a committee requesting the various contending interests to give evidence at this time. However, after having listened to the remarks of the right honourable leader and of my honourable friends from the province of British Columbia, I believe that a committee appointed by this Chamber might render valuable service in inquiring into the effects and results of the treaties now in existence, and might also obtain some useful information with respect to the advantages of a treaty relating to the sockeye salmon on the Fraser river.

I have a suggestion, which I hesitate to make. To me this debate has been instructive and enjoyable, and I think sufficient material has been given to honourable members to justify careful consideration for some time. We are now two months into this session, and my suggestion is that perhaps more good would be done if a committee were appointed at the beginning of next session rather than this year. However, this is merely a personal thought, and I wish to make it clear that I see no real objection to the proposal of my honourable friend from New Westminster (Hon. Mr. Taylor).

If a committee is appointed this year it will undoubtedly do much good work in the interest of the province of British Columbia. Should the amendment be passed and matters relating to the fisheries of Eastern Canada be inquired into, these also, I am sure, will receive very careful study. In any event, the work done by such a committee would of necessity be advantageous to the whole fishing industry.

On motion of Hon. J. A. McDonald, the debate was adjourned.

The Senate adjourned until to-morrow at 3 p.m.

THE SENATE

Thursday, March 22, 1934.

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

Prayers and routine proceedings.

CANADIAN PACIFIC RAILWAY COMPANY BILL

THIRD READING

Hon. Mr. COPP, for Right Hon. Mr. Graham, moved the third reading of Bill 23, an Act to ratify and confirm the agreement respecting the joint use by the Canadian Pacific Railway Company of certain tracks and premises of His Majesty at Saint John, N.B.

Hon. W. E. FOSTER: Honourable senators, my purpose in rising is not to take any objection to the motion for third reading. The city from which I come is mentioned in the Bill. I had not read the Bill before it went to the committee, but I have since done so. The fact that it provides for joint use of certain tracks at Saint John tends to show there is a preponderance of common sense in the community affected. The interest rate on capital account is four and a half per cent; so each railway will have to pay only two and a quarter per cent. I may say that a similar arrangement has been in operation since the early nineties, when the Canadian Pacific first came to Saint John. If the principle then adopted had been extended to the railway facilities of the Dominion there would have been a corresponding reduction in interest charges, and we should not now be faced with the serious railway problem which is causing the country so much concern.

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

CANADIAN NORTHERN ONTARIO RAILWAY COMPANY BILL

THIRD READING

Bill 24, an Act to ratify and confirm an agreement made between the Canadian Northern Ontario Railway Company and the Campbellford, Lake Ontario and Western Railway Company.—Right Hon. Mr. Meighen.

KOUDSY DIVORCE PETITION

REPORT OF COMMITTEE

Hon. C. W. ROBINSON, Acting Chairman of the Standing Committee on Divorce, presented the thirteenth report as follows:

With respect to the petition of Aziz Koudsy, otherwise known as Eddie Coudsy, of the city of Montreal, in the province of Quebec, clerk, for an Act to dissolve his marriage with Marie Shahda Koudsy:

The Committee recommend that out of the parliamentary fees paid under Rule 140 the sum of \$50 be paid to the respondent on account of the conduct of her defence.

All which is respectfully submitted.

Hon. Mr. DANDURAND: Will the honourable gentleman explain what has been the practice heretofore?

Hon. Mr. ROBINSON: Since I have been a member of the Divorce Committee it has been the practice to recommend a refund of fees in certain circumstances. In this case two applications were made: the petitioner asked for a refund on the ground of poverty; the respondent stated she had no money, but desired to contest the case. After a very careful examination of the affidavits submitted the Committee decided to recommend that \$50 of the fees already paid in by the petitioner be paid out to the respondent.

Hon. Mr. SHARPE: Has that ever been done before?

Hon. Mr. ROBINSON: I believe so.

Right Hon. Mr. MEIGHEN: I think there is precedent for ordering the petitioner to provide funds for his wife for purposes of defence, but that money should be provided for such purposes out of fees paid to the House in respect of divorce proceedings is something that I have never heard of before. I put myself in the hands of honourable senators who have had longer experience, but it seems to me a very doubtful precedent from the standpoint of law, and still more doubtful from the standpoint of practice.

Hon. Mr. ROBINSON: It has been customary in certain cases to refund fees paid by the petitioner with respect to divorce proceedings. Occasionally a petitioner has been allowed to proceed without actually paying fees. In this case it was thought wise to recommend a refund of \$50 to the petitioner, and also payment of \$50 to the respondent.

Hon. Mr. BALLANTYNE: Out of the refund?

Hon. Mr. ROBINSON: Yes, to protect the respondent. I am informed that a similar course has been taken before, although I do not recall such a case.

Hon. Mr. DANDURAND: Is not the petitioner required to deposit \$200 on filing his petition?

Hon. Mr. ROBINSON: I think the total deposit is \$210. In some cases there is a refund, but usually action is taken when the petitioner is before the Committee. This case has not yet been heard and we are acting on the strength of affidavits which have been filed with the Clerk of the Committee.

Hon. Mr. COPP: Honourable members, as one who has had some little experience of the Divorce Committee during the past few years, I may be permitted to give my understanding of this recommendation. When the petition was filed the parliamentary fee of \$210 was paid, and later an application was made for the refund of a portion of that fee.

Right Hon. Mr. MEIGHEN: Before the hearing?

Hon. Mr. COPP: Yes. It is the practice for the Committee to consider applications for refund which are accompanied by affidavits of the petitioner and one or two other persons familiar with his circumstances.

Hon. Mr. BEAUBIEN: On what ground is the application made?

Hon. Mr. COPP: On the ground of poverty. If the Committee decides that the petitioner is not in a position to pay, it is its custom to recommend a refund of all but \$50, which is the cost of printing. In this case, I understand, after the fee was paid, an application from the petitioner for a refund, and an application from the respondent for money to enable her to put in a defence came before the Committee. The usual amount allowed to a respondent in such cases is in the first instance \$50. This may be increased later if the hearing turns out to be an extended one and therefore more costly than has been anticipated. In this case the money was not transferred to the respondent, but refunded to the petitioner; then an order was made that the petitioner should pay the respondent the sum of \$50, not necessarily out of this money. Until that order is complied with the case will not be heard.

The Hon. the SPEAKER: When shall this report be taken into consideration?

Hon. Mr. ROBINSON: If it is permissible I should like to have it taken into consideration now.

Hon. Mr. DANDURAND: The question I put has not yet been answered. Has it been the practice of the Divorce Committee to allow provision to be made for the defence of the respondent out of the deposit made by the petitioner?

Hon. Mr. DANDURAND.

Hon. Mr. ROBINSON: I am told that it has been done. This is the first case of it that has come within my experience.

Right Hon. Mr. MEIGHEN: If I understand the honourable senator from Westmorland (Hon. Mr. Copp) aright, it has long been the practice, on a proper case being made out, to refund a portion of the fee. I was not aware that it was the practice to make a refund before the hearing. I am told now that it is. Acting on that practice, the Committee has recommended the refund of a portion of the fee. Undoubtedly it has been the practice in cases of poverty on the part of the defendant, when the defendant is the wife, to order the husband to pay a certain amount, starting with \$50, to enable her to bring witnesses, if she has them, and to make her defence. That has been done in this case. The plaintiff has in his hand the money refunded; so it is his money. Therefore this order is in accordance with the practice.

Hon. Mr. CASGRAIN: It is pretty hard upon a husband to have to give money to his wife to enable her to get rid of him.

Some Hon. SENATORS: Oh, oh.

The Hon. the SPEAKER: Is it your pleasure, honourable members, to adopt the report?

The report was concurred in.

PRIVATE BILL

THIRD READING

Hon. Mr. FOSTER moved the third reading of Bill D, an Act to incorporate Personal Finance Corporation.

Hon. Mr. PARENT: When this Bill was in committee I raised a question as to section 5, which reads as follows:

The Company may throughout Canada:—(a) buy, sell, deal in and lend money on the security of conditional sales agreements, lien notes, hire purchase agreements, chattel mortgages—

and so on. In the province of Quebec we have no such thing as a chattel mortgage, but the Bill apparently would confer upon this particular company the right to carry on that kind of business in the province of Quebec. When I raised in the committee some question as to the words "throughout Canada," I was supported in my view by the honourable senator from Wellington (Hon. Mr. Brown), whose knowledge of law is well known, and who I think would not have taken such a position unless these words had some significance. Consequently I suggested to the

committee that they should be deleted, so that the province of Quebec, at least, would not be interfered with. Not having succeeded before the committee, I want to register my protest here against these two words. If I can find a seconder I shall move that the two words after the word "may," in section 5, be stricken out.

Hon. Mr. CASGRAIN: May I ask the honourable gentleman if it would not be against the Civil Code in Quebec to buy or deal in chattel mortgages?

Hon. Mr. PARENT: Undoubtedly.

Hon. Mr. CASGRAIN: In that event the words can do no harm.

Hon. Mr. FOSTER: Honourable members, this matter was thoroughly discussed in committee. A question arose as to the two words "throughout Canada," and it was explained that the wording of the section was the same as has appeared in three bills of a like character that have been passed by the committee and eventually by the Senate. If I remember correctly, it was stated in the committee that in the province of Quebec it is not legal to give or deal in chattel mortgages, and therefore the inclusion of the words "throughout Canada" would not give the company power to act contrary to the law of that province. I have no particular interest in the Bill, except that I am named as the sponsor, and I believe that the principle of the measure is a good one at the present time. It is unfortunate that there should be a need for such companies.

Hon. Mr. MURDOCK: Honourable members, I was mentioned as seconding the motion for third reading of this Bill, and I desire to say that this is an error, for I am opposed to the measure. In my opinion such legislation is nothing more nor less than legalized sculduggery, and I do not want to have anything to do with it.

The Hon. the SPEAKER: The seconder of the motion is the honourable senator from Leeds (Hon. Mr. Hardy).

Hon. Mr. BEAUBIEN: Honourable senators, about ten years ago there was passed in the province of Quebec the Parent Act. This was a great surprise to us, for it inaugurated an entirely new system which completely changed the principles of the Civil Law by permitting chattel mortgages by bonds. But my honourable friend from Kennebec (Hon. Mr. Parent) will see that the Act to which I refer legalizes chattel mortgages only when they are given by bonds. The present measure, so far as I know, does not refer

to bonds, and consequently it cannot authorize the company to deal in chattel mortgages in the province of Quebec.

If I may, I would suggest that after the words "chattel mortgages" the word "pledges" be added. This would make the section conform with Quebec law. The object upon which a guarantee is given would pass into the possession of the lender.

Hon. Mr. TANNER: Honourable members, I should like to ask whether there is not a rule of the Senate which requires one day's notice of a motion to amend a bill on third reading.

The Hon. the SPEAKER: Rule 24 provides:

One day's notice must be given of any of the following motions:

(c) For any substantial amendment to a private bill.

So it seems that the amendment of the honourable gentleman from Kennebec (Hon. Mr. Parent) would require a day's notice.

Hon. Mr. BLACK: Honourable senators, three other bills similar to this have been previously passed by the Committee on Banking and Commerce and by this House. In the present instance the Committee decided, with I think only one adverse vote, to leave the two words "throughout Canada" in section 5, because these words were contained in the three earlier measures. According to the legal opinion given to our committee, the inclusion of the words would have no effect whatever upon the Civil Law of Quebec with relation to chattel mortgages.

Right Hon. Mr. MEIGHEN: Honourable senators, if there is a rule requiring one day's notice of an amendment on third reading, there is no reason why it should not be applied here; but honourable members will observe the rule refers to a "substantial amendment." With all deference to the Chair, and to the honourable senator from Kennebec (Hon. Mr. Parent), I think the amendment is not substantial; indeed, if there ever was an unsubstantial amendment this is one.

As leader of the House I have no special interest in the amendment, nor in whether the Bill is carried or rejected, but perhaps I owe it to honourable members to do what I can to make clear what question we are now considering. Among other things in this Bill, as in three other bills passed since 1928, there is a provision that the company may throughout Canada buy, sell, deal in and lend money on certain securities, and included in the list are "chattel mortgages." Now, in the province of Quebec there is no such thing known

to the Civil Law as a chattel mortgage. The honourable gentleman from Kennebec (Hon. Mr. Parent) says there is an implication that if the words "throughout Canada" are left in the Bill the company may claim the right to purchase or deal in chattel mortgages in that province, and therefore he moves an amendment that these words be stricken out.

My first observation is that the Bill would be exactly the same whether these words were in it or not, because any legislation passed by Parliament is essentially and inevitably effective throughout Canada unless there is a specific limitation, and there is none in this instance. The only reason why the words are used is that the language of the section is uniform with that used in the previous measures.

There is another reason why the inclusion or omission of the two words would not alter the effect of the Bill, namely, that no legislation by Parliament can enable anyone to violate the law of a province. The implication is that if we by legislation empower a company to do a certain thing, it can do that only in so far as it does not thereby violate a provincial law.

For these two reasons the effect of the Bill would be exactly the same whether the words were left in or stricken out. So far as I am concerned, inasmuch as the amendment is insubstantial, I see no reason for delaying consideration of it. I think we ought to dispose of the Bill in the affirmative or negative.

The Hon. the SPEAKER: Does the honourable gentleman insist on his amendment?

Hon. Mr. PARENT: With the leave of the Senate I will withdraw the amendment. I ask that third reading be not proceeded with now, as I desire to give notice of an amendment to provide that section 5 of the Bill shall not apply to the province of Quebec.

Right Hon. Mr. MEIGHEN: The motion for third reading is on the Orders for to-day. I am in favour of disposing of the motion now.

Hon. Mr. PARENT: In that case I do not insist on any delay.

Hon. Mr. MURDOCK: If I can get a seconder, I will move in amendment that the Bill be not now read a third time, but be referred to the Committee of the Whole House.

Hon. Mr. DANDURAND: May I ask my honourable friend what is the purpose of his motion?

Hon. Mr. MURDOCK: Personally I should like to know what is the necessity for a Bill of this kind. It seems to me that among the

Right Hon. Mr. MEIGHEN,

things which have interfered with the livelihood and the welfare of ordinary, humble citizens of Canada have been such measures as this, which legally empower someone to exploit the unfortunate. Of course, I may be entirely mistaken, but in any event, I certainly should like to know more about the Bill.

Hon. Mr. PARENT: I second the motion for reference to Committee of the Whole.

Hon. Mr. DANDURAND: We may as well dispose of the matter on third reading, without going into committee.

Hon. Mr. MURDOCK: It may be entirely my fault that I do not know anything more than I do about the Bill, but it seems to me that there is a tendency to rush it through. I have no doubt that the Committee had the measure under advisement, and that each member of the Committee knows what it is all about. I wonder whether it would be improper for those of us who have not that knowledge to ask, on behalf of ordinary, unfortunate citizens, for some information.

Right Hon. Mr. MEIGHEN: I have a lot of sympathy with the stand taken by the honourable senator from Parkdale (Hon. Mr. Murdock). The Committee threshed out the Bill, and at first the members took the same view as that expressed by the honourable gentleman, but after argument and fuller consideration the measure was adopted. As far as I know, the motion for reference to Committee of the Whole is in order, and I would offer no objection to it, for in committee we could carry on discussion without any limitation.

Hon. Mr. MacARTHUR: Honourable senators, I am not a lawyer, and I must say that I am not clear about this matter. I was wondering whether the Bill would have the same effect if the words "in every province of Canada" were substituted for the words "throughout Canada." It seems to me that it would. The honourable gentleman from Kennebec (Hon. Mr. Parent) is asking that the words "throughout Canada" be stricken out, and the right honourable leader of the House states that if this were done there would be no change in the effect of the Bill. Then what harm would there be in taking out these two words? The law would be inoperative with respect to chattel mortgages in the province of Quebec.

Right Hon. Mr. MEIGHEN: That is not the question at the moment, for the honourable gentleman from Kennebec has withdrawn his amendment. Of course, he can

renew it in Committee of the Whole, if the motion of the honourable senator from Parkdale is carried. The question now is whether we shall pass the motion for third reading, or the amendment that the third reading be not now given, but that the Bill be referred to Committee of the Whole. The reference to the Committee, if decided upon, would, I suppose, be to-morrow.

Hon. Mr. MacARTHUR: I understood the right honourable leader of the House expressed the wish that the matter should be disposed of now.

Right Hon. Mr. MEIGHEN: I consider the amendment unsubstantial and should like to have it disposed of now; but when an honourable senator says he is entirely opposed to the Bill, has not heard it discussed, and does not want to vote until it has been reviewed, I can offer no objection to his motion.

The amendment of Hon. Mr. Murdock was agreed to.

FOREIGN INSURANCE COMPANIES BILL

THIRD READING

Bill B, an Act to amend the Foreign Insurance Companies Act, 1932, as amended.—
Right Hon. Mr. Meighen.

TECHNICAL EDUCATION BILL

CONSIDERED IN COMMITTEE

On motion of Right Hon. Mr. Meighen, the Senate went into Committee on Bill 32, an Act to amend the Technical Education Act.

Hon. Mr. Donnelly in the Chair.

On section 2—disposition of unexpended balance:

Right Hon. Mr. MEIGHEN: On second reading I promised the honourable senator from De Lorimier (Hon. Mr. Dandurand) that when the Bill reached committee stage I would give him certain details. Ontario, British Columbia, Alberta, Quebec, New Brunswick and Prince Edward Island have expended their respective shares of the \$10,000,000 appropriation under the Act. The balances due the other provinces as of December 31, 1933, are: Nova Scotia, \$130,561.45; Manitoba, \$356,312.59; Saskatchewan, \$166,088.75.

Section 2 was agreed to.

The preamble and the title were agreed to.

The Bill was reported.

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

CANADIAN SEALING AND FISHERY INTERESTS IN PACIFIC WATERS

MOTION ADOPTED

The Senate resumed from yesterday consideration of the question proposed by Hon. Mr. Taylor:

To call attention to the administration of Canadian sealing and fishery interests in Pacific waters; and to move that a special committee of the Senate be appointed to inquire into the results of existing treaties in this connection; with power to call for persons and papers and to take evidence under oath.

And the amendment moved by Hon. Mr. McRae:

That all the words after the word "that" be left out and the following substituted therefor: "a special committee of the Senate be appointed to inquire into and to make a comprehensive study of all phases of the conditions relating to the sealing trade and the Canadian fishing industry, and that the committee have power to send for persons, papers and records, to employ clerical and stenographic service as required, and to report from time to time.

Hon. J. D. TAYLOR: Honourable senators, if no other honourable gentleman desires to speak on this question, I should like to exercise my privilege of closing the debate.

The Hon. the SPEAKER: Does any other honourable member desire to speak on the question?

Hon. Mr. TAYLOR: Before resuming my seat I shall propose a speedy disposition of this question in the hope that early next session I may achieve the object I had in mind when making this motion a few days ago.

May I refer, very briefly, to some observations made by the right honourable leader of the House (Right Hon. Mr. Meighen) in which he took a position that I do not think we should be asked to endorse. The right honourable gentleman said:

I am not going to take a position to-day in regard to either the amendment or the motion, save to make one comment. I know the House will not be desirous of launching inquiries which make it necessary to bring witnesses long distances, and consequently involve considerable expense, unless it is felt not only that the question to be considered is important—and in this all will agree—but that there is a reasonable prospect of attaining results commensurate to the outlay. This being so, it is well that the purpose of every inquiry should be as definite as possible, and it should be a prerequisite, I

think, that a prima facie case is made against the administration of a branch as at present conducted.

Last week when I made my motion I congratulated myself on being able to present to the House a question not in any sense controversial, but one that, as I saw it, was of interest to a great many honourable members. What I then said could not, I submit, be interpreted as an intention on my part to put any department of the Government "on the spot." I felt it would be of value to the Senate to have information with respect to the three main subjects with which I then proceeded to deal, in order that honourable members might be in a position to judge not only of the activities of the Department of Fisheries, but also of the responsibility of the Government in leaving that important department for many years without a responsible head. Naturally, not being desirous of arousing any controversial feeling, I did not stress this point, but I simply directed attention to the three subjects that, to my mind, were most important to the province of British Columbia, and suggested the manner in which improved conditions could be brought about.

Perhaps I was delinquent in refraining from putting the department "on the spot." Since, however, I am challenged, I shall point out why I consider the department subject to criticism. I have before me the Pelagic Sealing Treaty. Article 2, in part, is as follows:

The United States agrees that one-fifth in number and in value of the total number of sealskins taken annually upon the Pribilof Islands, or any other islands or shores of the waters above defined, subject to the jurisdiction of the United States, to which the seal herd now frequenting the Pribilof Islands hereafter resorts, shall be delivered at the end of each season to an authorized agent of the Canadian Government in the Pribilof Islands.

Only lately has it come to my knowledge that someone in the department, without any authority whatever, and in utter disregard of this article of the treaty, decided not to have anything to do with such smelly things as sealskins in their green state, preferring, apparently, to handle nice, clean American money. And he seems to have left the calculation of Canada's share to the parties on the other side.

There is more involved in this than the loss to Canada of the difference in price of the skins as taken on the Pribilof Islands and their ultimate value. I have seen no definite statement, but from information that has reached me I infer that the United States value the green skins at about \$2.50 each.

Hon. Mr. TAYLOR.

The native killers are paid seventy-five cents for each skin. At St. Louis the skins are processed, and the cost of this processing is put at such a figure as to leave only about \$2.50 as the value in which we are to share at one-fifth.

Recently I saw a fur sale report showing the prices received by the United States for each parcel of sealskins sold during the year under review. The prices ranged from \$51 for prime skins down to about \$21 for the lower quality. The average price was nearly \$30 a skin for the total marketed. Despite his knowledge of this report and of other information published by the American Government with respect to the revenue derived from the annual sale of sealskins, some one in our Department of Fisheries assumed the responsibility of accepting twenty per cent of \$2.50 per skin, or less, as our full share of the value of the sealskins sold at prices ranging from \$26 to \$50. In my judgment any departmental official guilty of such dereliction of duty should be put "on the spot."

But there is more involved. Before the treaty was entered into the processing of sealskins was a very important industry in the Mother Country. The annual sale of sealskins sent to England by the Canadian sealing fleet was a feature of the London fur market. There came to the British people engaged in the industry the difference between the \$2.50 value of the skins at the Pribilof Islands and the \$30 to \$40 value when fully processed. Very little calculation is needed to demonstrate the serious loss to British industry by this action on the part of some departmental official.

In the year last reported on by the department we were paid \$2,600 as our one-fifth share of the value of 49,000 skins. For easy calculation let us assume that 10,000 skins represented our share. I understand that about six sealskins are required to make a coat; so our 10,000 skins would represent about 1,700 coats. When sealskins were in fashion, a coat commonly sold for \$500, and I believe that even \$1,000 was a common price. It will be seen that we deliberately deprived the British fur industry of more than three-quarters of a million dollars a year which they formerly derived from the operation of this industry. This is one of the matters on which I desired to get information from the department, where alone it can be secured. There is nothing in any of the Government reports giving details in this respect. It is obvious that a special committee might secure important results from an inquiry along the lines I have suggested.

I come next to the halibut fishery. This fishery was not a discovery of the Fisheries Department. In 1914 or 1915 the Government of British Columbia engaged a Mr. William F. Thompson, a scientist from California, to study the habits of the halibut and to report what, if anything, should be done in connection with the industry. Mr. Thompson enjoys a high reputation in the United States as a fisheries expert. He made most elaborate reports, which were the subject of publication in the official returns of British Columbia for two or three years. In addition, he addressed an authoritative paper to the Conservation Commission of Canada. I have it under my hand and could quote very significant paragraphs from it, but shall not do so. I simply refer honourable gentlemen who are interested to pages 90 and following of the report of the Commission for 1915, where they will find a very instructive report on the condition of the halibut industry of Canada and of Alaska.

Under the Halibut Treaty the department ten years ago engaged the same Mr. Thompson to make a series of observations. He is making them in a vessel of his own choice, accompanied by a substantial crew, nearly all of whom are Americans, and we are paying at the rate of from \$25,000 to \$40,000 a year for the tripping and the observations of this steamer. We have carried that on for ten years. We have spent upwards of \$250,000 on observations which confirm the official reports made in 1915 and 1916, not disputing them in any respect, and which right up to this moment have failed to produce any beneficial results to the halibut fishery. I say with all deliberation, and with a perfect realization of the significance of my words, that, in the light of the definite reports previously made by Mr. Thompson, and the reports he is now making year by year, we have done nothing to get results other than to confirm by observation facts already in our possession.

You may ask, "Is there not a closed season?" There is, but Mr. Thompson reports in his literature that the closed season, to be effective, should be prolonged from December to April and should be repeated year after year. There has recently been instituted a closed season of three months, and we have Mr. Thompson's report on that, to the effect that it is for economic effort rather than for protection of the halibut. We are supposed to get reports from time to time from this commission for the conservation of the halibut industry. When I spoke about this four years ago I was told that the com-

mission had reported from time to time; that while I knew of only one report, there actually had been five. Naturally I felt humbled, being, as I thought, an alert newspaper man, at letting four reports go by without even knowing they had been presented. Shortly afterwards I got the four reports, all printed in 1930, after the date at which I addressed this honourable House; and so far as I have been able to ascertain, No. 5 of 1930 is the last report available from this Halibut Commission, which we have been carrying on at a cost of \$30,000 or \$40,000 a year ever since. If there are other reports, they seem to have been locked up in the Fisheries Department and reserved from Parliament.

The gist of this No. 5 report is that the closed season of three months is not imposed as a measure of conservation, nor is it calculated to conserve the halibut fishery, or capable of conserving it, or preventing its absolute disappearance. In paragraph after paragraph of the sixty or seventy pages of that report Mr. Thompson, the expert of the Commission, warns us that the short closed season we have is designed rather to protect the operator in one direction from losing anything by not being out and taking halibut while another operator is permitted to take it. So, by something agreed upon by the two Governments, as well as by the two departments, this closed season of three months is fixed. I speak in the presence of perhaps ten or a dozen honourable gentlemen who have been members of governments in Canada and have sat with the Privy Council, before whom matters of this kind would naturally be brought for discussion. I should like to learn from any one of them who hears me speak—as a member of Council he could, I think, trespass on his oath to this extent—whether he, as a member of Council, has at any time received any worth-while information about the condition of the halibut industry, or about the progress or lack of progress of the observation party which we have been maintaining for ten years. I feel satisfied that if honourable gentlemen had been posted in that way in the course of their duties as Privy Councillors, some of them would have come to the rescue during this debate.

I think I have shown that there is something worth while to be inquired into in relation to the halibut, and that we cannot depend upon the privately spoken statements of employees in the department, which are not subject to inquiry or study.

The third division is the future of the salmon industry. The treaty is a most one-sided document, made for the preponderating

benefit of the United States. It was made on the one side by the Fisheries Department, without the advantage of a minister at its head, and on the other by the keenest brains in the United States, who simply played us. We know it is impossible to carry out the terms of that treaty. Honourable gentlemen think they are correct in stating that the treaty provides that we are to receive one-half the proceeds of the salmon fishery in the Fraser area. It provides nothing of the kind. It expresses, in the preamble, the opinion that it would be very desirable that we should share equally, but it lets it go at that, and provides no means of bringing about equality. I am satisfied that equality cannot be brought about, and that if we sign the treaty as it now stands at Washington, we shall be gypped again on the sockeye salmon as we have been gypped on seals and halibut. I do not think my expression is any too strong.

I have studied these matters for a great many years. I think the first work I did for the press of British Columbia was my story of the sealing eruption of 1892. I have been keeping track of these matters ever since, and I say nothing more important to industry in Canada than these fishery matters could engage the attention of this Senate.

The honourable senator from Vancouver (Hon. Mr. McRae) offered an amendment enlarging the scope of the resolution as I had written it. I know what was his inspiration in doing this, and I agree with him. I am aware that there are problems on the Atlantic coast, as well as on the Pacific coast, that might very well engage our attention. I have no desire at all to put any obstacle in the way of an inquiry into those problems. I realize, however, that to branch out there would take time, which perhaps we cannot afford at this session, and it would also entail expense, which, as the right honourable gentleman (Right Hon. Mr. Meighen) very properly pointed out, should not be lightly incurred. I do not think we could prepare properly at this session to go satisfactorily into the many problems of the Atlantic. I have to suggest, therefore, in order that the two branches of the inquiry may proceed together, that the Senate permit me to withdraw the resolution I have moved, and also permit the honourable senator from Vancouver (Hon. Mr. McRae) to withdraw his amendment. The honourable senator from Vancouver (Hon. Mr. McRae) had to leave the city this afternoon, but he authorized me—I think he also left a message with the honourable senator from Manitou (Hon. Mr. Sharpe), who is not in his seat at the moment

Hon. Mr. TAYLOR.

—to say that he was in perfect accord with my view that under these circumstances both the resolution and the amendment should be withdrawn, I suggest, therefore, that we should be permitted to withdraw the resolution and the amendment, and to leave the matter with the idea of adding a Committee on Fisheries to the regular committees of the Senate at the beginning of next session, and of introducing at the earliest opportunity an inquiry into all these subjects. This is done, not with a view to putting any department or any officer of a department "on the spot," but for the purpose of enlightening Parliament and placing ourselves in a position to deal intelligently with the periodical reports of these officials.

I would ask, honourable gentlemen, to be permitted to withdraw my motion, and on behalf of the honourable senator from Vancouver to be permitted to withdraw his amendment.

Right Hon. ARTHUR MEIGHEN: Honourable senators, I have spoken on the motion and on the amendment, and consequently have no right to speak again on the merits. I have, however, a right to speak in relation to the request for permission to withdraw.

The honourable member (Hon. Mr. Taylor) intimated to me yesterday that he would ask for permission to withdraw, and stated, as he has to-day, that next session he would ask the establishment of a Standing Committee on Fisheries. To this I acceded. But meantime the situation has changed and I now feel, for reasons which I shall give, that I cannot accede to the request to withdraw.

The honourable member in his opening remarks quoted certain words of mine spoken in this House two days ago, to which he took exception. The quotation was as follows:

I am not going to take a position to-day in regard to either the amendment or the motion, save to make one comment. I know the House will not be desirous of launching inquiries which make it necessary to bring witnesses long distances, and consequently involve considerable expense, unless it is felt not only that the question to be considered is important—and in this all will agree—but that there is a reasonable prospect of attaining results commensurate to the outlay. This being so, it is well that the purpose of every inquiry should be as definite as possible, and it should be a prerequisite, I think, that a prima facie case is made against the administration of a branch as at present conducted.

The criticism of the honourable gentleman, if I gathered it correctly, was to the effect that it was not necessary, as a prerequisite to a discussion in this House, to make any complaint or criticism, as he expressed it, to "turn the spotlight" on to the department. If that

is the whole purport of his contention, I agree. What I suggested was that it was a prerequisite not to discussion, but to the establishment of a committee with wide powers which would commit this House and consequently the country to substantial expenditure, and that unless there was an allegation, or we were satisfied that a prima facie case had been made out to show that something in the administration could be improved, the House would not feel that we should undertake such expenditure. To that position I adhere. I do not know whether the honourable member sought to attack that position as I stated it.

Now, at the conclusion of the debate, in exercising his right to reply, the honourable member has certainly complied with the prerequisite by establishing a prima facie case. Under a strict interpretation of the rule, a reply must deal with the contentions urged on the other side during the course of the debate. The honourable gentleman has seen fit not to adhere to the rule—and to that I take no exception—but has levelled substantial and serious criticisms against the administration of a department extending over a period of years, and I think it would be most unjust to close the matter now and leave the department under imputations until we meet again next session. I think it would be much better that this committee should be appointed and given the powers asked for.

I have no objection to the withdrawal of the amendment of the honourable senator from Vancouver (Hon. Mr. McRae), first, because it goes farther afield and would extend the inquiry over sections with respect to which there is no particular allegation, and also because it provides for clerical and stenographic assistance which possibly would not be needed. My principal reason for adhering to the motion is that I am desirous of doing exactly what the honourable member from New Westminster (Hon. Mr. Taylor) has asked. He has left these imputations. I do not know whether they are true or not; I have no knowledge at all of the facts; but I suggest that we follow his request exactly—that we appoint this committee and give the department an opportunity to appear before it, so that we may ascertain whether or not some improvement can be made, and whether or not there has been the delinquency which, prima facie, the honourable gentleman has established.

Hon. Mr. TAYLOR: If I may express myself without making a speech, I would say that I am pleased at the suggestion of the right honourable gentleman.

With the leave of the Senate, the amendment was withdrawn.

The motion of Hon. Mr. Taylor was agreed to.

THE WORK OF THE SENATE

INQUIRY—DISCUSSION CONCLUDED

The Senate resumed from March 20 consideration of the question proposed by Hon. Mr. Murphy:

To call the attention of the Government to the work of the Senate and to the efforts made by the Senate to secure the initiation in this House of Government measures, and to inquire if it is the intention of the Government to introduce in the Senate at an early date any of the legislation indicated in the Speech from the Throne.

Hon. Mr. GRIESBACH: Honourable senators, I moved the adjournment of this debate on behalf of the honourable gentleman from Shediac (Hon. Mr. McDonald).

Hon. J. A. McDONALD: Honourable senators, I do not bother this Chamber very often, and in the present instance I intend to speak but a few moments. As I was not trained in a legislative atmosphere, and my judgment has not been influenced by a long and active political career, perhaps I can discuss this question from a little different angle from that taken by some honourable members who have spoken before me. For many years I have been associated with the labour movement, though not in an official capacity, and I think I have the confidence of many of our Canadian workmen. They are a little puzzled about what the Senate is trying to do in this discussion. Why all this apologizing for inaction? Why the apparent straining to justify our existence, and the striving to show that we have some powers which evidently have not been exercised? What the people want is action.

I came to this Chamber a few years ago, more or less in the spirit of a crusader, filled with thoughts of the great things that I was going to accomplish. In 1921 we were faced with a serious unemployment situation, and on my request a special committee was appointed, of which I had the honour to be made chairman. The other members of the committee were the Hon. Senators Murphy, Tanner, Pope, Nicholls, Harmer, L'Espérance, Blain, McCall, Dandurand, Mitchell, Bostock, Planta, Casgrain, Giroir and Turriff, fifteen in all, of whom I am sorry to say that seven have since passed away. We tried to consider the unemployment problem from the viewpoints of the banker, the manufacturer, and the workingman, and we had before us a representative of each of those classes. Mr. Henry T. Ross, Secretary of the Canadian Bankers' Association, threw much light on the general situation and made many timely suggestions; Mr. J. E. Walsh, General Secretary of the Canadian Manufacturers' Association, spoke on behalf of the manufacturers; and Mr. Arthur Martel, Vice-

President of the Trades and Labour Congress, voiced the feelings of the workingman. We also had the advantage of hearing the well-posted Deputy Minister of Labour, Mr. Acland, and his assistant, Mr. Odam.

The whole committee was in earnest and met frequently, sometimes sitting past the midnight hour. We gave the best attention we could to the problem. The evidence given before us, covering 150 pages, may be considered to present a fair survey of the whole unemployment problem at that time. Yet I am sorry to have to say that when the committee brought in its report, containing findings and recommendations, no further action was taken.

It seems to be the common thing nowadays to make excuses for ourselves and place somewhere else the blame for everything that goes wrong. It has become an obsession to attack our banks, trust companies, insurance companies, governments, and so on. But I want to say that if this Chamber had carried out its obligations as faithfully as have those splendid institutions, we might have had a far brighter picture facing us to-day. We have been talking and thinking too much about ourselves, looking at the space we occupy and not considering our responsibilities to our fellow men. The other day I was listening over the radio to that great man, President Roosevelt, and heard him say that 85 per cent of the business in the United States is done by people who receive a salary of \$2,000 a year or less. The President declared, "When it comes to a question of humanity versus profits, there is no doubt about which side I am on."

It really is worth while to forget our own troubles at times and think about those of other people. Not many days ago I had the privilege of talking to an executive of one of the largest companies in Canada. He told me that the president of that company, while lying ill in hospital, heard that one of his employees—one of the 85 per cent class of small-salaried people—had suffered a broken leg somewhere up in the woods, and that it was practically impossible for him to receive proper medical attention. So the head of the company sent from his hospital bed a message that that employee must be brought back to the city, no matter what the cost might be. The executive to whom I was speaking said: "A few days afterwards the president died, and while I was helping to carry his coffin into the church a shadow passed over the sky. It was a man going home to his people."

Hon. Mr. McDONALD.

Now, I contend that we should not be too greatly concerned about our powers, which the public know we have. We should not worry over any casual criticisms in the press. A newspaper may have 300,000 readers, but its editorials are written by individuals, and the judgment of any one of those 300,000 readers may be just as good as that of the man who writes an article. It has been said that the press does not give sufficient publicity to what goes on in the Senate. Well, I think that if we implement with action some of the recommendations that have been made here, we shall get all the newspaper co-operation we want.

One honourable member suggested that the Senate would be improved by the appointment to its membership of some of the clergy. I think there is great merit in that proposal. It seems to me there is an analogy between the selection of senators and the screening of coal in a mine. The geographical, racial, religious and political screens are used, and labour is ignored. We have not enough representatives of the 85 per cent class, of the "forgotten man." I want to suggest now that there should be an increase in the labour representation in the Senate.

We should resolve that, once we have undertaken any inquiry or work which seems to the seasoned minds of this Chamber to be worth while, we will carry through. Actions speak much louder than words.

Hon. A. B. GILLIS: Honourable senators, I desire not to make a speech, but merely to express my opinion that this debate has gone far enough. We seem to be drifting into what might be called a mutual admiration society.

Hon. Mr. MURDOCK: Hear, hear.

Hon. Mr. GILLIS: We might reflect with profit upon the Shakespearian sentence, "Methinks he doth protest too much." The speeches of the honourable gentleman who introduced the question and of the leaders on both sides of the House covered the ground so thoroughly that, in my opinion, it was unnecessary to continue the debate further. I think that the ordinary citizen of Canada quite appreciates the importance of the Senate, and that it is unnecessary for us to elaborate upon that importance. When I was called to this Chamber the late Mr. Arthur Hawkes, a writer on the Toronto Star, in an article dealing with the appointment of myself and others, said, "Everybody damns the Senate, but everybody wants to be

appointed to it." I strongly suggest that we proceed no further with this debate.

Hon. Mr. GRIESBACH: Honourable members, on behalf of a number of honourable gentlemen who are not present, I beg leave to move the adjournment of the debate.

Hon. Mr. MURDOCK: The honourable gentleman moved the adjournment of the debate on Tuesday. Can he do so a second time? I am not asking the question with any desire of preventing anyone from speaking, although I agree with the honourable senator from Saskatchewan (Hon. Mr. Gillis) that the debate has gone far enough. However, if it is going to be continued, I may try to make a speech.

Hon. Mr. GRIESBACH: I moved the adjournment on Tuesday on behalf of an honourable gentleman who was not then in the House, and I am making a similar motion now on behalf of a number of other honourable gentlemen who are absent. However, if it is not in order for me to make such a motion the second time, I perhaps can move that the Order be discharged and placed upon the Order Paper for a future day.

Hon. Mr. DANDURAND: As I said a short time ago, a debate can properly be adjourned only when no member present in the Chamber desires to proceed. I do not know whether my honourable friend from Parkdale (Hon. Mr. Murdock) wishes to speak.

Hon. Mr. MURDOCK: I would rather not.

Some Hon. SENATORS: Close the debate.

The Hon. the SPEAKER: I can find no rule covering the point raised by the honourable gentleman from Parkdale (Hon. Mr. Murdock).

Right Hon. Mr. MEIGHEN: I think the honourable gentleman from Parkdale is right. No special rule is necessary, because a senator may not speak more than twice to one motion. The honourable gentleman from Edmonton (Hon. Mr. Griesbach) has already risen on the motion which stood in his name, and he cannot be heard again.

Hon. JOHN LEWIS: Honourable senators, if the debate is not to be adjourned, I will make a few remarks.

Hon. Mr. MURDOCK: The honourable gentleman can adjourn it.

Hon. Mr. LEWIS: I would rather not have it on my mind over the Easter holidays. To me, making a speech is very much like being put on the operating table, and I like to get off as soon as I can.

I am rising chiefly to respond to a request made by the honourable gentleman from High River (Hon. Mr. Riley) to the effect that senators connected with the press might help to obtain more publicity for our proceedings. I can speak for the press only in a remote way, and chiefly on account of my newspaper connection in the past, but what I say may go for what it is worth. Personally, I have very slim hope that there will be any greater publicity given to what goes on in the Senate. The right honourable leader of the House (Right Hon. Mr. Meighen) and the honourable senator from North York (Hon. Sir Allen Aylesworth) stated that the main channel through which we can increase our activities is the initiation of private bills. Well, I do not expect that reporters are going to flock to the committee rooms to hear discussions on private bills. Newspaper correspondents quite naturally and rightly place greatest emphasis on things which have the most news value.

But perhaps a consolatory ingredient in our cup of sorrow, if we are sorry, is the reflection that nearly all the best things in this world have little or no news value. Criticism is often made of the press for giving too much prominence to crime and calamity, and the question is asked why there is not a more prominent display of all those things which are pure and lovely and of good report. The best way to answer that question is to imagine an editor endeavouring to conduct a newspaper upon that line. He would have to print thousands of items to this effect: John Smith went to his work this morning,—he tilled the field, worked in the factory or office, taught, preached, or perhaps made the rounds of a family doctor. He did not hurt anyone, but on the contrary did a great deal of good, and at the end of the day he came home to spend the evening in kindly relations with his family. All that is very good, but the objection is that such occurrences are happily so common that all the pulp forests in Canada could not supply enough paper for the publication of all the stories. The second objection is that the very people who now criticize the press would probably cancel their subscriptions if such items were printed as news.

In this debate I have heard a good deal of praise of the Fathers of Confederation, which I cannot contradict without repudiating things that I myself have written. At the same time I do not regard the Fathers of Confederation as having been infallible, and still less do I regard them as having been able to predict the course of history for sixty or seventy years.

In particular I am inclined to think that they suffered from an obsession to the effect that the House of Commons was going to be a very radical body, prone to rash innovation, and that therefore a check upon them was necessary. Well, I do not think the House of Commons has been that kind of body at all. Whether Liberals or Conservatives have been in the majority, it has been in the broad sense a conservative institution. I cannot call to mind—though some other people may be able to do so—a single radical measure passed there in sixty-seven years. If such a measure had been passed, I should not at all assume that it was to the discredit of that House, because, as I shall say later, I do not regard the word "radical" as having any terrible or sinister import.

The House of Commons, as I say, has been in the broad sense conservative. In that it has reflected the mentality of the Canadian people, who as a rule have been and are conservative in the broad sense, inclined not to jump at new ideas, but rather to compromise. One can look backward and see that that has been the course of history under responsible government, which, after a little flare of rebellion, was brought about in a very sober and gradual way. Confederation effected very important changes in the constitution of this country, but it was brought about in the same sober and matter-of-fact way. A few decades later it was said that Canada was at the parting of the ways—that if she did not become annexed to the United States she would have to choose between absolute separation from the British Empire or the alternative principle of centralization as part of an Imperial Federation. Canada did not take any of these courses. She found a solution rather unexpectedly by the creation of what is practically a new international relationship within the Empire. This solution is likely to have a very important influence upon the destinies of the world. Our policy with respect to protection and free trade has been pretty much along the same sober lines; we have rejected extreme doctrines in favour of a moderate course—what might be described as a practical policy to "bring home the bacon."

This mentality is characteristic of the Canadian people, and the prospect of the spread of Communism, Fascism or Nazism does not alarm me. A study of our history convinces me that these isms will not take root in the mental soil of Canada.

I have already said that I have no great dread of the word "radical." After all, what does the word mean but to go to the root

of things? And was there ever a time in the history of mankind when it was more necessary to go to the root of things? This being so, even though we do not agree with their ideas, we ought to be grateful to those who are trying to find a way out of the jungle in which we are now aimlessly wandering. Radical ideas are sometimes described as rash, perhaps crazy. Let me press into service the somewhat familiar visitor from Mars. He would probably come to the conclusion that our world is crazy already, for he would wonder why millions of people should be suffering famine and privation in the midst of abundance of food and clothing and ample shelter. He might well say, "However crazy may be the various remedies suggested by these wild theorists, they do not seem to me any crazier than the present condition of affairs—privation amidst plenty."

I approach the question of currency with considerable timidity, for I do not profess to understand its mysteries. Inflation, bi-metallism, and the Douglas plan are regarded by some persons as wild and crazy ideas. But what could be more wild and crazy to the ordinary man than our adherence to the gold standard? In effect, we dig gold out of the ground in Canada or South Africa, and then we put it into another hole in New York, Paris or London, where it is of about as much use to mankind as if it were at the bottom of the sea. It has absolutely no stabilizing influence upon trade; it does not prevent the wildest fluctuations in the price of wheat and other commodities, nor in the commodity value of debts. Therefore, while I am not enamoured of any of the new monetary plans, I am not very much in love with the present system.

It seems to me we ought to be grateful to the Independent group in the other House. They at least are trying to lead us out of the woods. If we lost our bearings in the bush we should be grateful to any one who might offer to guide us back to a place of safety. We might not accept his offer; we might even warn him not to go astray himself; but at least we would acknowledge his goodwill.

I agree with the honourable member from Lethbridge (Hon. Mr. Buchanan) and the honourable member from Shediac (Hon. Mr. McDonald) that it would do us no harm to have in this House a few representatives of the radical element. Those honourable senators who are very much opposed to radicalism are fighting its proponents at long range. They regard those so-called extremists as vile, sedition-working agitators, plotting the down-

fall of our political institutions. Those extremists would probably retort that we are a body of soulless plutocrats, concerned only with money-making and caring nothing for the bodies and souls of our fellow men. What could be more rational and constructive than to bring these two extremes together and let them talk over their differences of opinion? I have heard horsemen say that the only way to cure a frightened horse is to get him used to the fear-inspiring object. For my part, I should have more hope of converting the most violent radical by bringing him into this Chamber than by putting him into jail. For this reason and the others which I have advanced I am in hearty agreement with the proposal, and I hope that, as opportunities offer, the Prime Minister will nominate to this Chamber representatives of what may be termed the radical thought of the country.

Hon. Mr. LACASSE: The honourable senator from Russell (Hon. Mr. Murphy) initiated this discussion in an enlightening and comprehensive speech. I for one should like to see him close the debate, so that we may have the benefit of the conclusions he has reached after listening to the views expressed by honourable senators who have dealt with the question.

Right Hon. Mr. MEIGHEN: The honourable member could accomplish his purpose by moving the adjournment of the debate.

Hon. Mr. MURPHY: Honourable members, much as I appreciate the invitation extended to me by the honourable member from Essex (Hon. Mr. Lacasse), I am satisfied that those who have listened to the debate can reach their own conclusions on the question without hearing further from me.

ADJOURNMENT.

On the motion to adjourn:

Right Hon. ARTHUR MEIGHEN: I ask honourable members to note the word "to-morrow." If we are to finish the work confronting us we shall have to sit to-morrow, and I would not make the present motion now but that it is essential the Banking and Commerce Committee meet immediately on adjournment of the House.

The Senate adjourned until to-morrow at 3 p.m.

THE SENATE

Friday, March 23, 1934.

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

Prayers and routine proceedings.

BUSINESS OF THE SENATE— ADJOURNMENT

Before the Orders of the Day:

Right Hon. ARTHUR MEIGHEN: I think it would be well that I should state now, for the convenience of honourable members, that it will be necessary for the Senate to meet next Wednesday, as it is expected that Royal Assent will then be given to certain bills. This being the case, I think it will best promote the orderly progress of business to meet on Tuesday also, in the afternoon, in order that on adjournment the Banking and Commerce Committee may resume its work.

Therefore, I move that when the House adjourns to-day it do stand adjourned until Tuesday next at 3 p.m.

As to the date to which the House will probably adjourn next Wednesday, I cannot at present state, but undoubtedly it will be at least until the 10th of April.

The motion was agreed to.

PRIVATE BILL—PERSONAL FINANCE CORPORATION

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Murdock, the Senate went into Committee on Bill D, an Act to incorporate Personal Finance Corporation.

Hon. Mr. Donnelly in the Chair.

On section 1—incorporation:

Hon. Mr. DANDURAND: Perhaps we may now be favoured with the explanations which were given when this Bill was before the Committee on Banking and Commerce.

Hon. Mr. FOSTER: Mr. Chairman, I suggest that the Bill be taken up section by section, and as we proceed the explanations of the various sections can be given.

Hon. Mr. MURDOCK: I regard the entire Bill as contrary to the real interests or necessities of those who might secure loans from this company. Before we start dealing with the various sections I should

like to know something as to the need for a Bill of this kind. For example, I find that paragraph i of section 5 provides that anyone who is in hard luck and desires a loan of \$25, \$50 or \$100 for even ten, twenty or twenty-five days, must pay a minimum of three months' interest. Then I find a little further down, in paragraph iii, there is provision for a minimum charge of \$10 for legal or other actual expenses disbursed by the company. The honourable gentleman from Saint John (Hon. Mr. Foster) tells me this has been changed.

Right Hon. Mr. MEIGHEN: It is a maximum.

Hon. Mr. MURDOCK: As I read it, it is a minimum.

Hon. Mr. FOSTER: "But not exceeding the sum of \$10."

Hon. Mr. MURDOCK: I have heard of what is being done by some of these companies, both here and on the other side of the line, and it seems to me that very often the ordinary citizen who happens to be in hard luck would be better off if he did not have the opportunity of going to a concern of this kind. As I read the Bill, the company contemplates helping him out only for the time being, and in the end will get from him more than he can afford to pay. Is there any real justification for asking the Senate to pass a measure of this kind, which, in my judgment—I may be wrong—will be detrimental to the public interest and the interest of the ordinary citizens of Canada? I should like to have some information in that regard before we proceed with the Bill section by section.

Hon. Mr. FOSTER: I think legislation of this kind would not be promoted if it were considered detrimental to the interest of the public. Unfortunately, such legislation seems to be necessary. It gives a person in distressed circumstances an opportunity to obtain financial aid which is not available to him through the usual channels of the banking business. Honourable gentlemen probably know that banks as a rule are not desirous of lending money in small amounts, such as provided for in the Bill, to the class of citizens who would have to resort to a company of this kind. This measure might be regarded as a bill to meet a banking emergency. It will enable people in straitened circumstances to secure a small loan from a concern which is under the control of a government department. I think it is much better that this sort of business should

Hon. Mr. MURDOCK.

be controlled than that it should be carried on in a haphazard manner.

The honourable gentleman from Parkdale (Hon. Mr. Murdock) has mentioned that this type of business is carried on in the United States. That statement is quite in accord with the information I have, but I believe a much larger amount is exacted from the borrower in that country than is allowed under this legislation.

I do not know that I can say much more, except to point out that the honourable gentleman was a member of this House when two similar bills were passed, and not much objection was raised to their passage. This legislation follows exactly the lines of the legislation previously adopted by the House.

Some honourable members may think a privilege of the kind extended by this measure should not be granted. In answer I would say that the number of borrowers would not be increased by the enactment of this additional Bill. It simply increases the facilities available to those people who find it necessary to go to these institutions, and this makes for greater competition among such institutions.

The honourable gentleman from Parkdale says he thinks the legislation will be detrimental to the interests of those who find it necessary to make use of such services as these companies provide. That may be so, but in my judgment it simply furnishes something for which there is a need. The business will be supervised by the Superintendent of Insurance, and I am sure all will agree that the control will be in good hands. According to information given to the Committee, similar companies previously incorporated have not found the business very profitable. It would appear, therefore, that the fees and interest charges are not excessive. As to the ten-dollar charge referred to, the Committee was informed that it is made only when it becomes necessary to investigate the value of the security offered, consisting usually of chattels. The loans are made largely upon the personal character or reputation of the borrower, not much dependence being placed upon the security required. A company which receives an application, under the provisions of this Act, for a loan of \$200 or \$300, needs to make inquiry into the position and record of the individual seeking the loan.

I shall be very glad indeed to give any further information that I can to honourable members who may desire it.

Hon. Mr. MURDOCK: May I ask another question? Under this Bill would the company have the right to advertise its wares?

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. FOSTER: I presume it would have. There is nothing in the Bill to prevent the company from advertising.

Hon. Mr. MURDOCK: I have recently seen in the newspapers, as I am sure other honourable members have, advertisements stating that individuals can borrow money on their salaries or their effects. I think these advertisements are bad, for they tend to induce borrowing, possibly at excessive rates, on the part of people who would be better off if they tightened their belts.

Hon. Mr. FOSTER: All I have to say to the honourable member is that everyone probably would be better off by not borrowing, but some of us are compelled at times to get a loan. There are classes of people in the community who borrow from \$10,000 to \$100,000, and legal provision is made for enabling these people to get such sums. There is another class of our citizens who at times require loans of \$100 to \$500, and it is just as necessary that our law should make it possible to accommodate them.

Right Hon. Mr. MEIGHEN: The point that really bothers me is the one raised by the honourable member from Parkdale (Hon. Mr. Murdock) as to the manner in which these companies invite people to do business with them. In the street cars in Toronto I have noticed advertisements which go so far as to imply that Parliament supervises the rates charged. The words used are, "Rates authorized by Parliament," or "Rates authorized by the Government of Canada," or to that effect. Perhaps the honourable member from Saint John (Hon. Mr. Foster) would agree to an amendment, which of course should also be made in the charters of similar companies already incorporated, forbidding the publication of advertisements of that kind. They give the public a wrong impression, for on reading them the ordinary person thinks Parliament sees that the rates charged are fair as between the company and the borrowers, whereas this is not so. All that we do is fix maximum rates.

I presume it would be fair for the companies to advertise that Parliament has set a limit to the rate they may charge, or something to that effect, so long as there is not conveyed the impression that we protect a borrower from being stuck. As a matter of fact, all these borrowers are stuck to some extent, and undoubtedly in many instances they would willingly pay very high rates. For example, a man without funds who needed ready money to take care of a member of his family who was ill might be ready

to pay 100 per cent for a loan rather than suffer what he would by doing without the money. But it is not right that such a man should be given to understand that Parliament will see that he is charged a fair rate.

Hon. Mr. DANDURAND: The difficulty about an amendment would be to have it apply to all the societies or corporations that are now operating.

Right Hon. Mr. MEIGHEN: Can we not amend any charter contained in an Act of this Parliament? It is not inviolate from subsequent amendment, is it?

Hon. Mr. DANDURAND: But that would have to be done in a general rather than a special Act.

Right Hon. Mr. MEIGHEN: That may be. I think any provisions we might make would be applicable only to companies incorporated by the Dominion. It would seem to me possible to do what we desire by one Act, or by amendment to the statutory incorporation of the other three companies. I do not like that advertising feature of their operation.

Hon. Mr. FOSTER: I quite agree with the remarks of the right honourable leader of the House. I think that instead of incorporating these companies by individual Acts it would be much better to have a general Act under which they would get their authority to do business. Then all would be on the same basis. As we have already passed three Acts of the same character as this Bill, perhaps honourable members might consent to this measure also being put through, with the understanding or in the hope that general legislation governing the powers of these companies will be introduced later this session, or at next session. It seems to me that as there is no great departure in this Bill from the principle already adopted, it would be only fair to this company to pass the measure, on the understanding I have suggested.

Hon. Mr. MURDOCK: Where are the other three companies located?

Hon. Mr. DANDURAND: I know there is one in Toronto and one in Montreal. I do not know where the third is.

Right Hon. Mr. MEIGHEN: I think there are two in Montreal.

Hon. Mr. MURDOCK: There are two in Montreal, which cannot do business in the province of Quebec? Is that right?

Hon. Mr. DANDURAND: No. They are doing business.

Hon. Mr. MURDOCK: They can do business, except in chattel mortgages?

Right Hon. Mr. MEIGHEN: They can do business anywhere in Canada, but in Quebec they cannot deal in chattel mortgages.

Hon. Mr. CALDER: Honourable gentlemen, on reading the Bill I find that this company would be subject to the provisions of the Loan Companies Act, excepting certain sections therein. It seems to me, therefore, that if the Bill is passed here it might be advisable for our Banking Committee to call before it officers of all the companies that have been given charters similar to the one provided for in this Bill, and ascertain what the practices of the business are. Then if it is deemed advisable, we can amend the Loan Companies Act, which covers them all. Section 6 of this Bill reads:

Except as otherwise provided in this Act, the Loan Companies Act, chapter twenty-eight of the Revised Statutes of Canada, 1927, excepting therefrom paragraph (f) of subsection one of section sixty-one, paragraph (c) of subsection two of section sixty-one, subsection three of section sixty-two, sections sixty-four, sixty-five, sixty-six, sixty-seven, eighty-two and eighty-eight, shall apply to the company.

There is no doubt that certain classes of advertisements have a tendency to do a great deal of harm. Of course, it is impossible for Parliament to legislate absolute protection against all risks, but we certainly can safeguard the public to some extent.

Hon. Mr. DANDURAND: The Superintendent of Insurance has supervision over the Loan Companies Act, and the right honourable leader of the House could draw to his attention the desire of the Senate that a general clause be inserted in that Act to prohibit certain kinds of advertisement.

Section 1 was agreed to.

Sections 2 to 7, inclusive, were agreed to.

The preamble and the title were agreed to.

The CHAIRMAN: Shall I report the Bill without amendment?

Hon. Mr. GRIESBACH: An amendment was made by the committee, as follows:

Page 2, line 35. After "dollars," insert "save that in the case of loans of one hundred dollars or less in amount, the said charge for the legal and other actual expenses disbursed by the Company in connection with the loan, but not exceeding the sum of ten dollars, shall be in lieu of the charge authorized by subparagraph (ii) of this paragraph."

That is to say, both charges cannot be made.

Hon. Mr. DANDURAND.

Hon. Mr. BLACK: That amendment was incorporated in the committee's report and has already been adopted.

The CHAIRMAN: Shall I report the Bill?

Hon. Mr. MURDOCK: Mr. Chairman, I sincerely hope you will let us know what has been done. I cannot see the printed amendment.

Hon. Mr. GRIESBACH: It will be found at page 90 of Minutes of the Proceedings.

The Bill was reported.

THIRD READING

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

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

ROYAL CANADIAN MOUNTED POLICE BILL

CONSIDERED IN COMMITTEE

On motion of Right Hon. Mr. Meighen, the Senate went into Committee on Bill 22, an Act to amend the Royal Canadian Mounted Police Act.

Hon. Mr. Donnelly in the Chair.

On section 1—definitions:

Right Hon. Mr. MEIGHEN: The purpose of this Bill is to amend the Royal Canadian Mounted Police Act so as to provide for additional appointments of detective inspectors, sub-inspectors and assistant veterinary surgeons; for pensions to widows and allowances to children of officers and constables killed while in the performance of duty; and for recognition of prior service of officers and constables in any provincial police force in respect to pension benefits; and to cover duties of and offences by members of the force.

It is intended that the prior service of those members of the force who were formerly in the provincial police service, but not at the time of enlistment, shall be taken into account. This is the only amendment entailing added expenditure. Those members of the force who were in the provincial police service at the time its duties were taken over have their pension rights protected by the terms of the statute authorizing the transfer. My memory goes back to a discussion of a similar point in this House.

Hon. Mr. GRIESBACH: It was on the question of giving credit for service in South Africa. The right honourable gentleman was very much opposed to it at the time.

Right Hon. Mr. MEIGHEN: Yes, I do not know whether this is an analogous case, but, as my honourable friend from Edmonton (Hon. Mr. Griesbach) knows, my course will be entirely consistent in any event.

Hon. Mr. GRIESBACH: I will see that it is.

Section 1 was agreed to.

Section 2 was agreed to.

On section 3—appointments of constables, trumpeters and buglers, etc.:

Right Hon. Mr. MEIGHEN: This section provides for further grades and so forth. I understand it does not involve added expenditure.

Hon. Mr. HARDY: May I ask the right honourable gentleman in charge of the Bill whether it is the intention to put officers of the Mounted Police in charge of cruisers and other vessels of the Marine Section? I have heard that drivers and officers of motor transport are compelled to wear spurs because one hundred years ago the drivers of horse-drawn transportation wore similar equipment. I still feel as I felt last session with respect to the very substantial increase of this force. In another place figures were given showing it had grown to something like 2,700 men. A year or two ago the force was increased by the appointment of a large number of Customs preventive officers. I do not think these men may be regarded as properly a branch of the old Mounted Police. I know the plans formulated have been changed from time to time, probably as a matter of expediency. Now, it seems, the Commissioner is to be put in charge of the Marine Section. I do not understand the reason for this course.

Hon. Mr. GRIESBACH: If the honourable gentleman thinks there is any probability of the Mounted Police wearing spurs at sea, I am afraid someone has been pulling his leg.

Hon. Mr. LAIRD: They have to ride the waves, anyway.

Hon. Mr. GRIESBACH: The wearing of spurs on board ship is contrary to the King's Regulations. With respect to the increase in the force, the honourable gentleman seems to have forgotten that in the past three or four years the Royal Canadian Mounted Police have taken over the policing of Saskatchewan, involving an increase of 150 men; the policing of Alberta, calling for another increase of 125 men; and the policing of Manitoba and the three Maritime Provinces. The force has also taken over the preventive service both on land and sea. These increased duties account for

the increase in strength. There is no other explanation.

Section 3 was agreed to.

Sections 4 and 5 were agreed to.

On section 6—offences by others than commissioned officers:

Right Hon. Mr. MEIGHEN: I know I should be answering rather than asking questions, but no doubt the honourable senator behind me (Hon. Mr. Griesbach) will be able to enlighten me with regard to section 6. It provides that every member of the force, other than a commissioned officer, who is charged with any of a series of offences "may be forthwith placed under arrest and detained in custody, to be dealt with under the provisions of this part." Among the offences is "(c) intoxication, however slight." Why "however slight"? Why attempt to modify "intoxication"?

Hon. Mr. GRIESBACH: Military law does not define intoxication. A soldier is not forbidden to drink liquor, but he is forbidden to be under the influence of liquor. I have sat on a number of courts-martial dealing with charges of drunkenness. If the accused was an officer the question, to be found in military law, and always amusing to everybody, was invariably put: "Was the accused in a condition to command an escort to the Sovereign?" If the witness answered "Yes," the court-martial would find the accused was not drunk.

In the Mounted Police force, however, the offence of intoxication has always been treated as different from what it is under military law. A soldier may become quite intoxicated without harming anybody, and it is not considered a grave offence; but since the organization of the Mounted Police any member found guilty of undue intoxication has been dealt with very severely. In the old days it meant instant dismissal, and I fancy the penalty is the same to-day. I do not know how the authorities grade intoxication, but formerly, if a mounted policeman was charged with being intoxicated, it was no defence for him to plead he was only slightly intoxicated; if he was not absolutely normal he was out. I think the intention is to raise the standard higher than ever.

Hon. Mr. MURDOCK: What regulations govern a Mounted Police officer? The section read by the right honourable gentleman covers "every member of the force, other than a commissioned officer."

Hon. Mr. GRIESBACH: What is involved there is the peculiar organization of the

Mounted Police. They are not like soldiers in barracks, but are scattered all over the country in small detachments, and every officer has a virtually independent command. Consequently there is nobody to handle him. If he were a junior officer in barracks there would be some senior officer who would deal with him, by placing him under arrest, relieving him of his duties, and calling in another officer to take his place. In the Mounted Police almost every officer is in charge of a district or a subdistrict, and an inspecting officer goes around and, if necessary, disposes of the officer in question.

Right Hon. Mr. MEIGHEN: Under what section?

Hon. Mr. GRIESBACH: I do not know; but I can certify that there is ample provision, and that it has been acted upon.

Hon. Mr. MURDOCK: What would happen if a commanding officer got slightly intoxicated, or pretty full, or was abusive to one of his subordinates, or withheld information, or accepted a bribe or gratuity?

Hon. Mr. GRIESBACH: He would be charged with an offence.

Hon. Mr. MURDOCK: By whom?

Hon. Mr. GRIESBACH: It depends on the nature of the offence. In the case of bribery someone would make a complaint; and when a complaint is made something must be done. The system of inspection is very rigid, and it is the duty of the superior to see that his subordinates behave themselves, and to investigate any complaints made to him. All these things mentioned here may be the subject of complaint, as well as others which are not specified.

Hon. Mr. MURDOCK: I hope my honourable friend will not think I am complaining, but I want to put a question as coming from an uninitiated, ordinary fellow who does not understand. He sees this language: "Every member of the force, other than a commissioned officer, who is charged with"—and then follows a whole page of offences. It would appear as though that was intended to give a commissioned officer *carte blanche* to do just as he likes. I know that is not the case, but it seems to me the language is unfortunate.

Right Hon. Mr. MEIGHEN: This, of course, is an amending Act. This section deals with non-commissioned officers only. There is no doubt that if a commissioned officer commits an offence he will be subjected to discipline at the hands of those above him. I cannot name the section under which that is done. The

Hon. Mr. GRIESBACH,

honourable gentleman will see, on looking at the section, that the very portion he is inquiring about is exactly the same as it was before. I will ask the honourable gentleman to assume that there must be a section which deals with the commissioned officers. Every member of the force is responsible to the officer immediately above him, and finally to the Commissioner, General MacBrien.

Hon. Mr. ROBINSON: I am curious to know the meaning of the words "every member of the force who is charged with" an offence. Suppose a constable arrests a man and that man charges him with "using cruel, harsh or unnecessary violence," does the constable have to be placed under arrest?

Right Hon. Mr. MEIGHEN: Maybe. The man above him will have to use his judgment.

Section 6 was agreed to.

Section 7 was agreed to.

On section 8—time served with provincial police force included for pension purposes:

Right Hon. Mr. MEIGHEN: I call attention to this section, which adds expense. The following words are new:

Recognition of prior service in and time served in any provincial police force with which the Federal Government has an agreement under section five of this Act, at the time of the officer's appointment or reappointment, or subsequent to such appointment or reappointment, may be included in the term of service for the purpose of pension under this part, provided the officer pays the amount required by the Governor in Council.

This is certainly worthy of some consideration.

Hon. Mr. DANDURAND: I remember a question was raised as to the transfer of any fund to which such a man had contributed when in the provincial service.

Right Hon. Mr. MEIGHEN: The officer must have been out of the provincial service or he would not come within the purview of this amendment. If he was in the provincial service up to the time of the transfer of that service to the Mounted Police, he would be taken care of by the transfer provision; and that would be quite right, because he became a member of the federal force involuntarily; and he would have certain rights with respect to pension and the like. But the case covered here is that of a man who had been a member of a provincial force and left it before it was absorbed into the Mounted Police. The object of the amendment, as I see it, is to make it possible, for the purpose of pension, to include in the period of

service with the Mounted Police the time served in the provincial force. I understand that there are seven cases that fall into this category.

Hon. Mr. DANDURAND: Did we not last year reject a similar amendment?

Right Hon. Mr. MEIGHEN: We did. That is why I call attention to this. The amendment of last year included service rendered from the time of the South African War. I cannot become enthusiastic over the amendment.

Hon. Mr. DANDURAND: Should we not suspend consideration of this clause?

Hon. Mr. GRIESBACH: I cannot see that this involves any expenditure. The officer is required to make the payments that he would have made had he continued in the other service. In other words, he has to place himself in good standing, and if he does that he gets the pension.

The question of taking over these provincial police forces has been somewhat troublesome. The problem was most acute in Alberta and Saskatchewan, which had organized forces from 1917. In those cases, I think, the pension funds were ample. In the province of Alberta the pension fund was sufficient to provide for the men taken over into the Mounted Police, as well as for those who took their discharges. In the Maritime Provinces there was no pension fund, and the force was practically non-existent. This section provides that the men must place themselves in good standing.

Right Hon. Mr. MEIGHEN: But that does not say that there is not some expense to the treasury.

Hon. Mr. GRIESBACH: There will be.

Right Hon. Mr. MEIGHEN: Of course. The same argument would apply if we were to enact that the time served years ago by a man as town constable or as fireman in some town fire brigade should be counted in the estimating of his right to a pension, now that he is in the Mounted Police, provided he pays the extra amount required by the Governor in Council. It is all a question of whether or not you are going to signalize the service of a man in a provincial force in the face of the fact that his service with that force has been terminated and everything has been cleaned up. That man may have received an allowance for his service.

Hon. Mr. GRIESBACH: He is now in the Mounted Police.

Right Hon. Mr. MEIGHEN: Yes. He says: "I served for a time with the Saskatchewan police. They were taken over. I am ready to pay the amount required, and I want that time counted." Really I cannot see why it should be counted any more than if he had served as a fireman or a clerk in a store. The service is all through and done with.

Hon. Mr. DANDURAND: I move to strike out that clause.

Hon. Mr. HARDY: Would there be many such cases?

Right Hon. Mr. MEIGHEN: About seven.

Hon. Mr. GRIESBACH: Should we, with the amount of information we have, strike it out? Would it not be better to reserve it?

Right Hon. Mr. MEIGHEN: I think so.

Section 8 stands.

Section 9 was agreed to.

On section 10—pension to widow and allowance to children:

Right Hon. Mr. MEIGHEN: The pension is paid to a widow during her lifetime, and is, I believe, half the pension that would have been received by her husband. The allowance to children is paid until they are sixteen years of age.

Section 10 was agreed to.

Section 11 was agreed to.

On section 12—time served with provincial police force included for pension purposes:

Right Hon. Mr. MEIGHEN: That will have to stand.

Section 12 stands.

Sections 13 and 14 were agreed to.

Progress was reported.

DIVORCE BILLS

SECOND AND THIRD READINGS

Bill G, an Act for the relief of Gertrude Ethel Mosgrove Roast.—Hon. Mr. McMeans.

Bill H, an Act for the relief of Clara Dingman Freeman.—Hon. Mr. McMeans.

Bill I, an Act for the relief of Marguerite Pearl Hopper.—Hon. Mr. McMeans.

Bill J, an Act for the relief of Sadye Harris Rosenberg.—Hon. Mr. McMeans.

Bill K, an Act for the relief of Eva Brabant Paradis.—Hon. Mr. McMeans.

Bill L, an Act for the relief of Williamina Muir Briggs.—Hon. Mr. McMeans.

APPROPRIATION BILL No. 1

FIRST READING

A message was received from the House of Commons with Bill 41, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1935.

The Bill was read the first time.

CANADIAN SEALING AND FISHERY INTERESTS IN PACIFIC WATERS

APPOINTMENT OF COMMITTEE

Hon. J. D. TAYLOR: Honourable senators, with the leave of the Senate I move that the Special Committee of the Senate appointed to inquire into the administration of Canadian sealing and fishery interests in Pacific waters and the results of existing treaties in this connection, do consist of the Hon. Senators Bourque, Foster, Horsey, King, Little, Moraud, McCormick, McRae, Sinclair, Tanner, and the mover.

The motion was agreed to.

The Senate adjourned until Tuesday, March 27, at 3 p.m.

THE SENATE

Tuesday, March 27, 1934.

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

Prayers and routine proceedings.

ST. LAWRENCE ROUTE—RAILWAY FREIGHT RATES ON GRAIN

ORDER FOR RETURN—INQUIRY

Before the Orders of the Day:

Hon. Mr. GILLIS: I should like to ask the right honourable gentleman when I may look for a return to the Order passed on March 20?

Right Hon. Mr. MEIGHEN: I think I can promise that this return will be prepared with the utmost expedition; but the demands of my honourable friend are somewhat voluminous.

CRIMINAL CODE (RACE MEETINGS) BILL

FIRST READING

Bill 35, an Act to amend the Criminal Code.—Hon. Mr. Tanner.

Right Hon. Mr. MEIGHEN.

PRIVATE BILL

SECOND READING

Bill 11, an Act respecting Prudential Trust Company Limited.—Hon. Mr. Beaubien

ROYAL CANADIAN MOUNTED POLICE BILL

FURTHER CONSIDERED IN COMMITTEE

The Senate again went into Committee on Bill 22, an Act to amend the Royal Canadian Mounted Police Act.—Right Hon. Mr. Meighen.

Hon. Mr. Beaubien in the Chair.

On section 8—time served with provincial force included for pension purposes:

Hon. Mr. DANDURAND: Last year we rejected an amendment which was much wider than this and would have authorized counting for pension purposes any time served by members of the Mounted Police in the South African War. The present clause, while somewhat narrower in its application, seems to me to contain the same principle, for it authorizes the taking into consideration for pension purposes of any time served in any provincial police force. We have been told that the amendment would apply to only a few cases, but I should like to know whether the principle involved is one that we should adopt. On Friday last I moved to strike out this clause. Can the right honourable leader now give me any further information?

Hon. Mr. GRIESBACH: Before the right honourable leader replies, I would offer a few observations on this clause. We are not proposing this amendment of our own volition, for it comes to us as a result of conditions over which we have not much control. For a number of years various provinces maintained provincial police forces. For example, Alberta and Saskatchewan each established a force in 1917, during the war period, and after the Mounted Police had been withdrawn. Those two provincial forces in particular were modelled upon the Mounted Police, with which the people of that part of the country were familiar. There were the same ranks, the same avenues of promotion, and as far as possible the same methods of training and of performance of duties. In common with all employers of police forces, these provinces endeavoured to enlist young men of good family, good education and good physique, and held out as inducements a certain scale of increasing rates of pay, appropriate conditions of work, openings for promotion,—in

short, a life-long career, with adequate pension on retirement. But some years later circumstances compelled the provincial governments to depart from the policy of maintaining these forces and to transfer their duties to the Royal Canadian Mounted Police. After it had been decided to make the transfer the provinces were faced with the question of what to do with respect to their engagements with men who had joined the forces on the strength of the inducements I have already mentioned. Naturally the provincial authorities were desirous that the terms of engagement should not be violated and that the officers and men should not suffer by reason of the change, and an agreement was made with the Federal Government that as many as possible of the members of the provincial bodies should be absorbed into the Mounted Police, without any alteration in the arrangement for pension on retirement. It was provided that for pension purposes the time served in the provincial forces would be counted the same as time on the Mounted Police.

These agreements were confirmed and are being carried out with respect to the officers and men who were transferred at the precise moment when the absorption took place. The clause before us is designed to cover the cases of those men, not more than six or seven, who were members of provincial police forces, but for some reason, good and sufficient in their own minds, were not taken over at the same time as their colleagues. Shortly afterwards, the circumstances of these few men having changed—

Hon. Mr. DANDURAND: Were these men in the employ of provincial governments at the time of the general transfer?

Hon. Mr. GRIESBACH: They were in the employ of provincial governments at the moment of absorption, but for personal reasons they were not transferred just then. I have in mind the case of a man whom I know, who at the time of the general transfer would have been obliged to go from the northern to the southern part of the province. His children were attending school in Edmonton, and he decided to return to civil life. He received payment of the pension money standing to his credit. Afterwards conditions changed, and he decided to enlist in the Mounted Police. He and the other men whose cases are under discussion, in order to secure pension benefits, must pay into the pension fund the sums which actuarially are due by them. The pension fund of the Alberta provincial force was sufficient to make good the back payments of all the men absorbed from

that force. The purpose of these two clauses is to put the six men in the same position as they would have been in if they had been transferred with the provincial force and there had been no break in their service. Section 8 deals with the men and section 12 with the officers.

I have before me a memorandum of payments actually made by members of the Alberta provincial police in order that they might become eligible for the Mounted Police pension rights. The sums paid vary according to the rank and service of each man.

Detective-sergeant with thirteen years' service, \$2,690.25; sergeant with fourteen years' service, \$3,255.75; corporal with fifteen years' service, \$2,016; acting corporal with fourteen years' service, \$2,927.25; first-class constable with fifteen years' service, \$2,193.75.

Honourable members will observe that the amounts paid are substantial. What is required to be paid under these two sections will approximate the figures I have given. They are worked out on an actuarial basis.

May I again emphasize the fact that these clauses are incorporated in the Bill at the instance of the provincial governments, which, having made certain express and implied promises to induce men to join their respective police forces, now desire to protect those men. I might give a homely illustration of how the parties stand. A decent man sells a horse, and to the decent man who buys it he says: "Here is a good horse. He is accustomed to being well housed, well fed, well groomed and considerably driven. I hope you will treat him in the same way." That is the attitude of the provinces, and in effect they request that by the enactment of these two sections the men in question will be treated as they would have been if they had remained in the provincial service.

Hon. Mr. DANDURAND: What was the gap between the time the men left the provincial service and their enlistment in the Mounted Police?

Right Hon. Mr. MEIGHEN: It would be five years in the case of members of the Saskatchewan force.

Hon. Mr. GRIESBACH: The Saskatchewan provincial police were taken over two years ago; the Alberta provincial police last year.

Hon. Mr. MURDOCK: In the taking over of the provincial police services what is the division of cost between the provinces and the Federal Government?

Hon. Mr. GRIESBACH: It is a matter of agreement. The Federal Government takes over the policing of a province for a stated sum per year.

Hon. Mr. MURDOCK: A lump sum?

Hon. Mr. GRIESBACH: A lump sum. Under the agreement with each province there is provision for some special charges, such as the conveyance of prisoners from the courts where sentenced to the jail or penitentiary, as the case may be. Alberta pays \$280,000 a year. The Saskatchewan payment is somewhat less.

Right Hon. Mr. MEIGHEN: I was troubled about this section last Friday, and I am not wholly satisfied with it yet. The main purpose of the Bill, of course, is acceptable. Honourable members may be assured that the arrangements are economical both for the provinces and the Dominion. Certainly no province would give up control of its police for any less meritorious reasons than those of economy and efficiency. One sees at a glance how this co-ordination of police work does away with duplication both of effort and of organization. The first police force taken over was that of Saskatchewan, in 1928. In 1932 the Dominion entered into a similar arrangement with the other provinces except Ontario, Quebec and British Columbia—the three provinces, curiously enough, which still insist on provincial insurance jurisdiction. They are in the van, forefront, top story, of provincial rights.

Right Hon. Mr. GRAHAM: But they use the Mounted Police.

Right Hon. Mr. MEIGHEN: I feared that under this clause those members of the provincial police who had of their own free will left the force prior to the time of its transfer to the Mounted Police, and necessarily had obtained any pension rights to which they were entitled, were now seeking to have that time added to their service in the Mounted Police. That would have been exactly similar to the case my honourable friend (Hon. Mr. Dandurand) took exception to last session, and rightly so. But this case is not quite similar. It is a case of men who were members of the provincial police force at the time of its absorption by the federal authorities, but who did not choose to be absorbed. Until my honourable friend behind me (Hon. Mr. Griesbach) made his explanation I had not understood that they were in the provincial service, but, for reasons good enough in their judgment, decided not to become members of the Mounted Police.

Hon. Mr. GRIESBACH.

Hon. Mr. DANDURAND: And they liquidated their pensions.

Right Hon. Mr. MEIGHEN: Yes, they apparently cashed in on their pension rights; but they were serving the province at the time of the absorption. Six men are involved. I gave the number as seven last week. These men have since joined the Mounted Police, and they say: "We ask to be placed in the same position as if we had come over with our brothers." We answer: "Oh, but you took your pension rights then in cash." Under this Bill those men will have to pay back that cash and, I think, more as well, amounting to the very substantial sums stated by my honourable friend from Edmonton. In a word, they have to reinstate themselves in the same position as if they had come over at the time of the absorption. That is different from the case of a member of the provincial force who before the arrangement just left the service. On the understanding that none are included under this clause except those who were members of the provincial police force and enjoyed full pension rights at the time of the absorption, I shall not press further objection to the clause.

Hon. Mr. GILLIS: The names of those men should be inserted in the clause.

Right Hon. Mr. MEIGHEN: It does not make the slightest difference who they are. My honourable friend from Edmonton (Hon. Mr. Griesbach) mentioned the case of one member of the provincial force who could not go south because his children were at school.

Hon. Mr. MURDOCK: Do I understand that the six men put up approximately \$2,000 each to participate in the Mounted Police pension fund?

Right Hon. Mr. MEIGHEN: One put up over \$3,000. These are the figures as given me by my honourable friend from Edmonton: \$2,690.25; \$3,255.75; \$2,016; \$2,927.25; \$2,193.75. Apparently there are only five cases.

Hon. Mr. MURDOCK: And if they do not put up that amount, this section will not apply to them?

Right Hon. Mr. MEIGHEN: Oh, no. They have to put up the amount that is actuarially required.

Hon. Mr. GILLIS: Is the amount paid them by the Provincial Government included?

Hon. Mr. GRIESBACH: There would be the additional year.

Right Hon. Mr. MEIGHEN: I think they have to put up more than was due them from the Provincial Government, and an arrangement is being made—I do not know what it is—whereby in certain cases they get some assistance from the Government in whose service they previously were employed.

Hon. Mr. DANDURAND: Under these circumstances I am not disposed to press my amendment to this clause. I quite realize that this provision will bring about harmony among the members of the force, who are in constant contact with one another, and who otherwise might feel that they were on different footings. It is a pension—

Right Hon. Mr. MEIGHEN: That is it.

Hon. Mr. DANDURAND: —for life. Of course, we stand to gain or to lose by it according to the length of the lives of the pensioners.

Section 8 was agreed to.

On section 12—time served with provincial police force included for pension purposes:

Right Hon. Mr. MEIGHEN: This is the same principle.

Section 12 was agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

The Hon. the SPEAKER: When shall this Bill be read a third time?

Right Hon. Mr. MEIGHEN: As we are to adjourn to-morrow for two weeks, it would probably be worth while, if no honourable member sees any reason to the contrary, to read the Bill the third time to-day in order that it may be assented to to-morrow. Otherwise I do not think it could receive the Assent then. I move accordingly.

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

APPROPRIATION BILL No. 1

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 41, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1935.

Hon. Mr. DANDURAND: Would the right honourable gentleman explain why the Government needs such a large sum of money?

Right Hon. Mr. MEIGHEN: Well, the reason is, I presume, that the treasury is not flooded with funds from the very meagre vote of last year. This is just the usual one-sixth. Instead of two bills there is but one. One-sixth of the estimates applicable to all departments and services is voted in the usual course, pending the passing of the final estimates.

Right Hon. Mr. GRAHAM: Will this include the reinstatement of the ten per cent?

Right Hon. Mr. MEIGHEN: No, I do not think so. It seems to me that the Estimates did not include that item; therefore the one-sixth could not; not for senators, anyway.

Right Hon. Mr. GRAHAM: Oh, I am not particularly concerned about them.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

The Senate adjourned until to-morrow at 3 p.m.

THE SENATE

Wednesday, March 28, 1934.

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

Prayers and routine proceedings.

BUFFALO AND FORT ERIE PUBLIC BRIDGE COMPANY PETITION

Hon. G. V. WHITE presented a petition from the Buffalo and Fort Erie Public Bridge Company, and moved that it be now read and received.

The motion was agreed to.

THE ROYAL ASSENT

The Hon. the Speaker informed the Senate that he had received a communication from the Deputy Assistant Secretary to the Governor General, acquainting him that the Right Honourable Sir Lyman P. Duff, acting as Deputy of the Governor General, would proceed to the Senate Chamber this day at 5 p.m. for the purpose of giving the Royal Assent to certain Bills.

APPROPRIATION BILL NO. 2

FIRST READING

A message was received from the House of Commons with Bill 52, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1934.

The Bill was read the first time.

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of the Bill.

Right Hon. Mr. GRAHAM: This is to cover money already expended? It is for the year now ending?

Right Hon. Mr. MEIGHEN: Yes; this is for the balance.

Hon. Mr. DANDURAND: What is the amount?

Right Hon. Mr. MEIGHEN: It is \$52,661,304.36. It is for the financial year closing at the end of this month, and has nothing to do with the new financial year.

Hon. Mr. DANDURAND: Does the Bill cover any of the expenditures or deficits of the Canadian National Railways?

Right Hon. Mr. MEIGHEN: Yes. It covers a loan to the Canadian National (West Indies) Steamships, Limited, \$196,997.30. In respect of the Maritime Freight Rates Act there is the sum of \$80,569.36. There is also an amount of \$52,263,819.05, required to provide for payment to the Canadian National Railway Company of the net income deficit, including profit and loss, incurred by the system during the year 1933, as certified to by the auditors in the annual report of the Company for the year 1933, but exclusive of all non-cash items, including interest on Dominion Government advances, and exclusive of Eastern Lines deficits, as further certified to by the auditors and approved by the Minister of Railways and Canals; this payment to be applied in reduction of accountable advances made to the Company from the Consolidated Revenue Fund under authority of the Canadian National Railways Financing Act, 1933.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

The Hon. THE SPEAKER.

FRUIT AND HONEY BILL

FIRST READING

Bill 26, an Act respecting Fruit and Honey.—Right Hon. Mr. Meighen.

CRIMINAL CODE (RACE MEETINGS) BILL

SECOND READING

Hon. Mr. TANNER moved the second reading of Bill 35, an Act to amend the Criminal Code (Race Meetings).

He said: Honourable members will observe the explanatory notes opposite the amending section. Under the racing law of 1912 racing associations may hold annually two meetings, each of seven days' duration. The object of the Bill is to give racing associations the option to hold one race meeting of fourteen days or two race meetings of seven days each in any calendar year.

I am informed by the sponsor of the Bill in the other House that the amendment has been submitted to the provincial governments and they have no objection to it. The proposed change would not in any way affect the amount of revenue the racing associations pay to the provinces. I am further informed that there is no objection to the Bill from any other source.

Right Hon. Mr. MEIGHEN: The purpose of the proposed amendment is as stated by my honourable friend from Pictou (Hon. Mr. Tanner). The main reason for the Bill is that under the present practice it is impossible to separate the Windsor and Detroit meetings and hold the Windsor meetings within the statutory period. I was rather surprised that the Bill passed the other House unanimously, having in mind the celebrated debate on this subject of twenty years ago.

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

REFERRED TO COMMITTEE

The Hon. the SPEAKER: When shall this Bill be read a third time?

Hon. Mr. TANNER: If there is no objection I should like to have the third reading to-day.

Hon. Mr. DANDURAND: Is it such a pressing matter that the committee stage should be suspended?

Right Hon. Mr. MEIGHEN: It certainly is not pressing with me.

Hon. Mr. TANNER: I think it might be pressing.

Right Hon. Mr. MEIGHEN: Give your reasons.

Right Hon. Mr. GRAHAM: When in doubt follow the rules.

Hon. Mr. TANNER: The racing season is advancing.

On motion of Hon. Mr. Tanner, the Bill was referred to the Standing Committee on Miscellaneous Private Bills.

EASTER ADJOURNMENT

Right Hon. Mr. MEIGHEN: Honourable senators, I move:

That when the House adjourns to-day it do stand adjourned until Wednesday, April 11, 1934, at 3 p.m.

The motion was agreed to.

BUFFALO AND FORT ERIE PUBLIC BRIDGE COMPANY PETITION

On the motion to adjourn during pleasure:

Right Hon. Mr. MEIGHEN: Honourable senators, may I explain that prior to the Royal Assent there will be further business, as we shall have before us for consideration the Bill covered by the motion, which carried, permitting reception of the petition with respect thereto. I refer to the Bill to ratify the Peace Bridge agreement. I shall now give the reasons why this House should dispose expeditiously of the measure, so that honourable members may be in a position to make any objection they care to when the Bill is properly before us.

By some oversight the petition was not presented to this House in the regular way, at the time it was presented to the other House, although the solicitor for the bridge company says the petition was sent here. The oversight was remedied this morning. The Bill will be brought before us this afternoon. The plan is that when the House adjourns during pleasure it should stand adjourned until 4.30 p.m. In the meantime the Committee on Standing Orders can look into the regularity of the petition, on which it must report favourably before the Bill can be introduced.

The Bill would empower what is called the Peace Bridge Authority, a public utility organization created by the State of New York, to carry out a reorganization of the capital structure of the Peace Bridge Company, which owns what is known as the Peace Bridge, connecting Fort Erie with Buffalo.

Right Hon. Mr. GRAHAM: On the American side.

Right Hon. Mr. MEIGHEN: From Fort Erie on the Canadian side to Buffalo on the American side.

Formerly there were two organizations. The Canadian company, which owned the

property on the Canadian side, was created by legislation of this Parliament; the American company, which owned the property on the American side, was created by the Legislature of New York State. These two concerns subsequently amalgamated, and a company, which hereafter I shall refer to as the bridge company, took over the stock of both and thereby became the owner of the entire structure. Two bond issues were made by the bridge company, one for some \$2,300,000 at seven per cent—I may not be exactly right as to the amount—and the other for \$1,050,000 odd at eight per cent. Then, in consequence of contraction in revenue, due to difficult times, and of taxation imposed in the State of New York and in the Dominion of Canada, the company found itself in difficulties, though, I believe, the interest on the bond issues has been paid up to within a few months of the present date.

The whole proposition, as we all know, is in the nature of a public service undertaking. The assets of the company, after the payment of obligations, were to revert to the respective states. When these difficulties appeared the State of New York passed Act No. 824 of the last special session, creating a company called the Public Utility Bridge Company, or some such name, to take over the assets of the then existing company, first securing the outstanding bond issues. Under an agreement made with the bridge company, the utility organization was to issue its own bonds to a total of \$4,000,000, such bonds to be exchangeable at par for the bonds held by the bridge company, and to bear interest at five per cent instead of the seven or eight per cent of the old issues.

Hon. Mr. DANDURAND: Which are soon to mature?

Right Hon. Mr. MEIGHEN: No, not for a considerable time. The rates of interest have proven too onerous for the bridge company to sustain.

The exchange agreement between the public utility authority and the old company is a most elaborate document and covers every contingency. I have read it in detail and think I can answer any question relevant to it. In the main the agreement provides that the bondholders, who become parties to it by the mere fact of depositing their bonds with the trust company, agent of the public utility company, shall get new bonds for an amount equal to their holdings, together with the small amount of interest which fell due on the first of this year. It was not then paid; to that extent there was default. They

are also to receive a certain amount in cash by way of a bonus for having exchanged high interest bonds for bonds bearing a lower rate. The amount of this bonus is \$55 per \$1,000 in respect of the seven per cent bonds, and \$30 per \$1,000 in respect of the eight per cent bonds. This exchange has already been taking place, and already \$1,700,000 odd of the \$2,300,000 of seven per cent bonds, and \$800,000 odd of the \$1,050,000 of eight per cent bonds have been deposited. These amount to between seventy and eighty per cent.

Under this plan it is necessary, of course, that the non-depositing bondholders be taken care of. Here I come to the point where the need of decision on the Bill at an early date becomes apparent. In order that the plan might be carried out, notice of repayment was given under the mortgage trust deed in respect of both the seven per cent and the eight per cent issues. Under that notice the public utility body has to redeem at a certain premium, in accordance with the provisions of the trust deed, all the bonds not deposited. The notice in respect of the seven per cent issue was given on the 1st of January, and the redemption must take effect on Monday next. In respect of the eight per cent issue the redemption is to take effect at a very early date, which I cannot recall exactly. Therefore any delay in passing this Bill would result in a considerable loss to the company. As the House will perceive, if the company can avail itself of the notices of redemption already given in regard to the non-deposited bonds, it will thereby save the interest for the period between the end of this week and the time when new notices would mature. Furthermore, the State of New York has entirely surrendered its right to taxes in respect of the American end of the property, but this surrender is dependent upon our legislation being passed in time to enable the company to take advantage of the notices already given. As the legislation shortly to come before us contains no corresponding surrender on the part of the Canadian authorities, Fort Erie will be able to tax. I am given to understand that there is no reason to believe that this reservation on the part of Canada will result in the abandonment of the surrender now in effect in respect of the State of New York. I mention the matter only to show that if further delay occurs the company will be facing considerable peril with regard to the New York legislation and the exemption which it provides.

I think I have made clear the principal features of the measure. It remains necessary

Right Hon. Mr. MEIGHEN.

to say only one more thing. The contentious feature has been, so far as I am aware, entirely with respect to taxes, and this has been resolved by reservation of the right to tax, notwithstanding the fact that the Bill provided and still provides that when and as the bonds are discharged the ownership of the property on the American side will devolve upon the State of New York, and, on this side of the border, upon the Dominion of Canada. Thus the bridge, which is commemorative of one hundred years of peace, becomes a really international possession.

Such is the character of the measure which will be considered by the Committee on Standing Orders as soon as the House rises, and further dealt with here when we resume this afternoon, if honourable members are agreeable.

Right Hon. Mr. GRAHAM: Honourable senators, I am not opposing the expediting of the Bill. Some years ago I took an interest in this bridge, when our old friend the late W. M. German was looking after the Canadian end, and my recollection is that I had a number of consultations with parties actively concerned in the undertaking. The bridge is an international peace memorial, and it would be a shame that any act of ours should interfere with the making of the proposed settlement. To my mind it is unfortunate that the project did not run into better times, but it seems to be the luck of international bridges not to be very successful.

Right Hon. Mr. MEIGHEN: This is the best of them, I think.

Right Hon. Mr. GRAHAM: Yes, I imagine this is the best. Tunnels and bridges, as between Detroit and Windsor, have not proved financially profitable. In the present instance there are no private persons interested except those who have taken up bonds. The emergency that exists is a real one, and I see no reason why we should not accede to the right honourable leader's suggestion to expedite the Bill. I am always in favour of shutting my eyes to the Rules when a genuine necessity for so doing is shown, as in this case. But when we are dealing with ordinary measures, like race meet bills, for example, I felt it is well to observe the Rules.

The Senate adjourned during pleasure.

After some time the sitting was resumed.

PRIVATE BILL

FIRST READING

Bill M, an Act to amend an Act to incorporate the Discount and Loan Corporation of Canada.—Hon. Mr. Marcotte.

PRIVATE BILL—BUFFALO AND FORT
ERIE PUBLIC BRIDGE COMPANY

FIRST READING

A message was received from the House of Commons with Bill 13, an Act respecting the Buffalo and Fort Erie Public Bridge Company.

The Bill was read the first time.

SECOND READING

Right Hon. Mr. MEIGHEN, with the consent of the House, moved the second reading of the Bill.

He said: Before the adjournment I took occasion to outline the Bill and the circumstances under which it is brought before us. The promoters being desirous that it be passed before the Easter adjournment, I protested against the late hour at which the measure comes to us. The reason for the delay is the prolonged consideration which the other House gave the Bill in committee. As a result very important amendments have been made, which, so far as I can see, render the Bill unobjectionable. I have devoted considerable time to a study of the amended Bill and of the history behind it. The right honourable senator from Eganville (Right Hon. Mr. Graham) was very closely associated with the project in its earlier stages. I believe it had its birth about 1923. At the moment I need only add that the Bill provides for adequate representation of the Dominion on the directorate. It is not only a public utility body, it is really an international body which has charge of the enterprise. We must have representation on the board of directors to make it effective and to give us that measure of control to which we are entitled. Beyond this I do not think we can assert any right.

Hon. Mr. MURDOCK: I am sure the right honourable leader of the House (Right Hon. Mr. Meighen) believes this Bill is entirely in the interest of economy and protective of the rights of those who should be protected; but it seems to me there is a great deal of unseemly haste in this procedure. I am told that last night the rules in another place were suspended in order that the Bill might be rushed through. Now, within a few minutes of the arrival of the Deputy of the Governor General we are asked to give the measure second and third readings. The legal gentleman in charge of the Bill placed in my hands a brief on behalf of its promoters. I do not know why he presented the brief to me unless he thought I was likely to take exception to the measure.

An Hon. SENATOR: Hear, hear.

Hon. Mr. MURDOCK: That may be the reason. I notice these two paragraphs in the brief:

The town of Fort Erie has made very few, if any, improvements or expenditures on account of the bridge, and has received since the bridge opened to the end of 1933 the sum of \$344,438.07 in taxes and will receive its taxes for the year 1934.

Fort Erie now seeks to defeat this Bill, or to have attached thereto a provision for taxation.

It is only fair to say that the gentleman who handed me this brief tells me that Fort Erie has been fixed up. However, in my opinion, in order that we may know more about what has been done, the Standing Committee on Railways, Telegraphs and Harbours should have an opportunity to investigate all the circumstances. If the Bill is not disposed of to-day its promoters may be put to a great deal of expense. Well, it will be just too bad. During the session I have listened to several eloquent speeches by distinguished senators reciting the many steps taken by this Chamber to protect the public interest. I may be entirely wrong, but I do not see how the Senate of Canada can protect the public interest by accepting a Bill of this kind, submitted to us at 3 o'clock on the afternoon of Wednesday, March 28, and passing it in the short interval left to us before the Deputy of the Governor General attends here to give Royal Assent. Unless I receive some substantial assurance, I must object to any such hurry-up procedure.

We complain of the lack of legislative work. At times we hear a good deal about reformation or abolition of the Senate. Naturally we are strongly opposed to such proposals. To-day I saw two or three senators—I have seen them on other days, too—come here, get their O.K. before the Orders of the Day were called, and then hurry off to catch the 3.30 train. Yet we talk about the Senate being given more work to do! I think it is pretty nearly time we protested with firmness and dignity against this unseemly haste. I realize delay may involve the promoters of the Bill in considerable expense, but, if so, I repeat, it is just too bad.

Another thought. I see it is intended by the Bill to reduce to 5 per cent the interest rate on certain bonds now paying 7 per cent and 8 per cent. I am all for that. But let us not pick on the bondholders of one bridge company; let us run the whole gamut of indebtedness and help the people of Canada by reducing all bond interest to a reasonable bank rate of two and a half per cent.

Hon. Mr. LITTLE: This is a beginning.

Hon. Mr. MURDOCK: Yes. Let us do that and so get more money to carry on the affairs of the Dominion. As a member of this House I shall object most strenuously to any further action to-day unless I am assured that the public interest will not be prejudiced by the passing of the Bill.

Right Hon. Mr. MEIGHEN: Honourable members, I shall confine my observations to the Bill and try to answer what appears to be the difficulty in the mind of my honourable friend from Parkdale (Hon. Mr. Murdock). The brief from which he quoted was also handed to me, but I received it too late to read it. Its contents, however, I think I already know. It states that Fort Erie was objecting to the measure on the score of taxation. The town thought that if, so far as Canada is concerned, this bridge became the property of the Crown it would be exempt from taxation. The whole theory of the measure is that the company rights in Canada shall be the property of the Crown as soon as the debt is paid. Fort Erie pressed this objection strongly before the Committee of the other House, and I am informed that a lengthy battle was waged over it. As the story is given to me, Fort Erie's contention was implemented by amendment, and as the honourable gentleman will see, the Bill now distinctly provides that there shall be no special treatment of the bridge company with respect to taxation in Canada. In a word, the town's right of taxation remains. I am not aware that there is any other contentious feature in the measure.

As to reducing the rate of interest, the thought in the honourable gentleman's mind apparently is that if we are reducing the rate we should make the reduction apply generally. I presume he means in relation to the bonded indebtedness of the country. This is not such a measure as many persons in Canada seem to think it the duty of Parliament to enact, for the arbitrary reduction of the rate of interest. The fact is that the bridge company cannot pay its bonded interest out of present earnings. Consequently an arrangement was made under which the old company was permitted voluntarily to exchange its bonds for 5 per cent bonds of a new company, the Buffalo and Fort Erie Public Bridge Authority, created in the first place by legislation of the State of New York, now supplemented by legislation of Canada. There is nothing compulsory in the proposed legislation. The holders of these securities can come under the arrangement or not, as they like. As a matter of fact, somewhere between 70 and 80 per cent of the bondholders have voluntarily exchanged their

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securities for the new 5 per cent bonds. Those who do not do so are not being treated arbitrarily at all. They have been given notice of repayment of the old bond issue, and they will get their money at the expiration of the notice, which in the case of the 7 per cent issue expires next Monday.

Now, it is superfluous to say that I have not the slightest personal interest in the Bill. I have had no association whatever with the promoters. But, as a citizen, I do not like to see a company which has for its purpose a public object harshly treated. It is not a private concern operating with a view to profit. There is no possibility of profit except to the Dominion on the one hand and the State of New York on the other.

Hon. Mr. MURDOCK: May I say a word?

Right Hon. Mr. MEIGHEN: They benefit at the time the bonds are paid, and not before.

Hon. Mr. MURDOCK: Unfortunately I have not a copy of the Bill.

Right Hon. Mr. MEIGHEN: It has been distributed. At least I have a copy. The Bill itself is short, only four pages. The other nine pages contain a reprint of the New York statute creating the new bridge authority. I have very carefully read every clause of the Bill. If this were a Bill projected by a private party with a view to profit, and of such an extraordinary character as not to come within the Companies' Act, the request for haste on the part of this House would come with far less grace than it does now. It is really a Bill under which the Dominion of Canada and the State of New York are the only parties, persons, corporations, or interests which can receive any advantage. The bondholders do not get any advantage, except possibly those who are being paid off because they refuse to take a lower rate of interest. I presume the measure is of some advantage to them. But it is an advantage they can enforce; it is not an advantage we are giving them.

Right Hon. Mr. GRAHAM: They are just carrying out their contract.

Right Hon. Mr. MEIGHEN: They are just carrying out their contract.

The point I was making was this. This is not a measure declaring that contracts are invalid and interest rates are reduced by force majeure of legislation; it is merely one of those steps taken in time of depression and adversity between the debtor who cannot pay, on the one hand, and the creditor who cannot be paid on the other. It is one of those adjustments that follow when debts

that are piled too high are dissolved in bankruptcy or by rearrangement and compromise. That is all it is.

I do not want to take too much responsibility upon myself, but I think that when, by reason of delay, an exigency arises and a company is threatened with liability for a large amount of interest, and is imperilled in respect of a large amount of taxation, you should weigh carefully the responsibility you would be assuming in forcing those penalties upon it. Furthermore, you should remember that the ultimate beneficiaries are the respective states concerned, not private individuals. We cannot, against the wish of any single member of this House, put this measure through before five o'clock; that can only be done by unanimous consent; and I know honourable members, including the honourable member from Parkdale (Hon. Mr. Murdock), will fully realize the responsibility they would be assuming in carrying the measure over. If there is any further question to be asked, or if there is anything I have not answered satisfactorily, I shall try again.

Hon. Mr. MURDOCK: Does it not amount to practical expropriation?

Right Hon. Mr. MEIGHEN: Oh, no.

Hon. Mr. MURDOCK: Let me read sections 9 and 10. The side note to section 9 reads:

Comptroller of the Treasury to act.

The section is as follows:

Wherever in the Act of Incorporation of the Bridge Authority provision is made for the designation of an authority by the Dominion of Canada, such authority shall, except as otherwise provided herein, be the Comptroller of the Treasury of the Department of Finance of Canada.

The side note to section 10 is:

When bonds discharged.

The section reads:

When all of the bonds issued by the Bridge Authority shall have been paid in full, or shall have otherwise been discharged, the powers, jurisdiction and duties of the Bridge Authority shall cease and the property acquired and held by it within the Dominion of Canada shall become the property of His Majesty the King and shall be under such jurisdiction, authority or agency as the Governor in Council shall designate.

Right Hon. Mr. MEIGHEN: That is right.

Hon. Mr. MURDOCK: I had received the impression from another source that the bonds had been practically taken care of, or that it had been agreed to exchange the seven or eight per cent bonds for five per cent bonds. Does the right honourable gentleman know anything about that?

Right Hon. Mr. MEIGHEN: I explained that before.

Hon. Mr. MURPHY: He said that this afternoon.

Right Hon. Mr. MEIGHEN: The first issue of seven per cent bonds was, I think, something over \$3,000,000. It has now been reduced to \$2,500,000. I gave the figure \$2,300,000 before, but I find I was not accurate in that. The eight per cent issue has been reduced to \$1,050,000. Now, the burden of interest, accompanied as it is by taxation, proving too heavy, the State of New York incorporates a public bridge authority and enables that authority to issue bonds to a total of \$4,000,000, at five per cent, if necessary, and provides that the holders of the seven per cent and eight per cent bonds of the company which up to now has been operating may exchange them voluntarily for new bonds. In each case the bondholders get a certain amount of cash—interest to the end of the year, and a sum in lieu of extra interest, but by no means equal to it, and thus a saving of about \$85,000 a year in interest is effected. Already, even though the measure before us has not yet become law, between seventy and eighty per cent of the bondholders of the two classes have voluntarily deposited their bonds with the trustee, and bonds are still coming in. But when the notice expires there will still be bonds which have not come in, and the holders of the seven per cent bonds who have not deposited them will be paid off on Monday next, and the holders of the eight per cent issue a short time later—Saturday, I think.

Unless this legislation passes, the notice given to the recalcitrant bondholders, or the non-depositing bondholders as they are called, will have no effect, because they cannot be paid off; therefore notice would have to be given again, and the seven per cent and the eight per cent would have to continue to be paid until the next notice expired. This is the loss that the new public authority would sustain. And who would be losing? It would be the Dominion of Canada and the State of New York, because they become the ultimate owners and any additional moneys paid to the bondholders, or for any purpose whatsoever, really become a mortgage against the residuary interest of the two states in the property.

Right Hon. Mr. GRAHAM: I suppose the five per cent bonds are long-term bonds?

Right Hon. Mr. MEIGHEN: Yes.

Right Hon. Mr. GRAHAM: It is a mighty good rate.

Right Hon. Mr. MEIGHEN: There is no right of eminent domain, no right of expropriation, exercised at all. Clause 9 of the Bill is necessary because the legislation of the State of New York makes provision for the filing of certain documents with someone in the Dominion who is authorized to receive them, and this is the clause designating that person.

Then the Bill provides that on payment of the issue the property which the company owns shall be conveyed to and become the property of the Dominion of Canada and the State of New York. That is not expropriation. The whole original intent and purpose of the organization was that the property should become international, each state owning its part as soon as the money that had to be raised to construct it had been paid back to those who provided it.

Hon. Mr. MURDOCK: During the recess the promoter of this Bill came to my office and told me, as I stated before, that this Bill had been put through in another place last night. May I ask the right honourable gentleman whether the Government and those in another place considered this Bill as of such great urgency that it had to be rushed through yesterday?

Right Hon. Mr. MEIGHEN: The Government, in so far as I have communicated with any member of it—and I have communicated with the Prime Minister—has precisely the same views that I have sought to express to this House: that it is worth while to have the legislation, and worth while to save the money of the company, if possible, by having the legislation passed now. Of course the Government has no interest in it that this House has not. I do not think the Bill was rushed through the other House, unless it was in the final stages. There has been quite a battle about it; but my information is that the battle raged entirely around the question of taxation, and that the Bill was amended to provide that so far as Canada is concerned the property could be taxed. I know the Bill was under consideration as far back as two or three weeks ago, because I was spoken to about it then. I do not want any honourable member to get the idea that any private interest is being served here. If it is, I know nothing of it.

Right Hon. GEORGE P. GRAHAM: The origin of this whole scheme was international. Many meetings were held, and on both sides of the line the project was regarded as a good one. The chief difference between this undertaking and most others of a similar kind is

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the agreement that the property is to revert to the two countries concerned when the debts are paid. There is no private profit in it for anybody, with the exception, perhaps, of those who are to be paid off immediately. What is proposed is just the reverse of confiscation, and my object in endeavouring to expedite the Bill is to protect the original arrangement, whereby, at such time as the debts and liabilities are discharged, the property shall be taken out of the hands of the bondholders and come into the possession of Canada and the State of New York.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

The Senate adjourned during pleasure.

THE ROYAL ASSENT

The Right Honourable Sir Lyman P. Duff, the Deputy of the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Right Honourable the Deputy of the Governor General was pleased to give the Royal Assent to the following Bills:

An Act to amend The Fisheries Act, 1932.

An Act to authorize an agreement between His Majesty the King and the Corporation of the City of Ottawa.

An Act respecting the appointment of Auditors for National Railways.

An Act to amend the Technical Education Act.

An Act to ratify and confirm the agreement respecting the joint use by the Canadian Pacific Railway Company of certain tracks and premises of His Majesty at Saint John, N.B.

An Act to ratify and confirm an agreement made between the Canadian Northern Ontario Railway Company and the Campbellford, Lake Ontario and Western Railway Company.

An Act to amend the Royal Canadian Mounted Police Act.

An Act respecting the Buffalo and Fort Erie Public Bridge Company.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1934.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1935.

The Right Honourable the Deputy of the Governor General was pleased to retire.

The House of Commons withdrew.

The sitting of the Senate was resumed.

The Senate adjourned until Wednesday, April 11, at 3 p.m.

THE SENATE

Wednesday, April 11, 1934.

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

Prayers and routine proceedings.

LANDS OF INDIANS

INQUIRY—ORDER FOR RETURN

Hon. Mr. HUGHES inquired of the Government:

1. What is the estimated cost to the Dominion under the various treaties with the Indians, to extinguish their rights and interests in the lands described in such treaties?

2. In what provinces were or are these lands situated?

3. What annual amounts in cash and goods, are now payable under the terms of these treaties?

4. Were these lands, or any of them, later sold, and if so, in what manner and to whom?

5. What is the total amount received by the Dominion from the sale or disposition of these lands and what is the estimated cost of their administration?

6. Have all or part of these lands been transferred to the provinces, and if so, under what terms and conditions?

Right Hon. Mr. MEIGHEN: I would ask that this be made an order for a return, as to secure the information will necessitate research going back fifty years.

The Hon. the SPEAKER: Stands as an order for a return.

LEAGUE OF NATIONS

INQUIRY—RETURN

Hon. Mr. McRAE inquired of the Government:

1. What was the salary of the Canadian Advisory Officer of the League of Nations, and what are the other expenses of his office for the year 1932-33?

2. What were the total expenses of Canadian delegates to the Assembly and all other meetings or conferences connected with the League of Nations during the year 1932-33?

3. What contribution did Canada make for publications issued by the League of Nations for the year 1932-33?

4. What was the total sum of money Canada expended in connection with the League of Nations for the year 1932-33, including the Disarmament Conference?

5. What amount of money, if any, did Canada contribute to the Permanent Court of International Justice for the year 1932-33?

6. Has the Government anything resembling an annual financial balance sheet of the League, showing receipts and disbursements either for the year 1932 or 1933, and, if so, will the same be laid on the table?

7. What is the total amount of money that has been collected by the League of Nations, the names of the states contributing same, and the amount contributed by each?

8. What is the basis of assessment for the states—members of the League—to meet the expenditures of the League, and how is it determined?

9. For a statement showing the distribution of funds received by the League of Nations and the amount paid to each branch or department of the League.

10. The total number of employees of the League, including all departments which receive support from the League, with the number of employees in each department.

11. What percentage of the League's expenditure was contributed by (a) Germany, and (b) Japan, prior to their withdrawal?

12. A list of the members and the assessment in dollars paid by each member for the year 1932-33.

13. What are the names of the states—members of the League—who sent representatives to any meeting of the League in the year 1933?

14. Of the nineteen states in arrears in their dues to the League as shown in return of January 31, 1933,—

(a) Have any of these states withdrawn from the League, and, if so, what ones?

(b) Have any of these states paid their arrears, and, if so, what ones?

(c) Have any of these states while in arrears attended and taken part in the deliberations of the League in 1933, and, if so, what ones?

15. Has any state been dropped from membership for non-payment of dues?

16. Have any charges been made during the year 1933 through the contingency votes of any department in connection with the expenses of delegates to the various overseas conferences and commissions, and, if so, what departments and the amount of money so charged to each department?

Right Hon. Mr. MEIGHEN: I would ask that this be made an order for a return. I file the return now. It is a gigantic quantity of material.

Right Hon. Mr. GRAHAM: Like the Shipping Bill.

Right Hon. Mr. MEIGHEN: Just about.

HOSPITAL SWEEPSTAKES BILL

FURTHER CONSIDERED IN COMMITTEE

The Senate again went into Committee on Bill A, an Act with respect to Hospital Sweepstakes.—Hon. Mr. Barnard.

Hon. Mr. Donnelly in the Chair.

On section 2—Attorney-General of any province may authorize sweepstakes for hospitals within that province:

Hon. Mr. BEAUBIEN: I fully appreciate the commendable reason why the amendment I suggested to this section was opposed, namely, that the amendment is too narrow to meet the needs of certain provinces. That is the gist of my argument with respect to the section itself. It is difficult for those who

hold such an opinion to oppose the widening of the section. Therefore, with the leave of the Senate, I would withdraw the amendment and in its place move that after the word "hospitals" in the fifteenth line there be added the words "for educational or charitable institutions."

Hon. Mr. BALLANTYNE: Honourable senators will know from the vote I cast on the second reading, I am opposed to this Bill. However, it has reached the committee stage. Both the honourable senator from Vancouver (Hon. Mr. McRae) and the honourable senator from Victoria (Hon. Mr. Barnard) when presenting the Bill, this session and previously, emphasized that it was for the benefit of hospitals and charitable institutions, but now the honourable senator from Montarville wishes to have it apply also to educational institutions. The word "educational" has a very wide meaning. It would include a university or a college. I do not think that was one of the purposes of the Bill as introduced, and therefore I am not in favour of the amendment.

Hon. Mr. MURDOCK: I take the position that the amendment is entirely out of order, because it is contrary to the principle of the Bill, which was discussed on the second reading. The whole discussion so far has had reference to hospitals and charities. It is now proposed to change entirely the principle of the Bill. I contend that this Committee has no right to discuss it. If the rules of the Senate tell me anything, they tell me that we cannot undertake to change in Committee of the Whole the principle adopted on second reading. This is the third year that we have heard plaintive pleadings to extend the hand of charity to hospitals and other institutions in need. Now, when we come into Committee of the Whole, honourable gentlemen show their true colours. I say this with all due respect, and without desiring to reflect on anybody. What they want is to provide opportunity for real, wide-open gambling. Then why do they not clearly say so and let the matter be dealt with on that basis, instead of trying to arrange and camouflage it so as to appeal to the sentiment of the people, and then attempting to change the principle in Committee of the Whole? I take the position that the amendment is entirely out of order, and that you, Mr. Chairman, have no right to place such an amendment before us, because it is contrary to the rules of the House.

Hon. Mr. CASGRAIN: The honourable gentleman says "they tell me." Who tells

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him? I think it would help us very much if we knew.

Hon. Mr. MURDOCK: I ask for a ruling, Mr. Chairman.

Hon. Mr. CASGRAIN: The honourable gentleman says "they tell me" it is out of order. Who tells him that?

Hon. Mr. MURDOCK: If my honourable friend read the rules of the House he would find that the principle of a bill is discussed and settled at the second reading; and I understand the rule to be that the principle cannot be changed thereafter, unless, of course, with the unanimous consent of the House—something that will not be secured while I am here.

Hon. Mr. CASGRAIN: The honourable gentleman said "they tell me." Who tells him?

Hon. Mr. MURDOCK: The honourable gentleman has no right to say what I said, because he does not understand my language. I said no such thing.

Hon. Mr. CASGRAIN: Did he not say "they tell me"?

Hon. Mr. MURDOCK: I did not. I said the rules tell me.

Hon. Mr. CASGRAIN: Would the honourable gentleman show us the rule?

Hon. Mr. MURDOCK: Yes, I can do that.

Hon. Mr. GILLIS: The honourable member from Montarville (Hon. Mr. Beaubien) is introducing an entirely new principle to the Bill, and consequently I think his amendment is quite out of order.

Hon. Mr. BEAUBIEN: Mr. Chairman, I certainly would not attempt to move an amendment to change the character of the Bill. Surely if any one thing is clear to everybody it is that this is a Bill to establish sweepstakes. That is the principle of it. Whether the proceeds of the sweepstakes are to be employed for one purpose or another is, in my humble opinion, a secondary consideration. If I am wrong in that, I am wrong altogether; but I do not think it can be successfully contended that the principle of the Bill has to do with anything but the legalizing of sweepstakes.

Hon. Mr. BALLANTYNE: The sponsor of the Bill (Hon. Mr. Barnard) is in the House at the present time. We all remember his very able and clear speech, as well as that delivered by the honourable senator from Vancouver (Hon. Mr. McRae). If this

amendment means anything, it means that every little school-house and every college or university from one end of the country to the other can claim a share of whatever moneys may be allocated to educational institutions under this Bill. It was my clear and definite understanding that its main object was to establish sweepstakes for hospitals and charitable institutions only. My honourable friend (Hon. Mr. Beaubien), in introducing the word "educational," would bring in agricultural colleges and schools of all kinds. I am quite sure that such is not the desire of the people of Canada, and that those who are in favour of sweepstakes believe the Bill to be solely for the benefit of hospitals and charities. Therefore I cannot too strongly object to the amendment.

Hon. Mr. DANDURAND: My honourable friend is in error when he says the Bill allows the proceeds of sweepstakes to go to hospitals and charitable institutions. It says nothing of the kind; it refers only to hospitals. If the honourable gentleman proposed to add charitable institutions, that would be an extension of the Bill just as much as the proposal of the honourable senator from Montarville.

As to the point of order may I say that I do not think it is well taken, inasmuch as the principle of the Bill is to establish sweepstakes. That being so, I hold the same view as the honourable senator from Montarville, that the amendment does not affect the principle of the Bill, but merely makes the funds raised available to institutions other than hospitals.

Hon. Mr. MURDOCK: My honourable friend (Hon. Mr. Casgrain) asked for the rule. It is rule 74, which says:

No arguments are admitted against the principle of a Bill in Committee of the Whole. My point is that the principle was clearly and fully discussed upon the second reading of the Bill and that the proposal now before us would radically and materially enlarge upon and change the principle that we approved.

Hon. Mr. CALDER: Speaking to the point of order, I quite agree that the matter is debatable, but it seems to me that the position taken by my honourable friend to my left (Hon. Mr. Beaubien) is correct.

A bill contains, as a rule, one main principle and a number of important details. It seems to me we should not take the attitude that the Committee of the Whole cannot change any of those details. In the present instance the position, briefly stated, is this.

We have voted in favour of the principle of sweepstakes or lotteries. As I think my honourable friend from Parkdale (Hon. Mr. Murdock) will agree, that is the main idea behind the measure. Heretofore sweepstakes have not been legal in Canada, and it is now proposed to make them legal. If we decide to have sweepstakes we must also pass upon a number of points of detail—to what purposes the receipts from the sweeps shall be devoted, who is to determine whether there shall be sweeps in any province, and so on. It seems to me unreasonable to contend that we cannot provide for these and other details as we desire.

For example, the Bill provides that if sweepstakes are authorized in any province they shall be under the control of the Attorney-General of the province. I think my honourable friend from Parkdale will agree that we voted on that point, as well, when we passed the second reading. But would any person hold that we could not change that provision and substitute some other official or authority for the Attorney-General? Not at all.

Similarly, the Bill provides that certain proceeds from sweepstakes shall go to hospitals, and my contention is that the Committee can make a change in this provision also. I remember that last session the honourable member from Vancouver (Hon. Mr. McRae) stated he would prefer to have sweepstakes for the benefit of charitable institutions as well as hospitals, but he preferred not to widen the scope of the measure at that time.

While I admit there is an argument in favour of the contention of the honourable gentleman from Parkdale, I doubt that the amendment is an attack upon the real principle of the Bill.

Hon. Mr. MURDOCK: My honourable friend interests me very much. May I ask if he would please carry his argument a little further and discuss the title of the Bill—"An Act with respect to Hospital Sweepstakes"—and then go to section 1, where the short title is given as "Hospital Sweepstakes Act"?

Hon. Mr. CALDER: These matters do not invalidate my contention. We are quite at liberty to change the title as well as any detailed provisions of a bill. I think I made myself quite clear. We voted upon only one main principle, that we should have sweepstakes.

Hon. Mr. HARDY: I think the actual principle of the Bill is outlined in the title, as the honourable senator from Parkdale says. Furthermore, section 2 not only makes provi-

sion for the authorization of sweepstakes in any province, but limits the purpose of the sweepstakes to "raising money for the benefit of one or more hospital or hospitals within such province." That is set out clearly.

Hon. Mr. MURDOCK: Mr. Chairman, I should like to have your ruling.

The Hon. the CHAIRMAN: In my judgment the main principle of the Bill is the legalizing of sweepstakes. The amendment enlarges the scope of the Bill. I rule that the amendment is in order.

Hon. Mr. MURDOCK: I would respectfully appeal the decision of the Chair, if I have any support.

Hon. Mr. HARDY: I second that.

The Committee rose, and the Chairman reported that a point of order had been raised.

The Hon. the SPEAKER: Honourable senators, the honourable the Chairman of the Committee of the Whole reports that the following amendment to Bill A was moved by the honourable senator from Montarville (Hon. Mr. Beaubien):

Section 2, line 15, after the word "hospitals" insert the words "educational or charitable institutions."

The honourable senator from Parkdale (Hon. Mr. Murdock) raised the point that the proposed amendment would change the principle of the Bill and is therefore not in order. The honourable the Chairman of the Committee of the Whole ruled that the amendment was in order, and this ruling is now appealed to the Chair. I sustain the ruling, and declare that the amendment is in order.

Hon. Mr. MURDOCK: I respectfully request an opportunity to appeal from that decision.

The Hon. the SPEAKER: Does the honourable senator desire an ordinary vote or a division?

Hon. Mr. MURDOCK: A division.

The Hon. the SPEAKER: Honourable senators, the question is on the ruling of the Chair sustaining the ruling of the Chairman of the Committee of the Whole, that the amendment submitted by Hon. Senator Beaubien, consisting of the following words to be added to line fifteen of Bill A after the word "hospitals," to wit, "for educational or charitable institutions," was in order. The ruling of the Chair has been contested.

Hon. Mr. HARDY.

The ruling of the Chair was sustained on the following division:

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FURTHER CONSIDERED IN COMMITTEE

The Senate again went into Committee on the Bill.

Hon. Mr. Donnelly in the Chair.

The proposed amendment of Hon. Mr. Beaubien was negatived: contents, 28; non-contents, 28.

Hon. Mr. CASGRAIN: I would ask the right honourable leader of the House if a senator may refrain from voting, and not give any reason therefor?

Right Hon. Mr. MEIGHEN: In my judgment, the vote being a tie, when the Chairman declares the amendment lost, his declaration is equivalent to a vote against the amendment.

Section 2 was agreed to.

Sections 3 and 4 were agreed to.

On section 5—advertising:

Hon. Mr. GRIESBACH: I have a few observations on this section and section 6. When the principle of the Bill was being discussed we heard a good deal about the profits derived from sweepstakes. In the course of

his speech on that occasion the honourable gentleman from Vancouver (Hon. Mr. McRae) stated the general expenses were estimated at 6.69 per cent, and other honourable gentlemen who took part in the debate were of opinion that the administration cost was no higher than eleven per cent. Before we pass these two clauses it might be well to consider some aspects of the operation of sweepstakes which have come to my knowledge.

The Irish Hospitals Sweepstake tickets are issued in books containing twelve, priced at \$2.50 each, or \$30 for a book. I am advised that in Canada the selling organization consists of a Dominion manager, a provincial manager, and local salesmen. On each book the salesman's commission is two tickets, or the equivalent of \$5; the provincial manager is given one ticket; the Dominion manager is paid a bonus or salary or rake-off of \$1.50 a book. It will be seen that before any money reaches the Irish Hospitals Trust the sum of \$9, or 30 per cent, has been spent to effect the sale. The net return of \$21 is divided among the member-hospitals after the cost of administration and the prize money are deducted.

In the debate to which I have referred very definite statements were made, based on the report of reputable auditors, that the cost of management was in the neighbourhood of 11 per cent. But the attention of the Committee should be directed to the fact that this percentage is figured on the net proceeds after payment of the 30 per cent ticket-selling cost.

It may be wondered why it is necessary to pay such liberal commissions. The answer will be found in the statement of some honourable gentlemen that a substantial proportion of the proceeds of the Irish Sweepstakes comes from the sale of tickets elsewhere—in the United States. Sweepstakes are the prey of every crook in the world. Whenever a sweepstake is operated some new form of rascality is devised, and the promoters have to safeguard themselves against a repetition of the swindle; a precaution which involves expense. The wider the scope of the sweepstake, of course, the larger the number of crooks to be outwitted. For instance, tickets and receipts must be printed on specially water-lined paper, otherwise they will be counterfeited. This paper costs 56 cents a pound in three-ton lots. There being no stamp tax in the United States, all cheques, post office orders and express orders received from that country have to be stamped by the Hospitals Trust, and this alone represents a substantial expense.

Recently crooks have contrived a very clever fraud. Tickets are printed in sheets of 16, and each ticket has to be numbered separately. A scheme that I heard of for beating the game is as follows. The printer is paid a substantial bribe to pass out a block of sixteen tickets. These tickets disappear, and come into the hands of the men who are manipulating the scheme. They wait until the result of the sweepstake is announced, when they print the winning number on one or more tickets which they send in to the management. As the reputation and the success of the business are involved, the management has to pay. There is no escape. To beat that particular game you must have specially made numbering machines unlike any others on the market, and these machines, of which you must have fifty or sixty for one sweep, and which you have to scrap after every sweep, cost \$125 apiece.

Those are some of the items which add to the cost of sweepstakes and account for the eleven per cent for management, which is admitted. But the eleven per cent is applicable only to the seventy per cent that comes to hand, the other thirty per cent having gone before the audit is made.

Sweepstakes have been prohibited in England because of the large sums of money which were going out of the country in connection with the Irish sweepstake, and some time ago the Duke of Atholl, who undertook to put on a sweepstake in aid of English hospitals, and who succeeded in collecting a large sum of money, was arrested and fined £25 for participating in an illegal transaction. Here is what he said:

Our expense in connection with the sweep is only thirty-three per cent. The only real basis of comparison is the Irish sweepstake. We are a very much smaller show, but our expense is thirty-three per cent as compared with their fifty per cent. They do not show it, but it cannot be less.

If the audited expenses are eleven per cent, and, as I have told you, the initial expense is thirty per cent, the total is close to forty per cent.

I am not so much worried about the moral aspect of sweepstakes, on which a great deal has been said on both sides, as I am about certain other features. The gambling instinct is in most of us; most people will take a chance. I do not see much difference between sweepstakes and ordinary stock market speculations, or between running a sweepstake and refinancing an old business. As a matter of fact, in my opinion, the morality is all on the side of sweepstakes as regards actual results in the past. We know

that many malefactors of great wealth live in fine houses and drive big cars and so on, and that they are not a bit more respectable than the operator of a reputable sweepstake. So far as taking chances is concerned, there is probably not a man in this House who has not a big bundle of stock certificates which he bought in the hope of making a fortune, and which he still has, and will hand on to his heirs, executors and assigns when he goes.

But what I want to bring out is this. Many people who have supported this Bill, and support sweepstakes in general as a method of raising money, entertain entirely erroneous views as to the expenditure involved and are quite ignorant of the constant assaults that are being made by the crooks, in all the countries in which sweepstakes are carried on, with a view to defeating the scheme and stealing from its funds. People do not know how much it costs to float such a scheme and make it go, or the comparatively small amount that is derived from it for charitable objects. It is true that enormous sums of money can be raised by this method, but surely the cost ought to be charged up against it.

I thought it desirable to place this information on Hansard for the benefit of those who really think that you can finance great institutions, or pay off the national debt, by means of sweepstakes and lotteries. I venture to assert that such a proposition is not sound business. It is all very well for those who can afford it to take a flyer, but to inaugurate a policy of sweepstakes for the raising of money, or for the support of institutions which a province itself ought to support, is in my humble opinion highly unsound and unworthy of the civilization that we are trying to build up in this country.

Hon. Mr. LACASSE: Will the honourable gentleman permit a question? Was the honourable member in possession of all these facts a year or two ago when he sponsored a similar measure in this House?

Hon. Mr. GRIESBACH: It might have occurred to the honourable gentleman that I speak with some authority on the subject. I am giving him and the House the benefit of my experience. The institution for which I spoke last year is one that has been very well conducted, as such things go—the most honestly conducted of its kind that anybody knows of. The work is done largely by volunteers, and the moneys gathered in have been spent on veterans' charities, of which I have a pretty intimate knowledge, and primarily for the benefit of the wives and

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children of ex-soldiers who, by reason of the rigidity of pension and other laws, receive no recognition at all from the country. In the last six or seven years the veterans raised and expended about \$1,500,000, and they had reason to believe that they would secure an amendment to their charter which would permit them to operate legally. They were entirely misled as to the feelings of the country. They thought the people were in favour of their method of doing this work, and asked me to bring in a Bill to amend their charter; which I did. If honourable gentlemen will look up the speech I made at that time they will see that I put before the House the nature of the work being done and the benefits being conferred upon a great many helpless people. I supported the amendment to the Act of incorporation. The House voted it down. I have no fault to find with that decision. I did what I was asked to do. I suppressed nothing and concealed nothing. I am just giving further—

Hon. Mr. LACASSE: I think this is more of an apology than a justification.

Hon. Mr. BARNARD: I rise to a point of order. I did not wish to interrupt the honourable gentleman from Edmonton (Hon. Mr. Griesbach), because he was unwell when this Bill was up for second reading, and missed the opportunity to express his views upon it. At his request I postponed it from time to time so that he might have an opportunity to make his remarks. But I would call attention to the fact that the question before the Chair is section 5, and I submit that this discussion is out of order.

Hon. Mr. GRIESBACH: I acknowledge my indebtedness to the honourable gentleman for having this measure stand over. I thought I was in order under section 5, or, if not under section 5, then under section 6.

Hon. Mr. HARDY: The honourable senator from Edmonton has given us considerable information which I think we all find very interesting. Speaking for myself, I may say that I do, particularly the explanation of the set-up for the sale of tickets. I am not quite certain of my ground—

Hon. Mr. BARNARD: I would ask a ruling on my point of order, Mr. Chairman.

Hon. Mr. HOCKEN: Did I understand the honourable gentleman from Edmonton to say that it cost forty per cent to conduct this sweepstake?

Some Hon. SENATORS: There is a point of order.

Hon. Mr. GRIESBACH: The point is that I was out of order?

Hon. Mr. BARNARD: The question was on sections 5 and 6, which relate solely to advertising and the sale of tickets outside of the Dominion. This discussion is on the principle of the Bill.

The Hon. the CHAIRMAN: I am of the opinion that the point of order is well taken, but having permitted the honourable senator from Edmonton to go on—

Hon. Mr. HARDY: I just wanted to ask the honourable gentleman from Edmonton if this committee which the Irish sweepstake set up was a regular bureau selling these tickets openly. The honourable senator explained the make-up of the committee. I was wondering whether the Criminal Code permits the open sale of tickets of this kind, and, if not, why this committee was allowed to operate so openly. Perhaps the honourable gentleman can give some explanation. If it is not allowed to work openly, then it has been carrying on in direct contravention of the Criminal Code.

Hon. Mr. GRIESBACH: I did not speak of any committee; I merely gave the names arbitrarily. There is an individual who corresponds to a Dominion manager—call him anything you like; there is another individual who corresponds to a provincial manager—call him the foreman, if you like; then there are the salesmen. They do not operate openly.

Hon. Mr. HARDY: Then they are operating illegally.

Hon. Mr. GRIESBACH: Oh, yes. But you are confronted by the situation that the public generally do not object. There is a genuine interest in the matter. Someone has said here that if you could search the pockets of honourable members of this House at any given time you would be surprised at the number of sweepstake tickets you would find. That is probably true. It is true of any body. The question is as to the enforcement of the law. Nobody complains or says anything about it.

Section 5 was agreed to.

On section 6—agents outside of Canada:

Hon. Mr. MURDOCK: May I ask the honourable senator from Victoria (Hon. Mr. Barnard) if he thinks section 6 is a proper one for the Senate of Canada to pass, inasmuch as the sale of lottery tickets in the United States is illegal? In effect this section says, "Nothing in this Act shall prevent the sale of tickets in the United States."

Hon. Mr. BARNARD: It does not say so.

Hon. Mr. MURDOCK: That is what it means. The section reads:

Nothing in this Act shall prevent the sale outside of Canada by the Committee or its agents authorized in writing so to do, of tickets for sweepstakes as authorized to be conducted in accordance with the provisions of this Act.

It does not say in so many words that nothing shall prevent the sale of tickets in the United States, but that is exactly what it means. Does the Senate want to subscribe to anything of that kind?

Hon. Mr. BARNARD: I would say in reply to the honourable gentleman that I am not in the least worried about the morals of the United States. The people there can very well look after themselves. If it is illegal to sell tickets in that country, let the authorities there attend to the enforcement of their law. We have had enough of that kind of thing. I remember that a few years ago this Government, at a sacrifice of millions of money, legislated to prohibit the sale of liquor to the United States. We might as well have had the money, because they got the liquor.

Hon. Mr. MURDOCK: Do you not think this would be an unfriendly act towards a friendly nation?

Hon. Mr. BARNARD: No.

Section 6 was agreed to.

Section 7 was agreed to.

On section 8—Criminal Code not to apply:

Hon. Mr. BARNARD: I wish to add as subsection 2 of this section a provision taken from the Irish Act. It reads:

This Act shall remain in force until the 1st day of January, 1939, and shall then expire.

This legislation is in the nature of an experiment, and unless Parliament sees fit to renew it at the end of five years it will go by the board. I move this amendment at the suggestion of several honourable gentlemen on both sides of the House. I think it is perhaps a wise provision.

Right Hon. Mr. GRAHAM: That proviso would not prevent Parliament from repealing the Act at any time?

Some Hon. SENATORS: No.

The proposed amendment was agreed to.

Section 8, as amended, was agreed to.

The preamble and the title were agreed to.

The Bill was reported, as amended.

The Hon. the SPEAKER: When shall the Bill be placed on the Order Paper for third reading?

Hon. Mr. BARNARD: At the next sitting of the House.

Some Hon. SENATORS: Now.

The Hon. the SPEAKER: Is it the unanimous wish of the House that the motion for third reading be made now?

Some Hon. SENATORS: No.

Right Hon. Mr. MEIGHEN: I have no objection to the decision being taken now on the motion for third reading.

Right Hon. Mr. GRAHAM: Senators are at times so subject to conversion that if we followed the Rules by allowing the lapse of one day between the Committee report and the third reading, there is a possibility that the amendment voted down this afternoon might if re-introduced be carried to-morrow.

Hon. Mr. CASGRAIN: I am afraid the right honourable gentleman is against the Bill.

Right Hon. Mr. GRAHAM: There is no doubt about that.

The Hon. the SPEAKER: The motion for third reading will be placed on the Order Paper for to-morrow.

FRUIT AND HONEY BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 26, an Act respecting Fruit and Honey.

Hon. Mr. DANDURAND: What is this Bill about?

Right Hon. Mr. MEIGHEN: This Bill has no very clearly defined principle; it deals with matters of detail. If the motion for second reading is passed, I shall ask for a reference to the Standing Committee on Agriculture and Forestry.

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

PRIVATE BILL

SECOND READING

Hon. Mr. MARCOTTE moved the second reading of Bill M, an Act to amend an Act to incorporate the Discount and Loan Corporation of Canada.

Right Hon. Mr. GRAHAM: What is the purpose of this Bill?

Right Hon. Mr. GRAHAM.

Right Hon. Mr. MEIGHEN: It is another loan company bill.

Hon. Mr. MARCOTTE: The Act incorporating this company was passed last year. I can say nothing further than is stated in the explanatory notes printed opposite the various sections. The main objects are to provide that the company shall be known in French under the name of "La Corporation de Prêts et d'Escomptes du Canada." I understand that a full explanation of the other clauses will be given in committee.

I may say that there is to be no change in the rates of interest and other charges provided for in the Bill passed last year.

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

REFERRED TO COMMITTEE

Hon. Mr. MARCOTTE moved that the Bill be referred to the Standing Committee on Banking and Commerce.

Right Hon. Mr. MEIGHEN: I call the attention of the sponsor to the fact that on the Order Paper the Bill is improperly entitled "An Act to incorporate The Discount and Loan Corporation of Canada." The company is already incorporated, and this is a measure to amend the incorporating statute. If the Bill itself bears this title, the matter can be taken care of in committee.

Hon. Mr. MARCOTTE: Yes.

The motion was agreed to.

The Senate adjourned until to-morrow at 3 p.m.

THE SENATE

Thursday, April 12, 1934.

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

Prayers and routine proceedings.

ST. LAWRENCE ROUTE—RAILWAY FREIGHT RATES ON GRAIN

ORDER FOR RETURN—INQUIRY

Before the Orders of the Day:

Hon. Mr. GILLIS: Can the right honourable leader of the House tell me when I may expect a return to the Order which was passed on March 20?

Right Hon. Mr. MEIGHEN: At an early date.

HOSPITAL SWEEPSTAKES BILL
THIRD READING

Hon. Mr. BARNARD moved the third reading of Bill A, an Act with respect to Hospital Sweepstakes.

Hon. Mr. RAINVILLE: Honourable senators, I move in amendment that this Bill be not now read a third time, but be amended by inserting after the word "hospitals" in section 2, line fifteen, the words "educational and charitable institutions."

Hon. Mr. TANNER: The honourable gentleman should have given notice of that amendment. It should be on the Order Paper.

Hon. Mr. CASGRAIN: No, not on the third reading.

Hon. Mr. GILLIS: The same amendment was moved yesterday.

Hon. Mr. DANDURAND: This is a public bill. It is not necessary to give notice of an amendment to be moved on motion for third reading of a public bill.

The Hon. the SPEAKER: In amendment to the motion of the honourable senator from Victoria (Hon. Mr. Barnard) it is moved by the honourable senator from Repentigny (Hon. Mr. Rainville), seconded by the honourable senator from De Lorimier (Hon. Mr. Dandurand), that the Bill be not now read a third time, but be amended by inserting in the fifteenth line, section 2, after the words "hospital or hospitals" the words "educational and charitable institutions."

Hon. R. DANDURAND: Honourable members, I desire to explain the opinion which I intend to express when the vote is taken. For a long time—I should say thirty-five years—I have consistently voted against the principle of lotteries. As I have said on more than one occasion, I was responsible in 1899 or 1900 for the abolition of art lotteries by a Criminal Code amendment which was passed in this Chamber and, after a long debate, in the other House as well. In the past two sessions I voted against two sweepstakes bills, and against the bill sponsored by my honourable friend from Edmonton (Hon. Mr. Griesbach), all of which measures contained the same principle as we have before us now.

The Senate expressed itself last year in favour of sweepstakes, and has done so again in the present session by an increased majority, on the motion for the second reading of this Bill. I was not present during the debate following that motion. There is

now an amendment to make the measure applicable not only to hospitals, but also to educational and charitable institutions. The principle of sweepstakes having been adopted by this House, I have no hesitation in supporting the proposed amendment, because the Legislature of my province has unanimously passed a resolution asking Parliament to enact legislation to that effect.

I intended to move an amendment so that the life of the Act might be limited to a certain number of years, for I take it that this measure is regarded by many of its supporters as an emergency measure which is justified only by the abnormal conditions now existing in our country. But the promoter of the Bill moved that amendment himself. Under the circumstances I feel that I should concur in the action of the Legislature of my province and support the proposed amendment. In this instance I am simply expressing my personal view.

Hon. Mr. MURDOCK: Honourable senators, this amendment was voted down yesterday—not by an overwhelming vote, but at least it was defeated. It seems to me that so far as the amendment is concerned the sponsors of this gambling proposal are at least "coming clean." I think it is fair to say that they always contemplated the operation of sweepstakes for the purpose of securing money that is needed because people are not willing to dig down into their own pockets for it. The proposal originated in British Columbia. The people there were said to be unable to maintain their hospitals, and we were presented with reams of evidence about charity and the appalling financial condition in that province. Now it is said that in the province of Quebec and elsewhere several educational institutions would like to launch out into greater activities. Hence this gambling measure—for that is all it is. Lest some honourable gentleman should call my attention to the point, let me say that I am not opposing the amendment on ultra-moral grounds. I repeat once more that I have played poker and bet on horse-races.

Somé Hon. SENATORS: Shame!

Hon. Mr. MURDOCK: No, I am not particularly ashamed of myself. I could afford to do it. But in a period of twenty-five years I have observed what seems to me the greatest curse of labouring men—their propensity to gamble. I have known of women and children denied the things they were entitled to because of the bread-winners' craze for gambling. I regard myself as being to a certain extent my brother's keeper,

though I am pretty certain that honourable senators do not desire me to set myself up in that capacity, and I do not complain of their attitude.

What is the Senate of Canada undertaking to do? To create gambling facilities for the purpose of furnishing the wherewithal to give the sick desirable and necessary hospital treatment, and to educate our people. This amendment is pretty broad in its scope. It emanates from the great province of Quebec, but I am sure financially embarrassed educational institutions in the other provinces would be glad to be able to say: "All right, let us get our rake-off out of this pot." The Senate of Canada will take a very unwise step if it passes the amendment. Certainly I shall vote against it first, last and all the time. I think the people of Canada expect better guidance from this Chamber than would be given them by the passage of this measure. It simply tends to encourage the belief that they can lift themselves up by their boot-straps.

Right Hon. Mr. MEIGHEN: Honourable senators, I gave briefly my reasons for opposing the second reading of the Bill. Those reasons need not be rehearsed nor even summarized. One sentence expresses them: I do not favour placing the imprimatur of legislation on the practice of gambling in any form. I took care to emphasize that there was no way of eliminating the ultimate chance from any phase of life, but pointed out that because such elimination was beyond our power we were not justified in encouraging the belief that gambling, unadorned and unadulterated, was one of the methods of making a living; indeed, our legislation should be directed rather to the end of implanting in the minds of our fellow-citizens that there is one way, and one way only, of reaching worth-while results in life, namely, the way of intelligent toil.

Some Hon. SENATORS: Hear, hear.

Right Hon. Mr. MEIGHEN: The honourable senator opposite (Hon. Mr. Dandurand), while holding much the same view as to the Bill itself, now feels that because of the principle having been adopted, despite his resistance, he is justified in supporting the amendment and falling into line with the opinion expressed by the Legislature of his province that facilities should be provided by means of lotteries for the upkeep not only of hospitals, but of educational and charitable institutions as well. I cannot follow him in what I am afraid I must describe as a tortuous course. We do not make

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the purpose of the Bill sound if we extend the objects to be served by a means to which we should not give legislative sanction. We cannot improve legislation which is inherently against public interest by increasing the reasons for enacting the legislation. By extending the objects to be served we give new impetus to the practice which the Bill permits. For this reason I feel bound in consistency, and I am certainly bound by my instincts, to oppose the amendment just as vigorously as I opposed the Bill itself.

Hon. Mr. BLACK: Honourable senators, I do not purpose to give a dissertation on morals, but I wish to place myself on record with respect to the amendment, because if it should carry it would change my attitude towards the Bill. I am quite ready to admit that I have twice voted for the Bill, but I have done so on the ground that its purpose was only to benefit hospitals. While I have every sympathy with those who would like to see it broadened, I personally should not. This amendment opens out the field of sweepstakes to an extent to which I do not agree. Therefore I am going to oppose the amendment, and if it is carried I shall vote against the Bill. My reason for speaking is that I want to make my position clear.

Hon. Mr. CALDER: My attention has been called to the fact that the amendment now before us is not exactly the same as the amendment we voted on yesterday.

Hon. Mr. MURDOCK: Oh, yes.

Hon. Mr. CALDER: No. Yesterday it was proposed to insert in section 2 the words "educational or charitable institutions." Now, I understand, it is proposed to insert the words "educational and charitable institutions." There is a difference in the two proposals. As the latter part of section 2 now stands, it reads:

—sweepstakes for the purpose of raising money for the benefit of one or more hospital or hospitals.

If the words "educational and charitable institutions" are inserted, any moneys derived from sweepstakes must be devoted to hospitals, educational institutions and charitable institutions. Under the proposal of yesterday they might be devoted to hospitals, educational institutions or charitable institutions. Personally, I prefer the amendment of yesterday.

Hon. Mr. RAINVILLE: I was not here yesterday, but it was my intention to make my amendment the same as the one of yesterday; and I would ask the leave of the House to have it corrected.

The Hon. the SPEAKER: Then the amendment will read "educational or charitable institutions."

The proposed amendment of Hon. Mr. Rainville was negatived on the following division:

CONTENTS

Honourable Senators

Aylesworth (Sir Allen)	Macdonald
Blondin	Marcotte
Calder	McLennan
Dandurand	Moraud
Fauteux	Murphy
Harmer	Pope
King	Prévost
Lacasse	Rainville
L'Esperance	Robinson
Little	Tobin—20.

NON-CONTENTS

Honourable Senators

Asetine	McDonald
Barnard	McGuire
Black	Meighen
Bourque	Michener
Buchanan	Molloy
Copp	Murdock
Dennis	Rankin
Donnelly	Riley
Fripp	Schaffner
Gillis	Sharpe
Green	Sinclair
Hardy	Smith
Hocken	Spence
Laird	Tanner
Logan	Turgeon
Lynch-Staunton	White (Inkerman)
MacArthur	White
Macdonell	(Pembroke)—35.

Hon. Mr. BALLANTYNE: I was paired with the honourable senator from Montarville (Hon. Mr. Beaubien). Had I voted, I should have voted against the amendment.

Hon. Mr. HORSEY: I was paired with the honourable senator from Wellington (Hon. Mr. Brown). Had I voted, I should have voted against the amendment.

Hon. Mr. LEWIS: I was paired with the honourable senator from De Lanaudière (Hon. Mr. Casgrain). Had I voted, I should have voted against the amendment.

The motion for the third reading of the Bill was agreed to on the following division:

CONTENTS

Honourable Senators

Asetine	Fripp
Aylesworth (Sir Allen)	Green
Barnard	Harmer
Black	Lacasse
Blondin	Laird
Bourque	L'Esperance
Calder	Lewis
Dennis	Logan
Donnelly	Lynch-Staunton
Fauteux	Macdonald

Macdonell
Marcotte
McDonald
McLennan
Molloy
Moraud
Murphy
Pope
Prévost

Rainville
Riley
Robinson
Tanner
Tobin
Turgeon
White (Inkerman)
White
(Pembroke)—37.

NON-CONTENTS

Honourable Senators

Ballantyne	McGuire
Buchanan	Meighen
Copp	Michener
Dandurand	Murdock
Gillis	Rankin
Hardy	Schaffner
Hocken	Sharpe
King	Sinclair
Little	Smith
MacArthur	Spence—20.

Hon. Mr. HORSEY: I was paired with the honourable senator from Wellington (Hon. Mr. Brown). Had I voted, I should have voted against the Bill.

The Bill was read the third time, and passed.

BUSINESS OF THE SENATE

Right Hon. Mr. MEIGHEN: Honourable members, I know of no special reason why this House should sit to-morrow. On the other hand, there is no reason why it should not sit if any honourable member has in mind some business to warrant our meeting. If there is no such business, I move that we adjourn during pleasure, in order that the Standing Committee on Banking and Commerce may take up the Precious Metals Marking Bill, which it is important to have the Committee consider without unnecessary delay and return to us before we adjourn until next week.

The motion was agreed to.

The Senate adjourned during pleasure.

After some time the sitting was resumed.

PRECIOUS METALS MARKING BILL

REPORT OF COMMITTEE

Hon. F. B. BLACK presented the report of the Standing Committee on Banking and Commerce on Bill 2, an Act to amend the Precious Metals Marking Act, 1928, and moved concurrence therein.

The motion was agreed to.

THIRD READING

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

Right Hon. Mr. MEIGHEN: I should explain to honourable members that the purpose of the Bill is to amend various sections

of an Act passed in 1928, which itself was merely a codification and extension of the law that had been in effect for many years governing the marking of precious metals and articles of jewelry. The amendments, in line with the spirit of the existing legislation, are designed to protect the public from being deceived, misled or imposed upon by improper markings on precious metals and articles made therefrom, in respect of the importation, the manufacture, and especially the sale of those commodities. And by giving legislative status to new national marks, significant of Canadian manufacture, for certain classes of articles in the gold and silver categories, the Bill should encourage the manufacture and sale of such articles within Canada.

Hon. Mr. DANDURAND: Of course it will be some time before the public becomes familiar with these markings.

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. DANDURAND: But the markings will be some safeguard, and they will provide a standard in case of false description or misrepresentation.

Right Hon. Mr. MEIGHEN: Yes.

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

PRIVATE BILL

FIRST READING

Bill 9, an Act to incorporate the Bishop of the Arctic of the Church of England in Canada.—Hon. Mr. Griesbach.

BUSINESS OF THE SENATE— ADJOURNMENT

Right Hon. Mr. MEIGHEN: Honourable members, the Standing Committee on Banking and Commerce, which by the turn of events has been loaded with the principal work of the House this session, has now before it the Admiralty Bill, the new Shipping Bill, and the second insurance measure, namely the Canadian and British Insurance Companies Bill. The Admiralty Bill has been fully considered, but the reporting of it has been delayed in the belief that the measure should remain before the Committee during the consideration of the Shipping Bill. The Shipping Bill has been submitted to a sub-committee, which has been working assiduously on its provisions for some weeks and hopes to finish its labours and be able to report to the Standing Committee this week. With respect to the British and Canadian Insurance Companies Bill, the Committee has been

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listening to representations for some weeks and there is no possibility of completing our consideration of the measure until next week. I think that disposition of the matter would not be hastened at all by our sitting to-morrow.

I therefore move that when the House adjourns this afternoon it stand adjourned until Tuesday next at 3 o'clock. A meeting of the Banking and Commerce Committee has been called for Tuesday, after the adjournment of the House on that day.

The motion was agreed to.

INITIATION OF PRIVATE BILLS

NOTICE OF MOTION

Right Hon. Mr. MEIGHEN: With permission of honourable members I should like to give notice of a motion which I intend to make when we resume on Tuesday next. The exact terms of the motion will be filed with the Clerk of the House, and I now wish merely to make an explanation which will appear in Hansard.

Honourable members will recall that by virtue of a discussion introduced by the honourable senator from Russell (Hon. Mr. Murphy) the subject of the division of labour and responsibility between the two Houses of Parliament was under review in this Chamber. Various suggestions and arguments were presented during the debate. There was considerable agreement of opinion, not expressed in any formal motion or resolution, but merely reflected in the speeches of honourable members, as to what might be done towards enlarging the usefulness of the Senate. One suggestion stressed in the debate, and with respect to which I observed no dissentient opinion, was to the effect that a rule should be adopted in both Houses with a view to diverting to the Senate the initial consideration of all private bills.

The hope was expressed that the Government would see its way clear to meet the wishes of this House with respect to that proposed reform, and I am glad to be able to advise honourable members that this hope has been realized. The effect of the amendment of which I am now giving notice will be to preserve virtually as at present, but facilitate to some slight extent, the procedure for the introduction of private measures in this Chamber, so that all such measures may obtain their first and main consideration here. There will be no reduction in the expenses connected with the initiation of bills in the Senate, but in the other Chamber a complementary motion is to be made, the effect of which will be to increase very materially the

fees payable in respect of any private measure originating in the House of Commons. Indeed, the proposed increase is so large that I venture to predict that hereafter, should the amendments to the Rules meet with the pleasure of both Houses, all private bills will originate here. These amendments, if adopted, will be the first substantial step—the step will indeed be substantial—towards meeting the oft-discussed and long unrealized hopes of the Senate of Canada.

The Senate adjourned until Tuesday, April 17, at 3 p.m.

THE SENATE

Tuesday, April 17, 1934.

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

Prayers and routine proceedings.

LANDS OF INDIANS

ORDER FOR RETURN

Hon. J. J. HUGHES moved:

That an Order of the House be issued for a return showing:—

1. What is the estimated cost to the Dominion under the various treaties with the Indians, to extinguish their rights and interests in the lands described in such treaties?

2. In what provinces were or are these lands situated?

3. What annual amounts in cash and goods, are now payable under the terms of these treaties?

4. Were these lands, or any of them, later sold, and if so, in what manner and to whom?

5. What is the total amount received by the Dominion from the sale or disposition of these lands and what is the estimated cost of their administration?

6. Have all or part of these lands been transferred to the provinces, and if so, under what terms and conditions?

The motion was agreed to.

LEAGUE OF NATIONS

MOTION AND DISCUSSION

Hon. A. D. McRAE moved the following resolution:

That this House is of opinion that Canada should withdraw from membership in the League of Nations, and that no further money should be voted to the League.

He said: Honourable senators, in discussing the motion before the House, may I say I am confident we all desire the same objective, that is, world peace. I am sure the Canadian people as a whole are anxious to do what they can, consistent with the wellbeing and the

continued existence of our Dominion, to help bring about the greatest of all worldly aims, the abolishment of war.

The League of Nations, regarding which there is a difference of opinion among the Canadian people, is a proper subject for discussion, more particularly at this time, when war is in the offing, and our responsibilities as a member of the League in the next war may develop into something more serious than we Canadians are willing to assume.

The public discussions of the activities of the League have presented only one side of the picture. Those who regard the League as no longer serving a useful purpose have been very hesitant in expressing their views, as well they might be, for I find among my extra-loyal friends a feeling that it is a sort of disloyalty on my part to introduce this motion, and again, others think that this is not an opportune time to bring up the subject.

I am hopeful that in any event the debate on my motion will result in placing before Parliament and the country sufficient facts to enable them to decide the part, if any, Canada should continue to play in the League of Nations.

May I remind honourable members of the new status which we enjoy as an independent nation. As a sovereign state Canada is a member of the League the same as any other country. We assume our responsibilities direct as the Dominion of Canada and not through our association with Great Britain or the Empire. As to our position in the event of war, may I quote the opinion of Lord Davies, who, I am given to understand, was one of the active founders of the League. Writing in 1931 as to the position of the Dominions in case of war, he has this, in part, to say:

As members of the League, they are, of course, free to choose for themselves. . . . Whatever attitude they may choose to adopt, has, in the present circumstances, little bearing upon the choice of Great Britain. . . . The distance which separates them from the Mother Country precludes them from rendering assistance in the event of a sudden attack, however willing they may be to aid in her defence. Before they arrived on the scene half the population of Britain might have perished of famine, gas and disease. This result would have been produced by the employment of modern weapons. The times have changed and adaption is the secret of existence. The ties of nationality, race and sentiment are precious heritages, but in the present necessity they are powerless to mould the destiny of nations or individuals. Thus the self-governing Dominions will decide the issue for themselves.

Lord Davies' opinion recognizes our new national status to which I have referred. This

being a clear statement of our position as a member of the League, who will say that we should not now discuss our responsibilities?

May I say in answer to those ultra-loyalists who are annoyed by this motion, that discussions as to Great Britain's withdrawing from the League are not tabooed in England, and that a section of the British press is very active in that regard. There are those in England who advocate that Britain should not only withdraw from the League, but keep out of the next European war and leave it to the Continental nations to fight it out among themselves.

What would those Canadians who think we should not debate the League do about our participation in the next war? Leave it to Downing Street to decide for us? That policy was exploded on this Continent over a century ago.

Britain's foreign policy does not offer much encouragement. Since the formation of the League of Nations fifteen years ago, her policy as a whole has been very indefinite. At the moment, if we may credit the press reports, Britain is negotiating, not through the League, but direct with France, on the old pre-war basis of coalition. There are several other outstanding instances of Britain's failure to make use of the League. Before the War Europe was a continent of coalitions: so it is to-day.

If Great Britain, by secret treaty or otherwise, should guarantee security to France, or make a coalition with any other continental country or group, and a war should come about in which Britain must participate, have we no voice as to what Canada should do about it? Many of our citizens think we must fight if Britain is at war. If that is so, should we not have something to say, at the time they are being negotiated, about the treaties, coalitions, or agreements which obligate us to fight? Yet where is the Canadian to-day who would advocate that Canada should sign any treaty or join any coalition which promises to involve us in a European war? I do not believe that the Canadian people will give any Government a blank cheque for war. For my part I now hold the opinion, with which I am sure that at least one member of this House will agree, that before Canada enters into any war, other than for home defence, the approval of the Canadian people must be obtained. The right honourable the leader of this House (Right Hon. Mr. Meighen), in his well-known Hamilton speech, first gave utterance to this principle. He was eight years ahead of the country. I did not agree with him at that time, but now I am one of those who have

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caught up with him. Is there any honourable senator who, speaking on this motion, will say Canada should be committed to a foreign war without the voice of the people being heard? I do not think that any one of us will say that Canada should go to war if the majority of our citizens say no.

I know the objection has been raised to a referendum on war that it would take too long to ascertain the will of the people and that much valuable time would be lost. I hold that in these days of rapid communication, and with the aid of the provinces, a referendum could be submitted and a decision arrived at within three weeks. During this time initial war preparations could be put under way if the Government so desired.

In any event we are 3,500 miles away from the European theatre of war, and, as Lord Davies points out, the loss of three weeks' time would make little difference. This is particularly true now, as it is generally recognized that the first great effort in the next war, with the use of the aeroplane, will be confined to gas bombs, germ bombs and similar devilish and destructive instruments and inventions of war designed to exterminate first the civil population. These efforts will have spent themselves in the first week of the war, and our participation two or three months later, at the earliest, would quite likely assume the form of the still more gruesome task of restoration.

If the referendum, as suggested, is to be our national policy with respect to war, what could be more disloyal to Great Britain than our failure to make that fact clear to her at this time? Why should we not make it clear before she has given her assurances, made her treaties and assumed her obligations? We must not wait until war is upon her, and then run out. Let those who deprecate this discussion on the League of Nations keep this fact in mind. I do not believe in the policy of wait and see what will happen. It has been truly said that "the policy of drift may place Canada at the mercy of accidents beyond her control." For these reasons I advocate that Canada should withdraw from the League now, when we can do so with honour.

As to the fairness of a referendum, may I assure those who fear the war sentiment might not be fully recorded, that a referendum taken under the excitement of war, with the waving of the flag, the cry of loyalty and the desire of youth for adventure, would at least muster for the war party all the strength they can ever hope for.

Honourable senators, I trust I have shown ample grounds to justify me in bringing in

this motion at the present time, and the need for the discussion which I anticipate will ensue.

Fifteen years ago the League of Nations was launched on the world with the active membership support of more than fifty nations, and the prayers of the war-weary people throughout the universe. The possibilities of the League were immense. There was to be no more war. The League was regarded as the greatest effort for peace that the world had ever known. Had it accomplished its objective the millennium would now be with us.

After all these years let us see where the League stands to-day. Two great nations, Germany and Japan, have withdrawn. Russia was never a member. More than a dozen countries are not paying their dues, and this, I submit, should be equivalent to withdrawal. It is said that as late as September of last year only fifty-five per cent of the dues were being paid and that the arrears were then £891,127, or over four and a half million dollars. The report of the League for 1932 shows arrears at the end of 1932 of 24,000,000 Swiss gold francs, a sum equal to \$4,800,000, or £950,000. These are all round figures.

Referring to the subject of dues, the Right Hon. W. Ormsby Gore, as quoted in International Affairs, London, had this to say.

Quite apart from the questionable morality of not paying your club subscription, the failure to pay and the consequent uncertainty and precarious character of the League revenue have resulted in a very bad system of League budgeting. As experience shows that some countries do not pay, it is necessary, in order to make the League income and expenditure balance, to over-estimate the coming expenditure by the amount of expected defections. The result of this is twofold. First, the "estimates" voted by the Assembly are faked estimates throughout; every item is more or less "over-estimated." Secondly, as contributions are assessed on the basis of these faked estimates, those countries that do pay promptly in fact pay more than their allotted share of the actual expenditure. There has thus grown up a system of hiding and subterfuge which is not a credit to the League, and is definitely unfair to France and ourselves, who do pay up promptly.

Mr. Ormsby Gore might have included Canada with Britain and France, as I presume we pay promptly all that is asked from us by the League.

In connection with League dues I might say that the annual expenditure of the League as budgeted for 1932 was 33,000,000 Swiss francs, or nearly \$7,000,000. Our annual contribution, beginning with \$64,000 for the first year, has increased to \$278,000 for the year 1932-33. Our total contribution in the fifteen years we have maintained our membership in the League is somewhat over two and a half million dollars.

It is interesting to note that our dues as a member of the League are exactly one-third of the dues paid by Great Britain; forty-five per cent of dues paid by either Germany or France, each paying the same amount, and fifty-eight per cent of the dues of Italy or Japan, who are assessed equally. So it would appear that for a nation of only ten million people we are paying our full share. I might mention that the withdrawal of Germany and Japan, who have heretofore, by way of dues, been contributing thirteen and one-half per cent of the League's expenditure, is going to result in a corresponding increase in the dues which Canada will be called upon to pay as a continuing member of the League. An attempt to reconcile our annual cash payments with our percentage allotment and the budget for the year lends support to the Right Hon. Ormsby Gore's criticism.

The League up to the end of 1932 has spent more than \$50,000,000, and at the present time is spending, according to the budget, 33,000,000 Swiss francs, or slightly in excess of six and a half million dollars a year. There is little evidence of any reduction of expenditure in keeping with the urgent need for economy throughout the nations that compose its membership. In any event, the ever-growing annual expenditure in connection with our membership in the League, aggregating now nearly \$300,000 a year, is an item which cannot be overlooked in these times of financial stringency.

There are on the pay-roll of the League 1,150 persons, in all departments. The general staff numbers about seven hundred—698, according to the 1933 report. A London dispatch refers to them as 698 who are unknown to the outer world, employed year in and year out, drawing a total salary of £534,000, or two and three-quarter million dollars. If this figure is correct, at \$5.15 to the pound it would work out roughly at \$3,900 for each member of the general staff, including office staff. This is certainly a very large average salary. I find that by pro-rating that sum over the total number of 1,150 employees, it works out at roughly \$2,400 a head, and this too, I submit, is a high average, particularly in Europe. Besides, the League is providing a pension fund for its employees. The salary list is headed by Mr. Avenol, the General Secretary, who is reported as getting an annual salary of 90,000 Swiss gold francs, with an entertaining allowance of 40,000 Swiss francs additional, a total in dollars of approximately \$26,000 a year.

Our own Canadian Advisory Officer at the League and his staff cost Canada last year the tidy sum of \$21,998.12. The figures I am

quoting, many of which are taken from auditors' reports, seem to me to show that there is lacking the hand of economy with respect to the League's expenditures. It is estimated that the new Palace of the League of Nations, now under construction, will cost at least £1,500,000, or more than \$7,500,000 in our money. There is no assurance it will not cost much more. In passing, it is well to note that our expenditures on this Palace by way of dues, on the present basis of 3.58 per cent as our share, would be \$269,500, plus our share of the thirteen and one-half per cent which Japan and Germany have formerly contributed, and such additional assessment as may be necessary through the failure of other members to pay their dues. Already 10,745,000 Swiss francs have been set aside for the building, of which over six million francs have been spent. Does any Canadian think that we should directly or indirectly provide \$300,000 to help erect a building in Switzerland? It is said to be questionable whether the League can afford to occupy its new Palace of Nations, as the cost of heat and light alone will run into hundreds of thousands of francs. This information which I am giving to the House, I presume, accounts for Canada occasionally being referred to as "one of the small milch cows of the Geneva League."

We are a small nation of only ten million people, very far away from the European cockpit. The voice of our representatives amidst the wrangling, old-fashioned, national statesmen of Europe must sound to them like the voice of an infant, as indeed Canada is among the nations of the world. I often wonder if we are not taking ourselves entirely too seriously in this League business and spending sums of money in a way which, in street parlance, would brand us as "easy marks."

Much more could I say in connection with the financial affairs of the League, but after all, these are of secondary importance considering the object for which the League was organized. Had the objective been attained, it would have offset a thousand times and more the expenditure to date, unwarranted as some of it may be.

By busying itself with work for which it was never intended the League acknowledges its utter failure to realize its major objective, world peace. Its publications bear evidence of a desire to justify its continued existence, and include more than one hundred issues which are for sale at prices of from twenty-five cents to three guineas a copy. They would appear to be of little practical use, as many of them apparently duplicate, if they

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do not copy, reports issued by departments of governments already members of the League; and, in any event, being largely published in only one language, they cannot be very popular. I have before me a list of League publications, the major effort of which would appear to be an encyclopaedia on industrial hygiene that is offered in cloth cover to the public for \$20 a copy. We may take this as indicative of the work of the League. I wonder how many copies of this encyclopaedia will be purchased throughout the world. Very few indeed, I should say. It seems to me that this edition is as necessary and would serve about as useful a purpose as a brochure on the crèche, if issued by the Senate.

It has been said:

The League of Nations is purely and simply an Anglo-Saxon proposal born in chaos in Paris, laid on the doorstep in Europe by retreating Americans, to be adopted and reared under European conditions and traditions. . . . The utter divergence of opinion between the Anglo-Saxon and continental nations was soon disclosed. . . . The Versailles Treaty by its application of the principle of self-determination passed a death sentence on a large part of Europe, including many cities, large industrial regions and huge agricultural areas, . . . dislocated transportation; resulted in the neglect of rivers that once served successfully town and country alike; meant the abandonment of great railway systems and the useless expense of constructing new railways; that it meant breaking the history and habit and brought about the abandonments of natural associations as well as lines of communication; old cities like Vienna were doomed to decay; new cities arose to fulfil their function perhaps just across the new national frontiers . . . everywhere on the continent political frontiers have been paralleled by formidable tariff walls.

This seems to me a pretty fair statement of the facts. Anyone who studies the situation in Europe comes away with the realization of the insoluble conditions which are due in no small part to idealism, of which the Versailles Treaty is a result.

The trouble with the League is that it began at the wrong end, dealing with governments instead of educating the people. Political control shifts frequently in every country. New leaders come along, but national policies endure. The existence of politicians depends on their fulfilling the national will of their respective peoples. In the eyes of the people of any country the policies of other nations are selfish and their own the only reasonable ones. It is thus useless to give much consideration to any policy which is contrary to the will of the people.

The War did not change the peoples of the world for the better. Europe came out of the War with racial prejudices and hatreds greater than before. In fact, to-day, after fifteen

years' existence of the League of Nations, conditions are worse than they have been at any other time in the last fifty years. The Versailles Treaty, by tearing up the map of Europe, breaking up nations, and creating new governments for majorities as well as minorities, greatly aggravated what was already a difficult situation. Appeals to Europe fall on deaf ears if they ask that international idealism be considered before national and racial aspirations. So far the League has not succeeded in getting a single nation to allow international peace to take precedence over national interests. Human nature remains the same.

We must take the world as we find it, not as we should like it to be. Ideals in international relations cannot take the place of certain and practical results. To-day Europe is full of racial hatreds, grievances, ambitions, suspicions and fears. Let me quote what one of our well-known British statesmen has to say about the League in this regard. I quote Mr. Amery:

The realities of the world have not changed; they have not been changed by the Covenant of the League of Nations, and they will continue long after the Covenant has disappeared. . . . The worship of unrealities to which this country—

That is England.

—above the others, has been giving itself at Geneva since the war is not going to conduce to the peace of the world. . . . There is a good deal of conscious or unconscious hypocrisy when we talk about the League of Nations, about disarmament, and about peace.

Then, the Right Hon. Lord Dickinson in *The Contemporary Review*, London, states:

It is this that lies at the root of the trouble. The world is losing the spirit of internationalism, and, unless this can be revived, it is of little use to talk about "reforming the League." . . . Men still talk of the brotherhood of man and the federation of the world; but we are in reality farther away from that ideal than we were twenty years ago. We have assumed too rashly that when once a League of Nations was set up human nature would change of its own accord.

It is reported that even Mr. MacDonald made no secret of his aversion to the League. This it is said is borne out by his repeated and strenuous effort to revive the pre-war Council of Great Powers. According to the press his recent negotiations with France may result in a treaty guaranteeing security to France.

International conferences have replaced and thereby discredited the League. With the single exception of Locarno, every international political conference is said to have ended in failure: Washington, Coolidge's conference at Genoa, the London Naval Con-

ference and the World Conference of last year—all are a record of dismal failure. In each instance the situation sought to be remedied was left worse than before the conference was held.

The pre-war alliances are again the order of the day: France and her Little Entente; Italy with Austria and Hungary; Germany standing alone; Russia awaiting her opportunity; Britain not knowing which one, if any, she is going to support.

I now come to another viewpoint which is a formidable obstacle to world peace. In approaching this side of the picture, first permit me to quote a very frank statement of a well-known British statesman, Sir Nairne Stewart Sandeman. Hansard reports him as saying:

I am frankly pro-Japanese, entirely pro-Japanese, because I believe that the Japanese will settle the question in Manchuria and settle it very quickly, and the less time that is spent in settling the row in Manchuria the sooner we shall get on to doing trade in China. . . . Right is might, and very often might is right, and the Japanese are going to carry out there what they have started, and the sooner the thing is finished the better. I do not see why we should not give Japan munitions to help her to finish it, because the sooner it is through the better for China and for everybody in that country.

That comes from a prominent member of the British Parliament.

Hon. Mr. McLENNAN: What is his name, please?

Hon. Mr. McRAE: The name is Sir Nairne Stewart Sandeman.

Hon. Mr. BEAUBIEN: He is a German.

Hon. Mr. MURDOCK: May I ask the honourable gentleman whether he personally subscribes to that view?

Hon. Mr. McRAE: If the honourable gentleman will hear my speech out, I am sure he will realize that I do not.

Then, in announcing his sixty-year plan, Premier Mussolini says:

To pretend to eternally keep a nation like Germany disarmed is pure illusion, unless one has the objective of preventing by force of arms Germany's eventual rearmament. This game has a supreme stake—the lives of millions of men and the destiny of Europe.

Again we have Mr. Hitler, who, in explaining his programme, says in effect that the purpose of his home policy is to forge a sword sharp enough to strike, while the purpose of his foreign policy is to gain time and lull suspicion until the sword is ready. Hitler certainly put out the flame of internationalism. These men show little desire for peace.

We frequently have assurance of peace from quarters apparently close to the war racketeers of Europe. I refer to the armament manufacturers, who are the power behind the arming and counter-arming of nations and who are said to dominate the governments of their own country. We are told that the sale of armaments through Vickers-Armstrong to foreign nations amounted to as much as \$100,000,000 last year. This would constitute a large part of the increase in British exports of steel in 1933. The revival of the steel industry was the source of much gratification in England. What a travesty on peace! While the British steel and iron foundries are working overtime supplying the nations of Europe and Asia with war materials, Mr. MacDonald and Mr. Baldwin are working equally long hours trying to bring about peace in Europe.

The Armament Trust of France, which is said to control 182 French companies manufacturing heavy ordnance, machine guns, tanks, shells, munitions and warfare chemicals, is said to have produced \$300,000,000 worth of war materials last year. This Trust controls the armament manufacture in Czechoslovakia, whose exports of war material were estimated last year at \$30,000,000, which constituted ten per cent of the country's total exports.

While the statesmen of various countries in Europe are holding conferences looking to disarmament, factories in the same countries are working overtime providing armaments for the next war. With such glaring inconsistencies questioning international honesty, is it any wonder that Europe is seething with suspicion and distrust and that no nation believes the professions of its neighbour? Under these conditions it can well be said that "war is a racket."

France stands for her right to security. Germany wants a revision, with a return to her of the Corridor and other territories taken from her. Poland and the Balkans want to maintain the status quo. Austria wants union with Germany. Italy wants additional territory, particularly an adjoining section of France. These territorial issues are insoluble, because the racial spirits of the people are uncompromising. Britain is as helpless to remedy this situation as she was in 1914.

So that we may all appreciate our responsibility as a member of the League of Nations, permit me to read Article 10 of the Covenant.

The members of the League undertake to respect and preserve as against external aggression, the territorial integrity and existing political independence of all members of the League. In case of any such aggression, or in case of any threat or danger of such

aggression, the Council shall advise upon the means by which this obligation shall be fulfilled.

Article 10 is a definite pledge which binds Canada as a member of the League. Mark the phrase, "this obligation"—for so it is. Undoubtedly the practical enforcement of the article when the time comes will mean armed intervention.

There are those who think that the League in order to enforce its decisions should have a standing army, a sort of super-force drawn from the member-nations of the League. A military-equipped League of Nations is as unthinkable as it is unworkable. It would lack a common language and a satisfactory single command. Wars would be certain and frequent. In every war the soldiers composing the international force, from several nations, would be called upon, some of them to fight their brothers or cousins. There would be no unity. Disloyalty and espionage in the League force would be sure to arise. Such a force certainly can not be advocated by those who want peace. It would mean just the opposite. Then without an army to enforce the League's command what happens? Witness Japan.

Not only has the League of Nations failed to attain its original objective, world peace; it has even failed to restrain the coming eruption. The League has failed to condemn the high-handed action and appears to give the most careful consideration to the interests of its powerful members. In short, it takes no serious objection to the decisions of those who defy it.

And what is more, the League has failed to be helpful in the economic crisis which has engulfed the world for the last five years. It is as little effective in world prosperity as it is in world peace.

The League has been torpedoed by its leading members, who now resort to secret negotiations with other countries, also members of the League, and in some instances, no doubt forced by the need for self-preservation, they are returning to the old pre-war plan of coalitions. These members, the most powerful in the League, appear to use it only for lip service to peace.

Sensible men want facts, not fiction. Boys in Europe are being trained for war; the nations are in the spirit for war. Nationalism is growing, the air of Europe is thick with the talk of war. All old-world countries are engaged in mechanical war experiments. We hear of new explosives, new gases, new guns, new tanks, new battleships, new submarines, new aeroplanes and many other contrivances,

new and still more destructive—all surpassing what has gone before, and designed to bring death to the nation against which they are first used.

Honourable senators who remember the ten years preceding the outbreak of war in 1914 will recall the then current conviction that war was inescapable. Many of us did not believe it at that time. To-day the ambitions and policies which made the World War certain exist unmodified. They are equally irreconcilable, and war is certain to result.

The horrors of the last war have not been forgotten. That the next war will be infinitely worse is generally appreciated. People, as always, have learned nothing and forgotten nothing, and in the circumstances there will be war in Europe. The situation presents this remarkable paradox, that while the nations all agree that another war will mean the end of European civilization, the same nations are to-day preoccupied in preparing for that war! Dr. Nicholas Murray Butler says, "The safest nations in the world are the unarmed nations, the Switzerlands, the Denmarks, the Norways and the Swedens." Let us add Canada to this list.

I have a very definite opinion that the people of Canada do not clearly understand the responsibilities we have under Article 10 of the Covenant of the League of Nations. Unless we are to regard our membership in the League as a scrap of paper, our responsibilities may mean another foreign war for Canada. Not for the veterans of the last war—who, with rare exceptions, are no longer fit for active service—but for those who have come of age since the last war; for the young men in their 'teens who are not yet of fighting age, and perhaps for some of our sons still in their cradles.

The bonusing of large families by Germany and Italy, both countries already over-populated, can only be to provide the human element still necessary to guide the modern instruments of war. It is bad enough to send our boys to kill in defence of their country. It is unthinkable that Canadian sons should be sent to Europe to war with these nation-made sons of a decaying civilization.

I wish I could arouse in the heart of every Canadian mother with a son who is of military age, or will become available for service in the next ten years, a realization of the obligation which, with our high ideals, we are liable to incur if we continue as a member of the League to sit at the European council table, surrounded as it is with distrust, disloyalty, racial hatreds and ambitions, all of which lead to war.

My remarks might well be criticized were I not to suggest to this honourable House some avenue through which I think the objective of the League of Nations might be attained. After fifteen years of futile effort for international peace there remains but one way to obtain the abolishment of war. The road is open, clear and certain, and tests the sincerity of the nations that say they want world peace. I refer to the total discontinuance by all nations of the manufacture and sale of armaments and munitions of war. Such a policy fully enforced would end war at no distant date. Armaments soon become obsolete, and if they are not replaced disarmament comes about by force of circumstances in the course of time; for armies no longer efficiently equipped would soon disintegrate and without outside pressure reduce themselves to the strength of a national police force. This more than anything else would tend to restore confidence throughout the world. There would then be reason to expect that the present racial fears and suspicions would gradually give way to that neighbourly confidence and friendship which the world so sadly needs to-day.

I have read the piffle about nickel being essential to the manufacture of war equipment. There are substitutes for nickel, and in any event there are dozens of commodities equally indispensable to armament manufacturers. Why pick out the one thing whose production Canada controls? After all, nickel is entering more and more into the manufacture of domestic articles—a fact which should be very gratifying to Canadians.

Why not recognize and deal with the real trouble? If the nations believe in peace, let them outlaw the armament racketeers as they suppress other enemies of society. There are not many armament manufacturers in the world to be put out of business. The sincerity of the nations' profession of peace depends on this being done. Without such action we may as well sit down and accept the world's return to the pre-war policy of coalitions, which may maintain peace for a while, but in the end, as has always been the case, will bring about war.

Last month as I stood in my room and watched the veterans, in Ottawa for their annual convention, marching up to lay a wreath at the foot of the Peace Tower, I was struck by the prematurely aged appearance of the men who, less than a generation ago, were the equal of the best soldiers in the War. This was the result of war service.

So often we hear expressions of disappointment that to-day there are not more men

qualified for public service in Canada. I would remind honourable members that 500,000 of the pick of our young manhood of less than twenty years ago went overseas. These were about all our physically fit young men of that generation. Many did not come back. Others were wounded and incapacitated, and virtually every ex-service man, owing to long absence from home and to life in the trenches, returned minus those years of experience in private life which educate and develop men along the lines that lead to successful, peaceful vocations. That is why to-day Canada seems so short of men between the ages of 35 and 55 years. It is one of the great, immeasurable national losses due to war which are seldom, if ever, referred to.

As I thought of the urgent need of assistance for so many of those veterans of the last war, I wondered what was to become of the living victims of the next war. There is no language that can describe the horrors of war. The few real battles I saw in the last war left me always with the same impression—that the world had gone mad. No words can describe a modern battle. That is perhaps why it is so seldom discussed. It is agreed that the next war will be infinitely more horrible. I am appalled at the very thought of it. Call me an international pacifist if you will, for I would have Canadian boys fight no more in foreign wars.

Hon. RAOUL DANDURAND: Honourable senators, the honourable gentleman (Hon. Mr. McRae) has given us his reasons in support of his motion. It is quite apparent that he supported the theory of the basic principle of the League, but he has lost faith in its application. Let us withdraw, he concludes, and let us resolve to disinterest ourselves in the fate of Europe, so as not to be drawn into the vortex of the next conflict.

I readily admit that the League has not yet reached its objective, but I refuse to accept the conclusions of my honourable friend.

What was the object the creators of the League had in view? What was the origin of the League? It is generally affirmed and believed that President Woodrow Wilson brought the idea to Europe. In reality the suggestion came from Sir Edward Grey. We all know the persistent and heroic efforts of the Secretary for Foreign Affairs to prevent the calamity which befell the world in August, 1914, and how he failed, through the duplicity of the Wilhelmstrasse.

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In the "Intimate Papers of Colonel House," in his correspondence with Sir Edward Grey, I find a letter of the 26th of August, 1915, in which Sir Edward suggests that future generations should be protected against such a catastrophe. That letter is followed by an exchange of cablegrams between Sir Edward Grey and Colonel House, and by a letter from Colonel House to President Woodrow Wilson. I have taken from them the following extracts:

London, August 26, 1915.

Dear Colonel House:

. . . If the end of this war is arrived at through mediation, I believe it must be through that of the United States. All our efforts are of course concentrated on saving ourselves and our Allies by securing victory in the war. But it is in my mind continually that the awful sufferings of this war will, to a great extent, have been in vain unless at the end of it nations are set and determined together that future generations shall not fall into such a catastrophe again.

And though a great number of people in the United States and everywhere may be indifferent, absorbed in things of the moment and in material interests, you have a great body of reflecting public opinion so disposed that it can give a great impulse and guidance to this idea. Therefore I look forward to the help of your country under the guidance of the President and impelled by this section of public opinion in those larger conditions of peace, which, looking to the future, interest neutrals as much as belligerents. . . .

Yours sincerely,

E. Grey.

New York, October 17, 1915.

Dear Sir Edward:

. . . It has occurred to me that the time may soon come when this Government should intervene between the belligerents and demand that peace parleys begin upon the broad basis of the elimination of militarism and navalism. . . .

Sincerely yours,

E. M. House.

On November 9, in a cable to the Colonel, Sir Edward Grey asked whether that proposal was to be taken in conjunction with his proposal for a League of Nations after the war, as made in his letter of September 22. To this Colonel House, with Wilson's approval, answered in the affirmative.

Then Colonel House wrote, in part, to the President:

New York, November 10, 1915.

Dear Governor:

. . . It seems to me that we must throw the influence of this nation in behalf of a plan by which international obligations must be kept, and in behalf of some plan by which the peace of the world may be maintained. We should do this not only for the sake of civilization, but for our own welfare—for who may say

when we may be involved in such a holocaust as is now devastating Europe?

... This is the part I think you are destined to play in this world tragedy, and it is the noblest part that has ever come to a son of man. This country will follow you along such a path, no matter what the cost may be.

Your affectionate,

E. M. House.

Truly Mr. Woodrow Wilson made himself the champion of the idea, and when he declared war upon Germany he declared that the United States was waging war to abolish war. All who lived through that period remember that the creation of the League of Nations for the maintenance of peace was universally acclaimed. It was the fruition of the first attempt in history at universal collective action towards peace.

"But," says the skeptic, "the ideal is unattainable. The proof lies in the failure to maintain peace in Asia and to bring about a reduction of armaments." It is indeed surprising to see the rapid discouragement of people when confronted with so formidable a problem. It is not to be expected that the habits of the world can be changed in a day. I absolutely refuse to write the word "failure" because of difficulties and reverses encountered. Could it not as well be said that Christ's message, "Peace on earth to men of good will," had failed? Christianity has added one more form of conflict among men, unknown in pagan times—religious wars. After two thousand years nearly half the world has not yet heard His message. Yet, who would abolish Christianity?

Humanity progresses slowly, imperceptibly, from generation to generation. The League of Nations is still in the experimental and formative stage, and my experience leads me to say that it is full of promise. In their short lives men are kept at school from ten to fifteen years. Governments and nations as well must go to school, to a reformatory where traditions will be transformed, and instincts and passions curbed. The process may be slow indeed, but the world is growing smaller, and more and more it will hear and heed the voice of Geneva. All the peoples of the world want peace. Through the League of Nations they will more easily find the evil-minded.

The League aimed at universality, but was handicapped at the outset by the unpardonable egotism of the United States and the lack of co-operation of the great powers. Under the disinterested guidance of the United States that co-operation would have been assured. What was the problem? It was the execution of the Versailles Treaty,

the most momentous document of our age. It changed the face of Europe. Was it meant seriously, or was it simply a stop-gap agreement or a truce? Whose duty was it to see to its application if it was not that of the Allies who signed it? Germany was defeated and disarmed. What was the danger to guard against? Evidently it was Germany's re-armament. It could only be restrained by the collective will of the Allies.

Count Apponyi, the great Hungarian orator and pre-war pacifist, said more than once in my presence, in 1900 and later, that every war in the world's history was but one bloody chapter which called fatally for another. Who but Germany can long to write the next bloody chapter?

The Allies had won the war. Their elementary duty was to win peace. They could do it only by co-operation. The representatives of the United States went back home, and Lloyd George, who unfortunately was at the helm in Great Britain, decided to revert to the traditional policy of England and oppose the strongest power in Europe. He had the mistaken notion that France was the dominating power, but Germany on the morrow of defeat was, in posse, and still is, the strongest power on that continent. Great Britain and France clash nowhere. They have both attained and exceeded their objective, and they need nothing more. If there are two nations interested in maintaining the status quo, it is they; whereas Germany wants to recover its possessions and lost prestige. Now Germany is on its feet, defiant and threatening. Is the League of Nations at fault? It has no army to impose its will; it has but a moral force.

In the Manchurian conflict the League did not falter. It laid down the law, but the great powers alone could apply sanctions. In the face of the complex nature of the problem they did not choose to act or to impose economic sanctions. Who will sit in judgment on their abstention? I will not attempt to do so.

Some writers have suggested that for the maintenance of peace the world should be divided into three parts: the Orient, Europe and America, each having its League of Nations. The world is growing too small for all the nations not to be interdependent. A maharajah of India told me that the news from abroad and from all over India was circulating daily throughout his principality, and that by means of radio modern ideas were penetrating everywhere.

Now, as to the apparent failure of the League to bring about a reduction in arma-

ments, let us examine the problem at hand. Article 8 contains the mandate to the League, which reads as follows:

The members of the League recognize that the maintenance of Peace requires the reduction of national armaments to the lowest point consistent with national safety, and the enforcement by common action of international obligations.

The Council, taking account of the geographical situation and circumstances of each State, shall formulate plans for such reduction for the consideration and action of the several Governments.

It is evident that each nation, unless it is assured of security by common action, is the sole judge of its needs as regards its national safety. At the meeting of the League in September last it was quite apparent that Germany's position was untenable, because its policies were repugnant to all the nations; and when it realized that Great Britain, the United States, France and Italy were in agreement in regard to imposing control of armaments as a condition of disarmament, it hastened to withdraw. There is no need to look for any other cause.

Germany is bent upon re-arming, perhaps not primarily to wage war, but in order to intimidate her neighbours and through constant pressure to obtain modification of the Versailles Treaty. No country threatens Germany. How can she pretend she is arming for defence? In Stresemann's Memoirs is to be found a statement to the Crown Prince that the aim of Germany in entering the League was to obtain the Anschluss, the Corridor and Upper Silesia. Hitler's Bible, "Mein Kampf," states that there is but one obstacle to Germany's hegemony—the French army.

Hence the impasse in which the Conference found itself. Undoubtedly the situation is a perilous one. It contains a menace which cannot be warded off unless the advice of Sir Edward Grey and Woodrow Wilson is heeded and collective action accepted.

The British leaders have not lost faith. My honourable friend (Hon. Mr. McRae) has said that some seemed to express hostility towards the League. It was not apparent in the large meetings for peace held quite recently in London. The British leaders have not lost faith. They stand by the League. It is the only link between the nations which desire peace. The fate of Europe is to-day in the lap of Great Britain and the United States.

In his message of May, 1933, to the heads of the nations represented at the Disarmament Conference, Mr. Roosevelt gave a sharp warning to Germany that no re-armament

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would be permitted her. Mr. Politis, commenting on this event, writes in "International Conciliation" of last month:

After fourteen years of isolation, which has been at the root of the economic, monetary and political complications from which the world suffers at present, the United States have decided to resume their collaboration with the other nations and to bring their contribution to the organization of peace.

This reminds me of the indignation of Senator Borah, who was incensed at the statement of Mr. Stanley Baldwin that the root of the European difficulties was the abstention of the United States. If he would simply look at the statements made by statesmen of all countries, he would find that Mr. Stanley Baldwin's statement has the approbation of all the thinking men of the rest of the world, and of a great number in the United States as well. Mr. Roosevelt recognizes the importance of the League of Nations and its good work in the realm of peace. It is my profound conviction that as the clouds gather over Europe and become more threatening the United States will draw all the closer to the League.

Power involves responsibility, and western civilization is a common heritage worth preserving. Great Britain and the United States want peace. To assure it they need only dedicate their fleets to peace. The danger for peace lies with the great nations, because they have the might. The only hope of all the other nations reposes in the principles of the League of Nations, their only safeguard.

The honourable gentleman is fearful that Canada may be drawn into a European conflict. I may say that I gave my vote in favour of the Covenant and of the Treaty, because I assumed that the Allies, with the United States by their side, would assure the peace of the world. I should not have hesitated to vote against the Covenant if we had been confronted with the default of the United States. When the Treaty was before us in this Chamber I asked for an adjournment because the other countries had not yet passed judgment upon it, and I put the following question: "In what position should we be if the United States refused to join the League? Shall we alone in America undertake to mobilize our troops to join in establishing peace in Europe? If it withdraws, there can be no League of Nations as devised in Paris, and Canada would be guilty of criminal folly in joining it as a separate entity under those circumstances." Yet, incredible as it seemed at the time, honourable gentlemen, it came to pass. It is quite true that we have not the same League as

devised in Paris; but, in spite of the betrayal of the legitimate ambition of mankind by the United States, my experience at the League, and a closer study of the Covenant, have radically altered my view and made me a firm supporter of the League as it is.

What are our legal obligations under the Covenant? They are to be found in articles 10 and 16. Article 10 reads as follows:

The members of the League undertake to respect and preserve, as against external aggression, the territorial integrity and existing political independence of all members of the League. In case of any such aggression or in case of any threat or danger of such aggression, the Council shall advise upon the means by which this obligation shall be fulfilled.

The withdrawal of the United States left Canada uncovered, and our governments—and I use the plural—looking at the stringent terms of this obligation, moved for an interpretation by the Assembly, which would take due account of the geographical situation and the special conditions of each state. This interpretative resolution reads as follows:

The Assembly, desirous of defining the scope of the obligations contained in article 10 of the Covenant so far as regards the points raised by the Canadian delegation, adopts the following resolution:

It is in conformity with the spirit of article 10 that, in the event of the Council considering it to be its duty to recommend the application of military measures in consequence of an aggression or danger or threat of aggression, the Council shall be bound to take account more particularly of the geographical situation and of the special conditions of each state.

Hon. Mr. GRIESBACH: And that, as far as Canada is concerned, was interpreted as the destruction of article 10. It was supposed to have wiped out the application of article 10 to Canada. That was the construction put upon it in the other House at the time.

Hon. Mr. DANDURAND: But the resolution was a general one. It was moved by Canada.

Hon. Mr. GRIESBACH: So far as our obligations are concerned, we have repudiated article 10. We are not bound by it. Is not that the fact?

Hon. Mr. DANDURAND: I have not finished reading the resolution. That resolution had the unanimous consent of the Assembly with the exception of one vote; so the President said that the resolution, although not adopted, would be transferred to the Council of the League, which might take due notice of it. The resolution continues:

It is for the constitutional authorities of each member to decide, in reference to the obligation of preserving the independence and

the integrity of the territory of members, in what degree the member is bound to assure the execution of this obligation by employment of its military forces.

The recommendation made by the Council shall be regarded as being of the highest importance and shall be taken into consideration by all the members of the League with the desire to execute their engagements in good faith.

This resolution, as I have just stated, did not meet with unanimous endorsement, because of the dissidence of one member—Persia.

The Assembly has more than once recognized that the geographical position of a country had to be taken into consideration. The Draft Treaty of Mutual Assistance of 1923 left each continent to defend itself against an aggressor from within, and article 11 of the Protocol of 1924 stated that when sanctions were called for, each of the signatory states would co-operate loyally in support of the Covenant and in resistance of any act of aggression to the degree which its geographical position and its particular situation as regards armaments allowed. Likewise, article 8 states that the Council, taking account of the geographical situation and the circumstances of each state, shall formulate plans for the reduction of armaments.

If we examine article 16, which speaks of our obligations, it will be seen that the sanctions mentioned against an aggressor are two-fold—economic and military. They read as follows:

Should any member of the League resort to war in disregard of its covenants under articles 12, 13 or 15, it shall ipso facto be deemed to have committed an act of war against all other members of the League, which hereby undertake immediately to subject it to the severance of all trade or financial relations, the prohibition of all intercourse between their nationals and the nationals of the covenant-breaking state, and the prevention of all financial, commercial or personal intercourse between the nationals of the covenant-breaking state and the nationals of any other state, whether a member of the League or not.

This covers the military sanctions:

It shall be the duty of the Council in such case to recommend to the several governments concerned what effective military, naval or air force the members of the League shall severally contribute to the armed forces to be used to protect the covenants of the League.

The economic sanctions would, I am quite sure, be the sole contribution that Canada would be called upon to make in the case of European war. Our country, to my mind, would not hesitate to sever all trade and financial relations with an aggressor if it were requested so to do by the Council of the League. We surely could not do less in duty to ourselves and to humanity. We would

not do less under the Briand-Kellogg pact. Mr. Stimson, ex-Secretary for Foreign Affairs, intimated that the United States would be forced to apply such sanctions against a violator of the pact. It is my profound conviction that if the President and the Senate of the United States officially said as much, it would be a potent factor for the maintenance of peace in the world.

With respect to military sanctions, our Parliament is supreme, under our interpretation of article 10. That is an opinion shared in by my honourable friend from Edmonton (Hon. Mr. Griesbach). The Council of the League must be unanimous in its decisions as to such sanctions. In a European conflagration the Council would surely not call upon the two Americas for military contribution. The United States expressed the fear that they would be called upon to intervene if they entered the League. If they did join the League there would be no conflagration in Europe. The Council contains three South American countries which would not lightly assume military obligations in Europe. Like Canada, they would be agreeable to the imposition of economic sanctions.

Since the foundation of the League Canada has been in less danger of being drawn unwittingly into war for purely sentimental reasons, because Great Britain has accepted the obligations of the Covenant, and because we are now in a position to inform ourselves on any complication that may arise, and in due time to exert our influence towards a peaceable solution. In 1899 public opinion in England was sharply divided on the causes which led to the South African War. It is my opinion that had there then been a League of Nations, we should have been saved such a humiliating conflict.

Verily something has changed in the world. Aggressive wars will become more and more difficult because of the search-light at Geneva. The fear of public opinion will curb the evildoer. We all know the efforts Germany made in 1914 to free itself from the odium of denunciation as the aggressor, and how in an attempt to save its face it maneuvered in the last days of July to saddle the guilt on Russia.

Governments will henceforth have great difficulty in hiding their secret ambitions and their insincerity. A grand jury formed of fifty or more nations which all ardently want peace will not be slow to detect the false note in the special pleadings of one which has something to hide. No nation wants to appear at the bar under the slightest suspicion of evil intentions.

When the age-old policy of conquest was vetoed by Woodrow Wilson and an effort was

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made to provide for control over certain territories through the creation of mandates, little did the beneficiaries realize that they would be held to account by the League of Nations. Its Mandate Commission has exercised an admirable supervision. When complaints reach it, the mandataries are eager to justify themselves in open session at Geneva.

Who would hear of the complaints and grievances of minorities if there were no League of Nations? More than 25,000,000 people are under the protection of the League. Who outside of the League of Nations would have concerned themselves about hundreds of thousands of refugees? It is most interesting to watch the exertions of all the nations to show the strictest regard for moral laws and the highest ethics obtaining in a civilized world. They are all on their good behaviour in the presence of their peers. More and more the secondary and smaller nations will become conscious of their role and dare to speak their mind. There are certain questions upon which they hesitate to express themselves, fearing to displease the great powers. But that is not so with Canada. When your representative raised the question of the treatment of minorities' grievances, Mr. Motta, the then President of Switzerland, told me that no European nation would have dared raise such a debate, because its good faith would have been suspected and questioned.

This brings me to the rôle which Canada has played and may continue to play at Geneva. Canada is not entangled in any embarrassing situations. It has no possession nor protectorate to guard, near by nor afar, nor any ambition nor aspiration to achieve. In other words, the imperialistic microbe has not affected our body politic. Canada has the proper perspective and a clear vision. Canadians enjoy absolute freedom and do not understand why it should be denied to other nations. They hate war and want all international differences to be solved by the peaceful means of arbitration.

All the nations which have not might to defend their just cause prefer a tribunal or an arbitral court to the battle-field. This appeared clearly in the course of a debate at the Assembly of 1924. I recall it with a double object: to show the intense feeling of all the nations gathered at Geneva in favour of peace, and to show what a factor Canada can be in furthering that cause. In September of that year the Prime Ministers of Great Britain and France, MacDonald and Herriot, agreed upon submitting to the Assembly the principles of compulsory arbitration, security and disarmament. These three points formed the basis of Covenant

amendments called the Protocol, which aimed at closing certain gaps in the Covenant and making more certain the prevention of war. That basis, which the Assembly had been seeking for four years, was acclaimed with enthusiasm by all the delegations.

A month later the MacDonald Government was overthrown in England, and succeeded by the Baldwin-Chamberlain Administration. That Government rejected the Protocol, as we did. But it went further and rejected as well the principle of compulsory arbitration, to the utter dismay of the Assembly, and also refused to accept the compulsory jurisdiction of the Permanent Court of International Justice. Canada's stand was different. By a dispatch of the 9th of March, 1925, the Prime Minister, Mr. Mackenzie King, declared this country would not adhere to the Protocol because of "the effect of the non-participation of the United States on the enforcement of the sanctions, in the case of a contiguous country like Canada," but that Canada would be prepared to consider acceptance of the compulsory jurisdiction of the Permanent Court in justiciable disputes, and to consider methods of supplementing the provisions of the Covenant for settlement of non-justiciable disputes.

During the four years which followed, 1925 to 1929, the Assembly made yearly attempts to further the cause of compulsory arbitration, but could make no headway because of the constant obstruction by Sir Austen Chamberlain. Canada could not change its stand to suit the policy of the new Government in England and the varying moods of the British electorate. On the contrary, this country more than once reaffirmed its position. In 1927 the Netherlands Minister of Foreign Affairs, Mr. Beelaerts von Blokland, moved that the Assembly, without attempting to resurrect the Protocol, examine anew the principles underlying that instrument. Sir Austen vigorously opposed that motion because it involved compulsory arbitration. The Canadian delegate reaffirmed our position, and it was recognized on all hands that Canada was elected to the Council on account of its policy on the question of arbitration.

In June and July of that year there was a Conference on Naval Disarmament in Geneva, at which Canada was represented by Mr. Lapointe. That conference failed because the naval experts of the United States and Great Britain had disagreed. Lord Robert Cecil, who represented the British Government, was dissatisfied with the instructions he had received from London and he retired from the Government. He coined at that time this neat phrase: "The naval experts should be

on tap, not on top." It was at that conference that an American delegate was accused of holding a brief for and receiving a fee from some steel or shipbuilding firm. Lord Robert Cecil informed me that Canada could give a very effective lead to the people of Great Britain if we acted upon our expressed intention of accepting the optional clause. He was most happy to learn that we were moving in that direction.

At the Imperial Conference of 1926 in London the Dominions had been led to consent not to adhere to the optional clause until they again conferred over it. This was a shrewd move of Sir Austen Chamberlain's. Sir Cecil Hurst, the then legal expert of the Foreign Office, who is now one of the judges of the International Court, expressed surprise when I informed him in the autumn of 1928 that we were about to accept the optional clause, for he thought we were bound to await another conference. I told him in a bantering tone that he had drafted the 1926 resolution badly, and that we were conferring through the circularizing of the sister-nations, without waiting for an Imperial Conference. And in February, 1929, our Prime Minister, Mr. King, so informed the Commons. The negative attitude of the Baldwin-Chamberlain Government at Geneva was violently assailed during the May elections in Great Britain, and after its defeat Lord Robert Cecil publicly expressed gratefulness to Canada for taking the initiative and dispelling the impression that the Dominions were opposed to compulsory arbitration.

When Mr. Ramsay MacDonald announced to the Assembly of September, 1929, that Great Britain was adhering to the optional clause, the Canadian representative stated that Canada had never faltered in leading the Commonwealth towards its position. Canada announced its decision to sign the compulsory arbitration clause on the 6th of September of that year, and next day the Winnipeg Free Press, in applauding this action, stated that in 1927 Sir Austen Chamberlain had explained at Geneva his refusal to sign on the ground that such obligations could more easily be accepted by a homogeneous state than by a great community of free and equal nations. Mr. Dafoe, the writer of that article, said it was somewhat remarkable that these difficulties had so suddenly disappeared! And he added:

This attitude was rooted in a distrust of the World Court as a foreign body that might interfere with British policy and interests.

It was fitting that, with the removal of the obstacles through the defeat of the Baldwin Government, Canada should be the first of the

British nations to announce to the Assembly its intention of signing the optional clause. Canada had been desirous of signing the clause since 1925, as the record shows.

When Ramsay MacDonald announced to the House of Commons his adhesion to the optional clause on compulsory arbitration, Sir Herbert Samuel, speaking for the Liberal party, commended his action in contrast with that of the preceding administration, and cited an article on this subject by Madariaga, the brilliant Spaniard who was then professor at Oxford and is now Spanish Ambassador at Paris, from which I will read a brief extract:

The period of stagnation in the League was due to England's policy of inaction. The impetus given to the League by the MacDonald Ministry accounts for the activity we are witnessing to-day.

This spectacle should make the English understand what an enormous responsibility rests upon them in international affairs. If they halt, the League of Nations halts; if they advance, the League of Nations advances.

Not only did Great Britain and Canada adhere to the principle of compulsory arbitration in justiciable matters before the Hague Tribunal, but at the Imperial Conference of 1930 they decided to sign also the multilateral treaty, called the General Act, by which they agree to submit all cases of non-justiciable nature to an arbitral tribunal. The ratification of that treaty was moved in this Chamber by my right honourable friend (Right Hon. Mr. Meighen) in 1931, and was unanimously passed.

All these forward steps leading to peace were the work of the League of Nations. Since our relations with Great Britain are so intimate, we are perforce highly interested in Great Britain's foreign policy, which directly or indirectly may seriously affect us. As we have seen, that policy has varied in the past from one government to another. And it is apt to vary likewise in the future. Canada may have some difficulty in following these variations. Its only safe course will be to encourage the peaceable solution of all international differences, as it is solemnly bound by treaty to do.

When Mr. Kellogg asked the world to renounce war as an instrument of national policy, Canada unhesitatingly gave its signature without cavil or reservation. But Sir Austen Chamberlain made a reservation that Great Britain should have freedom of action in certain regions, comparable to the non-interference upon which the United States insist with respect to South America. This surprising reservation in a document designed

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for the renunciation of war as an instrument of national policy was generally commented upon at Geneva, and many diplomats claimed to find therein the reason for Sir Austen's refusal to accept the principle of compulsory arbitration. And the Senate of the United States, when it ratified that treaty, declared the Monroe Doctrine was in no wise affected by it. This goes to show that it is hard for great powers to discard their instrument of domination—force—and to accept a common measure of justice, equally distributed among the mighty and the weak.

There will have to be a long process of self-denial, of resignation and of assimilation. Canada, free and untrammelled, will more and more, and fearlessly, raise its voice to hasten this evolution. The "Reformatory School" has just been opened, yet some people want to close it because no tangible progress is apparent. They evidently do not know what spirit animates the class, and have not followed the progress which has been made. The world is so much in need of peace that pessimism offends its natural aspirations. The League of Nations exists. All our best efforts must be to guard it and to strengthen it. To abolish it would be to abandon humanity to fatalism and despair. The existence and the history of the world are not reckoned by decades. When asked my opinion as to the future of the League, I would suggest that the answer be postponed until the League reaches two score and ten. But it may be possible to make a satisfactory reply much earlier. We need not be impatient. We are building for generations to come. I am satisfied to let them judge.

The honourable gentleman from Vancouver (Hon. Mr. McRae) would like to economize on the annual sums which we contribute to the League. Yet we spent last year less than \$300,000 in furtherance of world peace. Our yearly budget for national defence totals \$13,000,000, exclusive of any capital expenditure. What part of that sum would be needed to ensure our domestic peace? Surely less than half that amount. Of what real use can the other half be, which we spend to guard against outside danger? For our protection against foreign assault I would rather rely on the co-operation of the international gathering at Geneva, at a cost to Canada of \$300,000, than upon the millions which we spend annually for the protection of our frontiers. And I humbly suggest that my honourable friend the mover of this resolution could easily find means of saving \$300,000 in the restriction of our military, naval and air force budget. I am quite willing that we

should pay the premiums for two policies of insurance. Only the future can prove which will be the more effective of the two.

Hon. E. MICHENER: Honourable members, the honourable leader on the other side of the House (Hon. Mr. Dandurand), as a former President of the Assembly of the League of Nations, speaks with authority on the subject-matter of this debate. By his appointment the Assembly did honour not only to our distinguished colleague, but as well to the Dominion which he so ably represented. In my opinion he has very effectively answered the arguments advanced by my honourable friend from Vancouver (Hon. Mr. McRae), but as I occupy the office of President of the League of Nations Society of the city of Calgary, I desire to make a few supplementary observations.

My main criticism of the honourable gentleman from Vancouver is that he made an excellent speech on the wrong side of the question. Of course the League of Nations is not above criticism, but I submit at this stage of its existence any criticism should be constructive rather than destructive. He based his main argument for our withdrawal from the League on article 10 of the Covenant, which in his view might involve Canada in war. In my opinion that contingency is very, very remote. If any member-nation or a nation outside the League should resort to war, its members are pledged to withdraw their nationals from, and to terminate all financial and commercial intercourse with, the offending country. In other words, the League members would outlaw any nation which refused to submit the dispute to the court of the League. It can hardly be conceived that any nation would place itself in that unenviable position.

Hon. Mr. GRIESBACH: What about Japan?

Hon. Mr. MICHENER: Japan is an exception, but there were—

Hon. Mr. LYNCH-STANTON: Japan was not a member of the League.

Hon. Mr. MICHENER: She was at that time; she is not now. The two great powers most vitally interested in Japan's operations in China were Russia and the United States, and the fact that they were not members made it still more difficult for the League to exercise its authority.

Hon. Mr. GRIESBACH: All the great powers had signed the Kellogg pact.

Hon. Mr. MICHENER: Yes; and if those signatory powers would regard the pact as sacred, there would be no more war. But let

me say this to my honourable friend from Edmonton (Hon. Mr. Griesbach). The case of Japan and China is the only one with respect to which the League failed to bring about a settlement. As I have said, there were difficulties and complications which apparently the League could not overcome, and the sanctions under article 16 were not enforced. However, because it failed in one case out of fifty, should we decry the League or throw up our hands in despair and cease to give it our support? If upon the first reverse of the Allied cause in the Great War we had taken the same stand and had withdrawn our forces, what would the rest of the world have thought of Canada? Likewise, what would the fifty-five nations now members of the League say if Canada, upon the first failure of the League's effort at peace, should decide to withdraw her support?

I agree with my honourable friend's contention that Canada should not engage in war, especially in Europe, without first submitting the question to the electors. War is such a serious undertaking that I think the people of a democratic country should be consulted before this extreme step is taken.

The honourable gentleman from Vancouver criticizes the League on economic grounds—on the cost of its operations. These cannot be estimated in dollars and cents. The League is the only effective organization today to promote the settlement of international disputes by peaceful methods. If it has laid the foundation for ultimate success—and I submit it has—then it has accomplished something which humanity has hoped and longed for through the centuries.

Let us, however, look at the question from the monetary standpoint. The honourable member says that the annual cost of our membership in the League is \$278,000.18, which, after all, is only a small fraction of our interest payments on indebtedness incurred through the last war. The Finance Department charges to war and demobilization \$1,695,912,860, and war pensions to date aggregate \$592,619,334—a total of \$2,288,532,194. The interest on this huge sum is over \$100,000,000. The annual burden may become very much heavier if the League of Nations is not successful in preventing another war. This heavy interest payment is 400 times more than our yearly contribution towards the League's efforts to promote peace in the world. The man who pays \$1,000 income tax pays just one-tenth of a cent as his contribution to the League of Nations. So, after all, in relation to the cost of war the cost of organization for peace is infinitesimal.

Hon. Mr. LYNCH-STANTON: Does the honourable gentleman mean to say that if our total annual contribution to the League were assessed against the income taxpayers of Canada, they would each have to pay one-tenth of one per cent?

Hon. Mr. MICHENER: No. I say if a man pays \$1,000 income tax he pays only one-tenth of a cent as his contribution to the League.

Hon. Mr. LYNCH-STANTON: That is to say, if they were the only taxpayers?

Hon. Mr. MICHENER: Of course it amounts to a little more per capita. The cost is infinitesimal as compared with the interest on our expenditures in respect to the late war.

Hon. Mr. LYNCH-STANTON: I agree with that.

Hon. Mr. MICHENER: The total yearly budget of the League of Nations is £1,233,112. This, divided among fifty-seven nations, is only about one-half the cost of one battleship. The late Field-Marshal Sir Douglas Haig, shortly before his death, stated: "We have one more victory to win—the victory of peace." The "victory of peace" cannot be won for the world by criticism, indifference or inactivity. It must be fought for, struggled for. The length of time within which the victory can be accomplished will depend upon the efforts put forth by the various nations of the world through the League or some other effective agency.

To-day the only organization through which the different nations can co-operate is the League of Nations. Until a more effective organization can be created, it is the one hope of the world for a better understanding among nations, so that international disputes may be settled by Courts of International Justice instead of by brute force. We must have either international law, justice, and government as initiated by the League, or international chaos, race of armaments, and Armageddon.

I repeat, the critics of the League cannot justify their opposition on financial grounds, as the yearly cost of its peace efforts is only a small percentage of the yearly cost of preparation for war.

Let me review briefly what the League of Nations has accomplished in the fourteen years of its existence. We must bear in mind that for centuries the world had decided its international disputes by force. Therefore, in the few short years of the League's existence it has been able to effect even a partial settlement of international disputes, I submit

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it has justified its incorporation and its efforts.

Since the League was organized fifty international disputes have been submitted to it, all of which but one have been settled satisfactorily to both parties. In five cases at least war had already begun, but it was stopped by the League and a settlement effected.

One of the examples of settlement is found in the Anglo-Persian Oil dispute. On November 27, 1932, the Persian Government cancelled the concession of the Anglo-Persian Oil Company, in which the British Government was a large shareholder. Britain appealed to the League under article 15. The parties agreed to suspend further action pending negotiation, and a new and satisfactory contract was arranged.

The principal criticism of the League, in my opinion, comes from armament manufacturers.

There are those, on the one hand, who think that the League devotes too much time to secondary affairs rather than to the direct promotion of international peace. The League, after the War, did a great and effective work in the reconstruction of Europe. It looked after the repatriation of war prisoners, as well as refugees from different European countries. It also helped the financial reconstruction. It loaned, upon international guarantee, \$27,000,000 to Austria, to re-establish her finances.

Hon. Mr. GRIESBACH: Was the loan not made on the guarantee of Great Britain as a matter of fact?

Hon. Mr. MICHENER: All the members of the League joined in the guarantee. Great Britain received repayment of a debt of £2,500,000, which probably Austria would not have been able to meet but for the international guarantee of the \$27,000,000 loan. The League also made a loan to Hungary, and provided financial assistance for other international purposes.

The League organized a Permanent Court of International Justice at The Hague. This to my mind is one of the most important movements in the history of the world. The court is composed of fifteen judges of the highest international repute. The first meeting was in 1922, and by December, 1933, the court handed down twenty-one judgments, twenty-five advisory opinions and nineteen orders, which form a new body of international case law.

The League also organized the International Labour Bureau, taking the view that peace could not be attained without social justice. It co-ordinated labour conditions in different countries and secured the adoption

of labour standards to guard against abuses in international competition. This in itself is a very important work on the part of the League. During these fourteen years, by bringing about improved social conditions, it has done a great deal of humanitarian work among the nations of the world.

Now let me refer to the effectiveness of the League. In order to enforce its mandates one school of thought believes that an international police force should be set up. This would appear to be the logical means of enforcement. On the other hand, there are those who believe that only moral and educational suasion should be used. To establish an international force to back up the decisions of the League involves the question of national sovereignty. Many nations hesitate to face this issue. However, as a result of rapid transportation and improved communication, the world has in some respects virtually become one family or nation. Therefore, international law and regulation must be established among the nations to govern their actions one with another. This the League is accomplishing by its Court of International Justice and its interchange of opinion among the different member-nations of the League. Someone has said, "As nations we must now all hang together or hang separately." To "hang separately" is another term for committing national suicide. If each member-nation were to withdraw from the League, as my honourable friend recommends Canada should, then surely there would be chaos and we should be far more likely to have to defend our country from attack than if we hang together as members of the League.

No nation liveth unto itself any more than any person liveth unto himself. We must be controlled by established laws, as well internationally as nationally, if we are to have order and peace throughout the world. There is no doubt, in my opinion, that the League is the inspired effort and organization of the best thought throughout the world. Doubtless there will be reaction against progress towards world-government. But as nations we must be prepared to give up our sovereignty for the greater freedom and peace of the world.

Hon. Mr. GRIESBACH: Is my honourable friend advocating a super-state?

Hon. Mr. MICHENER: I submit that if we agree to give military power to the League of Nations, we must to that extent surrender our national sovereignty in order to ensure world peace. I have not the slightest doubt that we must be willing to be governed by the majority opinion of the nations as expressed

through the League. The League is only in its infancy. For centuries there was no international law or justice, and war had been the arbiter of disputes among nations. In the light of its great achievements in these few short years of human history, doubtless the historian of the future will regard the establishment of the League as the most important step towards human betterment and goodwill among nations.

I am confident there will be progressive efficiency in the development of the League as we realize its weaknesses. We must at all hazards go forward, for—

Thro' the ages one increasing purpose runs,
And the thoughts of men are widen'd with
the process of the suns.

And one thing is sure—the more people of goodwill of all nations get behind the League, the sooner shall we realize the prophetic vision of Tennyson:

Till the war-drum throbb'd no longer, and
the battle flags were furl'd
In the Parliament of man, the Federation
of the world.

On motion of Hon. Mr. Murdock, the debate was adjourned.

INITIATION OF PRIVATE BILLS

AMENDMENT OF RULE

Right Hon. ARTHUR MEIGHEN rose to move:

That Rule 114 be amended by deleting therefrom the following words which appear in lines 3 and 4 thereof: "eight days before the meeting of Parliament."

He said: Honourable members, this is the motion of which I gave notice last Thursday. It is the culmination of efforts made by this House over a period of several decades to obtain from the other House such a degree of complementary legislation, or such an alteration of the rules, as would more evenly divide the labour and responsibilities of legislation between the two Chambers.

This House has suffered more than it has merited by reason of the fact that in the Senate, much more than in the other Chamber, the work is done in committee. The degree of energy and efficiency which our committees give to pondering over and threshing out not only the detail, but the substance of legislation, is wholly out of proportion to the attention which the public gives this assembly. This is a condition which we should not particularly lament. I do not know that it really makes much difference. The important thing to us all is to secure what we feel are worth-while results, regardless of whether our work attracts the attention of the public or not.

However, we recognize that the work of the two houses is different in character. The practice has grown up—in fact it has existed from the very beginning—of initiating the preponderance of legislation in the other Chamber. In the speech that I made on this subject when the inquiry of the honourable senator from Russell (Hon. Mr. Murphy) was under review, I expressed the opinion that with only one member of the Government in the Senate it would not be possible to increase to any great extent the proportion of legislation now initiated here. A bill introduced into this Chamber must be guided through committee. Its long and arduous journey necessitates on the part of the person guiding it a thorough command not only of the history of legislation on the subject treated, but of the details of the particular measure under consideration, and on the part of each member of the committee ability to understand the viewpoint of various interests affected and to weigh all the representations advanced. While the burden of guiding Government legislation continues to rest upon the single member of the Government in this Chamber, it is not possible to increase very greatly, beyond what has been the practice in these three sessions, the volume of Government measures introduced here.

In the debate to which I have referred the Senate considered the wisdom of enabling ministers from the other House to enter this Chamber in order to conduct their legislation, and of securing a similar and complementary concession from the House of Commons. This idea received considerable support from both sides of the House. I ventured to express the view that no great danger was to be apprehended from such procedure, and that it had many advantages. The proposal did not meet with universal favour in this Chamber, however, and in any event it seemed wise that we should proceed step by step, moving where we felt surest of our position, and taking care that we made no mistake in effecting a reform along this line.

Consequently, what emerged with universal support, namely, the proposal which looked to the initiation in this Chamber of all the private bills presented to the Parliament of Canada, was seized upon as likely to afford the groundwork for an advance.

Though the proportion of private legislation as compared with Government legislation is not increasing, being, I believe, about the same now as it was twenty or thirty years ago, yet there is a continuous expansion in the volume of private bills, with the growth of the country, and if this Chamber under-

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takes to conduct the initiation of all private measures it will take upon itself a measure of work and responsibility which will very considerably increase its activities.

With this object in view I held conferences with other members of the Administration, the result being that on the same day upon which I gave notice here the Prime Minister gave notice in the other Chamber of an amendment of the rules of that House looking to the attainment of the end to which common assent had been given.

I shall now read the rule to which the present motion refers, and make clear its application. The rule, which is No. 114, reads as follows:

Any person seeking to obtain a private bill shall deposit with the Clerk of the Senate, eight days before the meeting of Parliament, if it is intended that the bill shall originate in the Senate, a copy of such bill in the English or French language, with a sum sufficient to pay for the translation of the same by the officers of the Senate, and the printing of six hundred copies in English and two hundred in French. The applicant shall also pay the Clerk of the Senate—

and so forth. This is the rule which it is proposed to amend by deleting the words "eight days before the meeting of Parliament."

The omission of these words, as proposed by the amendment, would appear to have the effect of permitting the introduction of a private bill into this House at any time. Honourable members might apprehend that inconvenience would result from the opening wide of the door for the whole session; but I draw attention to rule 110, which says:

No petition for any private bill is received by the Senate after the first three weeks of each session; nor may any private bill be presented to the Senate after the first four weeks of each session; nor may any report of any Standing or Special Committee upon a private bill be received after the first six weeks of each session.

Clearly, under this rule, the Senate has effective control over the time during which private bills may be presented. Indeed honourable members may even consider the control too rigid. I am advised, however—and such has been my experience over a brief period—that notwithstanding the rigid terms of rule 110 we have virtually never, on a proper case being made out, refused a private bill the right of admittance to this House. The Senate, on the recommendation of the Committee on Standing Orders, grants an extension of time, particularly when long adjournment inconveniences those intending to bring in private bills. The Committee on

Standing Orders has very seldom refused to extend the time for the introduction of such legislation into the Senate. All that I desire to emphasize is the fact that under the proposed amendment the introduction of private bills into this House is facilitated by the sweeping away of the restriction which requires them to be introduced eight days before the meeting of Parliament. Thus an invitation is extended to those who desire private legislation to submit their case to this House; and only such control is reserved as may be necessary to prevent the abuse of the open door.

In order to see that the effect of this amendment shall be what is desired, namely the transference of the initiation of private bills to this Chamber, it is necessary to bear in mind the action that is being sought in the other Chamber. The rule of the other Chamber which it is sought to alter is Standing Order 93. It reads as follows:

Any person desiring to obtain any private bill shall deposit with the Clerk of the House not later than the first day of each session, a copy of such bill in the English or French language, with a sum sufficient to pay for translating and printing the same; the translation to be done by the officers of the House, and the printing by the Department of Public Printing—

I ask honourable members to note that what follows is to be struck out by an amendment proposed.

—and if such bill is not deposited by the time above specified, the applicant shall, in addition to the charges for printing and translation, pay the sum of five dollars for each and every day which intervenes between the first day of the meeting of the House and the date of the filing of the bill; but such additional charge shall not exceed in the aggregate in any one case the sum of one hundred dollars.

This latter portion, which will be stricken out if the motion in the other House is accepted, had the effect of enabling the introduction of legislation into that House upon the payment of a penalty. Furthermore, the tax of \$200 which is imposed by the succeeding part of the same rule for the introduction of a Bill in the other Chamber is to be increased to \$500, while the tax in this Chamber remains the same.

The main feature of the alteration now proposed to be made by concurrent action in the other House is, of course, the increase in the fee; and I think honourable members will concede that the increase is so substantial that it will be to the interest of those who have private legislation to advance to have it introduced here. While this increase is the main feature of this proposal, the other features also are important, because in the

case of the Senate the door is more widely opened, and in the case of the House of Commons it is more narrowly closed.

Hon. Mr. LYNCH-STAUTON: Is there any definition of a private bill?

Right Hon. Mr. MEIGHEN: Every bill is a private bill that is not a Government bill and does not affect a public general Act.

Hon. Mr. LYNCH-STAUTON: Is a bill introduced by a member of this Chamber always a private bill?

Right Hon. Mr. MEIGHEN: No. I do not know that I should attempt the exacting task of definition without more adequate preparation. A bill which relates to the general public interest or affects a general public Act is not a private bill even though it is introduced by a private member; but a bill relating to a private interest or affecting a private Act is a private bill.

Hon. Mr. McMEANS: A public bill in the Senate becomes a private bill in the other House, even if it affects the public interest.

Right Hon. Mr. MEIGHEN: Every bill is of public interest. I think the line I have drawn is fairly clear and correct, though I do not wish to say with finality that I am absolutely right.

Hon. Mr. DANDURAND: I do not think anybody will object to the statement of my right honourable friend as now qualified. A private bill concerns private matters, and any private member may further a public bill, even if it affects a general Act.

Right Hon. Mr. MEIGHEN: Oh, yes.

Hon. Mr. DANDURAND: I do not suppose that any objection can be taken to the motion of my right honourable friend, because even if there were no action in the other House we could dispense with the part of rule 114 which it is proposed to delete. As my right honourable friend has stated, the more important part of the change is the increase in the fee by the House of Commons.

I rose only to express surprise that this motion to amend one of our rules should be made without previous and special notice to each of the members of the Senate. But I am told that rule 29, to which I refer, applies not in the case of an amendment, but in the making of a new rule. Rule 29 says:

No motion for making a standing rule or order can be adopted, unless two days' notice in writing has been given thereof, and the senators in attendance on the session have been summoned to consider the same.

I do not remember whether that clause has been in our rules from their inception. I think it has been. In 1906 or 1907, when we revised the rules of the Senate, we retained this one, and, in order to give more solemnity to our rules, enacted that no change in any rule or no new rule should be brought in without the senators being specially summoned to examine the motion. As a matter of fact, when a rule was to be moved, we were generally called to the Senate half an hour before the official meeting time by a special notice, for the purpose of taking cognizance of the motion and passing upon it. I was wondering whether an amendment to the rules would not fall under rule 29, because some amendments may so vary a rule as to constitute a new rule. I have an open mind on the question, and as the proposed amendment is not of any great importance, I do not press the point.

Right Hon. Mr. MEIGHEN: Notice, of course, was given, and very amply given, on Thursday last. Rule 29, to which the honourable senator refers, goes on to say:—and the senators in attendance on the session have been summoned to consider the same.

I do not know what that can mean except such procedure as has been followed. If a notice is given of a motion to be put before the House and considered to-day, are not senators summoned to consider it? And how are you to summon them more solemnly than by saying that on Tuesday, the 17th of April, this motion will be presented for consideration? The Senate is summoned to meet on this day. I do not think the summoning is any more emphatic or carries any more prestige because senators are summoned half an hour earlier than usual.

Hon. Mr. DANDURAND: I am not discussing the value of the rule; I only mention it. This rule may not be applicable to an amendment. Nevertheless I would draw the attention of my right honourable friend to the fact that rule 29 provides:

No motion for making a standing rule or order can be adopted, unless two days' notice in writing has been given thereof—

My right honourable friend has complied with that part of the rule.

—and the senators in attendance on the session have been summoned to consider the same.

Right Hon. Mr. MEIGHEN: Are we not summoned?

Hon. Mr. DANDURAND: But not specially. Ever since I came to this House it has been the practice to send to all the senators in

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attendance a special printed notice of any motion for a new rule, and a summons for a certain day and hour. At first it was customary to meet for the consideration of such motions half an hour before the usual time of opening, but this was considered to be inconvenient, and later we were specially convened at three o'clock. I would point out to my right honourable friend that the intention of the Senate, as expressed by the rules, has been that they should not be changed by a new rule, or the repeal or amendment of an existing one, unless honourable members were specially notified of the motion for the proposed change.

Right Hon. Mr. MEIGHEN: How were they specially notified? Through the mail?

Hon. Mr. DANDURAND: I think we have always received the notice through the mail.

The Hon. the SPEAKER: There are two rules respecting notice of motion concerning the Rules and Orders. Rule 23 says:

Two days' notice must be given of a motion for any of the following purposes:

(a) To make a new rule or standing order, or to repeal or amend an existing rule or standing order.

This I think applies to the present motion, which is to amend a rule. Then rule 29 reads:

No motion for making a standing rule or order can be adopted, unless two days' notice in writing has been given thereof, and the senators in attendance on the session have been summoned to consider the same.

This rule, which means that each senator in attendance on the session must receive a written notice of the motion for making a new standing rule or order, does not apply to an amendment.

Right Hon. Mr. MEIGHEN: May I ask, Mr. Speaker, where is the rule which says that before the Senate is summoned to consider any motion each senator must receive a written notice? Is that in the rules?

The Hon. the SPEAKER: It is the practice under rule 29.

Right Hon. Mr. MEIGHEN: Rule 29 does not say there must be a written notice to each senator. It simply says that two days' notice of the motion must be given in writing, and that the senators must be summoned to consider it. Surely the Senate is summoned to meet to-day to consider this motion.

Hon. Mr. LYNCH-STANTON: Is this case not similar to that which arises when a matter out of the ordinary comes up before a company meeting? In such instances a special notice is always given and the com-

pany's shareholders are usually summoned to meet half an hour earlier than the regular hour.

Right Hon. Mr. MEIGHEN: Certainly special notice is given in such a case, but it is not more specific than the notice I gave of this motion.

Hon. Mr. DANDURAND: But our coming here to-day was to attend to the general Orders of the Day.

Hon. Mr. LYNCH-STANTON: We come without a summons when we meet ordinarily.

Right Hon. Mr. MEIGHEN: We cannot have any stronger summons than we have for our meeting on any day.

Hon. Mr. LYNCH-STANTON: Does the word "summoned" there mean the giving of a notice?

Right Hon. Mr. MEIGHEN: There has been notice. The idea that each senator must be notified in writing is certainly not borne out by any rule which has been drawn to my attention. If it is something that is a result of hoary tradition, it seems to me it will soon be fit for burial.

Hon. Mr. LYNCH-STANTON: Must we not give some special interpretation to the words in the rule?

Right Hon. Mr. MEIGHEN: I should say that the only special interpretation required is what the words say: the senators in attendance on the session must be summoned to consider the motion.

Hon. Mr. LYNCH-STANTON: Why are those words there?

Right Hon. Mr. MEIGHEN: I do not think they are very useful, but I cannot see anything in them requiring the Clerk to send out a special letter to each senator. I hope the practice of sending letters in such cases has not been followed to such an extent as to make it a binding obligation for the future.

Hon. Mr. DANDURAND: It has always been the practice during my time.

The Hon. the SPEAKER: I am informed that it has been the practice for the past twenty-five years. Bourinot says:

That a motion for a new rule cannot be adopted unless two days' notice is given, and the senators have been specially summoned to consider the same.

The use of the word "specially" might justify the practice of sending out written notices.

Right Hon. Mr. MEIGHEN: That is an additional word which Bourinot put in without authority.

Hon. Mr. DANDURAND: At all events His Honour the Speaker declares that this amendment can be made without special convocation, under rule 23, and that rule 29 deals only with motions for new rules and orders.

The motion for the amendment of rule 114 was agreed to.

RELIEF BILL

FIRST READING

A message was received from the House of Commons with Bill 42, an Act respecting Relief Measures.

The Bill was read the first time.

The Hon. the SPEAKER: When shall this Bill be read the second time?

Right Hon. Mr. MEIGHEN: I should like the Bill to be read the second time to-day, but I will not ask the House to go into Committee until to-morrow.

Hon. Mr. DANDURAND: Then perhaps my right honourable friend would be agreeable to the second reading being moved to-morrow? That would give us time to look over the Bill. We have heard of it before, but I confess that I have not read it.

Right Hon. Mr. MEIGHEN: All right.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. McMEANS, Chairman of the Committee on Divorce, presented the following Bills, which were severally read the first time:

Bill N, an Act for the relief of Archibald Bruce Elliott Smart.

Bill O, an Act for the relief of Lilac Violet Grumbell Reid.

Bill P, an Act for the relief of Lily Archer Watson.

Bill Q, an Act for the relief of Annie Isabel Tinning Meldrum.

Bill R, an Act for the relief of Lois Theresa Malcolm.

PRIVATE BILL

THIRD READING

Bill 11, an Act respecting Prudential Trust Company, Limited.—Hon. Mr. Beaubien.

TRANSCONTINENTAL RAILWAY—
CANADIAN PACIFIC RAILWAY
AGREEMENT BILL

MOTION FOR THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of Bill 25, an Act to ratify and confirm an agreement respecting the joint use by His Majesty and the Commissioners of the Transcontinental Railway of certain tracks and premises of the Canadian Pacific Railway Company at Quebec.

Hon. G. PARENT: Honourable members, when this Bill came before the Standing Committee on Railways, Telegraphs and Harbours, of which I am a member, I asked for certain information from officials of the Canadian National Railways. Since that time I have been away, and I understand that during my absence someone appeared before the Committee and stated that the city of Quebec, the Canadian National Railways, His Majesty the King, and the Canadian Pacific Railway had no objection to the provisions of this Bill. In the circumstances I wish to make a few observations. In the first place, I do not see any necessity for this measure. If the Canadian National Railways and the Canadian Pacific Railway were able to conclude a certain agreement without any legislation by Parliament in 1914, there is no reason why they cannot do the same thing to-day. In 1930 certain changes were made in that agreement, and still it was not thought necessary to have a law passed on that account.

I submit to this honourable House that before we pass this Bill we should know more than we know to-day about the things that were done in 1914 and 1930. The first party mentioned in the Bill is the Canadian Pacific Railway Company, the second is His Majesty the King, and the third is the Canadian National Railways, or in other words the Canadian people. For some time now steps have been taken with a view to developing co-operation between our two great railways, and I think it would be a mistake to put on the Statute Book of Canada a law confirming a contract affecting those railways for 99 years, when the people of Canada do not know what the contract is about. The contract affects property rights, and I ask the right honourable leader of the House if it has ever been registered—if the agreement has ever been known in the communities concerned. In my opinion we should not pass the Bill until we are given further information, and I therefore move, in amendment,

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that the Bill be not now read a third time, but this day six months.

Right Hon. Mr. MEIGHEN: Honourable members, one is never finished with surprises in the long journey of life. I had no notion that there was even any difference of opinion over this measure, but, as there is, I think that the discussion should be adjourned until the Chairman of the Railway Committee is present. I presume he will be here to-morrow, and I am sure he will be able to answer the honourable gentleman's questions better than I can.

I had thought that the brief explanation I gave of the measure on second reading was sufficient. Seemingly the only new point raised by the honourable gentleman is that there has not been any registration of the agreement which it is now proposed to ratify. I think the people of Canada know, and always have known, that any agreement with His Majesty the King in relation to railways is necessarily a part of the record of the Department of Railways and Canals of Canada, and that a copy of it can be obtained there. I do not know of any registration that would be more available for search than one such as that.

However, as I have already suggested, I think that it would be better that I did not attempt to answer the honourable gentleman's questions and that we postponed the motion for third reading until the Chairman of the Committee on Railways is present.

Hon. Mr. PARENT: The right honourable gentleman has been a member of the House of Commons, and he knows that anyone who requested information concerning the National Railways was always told that it was impossible to get any.

Right Hon. Mr. MEIGHEN: That must have been during the period of 1921 to 1926. I cannot dispute the statement of the honourable gentleman in that respect.

Hon. Mr. DANDURAND: I think that from 1921 to 1926 there was a special committee of the House of Commons appointed to look after matters concerning the Canadian National Railways.

Right Hon. Mr. MEIGHEN: And before that time we did not have the railways.

Hon. Mr. LACASSE: It is a chronological case.

The Senate adjourned until to-morrow at 3 p.m.

THE SENATE

Wednesday, April 18, 1934.

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

Prayers and routine proceedings.

CRIMINAL CODE (RACE MEETINGS) BILL

REPORT OF COMMITTEE

Hon. C. E. TANNER presented the report of the Standing Committee on Miscellaneous Private Bills on Bill 35, an Act to amend the Criminal Code (Race Meetings), and moved concurrence therein.

The motion was agreed to.

The Hon. the SPEAKER: When shall this Bill be read the third time?

Hon. Mr. PARENT: Is this a Government Bill?

Right Hon. Mr. MEIGHEN: No, it is a Bill introduced by a private member respecting a general Act. We referred it to the Private Bills Committee, but that did not make it a private bill.

Hon. Mr. DANDURAND: What point does it cover?

Right Hon. Mr. MEIGHEN: Under the Criminal Code racing associations may hold annually two race meetings, each of seven days' duration. The amendment gives them the option of holding one race meeting of fourteen days.

Hon. Mr. DANDURAND: Are sweepstakes to be operated?

Right Hon. Mr. MEIGHEN: Oh, no.

The Bill was placed on the Order Paper to be read the third time to-morrow.

DAIRY INDUSTRY BILL

FIRST READING

A message was received from the House of Commons with Bill 38, an Act to amend the Dairy Industry Act.

The Bill was read the first time.

SECOND READING

Right Hon. Mr. MEIGHEN, with leave of the Senate, moved the second reading of the Bill.

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

DESTRUCTIVE INSECT AND PEST BILL

FIRST READING

A message was received from the House of Commons with Bill 39, an Act to amend the Destructive Insect and Pest Act.

The Bill was read the first time.

SECOND READING

Right Hon. Mr. MEIGHEN, with leave of the Senate, moved the second reading of the Bill.

Hon. Mr. DANDURAND: If there is no particular hurry, we could perhaps take the second reading to-morrow.

Right Hon. Mr. MEIGHEN: I ask it now so that the Bill may be referred to the Committee on Agriculture, who will thus have an opportunity to get to work on it before the adjournment.

Right Hon. Mr. GRAHAM: Does it cover all kinds of pests?

Right Hon. Mr. MEIGHEN: Not all.

Hon. Mr. DANDURAND: Not the depression.

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

TRANSCONTINENTAL RAILWAY— CANADIAN PACIFIC RAILWAY AGREEMENT BILL

THIRD READING

The Senate resumed from yesterday the adjourned debate on the motion for the third reading of Bill 25, an Act to ratify and confirm an agreement respecting the joint use by His Majesty and the Commissioners of the Transcontinental Railway of certain tracks and premises of the Canadian Pacific Railway Company at Quebec, and the motion of Hon. Senator Parent: That this Bill be not read a third time now, but this day six months.

Right Hon. Mr. MEIGHEN: I moved the adjournment of the debate on the amendment of the honourable senator from Kennebec (Hon. Mr. Parent) with a view to having the discussion take place while the Chairman of the Railway Committee was in the House. The Chairman is in the House to-day. I am not certain that he has read the remarks of the honourable senator from Kennebec. It is almost inconceivable that he has not read them, but if he has not, the honourable senator from Kennebec will doubtless repeat what he said yesterday, the full purport of which I failed to get.

Having read the Bill, I do not see any objection to it at all. Its purpose is merely to ratify a contract made some time ago; and I presume this is essential because His Majesty the King—that is, the Government of Canada—was a party to the contract. The Government can make no contract without securing the authorization of Parliament. The effect of the Bill is to give this authorization. I have no doubt that an answer to the honourable senator from Kennebec could better be given by the Chairman of the Railway Committee than by myself.

Hon. Mr. PARENT: I gladly accept the suggestion that I repeat what I said, or meant to say, yesterday. I take it that this Bill speaks for itself. As a citizen of Quebec I am entitled to examine it, and after doing so I wonder why it should have been brought into the Senate at the present time. As the right honourable gentleman has said, it is clear that the purpose of this Bill is the ratification of contracts between the Canadian Pacific Railway and the Canadian National Railways, represented by His Majesty, which contracts were entered into in 1914, twenty years ago, and modified by a few amendments made in 1930, four years ago.

Anyone who knows local conditions in the city of Quebec will realize that, owing to industrial development, they have changed greatly since 1914. The centre of population has moved, and if the opinion of the people of the city could be secured to-day they would very likely say that it is a mistake to have the C.P.R. station right in the heart of the city. By this Bill you give the effect of law to agreements which may have been good twenty years ago, but place the city of Quebec in an unfair position to-day. Take for instance Dalhousie street, where the C.P.R. has had tracks since 1914. The people of the city desire to have those tracks removed, because they interfere with traffic. Anyone who tries to cross over to Levis by means of the Quebec and Levis Ferry will find a great congestion of traffic at St. Andrew and Dalhousie streets, one car after another waiting, just because the tracks of the C.P.R. are there. Years ago this did not matter, but to-day it is different. By this Bill, giving the effect of law to an agreement between the Canadian National and the Canadian Pacific railways, you bind the people of the city of Quebec to that agreement for ninety-nine years to come. The reason for this I do not know. I have tried to ascertain why this Bill is before us. Up to the present no one has been able to show justification for it. Surely it is not in the best interest of that city.

Right Hon. Mr. MEIGHEEN.

Hon. LUCIEN MORAUD: Honourable senators, I think my honourable friend from Kennebec (Hon. Mr. Parent) is right. The contract may have been a desirable one when it was made, but I suppose that at that time the Government hoped the Canadian National would build its own terminal facilities in Quebec within twenty years, which was to be the life of the agreement unless there was ratification by Parliament. We are now being asked to agree to ratification which would make the agreement effective over a term of ninety-nine years. This Bill may be in the interests of the Canadian Pacific and the Canadian National Railways, but would it be fair to bind the people of Quebec to the contract for such a very long time?

Up to 1930 the Canadian National was forced to bring all its freight traffic to the Canadian Pacific terminal, but in 1930 the contract was amended, and the Canadian National now has the right to handle freight at its own sheds. Nevertheless it has to pay a proportion of the maintenance costs and interest on the capital investment in connection with the Canadian Pacific sheds.

I say again that I think my honourable friend from Kennebec is right, and I repeat the question: Is it fair to bind the people of Quebec for ninety-nine years to a contract to which the people themselves are not a party?

Right Hon. GEO. P. GRAHAM: Honourable senators, as this is a Government measure and I was not present at its incubation, I hesitate to say anything about it. But had I been given the opportunity, perhaps I should have taken the same ground that the right honourable leader of the House takes now.

Dissatisfaction with the railway arrangements in Quebec is not new. In my time we had arranged to have a line extended from the Quebec Bridge along the river front to deep water. I am speaking entirely from memory. That line was extended to make a connection with the Champlain market. It was thought by engineers and persons interested in the railway that it would be beneficial to Quebec and to shipping generally, particularly to passenger traffic, to have docks down along the river front at deep water, in proximity to the bridge, for the greater convenience of handling traffic across the bridge, in either direction. That plan was approved by the city of Quebec, if I remember correctly, and in order that it might be carried out the railway purchased some property. Later a piece of railway, which I think belonged to the Canadian Northern, was

acquired for the purpose of running a line farther east, on the other side of the city, and the plan for making a deep water port on the river front a few miles east of the bridge was abandoned. After that time it was suggested, as honourable members may remember, that a tunnel should be built underneath the city to make a connection with what I call the eastern terminus. However, the tunnel project was never gone on with.

In the course of time the Grand Trunk Railway, which is now part of the Canadian National System, became a party to the operation of joint terminals in the new port. I am not telling any tales out of school when I say that ever since there has been dissatisfaction with the course that was taken, and the people of the city of Quebec—in part at least—have been unhappy because they did not get the deep water terminal on the river front as contemplated when the Quebec Bridge was constructed.

At Quebec the two railways have made arrangements for the joint use of terminals, as has been done in many other places. In nearly every one of these instances the Canadian Pacific, I understand, has taken the initiative. The arrangements that have been made at Quebec have been approved, though I would not say by all the people. At any rate, the two railways have made an agreement. It is now presented to Parliament for ratification. Why is this done? I am not a lawyer, but I think one reason is that since the Canadian National is a Government-owned road, parliamentary sanction is necessary for such an important agreement, lasting more than twenty years, which is the statutory limitation.

I do not subscribe to the view that if we ratify the contract no change in the location of the railway tracks at Quebec can be made until the expiration of ninety-nine years; though it may be that the existence of the contract would tend to make more difficult any attempt to bring about a change. If any railway or group of railways is doing something contrary to the interest of a community, irrespective of whether there is a joint agreement, the community can apply to the Board of Railway Commissioners, and if it is successful in proving its case a remedy for the evil will be found. But there would be no remedy in the refusal of Parliament to ratify an agreement sent to us at the request of both roads.

When this Bill came before the Railway Committee it appeared that the honourable gentlemen from Kennebec (Hon. Mr. Parent) and La Salle (Hon. Mr. Moraud) felt, as they

have said to-day, that it was inadvisable to ratify the agreement. At the suggestion of these two members the Committee adjourned further consideration of the Bill for, I think, two weeks, to permit the corporation of the city of Quebec to send a deputation or make protestations in any other way it desired. But no protestations were made. Consequently the Committee passed the Bill. I am strongly of the opinion that while the six months' hoist might inconvenience the two railways it would not in any way benefit the city of Quebec. The city of Quebec will not be prejudiced in any way by the ratification of the agreement. It will always be at liberty to apply to the Board of Railway Commissioners should it consider its rights to be adversely affected.

In a measure I sympathize with the people in their dissatisfaction with the pool train service between Montreal and Quebec. Quebec feels that the operation of the pool trains is unsatisfactory, and is inclined to retaliate. But to refuse to ratify this agreement would neither accomplish the purpose in view nor help the city one iota.

Hon. Mr. HUGHES: Would the position be aggravated if the Bill were passed?

Right Hon. Mr. GRAHAM: No. The Bill simply ratifies an arrangement that has been in force for twenty years.

Hon. RODOLPHE LEMIEUX: Honourable senators, I gather that this legislation has been inspired by the Board of Trustees of the Canadian National Railways. As I have said before, in view of the very serious financial condition confronting the country I must stand by the decisions of that Board. I have full confidence that before the ninety-nine, year term has elapsed, Mr. Fullerton, Mr. Labelle and Mr. Morrow will see that justice is done to the old city of Quebec.

I was a member of the Government with my right honourable friend from Eganville (Right Hon. Mr. Graham), who was then Minister of Railways, when the question of the Canadian National Railways terminus at Quebec was discussed in Council, and I remember that he and the late Sir Wilfrid Laurier did their utmost to protect the city's rights. The selection of the first site was made by the late worthy mayor of Quebec and premier of the province, the father of my honourable friend from Kennebec (Hon. Mr. Parent), the Hon. S. N. Parent. At the time he was President of the Transcontinental Railway Commission. Everything went along smoothly until 1911, when there was a change of government at Ottawa. Then the site was

changed at the request of the late Hon. Mr. Pelletier, a very able representative of the district and city of Quebec. It was agreed that the terminus should be located at the water's edge on Champlain market, the most prominent and probably the most historic place in the old city, for it is there that Champlain landed and built his famous abitation. It is there also that the old church of Notre Dame des Victoires was erected to commemorate a defeat of the British navy. That site was selected only after keen controversy. The city considered the land was worth much more than the price offered by the Government. The late Sir George Garneau was then mayor of Quebec, and I well remember how frequently he came to Ottawa and urged the Government to pay an adequate price for the valuable property. Ultimately terms were arranged and everyone expected that suitable terminal facilities would be provided. But war intervened and all public expenditures were suspended.

I sincerely hope that the Board of Trustees will within a relatively short time see its way clear to render justice to the old city of Quebec, which, with Toronto and Montreal, has been a pioneer in railway building. At a time when it had only a small population Quebec heavily mortgaged its future to ensure the construction of the North Shore Railway. It was not until many years later that the city was reimbursed its expenditure on this account.

The Canadian National Railways terminus is not located where it should be. It is true that as in the city of Ottawa the two large railway systems are co-operating at the Central station, so in Quebec they have joint facilities at the Palais station. But whenever I travel on a Canadian National Railway train and reach Quebec in the early morning I feel that I am indeed a poor relative, because I never hear so much clanging of bells and so many shrill whistles as when I am being shaken about in my berth by frequent shunting before the train comes to a standstill. By contrast, the Canadian Pacific train comes in smoothly and its passengers look with—shall I say?—some disdain on the poor Canadian National travellers.

While, however, I have every sympathy with the plight of the old city of Quebec, I repeat, we must not interfere with the Board of Trustees of the Canadian National Railways. We must never forget that we are passing through a terrible crisis and must be careful about the expenditure of public money.

I quite agree with what has been said by the honourable senator from Kennebec, the son of my old friend the Hon. S. N. Parent,

Hon. Mr. LEMIEUX.

who did so much for his city and his province. I am also in sympathy with what my friend from La Salle (Hon. Mr. Moraud) has stated, and I hope that as soon as the revenues of the Canadian National Railways justify the expenditure the Board of Trustees will do the right thing by the old city of Quebec.

Hon. JAMES MURDOCK: Honourable senators, as one who for several years has had something to do with the railroad game, I wish at the outset of my remarks to say that I am opposed to railway amalgamation as suggested in certain quarters.

Last session Parliament enacted legislation providing for co-operation between the Canadian Pacific Railway and the Canadian National Railways in order to bring about co-ordination of services and consequent reduction of expenses. That legislation, however, has nothing to do with this measure except from the standpoint of consistency.

What is involved in this Bill? In 1914 the Canadian Pacific Railway had in the city of Quebec a passenger station, with round-house, freight shed and other facilities necessary for handling its business at that important terminal. The city was at that time served also by the Quebec and Lake St. John Railway, a small privately-owned line, and the Canadian Northern Quebec Railway, running from Montreal through Shawinigan and along the shore of the St. Lawrence to Quebec. On the completion of the Quebec Bridge and of the National Transcontinental Railway east from Montreal to Moncton at an expenditure of millions of dollars, it appeared to be a reasonably good business proposition to provide for the additional traffic to be developed as a consequence of the entry of the National Transcontinental into the city of Quebec. Accordingly an arrangement was made as set out in schedule A to the Bill. It is a business-like arrangement, and if twenty years ago it had not been entered into and the National Transcontinental had built its own terminal facilities, we should to-day be shedding tears over the heavy expenditure thus involved.

Now, if we are to be consistent in our effort to bring about proper co-operation between the great privately-owned and the great publicly-owned transcontinental systems, why should we not now ratify and confirm this twenty-year old plan for reasonably cheapening the cost of operation on a joint basis? Will anyone suffer by the continuance of the agreement? Certainly, even as a representative of unemployed railway men I cannot demand for the Canadian National employees in the city of Quebec a share of the work that the agreement may be alleged to take away from them. In my judgment, in

the existing circumstances the agreement is logical and consistent and entirely in line with the railway legislation enacted last session, and for the life of me I cannot see why there should be any objection to the Bill.

My honourable friend who last spoke (Hon. Mr. Lemieux) intimated that we must not interfere with the decisions of the Railway Board.

Right Hon. Mr. GRAHAM: The Board of Trustees.

Hon. Mr. MURDOCK: I understood him to say the Railway Board.

Hon. Mr. LEMIEUX: No, the Trustee Board.

Hon. Mr. MURDOCK: As I understand, the Railway Board, or, to give it its full title, the Board of Railway Commissioners for Canada, would not have anything to do with the decisions of the executive officers of the two railway systems.

Hon. Mr. LEMIEUX: The Railway Board is a court; the Board of Trustees is an executive body.

Hon. Mr. MURDOCK: This instance of co-operation between the two railways had been in existence long before we passed the railway legislation last session.

Hon. Mr. L'ESPERANCE: The agreement to be ratified by the Bill was entered into twenty years ago.

Hon. Mr. MURDOCK: Yes. Under the legislation enacted last session the two railway systems were directed to co-ordinate their services as far as possible. This Bill simply ratifies a consistent and logical agreement along similar lines that has been in effect for the past twenty years.

Right Hon. ARTHUR MEIGHEN: Honourable members, the motion in amendment by the honourable senator from Kennebec (Hon. Mr. Parent) has at least had the result of convincing me—I hope, intelligently—that the Bill is essential. So firmly am I convinced of this that I hope no shadow of doubt will be expressed in the judgment of honourable members. I cannot conceive of the Senate presenting a more pitiable spectacle than in seriously hesitating over this measure. Railway co-operation to bring about economy has been insisted upon by the people of Canada, and by Parliament, and most emphatically by the Senate. When plans to ensure that result were under way we became impatient, we did not feel we were reaching the goal fast enough, and we wanted to instruct the Canadian Pacific and Canadian National executives to proceed more

rapidly to bring about greater economy of operation. Indeed, at the instance of the honourable senator from De Lanaudière (Hon. Mr. Casgrain) we passed a resolution reminding the two railway executives that it was their business to act ahead of the statute along lines of co-operation.

Now, what is this Bill? It is a Bill to sanction an agreement entered into between the railways, nineteen years ago, for the co-operative use of the terminal in the city of Quebec, in order to save money by avoiding duplication. Early in 1930 this agreement, modified to some extent, was ratified by a new agreement. And now, although we lectured and rebuked the railways for extravagance and endeavoured to instruct them along the lines of co-operation and economy, on the first occasion when they bring before us something that they have done along these lines, without our instruction, we are seriously asked to say them nay.

Why are we asked to do this? I have been reading the debate that took place in the House of Commons, and I observe that the whole argument hinged on the fact that certain trains had been pooled. A pooling has taken place between Ottawa and Toronto, between Toronto and Montreal, and now, at the very last, between Quebec and Montreal. Already there has been a saving of \$500,000 a year by it. Yet as soon as this last pooling arrangement takes effect we are told, "We cannot put up with it, because it is possible to travel ten or fifteen minutes faster the old way."

Notwithstanding the fact that Parliament would like to make new expenditures and have fine buildings and the very fastest and most luxurious railway services everywhere, I seriously suggest that no honourable member should object to a measure of this kind, which is in strict accord with the financial policy that we put into effect. If we were even to countenance such an amendment as that proposed by the honourable gentleman, an amendment which has no basis at all in economic public policy, it would be interpreted by the railways as a stultification of the Senate.

This Bill is necessary solely because under the statute the companies are incompetent to contract for a period of more than twenty years. The two companies have to come to Parliament. Are they to be rebuked by us for making economies such as we said they were negligent in not making long ago?

Hon. Mr. PARENT: I presume, honourable gentlemen, I have the last word in regard to this matter.

Right Hon. Mr. MEIGHEN: No; but there is no objection.

Hon. Mr. PARENT: If this is all I can get as a result of my remarks, I desire to thank honourable gentlemen for the way in which they have handled the situation. I appreciate very much, and thank them for, the nice things they have said about the city of Quebec. I may say that I do not intend to press the amendment any further.

The proposed amendment was withdrawn.

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

IMPORTATION OF INTOXICATING LIQUORS BILL

SECOND READING POSTPONED

On the Order for the second reading of Bill 3, an Act to amend the importation of Intoxicating Liquors Act:

Right Hon. Mr. MEIGHEN: Stand. I hardly think this Bill will be carried any further.

Hon. Mr. DANDURAND: Has the honourable gentleman given any explanation as to why he is postponing this Bill?

Right Hon. Mr. MEIGHEN: Yes. I shall give it again. Certain objections to this measure were raised by Alberta and, I think, by Saskatchewan, on the ground that it would interfere with their control of liquor importation. I never could see any force to the objections of these provinces, but it was intimated to me long ago that the Bill would not be proceeded with until everything was made satisfactory to them. Since then I have received intimation that it will not be gone on with at all. As I have heard nothing of it for a long time, I am inclined to think it is not going to be dealt with further. I shall probably be able to speak more definitely tomorrow.

The motion for the second reading stands.

PRIVATE BILL

SECOND READING

Bill 9, an Act to incorporate the Bishop of the Arctic of the Church of England in Canada.—Hon. Mr. Griesbach.

RELIEF BILL

SECOND READING

Right Hon. ARTHUR MEIGHEN moved the second reading of Bill 42, an Act respecting Relief Measures.

Hon. Mr. PARENT.

He said: Honourable members, it may be necessary for me to give some explanation of this Bill when we go into committee, but possibly I owe it to the House to give now a brief résumé of its purposes.

We have had a Relief Act every year since, I think, 1930—certainly since 1931. The previous bills have each been largely, but not exactly, along the line of the present measure. In some of them provision was made to enable the Government to extend relief to corporations, in the interest of the unemployed. Such a provision does not appear in this Bill. Like the previous ones, it provides for advances to provinces for relief purposes, and for certain construction works undertaken largely with the object of relieving distress. It also provides for financial assistance to the Co-operative Wheat Producers Limited, by way of loan, advance, or guarantee, or otherwise, and enables the Department of the Interior and the Department of National Defence to continue certain works which they have been conducting in various parts of Canada, and by means of which single unemployed men have been taken care of.

The Interior Department, which is responsible for the administration of our national parks, has been doing forestry work, road work, and work in the way of preparing landing stations and the like. I have no very direct information as to the efficiency with which this has been done, but I have heard no complaint on that score.

The Department of National Defence has been maintaining a large number of unemployed men in camps where work of a very light character, in comparison with that done by the Interior Department, is carried on. The system has been to provide the men with good food, clothing, a tobacco allowance and twenty cents per day, in exchange for a reasonable amount of work. These men live under discipline, and from the information that has come to me in my private capacity, when travelling about the country, I feel confident that these camps have been admirably conducted and have been of great service in alleviating unemployment.

There is also a clause which was in the previous measures—I thought it had been omitted last year, but I was mistaken—clause 3, which enables the Governor in Council, when Parliament is not in session, to take such measures as in his discretion may be deemed necessary or advisable to maintain, within the competence of Parliament, peace, order and good government throughout Canada, and at all times to take

all such measures as in his discretion may be deemed necessary or advisable to protect and maintain the credit and financial position of the Dominion or any province thereof. This clause has given rise to considerable contention in the other House, and it may give rise to contention here. At the moment I am merely emphasizing the point that it seeks to shift only a certain specific power which under our Constitution belongs to Parliament. The Government of the day feels it necessary that between sessions it should have that power, which, as interpreted by the courts of our country, has a restricted and well-defined meaning. It is not as though Parliament were asked to declare that the powers given it by section 91 of the British North America Act should one and all be exercised by the Government between sessions. That would be equivalent to wiping out Parliament. But when only one power is transferred—a power under which contingencies may be controlled or taken care of, and which has a well-defined and limited application already thoroughly established by jurisprudence—the case is entirely different. It is all a question of whether or not the House feels that conditions, improved as they are, are still such that, by reason of what may be doubtful experiments launched elsewhere and the general uncertainty of the present time, the Government is justified in asking to be clothed with this power.

It can truly be said in defence of the application that a similar power vested in the administration for two years, if not three, has not been abused. A report of everything done under that power has been laid before both Houses of Parliament. Furthermore, I think it can be said, not only that the power has not been abused, but that in one year, if not in two, it was essential in the interest of the Dominion that it be exercised by the Government.

I think it will be possible for me to give information as to the general conditions and the whole subject of relief: obligations entered into, and with whom; the extent to which those obligations have been complied with; the division of appropriations among the various objectives sought—food, clothing and the like—and the extent to which the powers under the former Acts, relative to advances to the provinces, enabled them to take care of the obligations they entered into. These advances, which are returnable, are very extensive in the Western Provinces.

The whole burden has indeed been a trying one, and to handicap those who have to carry it is to make their task intolerably difficult. There have been impositions upon

the organization of the Federal Government. Some have been discovered by its own officials, and in this connection very large sums have been returned to the treasury. To others attention has been called, and I suppose we must assume properly so, by the Auditor-General. Whenever a new establishment is created, especially one where of necessity large sums of money are passing to and fro, it is exceedingly difficult to avoid abuses. Undoubtedly abuses have occurred, largely by reason of the grasping character of individuals within the municipalities. Sometimes, I fear, this voracity must be attributed to the municipalities themselves, though in some degree it may have been due to a lack of complete and efficient supervision on the part of the provincial administrations. In relation to the total, however, the margin of error has not been large; and hour by hour, month by month, it has been reduced. On the whole, it seems to me, a depression of fearful magnitude has been fairly well taken care of, and, from the standpoint of honour, wholly without criticism so far as the Federal Administration is concerned.

Hon. RAOUL DANDURAND: I do not rise to criticize in any way the general economy of the Bill. We know what its purpose is, and that it is but a continuation of a policy approved by Parliament during the last two or three sessions. But it is necessary to give a little closer examination to section 3, to which my right honourable friend has referred as the contentious clause, which clothes the Governor in Council with exceptional powers, when Parliament is not in session, for the maintenance of peace, order and good government throughout Canada. In order that we may be better able to judge whether this section is necessary, I should like my right honourable friend to tell us of all instances where these powers have been used, and in what direction and to what extent, since they were first authorized by Parliament. When the Government first asked for the authorization it was on the ground that we were living in times of extraordinary economic difficulties and that the existence of great numbers of unemployed people made it essential to provide that special steps might be taken on short notice. However, we certainly have passed through the most difficult period of the crisis, and if in fact there has been no occasion when it was deemed necessary to utilize these special powers, I doubt whether it is proper to continue to vest the Government with them.

Perhaps my right honourable friend could also tell us what, if any, measures have been

taken under the authority of the latter part of section 3 to protect and maintain the credit and financial position of the Dominion or any province. He may find it easier to answer this question, because any such measures could only have been taken, I suppose, after subsidies had been granted or the banks had been given guarantees.

But I am principally concerned to know what use has been made of the powers provided for by the first part of the section.

I think that section 4 also calls for some explanations. It reads:

Without restricting the generality of the terms of the next preceding section hereof and notwithstanding the provisions of any statute or law, the Governor in Council may

(a) Provide for special relief, works and undertakings under control and direction of the Department of National Defence and the Department of the Interior;

(b) Take all such other measures as may be deemed necessary or advisable for carrying out the provisions of this Act.

The right honourable gentleman has told us what in the main has been done by the Department of National Defence, and by the Department of the Interior through its camps in national parks. I should like to know whether these are the only departments that have carried on special relief works. The section does not authorize any special undertakings by the Department of Public Works, for example, but I suppose that department would have charge of any general program of public works that might be carried on under the provisions of separate legislation.

Hon. RODOLPHE LEMIEUX: Honourable members, I will not attempt to raise a constitutional issue on this Bill. That matter has been threshed out in another place. As a member of the Senate I am bound to support the Government on a measure of this kind, for I take it to be the will of the people that some special relief legislation be passed to help tide our country over the existing crucial period. But may I suggest that when the Government makes relief funds available to provinces, or to municipalities through the instrumentality of provinces, there should be imposed a condition that the unemployed who receive any of the moneys shall perform at least some work therefor. Nothing is the cause of greater concern to our citizens in general, and especially to our taxpayers, than the fact that great numbers of people regularly receive public money for the support of themselves and their families, and yet refuse to work. This is true in our large centres, such as Montreal, Three Rivers and possibly, though to a lesser extent, Quebec. I regret to say that in Montreal, my native city, the

Hon. Mr. DANDURAND.

distribution of relief funds without requiring any service from the recipients of them has resulted in the creation of a large class of mendicants and idlers who will be with us for many years to come.

I think the right honourable leader of the House will agree with me when I say that in all our big cities there are great numbers of people who believe it is unnecessary for them to work—that the state must support them. If I read the newspapers aright, Toronto cannot be excepted from the cities of which this is true. I submit to honourable members that such a condition comes pretty near to Communism, and even to Bolshevism. It is high time that we set out to restore respect for the old principle that an honest man must earn the money he receives. Of course I am making reference not to the aged, the infirm and the sick, nor to poor orphans and widows, but to an unfortunately large proportion of those people who are being helped by relief funds. I repeat that the Federal Government should not hand out large sums for relief without requiring that regulations be framed to force the recipients to work. All honourable members work, as the bulk of our people do. I never expected that I could live without working. Why should we promote a desire for idleness among large sections of our people?

It is surprising how doggedly some people will hold to the notion that the state must provide for them. I was reading in the press last night of a gentleman in Montreal who could not pay his rent, and who transferred his household effects, which included a little stove, to the sidewalk. He has been living out in the open for about ten days, though he has some money, for he sends children to the stores to purchase his meat, bread and butter. He contends that the city must supply him with a house, and declares he will not leave the sidewalk until one year's rental is paid in advance for him by the municipality. Honourable members may smile at that, but if they read Montreal papers of last evening they will find I am not romancing.

Unfortunately the lack of self-reliance is widespread to-day. The time has come when people who have no desire to work must be taught to realize that money does not flow from the printing press, but can be obtained only through taxation of their fellow-citizens who work for a living. It must be made clear to idlers that they will have to render some service by way of at least partial compensation for the sums given to them.

When the Bill is in Committee of the Whole I may have some suggestions to offer.

Speaking generally, I think the motion for second reading should pass.

Hon. H. C. HOCKEN: Honourable senators, I agree with most of what was said by the honourable gentleman who has just sat down about the development of the mendicant spirit, and, like him, I greatly deplore that development. But what are we to do in the present situation? We are faced with a problem greater than any other we have ever had in Canada. In my own city of Toronto we have as ordinarily decent a population as can be found anywhere. Seventy per cent of the houses there are owned by their occupants, a fact which indicates that the people are thrifty. Yet there is owing for unpaid municipal taxes about \$12,000,000, a large proportion of which sum is outstanding against these very houses. What can be done with the owners? They are thrifty and industrious people. Week by week and month by month they have put aside the little savings which have enabled them gradually to acquire their homes, but now they are without work and have no means of paying taxes. Citizens of that kind cannot be allowed to starve. There are no better people in the country, and they must be taken care of.

I would inform my honourable friend from Rougemont (Hon. Mr. Lemieux) that even in the days of prosperity the city of Toronto found it necessary to maintain, through its House of Industry, from five to six thousand families every year. I speak with some knowledge of the situation, for I had more or less responsibility in connection with it. And as far back as twenty years ago we were faced with a problem of what to do with people who would not work. In those times nearly everyone who desired employment could find it, but in a population of 500,000 or more there will always be a considerable number of idlers.

In former times people who would not work subsisted on the most meagre allowance the city could give them, but at the present time relief is given in such comparatively generous measure that it is taken without humiliation by good citizens, temporarily out of employment, who in the past have always supported themselves or at least managed to live with the occasional assistance of friends. It used to be considered humiliating to go to the House of Industry and get a week's provisions. That is not so to-day, and the change is not altogether the fault of the people concerned. I have seen well-dressed young men of thirty-five and forty going to the House of Industry with a suitcase, in which they

would bring away food enough to last them and their families for a week.

Such incidents are evidence of a sad state of affairs, but it is a state of affairs with which we have to deal. Whatever it is necessary for the municipal, provincial and federal authorities to do in order to prevent people from starving, must be done. There is no getting away from that. In my opinion the ultimate result of the present condition will be the establishment of some kind of unemployment insurance. Just what form it will take I am not trying to suggest, but I think it should be on a contributory basis. The amounts payable to contributors who become unemployed should be large enough only to provide for subsistence and to ensure that they and their children shall have enough to eat.

In Toronto, as I have said, people who are on relief are unable to get enough money to pay their rent. As a consequence—I am speaking of my own city because I am familiar with conditions there—a great number of landlords, receiving no rent, cannot pay their taxes. The unemployment situation, taken as a whole, is most desperate. And so long as present conditions exist the Government must undertake to look after the unfortunate who are in need because of inability to obtain work. I venture to say, honourable members, that it is beyond the powers of any man to compute the total value of private benevolence exercised throughout this country in the last three years. Elderly men and women have taken into their homes their married sons and daughters so that they should have enough to eat and drink, and a place of shelter, without going on relief. The sums that have been paid by our various governments for relief are enormous. In Toronto it has been necessary to issue bonds to raise the funds required. Yet I imagine that this vast public expenditure has not been nearly as large as the total value of private benevolence.

As I have said, we must deal with conditions as we find them. I believe that the present Administration recognizes the seriousness of the situation and is doing its best to cope with it. It is, I submit, the duty of this honourable body to support the Government in this effort, not niggardly, but generously, and without criticism of minor points. Recognizing the tremendous problem, we should accept the best solution that the Government can offer.

I think I may go this far, honourable members: the time is ripe for Canada to undertake some plan of industrial reconstruction.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. HOCKEN: This, in my opinion, would involve a minimum wage for men and subsistence from an unemployment fund. I would give a minimum wage to men as well as to women. It should be fixed at an amount sufficient to maintain an unskilled labourer and his wife and family. If trades unions claimed for their members more than the minimum wage, the matter should be dealt with by an industrial tribunal which would function more effectively than is possible under present legislation.

I have other ideas, but I think I have said enough to indicate that we are at the beginning of a period of industrial reconstruction in which the man who works with his hands must get consideration, and capital must be willing to make some contribution towards his maintenance when he is unemployed. In Great Britain the unemployed are looked after by what is known as the dole, or unemployment insurance. The working man—to whose class I hope we all belong—will have to be treated a little better than he has been in the past, and in return he must be willing to give a good day's work for a fair day's wage—which is not always the case at present, I am sorry to say.

At some future date I hope to express more fully my views on industrial reconstruction. For the present I must content myself with these few remarks, which my honourable friend's speech has prompted me to make.

Right Hon. ARTHUR MEIGHEN: I owe it to the honourable gentlemen who have spoken to answer the questions addressed to me. I am very glad this motion has evoked such speeches from the honourable senator from Toronto (Hon. Mr. Hocken) and the honourable senator from Rougemont (Hon. Mr. Lemieux), as well as the honourable senator opposite me (Hon. Mr. Dandurand), whom I almost failed to refer to because, strange to say, in this matter his mind and my own are very often in the same groove. I am especially glad to have a word to say with regard to the points brought forward by the honourable senator from Rougemont, and amplified somewhat by the honourable senator behind me (Hon. Mr. Hocken).

It is true that the distribution of relief on so wide a scale during the past four years has had the effect of making it commonplace, instead of rare and disgraceful. As a consequence there has developed over the whole land an atmosphere favourable to the idea of accepting relief as the basis of livelihood, rather than to the adage, which has come down through the centuries, that only by toil may man live.

Hon. Mr. HOCKEN.

If there has been error in the administration of relief—I am sorry to have to give expression to this view; a different one, if I could accept it honestly, would be welcome to me—the error is that relief has been granted on too generous a scale. It is not that the country, if every feature of the organization were right, could not possibly afford it, but that the effect upon recipients has been demoralizing. I know that to-day there are tens of thousands of honest, hard-working men eager to toil, but unable to get work. There are not so many as there were, but there are still great numbers of them. The great difficulty is to be fair to them without at the same time multiplying the numbers of those who never have worked and never want to work. Unless we keep the level of subsistence for the out-of-works lower than we should like it to be for those desiring employment, we are every day multiplying the number of idlers. Keep the level fairly up so that they can live comfortably and we find crowding into those lower ranks of the non-workers men who before would never dream of seeking assistance along the road of life. We have to keep a low standard of maintenance or we are going to increase the number of out-of-works and won't-works. At the same time we have to take care not to err by going too far in that direction; otherwise we do a grave injustice to many honest people who want to earn their living. The regulations cannot be too strict for the man who will not work. No matter what the work is, it is a duty to do one's utmost at it until a better class of work is available; but the man who will do nothing, or is exceedingly selective about the class of work he will do, cannot be kept at too low a level of subsistence compatible with the maintenance of life.

The lesson that the honourable senator from Rougemont (Hon. Mr. Lemieux) is trying to drive home is growing more important day by day, for work is becoming available in greater volume, and we can more readily make it not only incumbent, but imperative, upon everybody to show he has refused nothing and has done his utmost to obtain work, the alternative being a very low standard of subsistence. Nothing more terrible could happen this country than that social services should proceed so far as to lift from the back of the individual his perpetual responsibility to take care of himself.

Some Hon. SENATORS: Hear, hear.

Right Hon. Mr. MEIGHEN: The honourable senator from Toronto (Hon. Mr.

Hocken) feels we are going to have to do more along the lines of unemployment insurance and the like. Maybe we are, but personally I hope we shall not have to. I have never been an enthusiast even for old age pensions. No one would recoil more than I from leaving anybody in want in his old age. We never have done so. We have taken care of needy cases in old folks' homes and similar institutions. But to indigence there must be a measure of disgrace attached; not by way of penalty, but because it is essential to the law of life. Otherwise conditions would become dreadful. Even now children in a position to care for their parents refuse to do so. Women who have assisted their brothers to make a fortune become old age pensioners to get so much more out of the Government. Abuse follows abuse over the whole range if we do not put relief on the basis of charity. Instead of keeping it where a measure of disgrace attaches to it, we have elevated it to the stratum where the recipients treat relief as their right, as something due to them although they have not earned it. As a consequence it is becoming more and more difficult to shut the door to abuse. I know a great deal can be said on the other side of the question, but it is essential now to take care that we do not so far expand social services as to disintegrate the moral fibre of our people.

Now I will try to answer the questions addressed to me by the honourable senator opposite (Hon. Mr. Dandurand). The first question relates to clause 3 of the Bill. It gives the peace-order-and-good-government power between sessions to the Administration, which is in each case answerable to Parliament. The honourable senator asks what is the need of this power now, and particularly what in the past has been done in exercise of the authority similarly given by previous legislation to take all such measures for peace, order and good government as in the discretion of the Governor in Council have been "deemed necessary or advisable to protect and maintain the credit and financial position of the Dominion or any province thereof."

The first instance that would come to one's mind of what has been done under the peace-order-and-good-government power would be, of course, the guarantees and advances made to protect the Western Provinces from bankruptcy. No one knows what would have been the effect on Canadian credit had the Western Provinces not been supported very generously. As honourable members are aware, very large advances have been made to those provinces throughout the period of depression. Certainly the impact upon the credit of Canada

would have been terrific, and its effect would have been almost interminable.

But I cannot cite this as coming strictly within clause 3, or as being an answer to the question put by the honourable senator opposite, for the reason that all this could have been done under the preceding section, which has appeared also in the other bills. But if I am asked what in other years the Government has found necessary to do strictly under the peace-order-and-good-government clause, I refer to Privy Council Order No. 2617, passed on October 19, 1931, prohibiting the exportation of gold. On September 21, 1931, Great Britain went off the gold standard. There was something that could not have been foreseen. There had been no specific provision looking to this contingency, and the Government had to act under the peace-order-and-good-government clause. A more specific and enlightening argument in support of the clause could hardly be imagined. Britain suddenly went off the gold standard, this deranged our currency, and the only supporting policy available to the Government was the prohibition of gold export. It proved quite effective, and is still in force.

Is it at all inconceivable that something of a similar character might occur within the next year? To me it is quite conceivable. I admit it is unlikely. But we do not know just what is going to be the working-out of the very new, very courageous and, to my mind, in almost every way very admirable efforts that are now under the test of experience in the United States. We do not know what may take place. An entirely new situation might be precipitated. There have been many more disturbances of the peace over there than here. We do not look to the continuance of this state of affairs; we have every reason to hope that better conditions are going to obtain; but it is well to have the Government armed, and it should not be a matter of very great concern or anxiety to us to have the Government so armed. Every honourable member will admit that in the past year the power has been exercised only when it has been clearly shown to be to the advantage of Canada to exercise it.

Another instance occurred on October 27, 1931, when it became necessary to authorize the valuation of securities in bank returns under section 112 of the Bank Act. I would refer to a similar step taken on December 31, 1931, under exactly the same power, giving authority to the Superintendent of Insurance regarding the valuation of securities of insurance companies in the returns submitted to him under the provisions of the Insurance Act. Nearly all honourable members, if not all,

know the significance of those two administrative acts. Had it had not been possible for the Government to take them, what in those dark hours might have been the effect upon the bank structure of our country? It does not require the slightest effort of the imagination to disclose what would have been the effect on the insurance structure of Canada if the second regulation had not been within the power of the Government to impose. I frankly admit that during the year 1934 it is not likely that necessity for such steps will arise, but it is by no means impossible.

Now, we clearly define the limit within which we can act. It is the power stipulated as federal under section 91 of the British North America Act, within which and under which in other years we have acted to the great advantage of Canada. I know it is the disposition of the Senate of Canada to confer the same power for the current year.

The honourable senator made reference as well to section 4, and asked what was being done thereunder. He stated that details had been given of the works being performed by the Department of National Defence, and the Department of the Interior through the National Parks Branch. I cannot give the exact items of construction, but there is upon the table of this House a report by Mr. Hereford, the chief officer of the Relief Branch, giving every detail that could be asked for.

The honourable senator from Rougemont (Hon. Mr. Lemieux) asked what is being done to get some return in toil for the relief granted. These camps are the answer. There the men have to do a specific amount of work each day. They get certain things beyond the range of mere subsistence, and twenty cents a day. Necessarily this avenue of support is available only to single men. You cannot take married men from their families and place them in militia camps under discipline; but it is not too much to ask of single men, and consequently it is the field in which this relief has principally been given. Honourable members have read, and probably have heard, severe criticisms of these camps.

Hon. Mr. HUGHES: I have heard good reports.

Right Hon. Mr. MEIGHEN: I have heard the best reports, and it is my experience that the more intelligent the informer the better the report. But who has not heard these loud screams against "slave camps"? In our cities some people are roaring about them every week, and are getting encouragement from certain newspapers whose main interests lie along the line of circulation. Consequently there is always a measure of social disturbance.

Right Hon. Mr. MEIGHEN.

ance when any force of legislation or administrative power is applied to compel people to work. That is the difficulty in the way of doing more along the line of the request of the honourable gentleman from Rougemont (Hon. Mr. Lemieux). I agree with the honourable senator from King's (Hon. Mr. Hughes). In the whole history of our relief administration nothing has been more creditable than these very camps of the Department of National Defence and the Department of the Interior.

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

The Senate adjourned until to-morrow at 3 p.m.

THE SENATE

Thursday, April 19, 1934.

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

Prayers and routine proceedings.

FRUIT AND HONEY BILL

CONSIDERED IN COMMITTEE

Hon. Mr. DONNELLY, Chairman of the Standing Committee on Agriculture and Forestry, presented the report of the Committee on Bill 26, an Act respecting Fruit and Honey, and moved concurrence therein.

The motion was agreed to.

Right Hon. Mr. MEIGHEN: If there is no objection, I should like to have the Bill read the third time now. The next sitting of the House will not be until next week. If anyone so desires, we can go into Committee on the Bill. It has already been before the Committee on Agriculture, and I am sure the Chairman of that Committee would be glad to explain any feature of it.

Hon. Mr. CASGRAIN: Carried.

Hon. Mr. SINCLAIR: There is one clause of this Bill to which I wish to call attention, and I think we might better go into Committee of the Whole.

Right Hon. Mr. MEIGHEN: All right.

On motion of Right Hon. Mr. Meighen, the Senate went into Committee on the Bill.

Hon. Mr. McLennan in the Chair.

On section 2—definitions:

Hon. Mr. DONNELLY: Honourable members, as I said before, this Bill was submitted

to the Standing Committee on Agriculture and Forestry. Mr. McIntosh, representing the Department of Agriculture, appeared before the Committee and gave a clear and full explanation of different parts of the Bill.

The measure is in three parts. The first part authorizes the Minister to make regulations in respect to grades, packing, inspection, and so on. The purpose of the second part is to authorize the department to license brokers and commission houses dealing in fruits and vegetables. By way of showing the necessity for such licensing, the representative of the department told us of an instance of a fruit brokerage firm having gone into liquidation, and the consequential loss of many thousands of dollars by consignors of fruit. The concern reorganized under another name, and later made a second assignment. Now it is reorganized for the third time. The department proposes to meet such cases by bonding brokers and commission men who deal in fruit and vegetables. The amount of the bond suggested was around \$10,000, and I understand the intention is that the licence fee should be merely nominal.

The third part of the Bill provides for the grading, inspection and assembling of honey for export. It makes applicable to honey certain conditions similar to those which now apply to fruit.

The honourable gentleman from Queen's (Hon. Mr. Sinclair) has asked a question which I believe refers to subsection k of section 37. This section provides:

The Minister may from time to time make regulations:

(k) to prescribe punishment for the violation of any regulation including maximum and minimum fines not exceeding two hundred dollars and imprisonment not exceeding one month for default in payment of any such fine.

The point raised by the honourable gentleman, as I understand it, is that the minimum fine in each instance should be fixed by the magistrate before whom the case is tried. The maximum is fixed by the subsection. I think the honourable gentleman would like to have the opinion of the right honourable leader on that point.

Right Hon. Mr. MEIGHEN: Perhaps it would be better to take up the Bill clause by clause.

Section 2 was agreed to.

Section 3 was agreed to.

On section 4—grading, packing, etc., to be according to Act and regulations:

Right Hon. Mr. GRAHAM: Would any of these regulations conflict with provincial regulations?

Right Hon. Mr. MEIGHEN: I am unable to answer that question definitely. The House will see that the Bill deals with interprovincial trade. I note especially that the heading of Part II is "Licensing of Interprovincial Traders." I should not care to take the responsibility of saying that a comparison of the provisions of this measure with provincial acts would show neither duplication nor conflict, but I presume that question was given due consideration by the department when the drafting was being done.

Hon. Mr. DONNELLY: The Committee was assured by the representative of the department that if there was any conflict between the federal and the provincial authorities the matter would be adjusted between them.

Right Hon. Mr. MEIGHEN: If Parliament passes an Act that conflicts with provincial legislation, the department cannot change it.

Hon. Mr. McMEANS: Would this section apply to imported fruit?

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. LITTLE: To imported fruit of a kind or variety grown in Canada, the departmental representative told us this morning.

Right Hon. Mr. MEIGHEN: Well, that can be looked after all right.

Section 4 was agreed to.

On section 5—fraudulent grading:

Hon. Mr. McMEANS: I am not objecting to the section, but I should like a little further information. Would these provisions apply, for instance, to strawberries, gooseberries, and other fruit grown at home and offered for sale on the markets?

Right Hon. Mr. MEIGHEN: In interprovincial trade, yes.

Hon. Mr. McMEANS: If a man grew fruit in his own garden, and offered it for sale on the market, would he come under these regulations?

Hon. Mr. DONNELLY: If it was offered for sale outside his own province.

Right Hon. Mr. MEIGHEN: The purport of the Bill is the regulation of interprovincial trade. I think it goes no further. The measure can be justified constitutionally only on the ground of jurisdiction in trade and commerce, but that cannot be carried so far as to interfere with property and civil rights. If any honourable member feels that the Bill in any way exceeds that jurisdiction, I should be glad to have the matter pointed out.

Section 5 was agreed to.

Sections 6 to 21, inclusive, were agreed to.

On section 22—offences against sections 4 to 15:

Right Hon. Mr. MEIGHEN: This section deals with penalties for specific offences. I understand the point raised by the honourable senator from Queen's (Hon. Mr. Sinclair) has to do with paragraph k of section 37, by which the Minister is given power to make, among other regulations, the following:

to prescribe punishment for the violation of any regulation including maximum and minimum fines not exceeding two hundred dollars and imprisonment not exceeding one month for default in payment of any such fine.

The House will appreciate the honourable senator's point. Section 22 prescribes maximum and minimum penalties for certain offences; but section 37 gives the Minister power to do the same thing. Paragraph k of section 37 would appear to overlap section 22.

Hon. Mr. McMEANS: Section 37 relates to honey only.

Right Hon. Mr. MEIGHEN: Yes, Part III relates only to honey. It is pretty difficult to understand why Parliament has to fix the penalty in relation to fruit, while the Minister has to do so in relation to honey.

Hon. Mr. DONNELLY: Section 42 has relation to both honey and fruit.

Hon. Mr. SINCLAIR: I felt it was important that the duties of the Minister should be discussed.

Right Hon. Mr. MEIGHEN: Then this section is all right.

Section 22 was agreed to.

On section 23—detention of fruit:

Right Hon. Mr. GRAHAM: This section empowers an inspector to detain fruit until the package is made to comply with the law. Fruit is perishable, and if you are going to detain it very long you might as well give it to the poor.

Right Hon. Mr. MEIGHEN: I presume the power is necessary in order that the Act may be made effective.

Hon. Mr. McMEANS: The fruit could be destroyed if in an unfit condition.

Hon. Mr. BARNARD: Watermelons keep a long time.

Right Hon. Mr. GRAHAM: It depends on the population. I am not orthodox. To my mind we already have too many regulations to restrict trade.

Section 23 was agreed to.

Sections 24 to 27, inclusive, were agreed to.

Right Hon. Mr. MEIGHEN:

On section 28—appointment of inspectors:

Hon. Mr. BARNARD: Does the passage of this Bill involve the appointment of a large corps of inspectors throughout the country? It seems to me we are pretty nearly inspected to death already.

Right Hon. Mr. GRAHAM: That is my opinion.

Right Hon. Mr. MEIGHEN: There is no use in enacting legislation if there is no one to enforce its provisions.

Hon. Mr. BARNARD: There are already a good many inspectors who might have these duties added to those they do not now perform.

Hon. Mr. LYNCH-STAUNTON: We have in one factory in Hamilton nineteen inspectors. We can spare some of them.

Right Hon. Mr. MEIGHEN: Probably their services can be used.

Hon. Mr. SINCLAIR: The departmental officials explained that inspection under the Fruit Act, as under the Vegetable Act, is paid for by a carload fee. It is not a charge upon the revenues.

Right Hon. Mr. MEIGHEN: Perhaps the chairman of the standing committee which dealt with this Bill (Hon. Mr. Donnelly) could tell us what was said by the officer of the department as to whether the present inspectors would be available.

Hon. Mr. DONNELLY: I do not remember his making any statement in regard to it.

Hon. Mr. MURDOCK: As I read this Bill, the Civil Service Commission will determine when appointments shall be made.

Right Hon. Mr. MEIGHEN: Undoubtedly. But I am wondering whether under this section the Minister can, without reference to the Civil Service Commission, devolve the duties upon a man already in the department.

Hon. Mr. SINCLAIR: Oh, yes; there is a corps of inspectors.

Right Hon. Mr. MEIGHEN: Suppose John Smith is an inspector in the Department of Agriculture and not too busy. Can the Minister appoint him, or has the appointment to be made by the Civil Service Commission?

Hon. Mr. MURDOCK: If my right honourable friend will look at the Act of 1927 he will find therein a section similar to section 28.

Right Hon. Mr. GRAHAM: How was it worked?

Hon. Mr. MURDOCK: The Department of Agriculture has a considerable corps of inspectors doing similar work under the old Act. Presumably the duties under this Act will be performed by those inspectors.

Right Hon. Mr. MEIGHEN: No doubt they will be continued.

Hon. Mr. LITTLE: At the meeting of the standing committee this morning a representative of the Department of Agriculture, in answer to the question whether any grower would be hindered through being too far away from the present inspectors, said the country was divided into six districts, and, if required, inspectors would be available without any undue delay.

Right Hon. Mr. MEIGHEN: And the inspectors are now at work?

Hon. Mr. LITTLE: Yes.

Hon. Mr. SHARPE: My understanding was that there would be no new inspectors put on, but that the old ones would do this work.

Section 28 was agreed to.

On section 29—Act repealed:

Right Hon. Mr. GRAHAM: Honourable members, I suppose it is contrary to the rules of the House to speak against the principle of a Bill in Committee of the Whole, but if you will permit me I should like to express my views with regard to this tinkering at interprovincial trade. Each province is treating every other province almost as though it were a foreign country. Take a man living in Ottawa, for instance, who wants to sell his goods in the province of Quebec, say in the city of Hull. If he sells in the city of Hull he is subject to a restriction that does not apply if he sells in the city of Ottawa. Under this Bill the reverse should be the case. If each province makes laws that interfere with interprovincial trade the country is going to be divided up into separate entities, which will be a source of weakness instead of strength. Honourable gentlemen will remember the legislation that prevented the bringing of liquor from one province into another. A man coming into Ontario with liquor from the province of Quebec was subject to a penalty, and vice versa. I believe that trade, at least that between provinces of the Dominion of Canada, should be free and unrestricted. These little pin pricks that we are delivering to each other, particularly when we are looking for all the trade we can get, are not, I am sure, in the best interest of the country.

Hon. Mr. SINCLAIR: If my right honourable friend from Eganville would take the time to look into the principle of the Bill, I think he would not take the view he does. This Bill applies to inspection and grading, and will be of benefit to trade. It has been asked for by all the organizations and merchants dealing in fruit. A list of these was given to the Committee this morning by the Fruit Commissioner. The clause in regard to detention refers only to fruit that has not a certificate of grade attached to the bill of lading. If a certificate is attached, it is not an offence to ship the fruit. The same system of inspection applies to vegetables under another Act, and has been of great benefit to the producer, the wholesaler, the dealer, the purchaser and others, because it does away with the shipping of perishable products that are not worth shipping. When this certificate is attached there is no trouble if the consignees object to the grade; the shipper can call upon the inspection service for a reinspection at destination, and have the grade established.

I heartily support the Bill with the exception of the clause that I referred to in the committee. As there was no member of the legal profession on the committee dealing with the Bill, I thought it well that this point should be brought up in the House.

Hon. Mr. CALDER: I am not quite certain that I understand the situation, and if I can, I should like to secure some information. At first I was under the impression that this was an entirely new Bill, but I understand now that it is simply a revision of the old law. We grade all sorts of things that are handled commercially, such as hay, wheat, beef, fish and so on; so there is nothing new in placing a restriction on things of this kind. It is done in the public interest, and as has just been said by the honourable senator from Queen's (Hon. Mr. Sinclair), it is in the interest of the grower and of the dealer as well. So, as I understand it, we are not restricting trade by this measure, but are improving conditions so far as the right kind of trade is concerned.

I should like to know whether this Bill proposes any new plans or schemes that were not provided for under the old law.

Hon. Mr. DONNELLY: This is not an amending Bill. Sections 1 to 29 take the place of the provisions of the existing law on the same subject. This Bill is supposed by the department to be an improvement on the Act.

With reference to the objection raised by the right honourable senator from Eganville (Right Hon. Mr. Graham) I may say that Part II of the Bill deals not with inspection, but with the bonding and licensing of commission houses and brokers carrying on inter-provincial trade.

Hon. Mr. CALDER: Is this new?

Hon. Mr. DONNELLY: I think it is. Very good reasons were given for the bonding of such commission houses and brokers.

Hon. Mr. GILLIS: The position of the department was made clear this morning. It was stated that some six thousand copies of this Bill had been distributed among the various growers and the fruit organizations throughout Canada, and they were all perfectly satisfied with its provisions. That being so, I do not see why we should make any change in it.

Hon. Mr. MURDOCK: If we look at the explanatory note opposite paragraph g of section 3, we find that the purpose of this paragraph is to enable the growers or shippers of any province to avail themselves of compulsory grades or compulsory inspection, or to provide necessary restrictions in the movement of fruit which might be detrimental to the interests of the growers. I distinctly remember that some years ago a great clamour was raised in the province of British Columbia for something of that kind. It was said that fruit from the State of Washington and other places was being dumped into the province. As one who once had a little to do with the fruit business, I think this Bill, so far as I have been able to analyse it, will reasonably conserve the rights of the growers and shippers in each of the provinces of Canada.

Section 29 was agreed to.

On section 30—definitions:

Right Hon. Mr. MEIGHEN: These clauses are new, I understand.

Right Hon. Mr. GRAHAM: A "dealer" does not have to sell as many carloads as a "retail dealer." Those definitions would seem to be reversed.

Right Hon. Mr. MEIGHEN: I presume the purpose of the Bill is to control the wholesale handling of fruit, and if a retail dealer is in business in such a small way that he does not handle ten carloads he is exempt and does not require a licence.

Right Hon. Mr. GRAHAM: That is all right.

Hon. Mr. DONNELLY.

Hon. Mr. DONNELLY: The main purpose of this part of the Bill is to protect the fruit grower from being defrauded by the commission agent.

Hon. Mr. MURDOCK: I am afraid this is a mistake. I have in mind the great discontent that arose in connection with three carloads of fruit from the State of Washington that were landed in British Columbia, one of which was sent to Calgary, one to Edmonton and one to Regina. It seems to me that the shipper can defeat the intent of this law by inscribing on the package the name of some other individual and representing him to be the person who is sending the fruit. Anything less than five carloads can go through free. I do not think that is right.

Right Hon. Mr. MEIGHEN: I suggest that we let this clause stand. I do not understand it.

Section 30 stands.

Sections 31 to 33, inclusive, were agreed to.

On section 34—regulations:

Hon. Mr. SINCLAIR: There is a point here that I think is worthy of the consideration of the House. Honourable members will notice that under paragraph a the Minister is given power

—to prescribe the conditions respecting applications for and the issue of licences, the duration of same and the fees to be paid therefor.

In the committee I raised a question as to the amount of the fee, and the official of the department said it would be substantial. I think it should be a nominal fee. Departmental control can be exercised by the bonding right and the refusal to issue licences rather than by means of a substantial fee, which would increase the cost of distribution.

Right Hon. Mr. MEIGHEN: I cannot contest the wisdom of the honourable senator's view, but I think the clause is best which gives the Minister power to fix the conditions under which applications shall be received, licences granted, and fees paid. The fees will vary. As to whether they should be large or small, probably the view of the honourable senator is right.

Hon. Mr. SMITH: The Commissioner suggested that the fees would be from \$30 to \$100.

Right Hon. Mr. MEIGHEN: That is pretty high, too.

Section 34 was agreed to.

Section 35 was agreed to.

On section 36—definition:

Right Hon. Mr. GRAHAM: This refers to "export" from one province to another?

Right Hon. Mr. MEIGHEN: Or outside of Canada.

Right Hon. Mr. GRAHAM: I do not like to see that.

Right Hon. Mr. MEIGHEN: The honourable senator is quite right. Because of our federal system we have drifted into very dangerous by-paths in leaving each province to look after itself. Not long ago we had one province saying, through its Prime Minister, that its neighbour should not sell it so-and-so. I should like to name the article, but if I did I might identify the province. That sort of thing leads to retaliation, the other province saying, "We are not going to let any contract to a firm in your province." That is exactly what should not take place; but I do not know how, with our Constitution as it is to-day, we are going to avoid it. Only the Federal Parliament can control inter-provincial trade, as is sought to be done by this Bill, but the provinces can make laws as to buying and selling within their own boundaries. In consequence we have built up in this country interrelated systems which are complicated and altogether out of harmony with conditions of trade. That method of control may be all right in matters of language, education and religion, but in the realm of business and finance it is cumbersome, grotesque, monstrous—just as unsuitable as a fur coat on a hot day in July.

Hon. Mr. CASGRAIN: Does not the British North America Act say that there shall be free trade between the provinces?

Right Hon. Mr. MEIGHEN: Yes. But even aside from tariffs you cannot have absolute freedom in regard to trade any more than you can in regard to property and social relations. You must have discipline; you must establish moral principles that are acceptable everywhere. Freedom cannot exist in the sphere of social relations, and conditions are pretty much the same in the sphere with which we are dealing.

Section 36 was agreed to.

On section 37—regulations:

Right Hon. Mr. MEIGHEN: In paragraph k we come to the point raised by the honourable senator from Queen's (Hon. Mr. Sinclair). I do not doubt that this method of providing for penalties has been adopted before, but I think it is not a good one. The law should

state the maximum and the minimum punishment, and in every individual case the magistrate ought to exercise his discretion. By section 22 Parliament fixes the range of penalties for offences with respect to fruit. Why should the responsibility be transferred to the Minister when honey is involved?

Right Hon. Mr. GRAHAM: That is nearly as absurd as the use of the word "export."

Right Hon. Mr. MEIGHEN: Yes, pretty nearly. I am sure the Chairman of the Committee will be glad to confer again with the departmental official, and reconvene the Committee if necessary, so as to have this section reframed to specify both maximum and minimum terms. I do not know what fines would be appropriate, but I think there would be no difficulty in deciding upon them if such a conference as I have suggested were held.

Hon. Mr. BLACK: And at the same time could not something be done to eliminate the word "export" as applying to trade between provinces?

Right Hon. Mr. MEIGHEN: Of course it does not matter what name is applied to the trade, but that term does seem inappropriate.

Right Hon. Mr. GRAHAM: It is not customary to call interprovincial trade "exports."

Right Hon. Mr. MEIGHEN: No. It would be better to have the word changed. I do not think it is wise to embalm in legislation the designation of a transfer of commodities from Ontario to Quebec, for instance, as an export.

Hon. Mr. SMITH: Does not section 42 apply in this connection?

Right Hon. Mr. MEIGHEN: The objection is only to the use of the word "export."

Right Hon. Mr. GRAHAM: We shall soon have an immigration policy applying between one province and another.

Section 37 stands.

Sections 38 to 42, inclusive, were agreed to. Progress was reported.

CANADIAN AND BRITISH INSURANCE COMPANIES BILL

REPORT OF COMMITTEE

Hon. F. B. BLACK presented the report of the Standing Committee on Banking and Commerce on Bill F, an Act to amend the Canadian and British Insurance Companies Act, 1932.

He said: Honourable senators, this Bill has been the subject of consideration at some eighteen or twenty sessions of the Committee

on Banking and Commerce over the past five or six weeks. The amendments made by the Committee are so numerous that I suggest, subject to the approval of the House, that they be not read by the Clerk.

The Hon. the SPEAKER: When shall these amendments be taken into consideration?

Right Hon. Mr. MEIGHEN moved that the report of the Committee be taken into consideration at the next sitting of the House.

The motion was agreed to.

ST. LAWRENCE WATERWAY TREATY INQUIRY DROPPED

On the notice of inquiry:

By Hon. Mr. Lemieux:

1. The Waterway Treaty between Canada and the United States having been rejected by the United States Senate, what is now the intention of the Government?

2. Would it not be proper for Canada to now declare officially that negotiations are ended?

Hon. Mr. HUGHES: Honourable senators, in the absence of the honourable gentleman from Rougemont (Hon. Mr. Lemieux) I beg leave to make the inquiry standing in his name.

Right Hon. Mr. MEIGHEN: Honourable senators, I presume it would be possible to give an answer, but it seems to me that this question is not of a kind admissible under the heading of "Inquiries." The honourable gentleman asks:

1. The Waterway Treaty between Canada and the United States having been rejected by the United States Senate, what is now the intention of the Government?

2. Would it not be proper for Canada to now declare officially that negotiations are ended?

Hon. Mr. CASGRAIN: That is not a question.

Right Hon. Mr. MEIGHEN: It is not really an inquiry. It would be just as appropriate to put on the Order Paper a question like this: "What is the tariff policy of the Administration?"

Right Hon. Mr. GRAHAM: The inquirer would probably get about the same answer in each case.

Right Hon. Mr. MEIGHEN: I think the inquiry is out of order. It would not require much ingenuity to frame an answer that would sound very plausible, but mean very little.

Right Hon. Mr. GRAHAM: There is no doubt about that.

The Hon. the SPEAKER: The inquiry is dropped.

Hon. Mr. BLACK.

RELIEF BILL

CONSIDERED IN COMMITTEE

On motion of Right Hon. Mr. Meighen, the Senate went into Committee on Bill 42, an Act respecting Relief Measures.

Hon. Mr. Gillis in the Chair.

On section 2—agreements with provinces:

Right Hon. Mr. MEIGHEN: This is a very important section. It authorizes, among other things, the granting of financial assistance to Canadian Co-operative Wheat Producers Limited. This is, as everyone knows, the organization now being managed by Mr. McFarland, which was formed to take care of the sales of the different wheat pools in the West. Some years ago—I think it was in 1931—the pools found themselves in a rather difficult situation, and this selling medium was organized to enable them to carry through. The interests of farmers, and more particularly of grain growers, were deeply and vitally involved, and the Government had to come to the rescue, because there were provincial commitments which could not be taken care of and it was necessary to provide finances on a very large scale in order to avoid collapses which would have been disastrous to grain producers. I think this section 2 is the same as the corresponding section in the relief measures of previous years.

Right Hon. Mr. GRAHAM: The Wheat Pool was not a great success, was it?

Right Hon. Mr. MEIGHEN: No. It did not measure up to the high-sounding terms of the manifesto.

Section 2 was agreed to.

Section 3 was agreed to.

On section 4—further powers of Governor in Council:

Right Hon. Mr. GRAHAM: Are there any further powers that could be given to the Governor in Council?

Right Hon. Mr. MEIGHEN: Yes. This section does nothing more than confer upon the Governor in Council the powers that are covered by one clause of section 91 of the British North America Act. There is no attempt here to follow the example of one of the provinces, in which between sessions of the Legislature the Lieutenant-Governor in Council has all the powers enumerated in section 92.

Section 4 was agreed to.

Section 5 was agreed to.

On section 6—orders and regulations:

Right Hon. Mr. MEIGHEN: There is no change whatever in these sections.

Section 6 was agreed to.

On section 7—enforcement of orders and regulations:

Right Hon. Mr. MEIGHEN: This is just the same as before.

Section 7 was agreed to.

On section 8—orders and regulations laid before Parliament:

Right Hon. Mr. MEIGHEN: This is the same also.

Section 8 was agreed to.

On section 9—report to Parliament:

Right Hon. Mr. MEIGHEN: There is no change here either.

Section 9 was agreed to.

On section 10—payment of delayed accounts in excess of amount authorized:

Right Hon. Mr. MEIGHEN: The purpose of this section is to authorize the payment this year of obligations incurred in the previous year, for which accounts may be received after March 31, notwithstanding that the payment of such accounts may cause the total expenditure for relief granted last year to exceed the sum voted. I cannot state the exact amount by which the accounts will exceed the appropriation, nor am I sure that there will actually be any excess. Details in this respect were, I think, given in another place.

Section 10 was agreed to.

On section 11—duration of Act:

Right Hon. Mr. MEIGHEN: This section fixes the date of the expiry of the measure, but keeps alive the power to pay any obligation incurred prior to that date.

Right Hon. Mr. GRAHAM: I suppose that if the liabilities exceeded the amount of the appropriation, there would have to be a re-vote.

Right Hon. Mr. MEIGHEN: Yes.

Right Hon. Mr. GRAHAM: Honourable members, I presume that we might, if we so desired, engage in considerable discussion over many of the clauses in this measure. We probably should be justified in expressing our own opinions, as well as some that we have read or listened to elsewhere. Exception might be taken to one or two clauses in the Bill, but I am not disposed to spend

any time in discussing the measure at present. Our consent to the passage of the Bill does not imply that we are in entire agreement with all the details. The whole thing has been considered in a thorough manner by the elected representatives of the people, in whom is vested the responsibility for public expenditures in this country. For my part, I realize that in dealing with the relief situation the Government has a monumental task. The problem is different from anything that we have hitherto experienced. No government, parliament, or individual in Canada ever had a graver duty than that which rests upon those responsible for the carrying on of this relief work. We all hope that before another year rolls around the volume of employment will have greatly increased, and that Canadians will have resumed their usually happy outlook.

Section 11 was agreed to.

The title and the preamble were agreed to.

The Bill was reported.

THIRD READING

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

He said: Honourable members, before leaving the Chamber in response to an important message, the right honourable leader asked me to apologize for his absence and to move that the third reading be taken now if there is no objection.

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

PRIVATE BILL

THIRD READING

Bill M, an Act to amend an Act to incorporate the Discount and Loan Corporation of Canada, as amended.—Hon. Mr. Marcotte.

CRIMINAL CODE (RACE MEETINGS) BILL

THIRD READING

Bill 35, an Act to amend the Criminal Code (Race meetings).—Hon. Mr. Tanner.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. McMEANS, Chairman of the Committee on Divorce, presented the following Bills, which were severally read the first time:

Bill S, an Act for the relief of Lucy Doris Cannon.

Bill T, an Act for the relief of Helen Isabelle Smith Maybee.

Bill U, an Act for the relief of Sybil Eileen Dyson Richardson.

Bill V, an Act for the relief of Bertha Alice Maude Maher Burke.

Bill X, an Act for the relief of William James Thistle.

SECOND READINGS

On motion of Hon. Mr. McMeans, Chairman of the Committee on Divorce, the following Bills were read the second time:

Bill N, an Act for the relief of Archibald Bruce Elliott Smart.

Bill O, an Act for the relief of Lilac Violet Grumbell Reid.

Bill P, an Act for the relief of Lily Archer Watson.

Bill Q, an Act for the relief of Annie Isabel Tinning Meldrum.

Bill R, an Act for the relief of Lois Theresa Malcolm.

The Senate adjourned during pleasure.

After some time the sitting was resumed.

THE ROYAL ASSENT

Right Hon. Mr. MEIGHEN: I am sorry that I was unable to be present in the Chamber when the Senate was concluding its work. I am sorry also that by reason of what I learned during my absence, I am compelled to announce to the House that we shall have to meet to-morrow for the Royal Assent.

Hon. Mr. POPE: Not Monday?

Right Hon. Mr. MEIGHEN: I did think of Monday, and perhaps mentioned it to my honourable friend; but it was felt that it would be more convenient to meet to-morrow. I regret this very much, because I informed several senators that the House would not be sitting to-morrow. I had no knowledge of any immediate necessity of a Royal Assent. This immediate necessity is occasioned entirely by the Relief Bill. Consequently I shall move that the House adjourn until to-morrow at 3 o'clock. I think there will be certain work to be done then, and when it is concluded the House will probably adjourn during pleasure, or until the hour fixed for the Royal Assent.

Right Hon. Mr. GRAHAM: That will be to-morrow.

Right Hon. Mr. MEIGHEN: To-morrow.

Hon. Mr. POPE: The Royal Assent cannot be given to-day?

Right Hon. Mr. MEIGHEN: No.

The Senate adjourned until to-morrow at 3 p.m.

Hon. Mr. McMEANS.

THE SENATE

Friday, April 20, 1934.

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

Prayers and routine proceedings.

THE ROYAL ASSENT

The Hon. the Speaker informed the Senate that he had received a communication from the Deputy Assistant Secretary to the Governor General, acquainting him that the Right Honourable Sir Lyman P. Duff, acting as Deputy to the Governor General, would proceed to the Senate Chamber this day at 5 p.m. for the purpose of giving the Royal Assent to certain Bills.

LIVE STOCK AND LIVE STOCK PRODUCTS BILL

FIRST READING

Bill 40, an Act to amend the Live Stock and Live Stock Products Act.—Right Hon. Mr. Meighen.

DAIRY INDUSTRY BILL

THIRD READING

Bill 38, an Act to amend the Dairy Industry Act.—Right Hon. Mr. Meighen.

DESTRUCTIVE INSECT AND PEST BILL

THIRD READING

Bill 39, an Act to amend the Destructive Insect and Pest Act.—Right Hon. Mr. Meighen.

DIVORCE BILLS

THIRD READINGS

On motion of Hon. Mr. McMeans, Chairman of the Committee on Divorce, the following Bills were read the third time, and passed:

Bill N, an Act for the relief of Archibald Bruce Elliott Smart.

Bill O, an Act for the relief of Lilac Violet Grumbell Reid.

Bill P, an Act for the relief of Lily Archer Watson.

Bill Q, an Act for the relief of Annie Isabel Tinning Meldrum.

Bill R, an Act for the relief of Lois Theresa Malcolm.

The Senate adjourned during pleasure.

THE ROYAL ASSENT

The Right Honourable Sir Lyman P. Duff, the Deputy of the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Right Honourable the Deputy of the Governor General was pleased to give the Royal Assent to the following Bills:

An Act for the relief of Gertrude Ethel Mosgrove Roast.

An Act for the relief of Clara Dingman Freeman.

An Act for the relief of Marguerite Pearl Hopper.

An Act for the relief of Sadye Harris Rosenberg.

An Act for the relief of Eva Brabant Paradis.

An Act for the relief of Williamina Muir Briggs.

An Act respecting Prudential Trust Company, Limited.

An Act to ratify and confirm an agreement respecting the joint use by His Majesty and the Commissioners of the Transcontinental Railway of certain tracks and premises of the Canadian Pacific Railway Company at Quebec.

An Act respecting Relief Measures.

An Act to amend the Criminal Code. (Race meetings.)

An Act to amend the Precious Metals Marking Act, 1928.

An Act to amend the Dairy Industry Act.

An Act to amend the Destructive Insect and Pest Act.

The Right Honourable the Deputy of the Governor General was pleased to retire.

The House of Commons withdrew.

The sitting of the Senate was resumed.

The Senate adjourned until Tuesday, April 24, at 8 p.m.

THE SENATE

Tuesday, April 24, 1934.

The Senate met at 8 p.m., the Speaker in the Chair.

Prayers and routine proceedings.

MACMILLAN REPORT

INQUIRY

Hon. Mr. CASGRAIN inquired of the Government:

1. What has been the total cost to the Government of the Macmillan Report?
2. How much for transportation?
3. How much for living allowances?
4. How much for stenographers?
5. How much for clerical work?
6. How much for printing?

Right Hon. Mr. MEIGHEN: The answer to the honourable gentleman's inquiry is as follows:

1. \$30,953.41.
2. \$8,435.32.
3. No living allowances were paid, only actual disbursements.
4. \$9,061.20 paid to official reporter and \$385.52 to Commission's stenographic staff.
5. \$333.87.
6. The cost of printing the report, not included in the above figure of total cost, was \$2,427.57, all of which has been recovered through sales.

ALLEGED FLOGGING OF INDIAN BOYS

Before the Orders of the Day:

Hon. J. LEWIS: Honourable senators, before the Orders of the Day are called, I desire to direct attention to a Canadian Press report describing the flogging of nineteen Indian boys at the reservation school at Shubenacadie in connection with an alleged theft of \$53. According to this report, the principal of the school said that the beatings had been administered not as punishment, but to elicit information about the missing money. Unless he is misreported, his statement makes the occurrence a great deal worse, for apparently the boys were virtually put through the third degree.

I am glad to see that the Department of the Interior is investigating the matter. I presume the Department of Justice is also interested, as a member of the Royal Canadian Mounted Police was present.

I trust the inquiry will be so searching as to show that we recognize our duty to protect these helpless wards of the nation.

Right Hon. Mr. MEIGHEN: I had not heard of this report. I trust it is not correct. It would be the Department of Indian Affairs, not the Interior Department, that would conduct the investigation. Sometimes we need protection against false reports rather than against officials.

DIVORCE BILLS

SECOND READINGS

On motion of Hon. Mr. McMeans, Chairman of the Committee on Divorce, the following Bills were read the second time:

Bill S, an Act for the relief of Lucy Doris Cannon.

Bill T, an Act for the relief of Helen Isabelle Smith Maybee.

Bill U, an Act for the relief of Sybil Eileen Dyson Richardson.

Bill V, an Act for the relief of Bertha Alice Maude Maher Burke.

Bill W, an Act for the relief William James Thistle.

LEAGUE OF NATIONS

MOTION—DISCUSSION CONTINUED

The Senate resumed from Tuesday, April 17, the adjourned debate on the motion by Hon. Mr. McRae:

That this House is of the opinion that Canada should withdraw from membership in the League of Nations, and that no further money should be voted to the League.

Hon. JAMES MURDOCK: Honourable senators, I note with some regret that the honourable senator from Vancouver (Hon. Mr. McRae) is not in his seat, as I should much prefer that he should hear what I have to say. If to-night I were going to undertake to preach a sermon instead of making a few remarks on this important question, my text would be found in the first four words of Matthew, 7: 15.

On March 21 the honourable senator from Vancouver gave notice that on April 17 he would move for Canada's withdrawal from membership in the League of Nations. He gave four specific reasons for this proposal: first, the failure of the League of Nations to attain the object for which it was founded; second, the present deplorable preparations for war; third, the responsibility that may rest on Canada to take part in future wars; fourth, the annual payments to the League.

On April 17 the honourable senator gave us a carefully prepared and somewhat lengthy address on the subject of his proposals. Among the remarks, excellent from his point of view, contained in that address, we find one or two that are worthy of being noticed before the proposal is taken fully under advisement. He said:

I wish I could arouse in the heart of every Canadian mother with a son who is of military age, or will become available for service in the next ten years, a realization of the obligation which, with our high ideals, we are liable to incur if we continue as a member of the League to sit at the European council table, surrounded as it is with distrust, disloyalty, racial hatreds and ambitions, all of which lead to war.

With that I do not disagree. In many respects the picture is as the honourable senator paints it. But then he proceeds to indicate the one way in which Canada may reach the all to be desired object of keeping out of war and may at the same time, I should hope, stand with head erect, proud and unshamed. Here is his plan:

The road is open, clear and certain, and tests the sincerity of the nations that say they want world peace. I refer to the total discontinuance by all nations of the manufacture and sale of armaments and munitions of war. Such a policy fully enforced would end war at no distant date.

Right Hon. Mr. MEIGHEN.

To me this is most arrant nonsense if we sincerely desire to keep Canada and the other nations of the world clear of war. I well remember the conditions surrounding this country in 1914, and the conditions surrounding the United States in 1915 and 1916, yes, and in April of 1917, when that country went into the War. As a railroad man I recall full well the time when a four-dollar-a-day brakeman could quit his job, go over the fence and get eight or ten dollars a day for making munitions, and, because of the rush and hurry, a ten per cent bonus. The honourable gentleman's proposal would simply have this result, which I am sure is desired by many—and I do not refer to the honourable senator—the creation of many additional millionaires by means of the opportunities that would come to industry and to individuals in the event of unforeseen war striking Canada or any other nation or group of nations in the world. Such an event would have a tendency to speed up the equipment of factories for manufacturing the necessary implements of war, and if that proposal were put into effect we should no doubt have a repetition of some of the conditions that we had in the past.

Hon. Mr. HUGHES: But if all nations in the world adopted that policy, how could we have such conditions?

Hon. Mr. MURDOCK: My honourable friend's suggestion is entirely right. If all nations in the world adopted that policy the effect would be altogether desirable. But in the meantime is Canada, which has such a proud heritage, going to lie down and sulk in the background until all the other nations manage to come, without the advice or assistance of this country, to see the situation in the same light that my honourable friends from King's (Hon. Mr. Hughes) and from Vancouver (Hon. Mr. McRae) see it?

On March 21 the honourable senator from Vancouver placed on the Order Paper sixteen questions relating to the League. They are important questions, which we all should be able to answer, but I frankly admit that I did not know the answer to a number of them until I saw the return that was brought down. During the course of his address on the 17th of this month the honourable senator himself answered a number of these questions, but he did not give details with respect to them all. I think that some of these details should be stated now, in order that they may appear on the record for future reference. The honourable gentleman's questions numbered 1 to 5 have to do with matters of salary and expenses.

Right Hon. Mr. MEIGHEN: When were the questions asked?

Hon. Mr. MURDOCK: On March 21. They appear in the Minutes of the Proceedings of March 22. The first five questions, with their answers, were as follows:

1. What was the salary of the Canadian Advisory Officer of the League of Nations and what are the other expenses of his office for the year 1932-33?

Salary, Canadian Advisory Officer, 1932-33, \$5,400; other expenses, 1932-33, \$16,598.72.

2. What were the total expenses of Canadian Delegates to the Assembly and all other meetings or conferences connected with the League of Nations during the year 1932-33?

Expenses delegates, League of Nations 1932-33, \$8,098.80; expenses delegates Disarmament Conference, 1932-33, \$11,356.14; International Labour Conference, 1932-33, \$12,005.48.

3. What contribution did Canada make for publications issued by the League of Nations for the year 1932-33?

Contribution for publications, 1932-33, \$645.

4. What was the total sum of money Canada expended in connection with the League of Nations for the year 1932-33, including the Disarmament Conference?

Total that Canada expended, 1932-33, \$278,018.29.

5. What amount of money, if any, did Canada contribute to the Permanent Court of International Justice for the year 1932-33?

Contribution to the Permanent Court of International Justice is part of the general contribution made to the League and consequently no separate payment is made.

Questions numbered 6 to 16 are all interesting and important, but I will not read them all. Question No. 8 was:

What is the basis of assessment for the States—members of the League—to meet the expenditures of the League, and how is it determined?

The answer is:

The Covenant originally stipulated in Article 6, that the expenses should be borne by states members on the basis of the Universal Postal Union system, but experience at once proved that this basis, which operated satisfactorily within the limits of a very restricted budget, was unsuitable for League purposes, and after a series of investigations by an expert committee and discussions in the earlier Assemblies, the Covenant was in 1924 amended to read as follows:

"The expenses of the League shall be borne by the Members of the League in the proportion decided upon by the Assembly."

The Sixth Assembly, after several years of careful investigation, adopted an improved system of allocation of expenses which is still in force. It is based on units which take into consideration such factors as revenue, population, etc., of the various members, and which varies according to the number of members of the League and the amount of the budget. The present unit is 33,016.43 gold francs. The scale of assessment is as follows.

Then follow the names of the various states, fifty-seven all told, which are members of the League.

Question No. 12 asks for:

A list of the members and the assessment in dollars paid by each member for the year 1932-33.

To this the answer is:

The League financial year is the calendar year. Assessment is not in dollars but in gold francs equivalent to 0.3225806 of a gramme of gold, 90 per cent fine. The various dollar currencies fluctuated very considerably during this period.

The list of members and the assessment in francs for 1933 was as follows.

Then follows a list of the member-states, with assessments. I will read into the record, in alphabetical order, the names of the ten states which put up more than a million francs a year for the benefit of the League:

Canada..	1 155,574.93
China..	1,518,755.63
France..	2,608,297.71
Germany..	2,608,297.71
Great Britain..	3,466,724.80
India..	1,848,919.89
Italy..	1,980,985.60
Japan..	1,980,985.60
Poland..	1,056,525.65
Spain..	1 320,657.07

Each of the other forty-seven nations named in the list contributes less than a million gold francs annually for the maintenance of the League.

Question 13 was:

What are the names of the states—members of the League—who sent representatives to any meeting of the League in the year 1933?

In the answer the names of fifty-five states are given.

The last question, No. 16, was:

Have any charges been made during the year 1933 through the contingency votes of any department in connection with the expenses of delegates to the various overseas conferences and commissions and, if so, what departments and the amount of money so charged to each department?

Five items are enumerated in the answer, with the charges in each case, the total of charges being about \$6,000.

There is in the list of questions one that I omitted to refer to, the fourteenth:

Of the nineteen states in arrears in their dues to the League as shown in return of January 31, 1933,—

(a) Have any of these states withdrawn from the League, and, if so, what ones?

(b) Have any of these states paid their arrears, and, if so, what ones?

(c) Have any of these states while in arrears attended and taken part in the deliberations of the League in 1933, and, if so, what ones?

The answer is:

(a) Yes. Germany has given notice of withdrawal.

(b) Australia, Greece, Lithuania, New Zealand, Persia, Poland and Czechoslovakia.

(c) Yes. All except Honduras and the Argentine Republic.

This is the fifteenth question:

Has any state been dropped from membership on non-payment of dues?

This is answered in the negative.

Honourable seantors may think some of this information is not essential, but I submit it is, in connection with certain remarks that I shall have to make.

Let me ask honourable members to carry their minds back to February 1, when the same distinguished senator from Vancouver (Hon. Mr. McRae) took part in the debate on the Address and gave to the House, and, I hope, to the country, a great deal of much-needed advice. In the course of his remarks he made a statement that for the life of me I cannot reconcile with his present proposal that Canada withdraw from the League of Nations. At page 45 of Hansard I find the honourable gentleman reported as follows:

I believe that our future is tied up with the British Empire.

It is difficult to imagine any other sentiment being voiced by a statesman from the westernmost province. I, too, believe that our future is tied up with the British Empire, and for that reason I cannot understand why under present conditions it should be suggested to us that Canada should withdraw from the League of Nations and make no further contribution towards the maintenance of world-wide peace.

Some years ago Rudyard Kipling aroused a good deal of criticism when he wrote *Our Lady of the Snows*. The past winter may tend to make us a little more charitable in our attitude towards him! However, in personifying Canada as the *Lady of the Snows* he gave expression to this splendid thought:

Daughter am I in my mother's house,
But mistress in my own.

I think every red-blooded Canadian on reading those lines has responded, "Yes, truly, that is so." But if the proposal presented by the honourable senator from Vancouver is to be put into effect, we shall have to add to the couplet:

If wars, oppression, smite mother's house,
I must vote my own.

In other words, it is now proposed that we should take no part nor parcel in maintaining peace. Not only so, but when confronted with the question of supporting the Mother Country in time of war we are to

Hon. Mr. MURDOCK.

go out into the highways and byways, from one end of Canada to the other, to find out what red-blooded Canadians with their pride of heritage in the Empire are going to do about rallying to its support. This may be the proper course to take, but still I look back to the 8th day of August, 1914, when I was sitting with some thirty-five or forty associates, sometimes called roughnecks, representing labour and discussing questions that had been before us for months, questions of serious import affecting men who were not by any means getting adequate wages, and we were told the British Empire was at war. What happened? At once we brushed aside all our claims and suggestions in order to devote ourselves to something vastly more important. The British Empire was at war, and nothing else mattered. Now another doctrine is being preached. Maybe it is sound, but I have my doubts.

At the opening of my remarks I said that if I were going to preach a sermon on this important subject I should take for my text the first four words of the 15th verse of the 7th chapter of Matthew: Beware of false prophets. I should regard that as an all-sufficient text on which to base my appeal to the Canadian people on the question now engaging our attention.

Again may I express regret that my honourable friend from Vancouver is not in his seat. However, his absence will not deter me from saying what I intended to say while looking across the aisle at him.

When anyone undertakes to give us advice, naturally we desire to know something about his record. When we are going to engage a lawyer we ascertain his standing at the Bar and whether he will give us conscientious service. And so with the advice proffered us by the honourable senator from Vancouver, we may properly go back into the records to discover whence comes this advice and how deserving it is of our consideration. I find that in 1929 the same distinguished gentleman while in another place was giving advice, indeed virtually issuing an ultimatum in tones of authority based on experience. He made an eloquent address on the settlement of the great Peace River territory. No other than a person with ripe experience and first-hand knowledge of the facts could have delivered such a convincing speech. No real estate salesman could have been more enthusiastic than was the honourable gentleman in his proposals for the advantage of this country. In the light of what has since transpired let us review those observations and see how little worth while they were.

I said last year that the grub hoe and the axe, so far as clearing land is concerned, should be relics of the past.

Then he referred to the statement of the honourable Minister of Immigration and Colonization of that day, that the settlement in the West had been brought about by "people beginning in a small way, humbly adding to their belongings, bit by bit, until the whole country was transformed." My honourable friend after giving this quotation continued:

That was true in the old days, but holds good no longer. It is not in the national interest that they should make such slow progress, even if new settlers would be content to do so. I believe it is just as necessary for us to conserve our man-power as our money.

This brings me to the point I want to make. Kind heaven witnesses the hundreds of thousands of idle men in this Canada of ours at the present time. They and their dependents, if given the opportunity, would be only too glad to use the grub hoe and the axe to hew out a home for themselves in the wilderness. That is a sample of the honourable gentleman's optimism at the time. But let me quote further this ambitious, enthusiastic and far-seeing prophet:

I proposed last year that the Government issue land bonds against their expenditure on such a development. I gave as the maximum required \$300,000,000 for a ten-year program, an average of \$30,000,000 per year.

Here is one further gem of advice. Still speaking of the great Peace River territory, he said:

Almost to the four corners of this vast empire the Government has permitted, yes even encouraged, home-loving, land-hungry settlers to locate on land which for years must remain beyond the reach of transportation. It would take at least twelve branch lines, aggregating 1,000 miles, to put these settlers within the twenty miles of a railway which is to-day considered the maximum distance from transportation for successful farming.

I hasten to add that the honourable gentleman, having spoken at great length, moved a resolution of want of confidence in the Government of the day because it was not doing what his optimism impelled him to suggest it should do. I have placed these brief quotations before honourable senators so that they may bear them in mind when weighing the advice of the honourable gentleman from Vancouver that Canada should withdraw from the League of Nations.

In order to show how times have changed, may I again refer to the honourable gentleman's speech of the first of February. It is a carefully worded and well-informed address, but entirely at variance with all the proposals he put forward in the years gone by. I would

suggest that maybe his present advice is just as unsound as the advice he proffered the Government in 1929. On the first day of February he said:

Two problems which I want to refer to at the moment are railway deficits and the cost of government.

And he went on to elaborate his views on those subjects. If his advice had been taken in 1929 one thousand miles more of railway would have been built in the Peace River district, and railway deficits would have been substantially larger than they are at the present moment. Then as to the cost of government, what is the reduction that is now proposed? It is \$278,018.02 a year, or something like that. A considerable item! It amounts to less than three cents per capita for the men, women and children of Canada. Yet we find the distinguished and honourable gentleman, great soldier as he was, and is, saying no word about the \$13,000,000 a year paid out in Canada for national defence. If there is any sincerity in the effort to reduce the cost of government, if there is any sincerity in the attempt to banish war from the world, what is the necessity of our maintaining a Department of National Defence? No one knows better than I do that there are some very distinguished and high-class gentlemen attached to that department who never did a day's work in their lives other than soldiering. I had a note here in reference to the present personnel of the Department of National Defence. They have a lot of friends who would hate to see them summarily dismissed. Let us be reasonably consistent if we are going to preach peace, and the scrapping of the implements of war. Let us be logical and say that we will go further and will not have in the pay of Canada, for purposes of defence, even a corporal's guard.

Please, honourable gentlemen, do not get the idea that I am advocating some of the points that I am only trying to make clear to you. The point I do want to stress is this: in view of the part that Canada has played in the past in rallying to the support and defence of the Mother Country, she is deserving of something better than the suggestion by an honourable gentleman that she should welsh on the giving of a paltry three cents per capita towards the maintenance of peace and harmony among the nations of the world.

I do not wish to be tiresome, honourable gentlemen, but I would mention, for the record, at least, some of the things that I think sufficiently and amply warrant Canada

and Canadians in carrying on as they have been wont to do. I know, of course, that the honourable senator from Vancouver is not the only distinguished gentleman in Canada who is in favour of our withdrawing from the League of Nations. I am quite aware that there are many others, as there are also some high-class newspapers of the country, who hold the same view. In my judgment they do not represent Canada's viewpoint when they say that we should at this late date get into the welshing class and back out of something that is costing us less per capita than the price of a postage stamp.

Let us find out why the League of Nations is the wooden gun that the distinguished senator from Vancouver and others say it is. You have all, I am sure, read the Treaty of Versailles. We, in common with millions of others Canadians, watched with anxiety the negotiations and discussions that brought into being the Treaty of Versailles. It may be that at this late date we can all admit that in 1919, by reason of personal loss and sacrifice, we were more animated by revenge and hate than we should have been. The fact remains that proposals were adopted which, as it has developed in the history of the world since that time, were impossible of execution. One of the foremost leaders in the negotiation of the Treaty of Versailles was that great statesman and citizen of the republic to the south, Woodrow Wilson. We all remember his fourteen points. Most of us, I think, at that time applauded each of those points, and possibly added to them in our own humble imagination. What was the result of the activities of that great statesman? Shortly after the treaty was signed a change of government took place, and there is not one of us on this side of the international boundary who did not see, in the months and years that followed, disparaging remarks or suggestions about the League of Nations. In consequence of the death of Woodrow Wilson and the defeat of the party to which he belonged, the United States adopted a policy of hands-off, of holding aloof from any participation in or connection with the plan which had been enunciated, and which was signed in Paris in the form of the Treaty of Versailles. Thus the two greatest Anglo-Saxon nations that the world has ever known were separated by reason of an altogether necessary proposal for the creation and maintenance of world peace.

Let us be honest with ourselves and our fellows in this country and admit where the real blame lies for any failure on the part of the League of Nations to perform the func-

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tions it was created to perform, and for the fact that it is alluded to as a wooden gun. There are good, logical, consistent reasons why things have not worked out as they might have done. Honourable gentlemen know those reasons as well as, or possibly better than I. But does this mean that we in Canada, remembering the great sacrifice of men and substance, will take no further part in holding up the lamp to light the way to world peace, and will not raise our voices to secure for the world the positive prohibition of the disastrous conditions that came upon us and upon the Empire, yes, upon the world, between 1914 and 1918? If that is the position that is to be taken, I do not know my Canada; I do not know the heritage that the British Empire has handed down to us.

I think it is most unfortunate that an honourable and distinguished member of this Chamber, a great soldier, should have risen in this House to propose the welshing act at a time when there is perhaps greater need than ever before of demonstrating—

Daughter am I in my mother's house,
But mistress in my own.

Now let us hasten along to ascertain and place on record, because the distinguished gentleman from Vancouver did not do it, some of the things performed by the League of Nations, or its departments, that may have been at least a little worth while.

Since the inception of the League of Nations in 1919 several disputes, some of which were of a distinctly menacing character, have been settled through the intervention of the League. During 1921 strained relations existed between Sweden and Finland regarding the sovereignty of the Aland islands. An amicable settlement was reached on the basis proposed after two impartial commissions appointed by the League had conducted investigations.

Since 1920 disagreement has existed between Poland and Lithuania regarding the Vilna boundary territory, which is held by Poland. Although this is still an unsettled question, the several efforts made by the League have undoubtedly resulted in preventing the development of a state of actual warfare between these two countries.

Two European disputes, which prior to 1914 would unquestionably have resulted in the outbreak of Balkan wars, with the resultant menace to world peace which is inevitably involved in such a situation, have been settled by League action. In 1925 actual fighting took place between Grecian and Bulgarian troops on the frontier, and an ultimatum was issued by Greece to Bulgaria. Troops of each

country invaded the other's territories. On the appeal of Bulgaria the League Council took action, as a result of which a truce was declared, fighting ceased, and troops were withdrawn from invaded territories within sixty hours of the League Council's instructions being received. An impartial commission appointed by the League investigated the facts, and, acting upon the Commission's report, the League Council succeeded in establishing peace between the two countries. A frontier dispute developed in 1921 between Albania and Yugoslavia. Yugoslavian troops invaded Albanian territory, and fighting broke out. The dispute was settled by League intervention.

During 1923-24 Poland and Czechoslovakia entered into a frontier quarrel concerning the possession of Jaworsina. The League, with the assistance of the Permanent Court of International Justice, submitted a solution of the difficulty, which was accepted by both governments.

The Treaty of Versailles bequeathed to the League of Nations the very difficult and delicate problem of determining the disposition of Memel, which is situated on the west frontier of Lithuania and prior to the War was part of East Prussia. The problem was an extraordinarily complex one, but in 1924 the Council of the League submitted a convention which bequeathed Memel to Lithuanian sovereignty—a settlement which was adopted by the Conference of Ambassadors.

The British Government in 1923 referred to the League Council a dispute which had arisen with France respecting the authority of France to compel British subjects resident in Tunis and Morocco to serve in the French army. The attitude taken by the French Government was that it was the sovereign right of a state to determine the nationality of those who resided within its borders, and that this applied to the protectorates. On this ground the French claimed that the matter was not one which lay within the competency of outsiders to determine. The legal aspect of the case was referred by the League Council to the Permanent Court of International Justice, which found that the case was not one that could be considered as being confined within the scope of domestic jurisdiction. This judgment was agreed to by the French Vice-President of the Permanent Court. Following the submission of this legal decision, a satisfactory settlement was reached by the two governments.

In 1923 an alarming situation developed between Italy and Greece in connection with the murder of some Italians. An ultimatum was issued upon Greece by Italy, and the island of Corfu occupied by the latter coun-

try. Greece appealed to the League of Nations, and the Council, with the assistance of the Conference of Ambassadors, secured the evacuation of the occupied island, and war was averted.

In 1924-25 a very dangerous dispute arose between Great Britain—as holding the mandatory authority for the control of Iraq—and Turkey, concerning the control of the northern frontier of Iraq. Turkish troops crossed the frontier, but through the intervention of the League fighting was stopped and an impartial commission of enquiry appointed. Subsequently to this action a treaty was entered into between Great Britain and Turkey, which definitely settled the question.

In 1928 active hostilities took place between Bolivia and Paraguay. The League Council immediately exercised its good offices, and as a result the frontier fighting was arrested and the dispute was settled through the medium of the Pan-American Union, which was in session at Washington at the time.

I can almost hear a number of honourable gentlemen saying: "But all those disturbances are over in Europe. How is Canada interested in them?" The Great War was ostensibly caused by an action of little Serbia in July, 1914. Nevertheless, standing on the Heights of Quebec on the 3rd or 7th of October of that year, I saw troop ships bearing some 33,000 Canadian soldiers in haste to the assistance of the Motherland. Our Empire became involved in a war started by a small incident in Europe, with which continent some people—who of course have a right to their views—say we are not concerned. To me it seems that this world has become a much smaller place since 1914. Distances that existed prior to that time have been almost annihilated. I hope that those who think we should not be concerned about any of those disputes I have just referred to will not forget the origin of the great conflagration of 1914-1918, which cost Canada so many lives and so much of its wealth. Bear in mind, honourable senators, that I am trying to build up a case to justify the contribution of three cents per capita to the furtherance and maintenance of world peace, which all countries so sadly need.

The next matter to which I wish to refer is the League's work in the conservation of health, manhood and womanhood. The League has interested itself in the promotion of international health, and a number of principles of international health control have been laid down. Cancer and infantile mortality have been investigated, as also have malaria, tuberculosis, sleeping sickness, and

rabies. Efforts have also been extended to ensure the promotion of more sanitary conditions, particularly in the more backward areas of eastern and southeastern Europe, the Mediterranean areas, the Far East, and South America. Non-injurious standards have also been established for a considerable number of drugs.

The League has set up a permanent committee whose sole mission is to investigate the facts in connection with international traffic in opium and habit-forming drugs. Conferences have been held in connection with this subject, and a convention has been passed which aims at the suppression of opium consumption, and another convention which seeks to restrict more effectively the production and manufacture of drugs and to ensure more effective control and supervision of international trade in habit-forming drugs. The influence of the League in the education of public opinion regarding the disastrous results of uncontrolled and widespread use of narcotics has been considerable. Since 1908, when the Parliament of Canada passed an Act prohibiting the selling, offering for sale, possessing, or manufacturing of either crude opium except for legitimate purposes, or opium prepared for smoking, Canadian public opinion has been fully alive to the national menace which such traffic imposes. It is interesting to note that not only were Canadian opium factories, which in 1907 were producing \$600,000 worth of opium, closed, but imports of opium dropped from 88,000 pounds per annum in 1908 to 1,012 pounds in 1930. Nevertheless the illicit traffic in narcotics, including opium, morphine, heroin, and cocaine, has necessitated and still necessitates the constant vigilance of Canadian authorities. The action of the League of Nations in attempting, with some success, to limit and more stringently regulate traffic in habit-forming drugs has been of considerable value to Canada. As pointed out by Mr. C. H. L. Sharman, Chief of the Narcotics Division of our own Department of Pensions and National Health, it is interesting to note that:

During the year ended June 30, 1931, three and one-half tons of illicit narcotic drugs were seized in the United States. This quantity represents nearly fifty million grains, and as the almost invariable price paid by the eventual, illicit consumer, exclusive of adulteration, which is usually from thirty to fifty per cent, is one dollar per grain, the amount of money devoted to the purchase of these deadly drugs in the United States in one year was nearly \$50,000,000.

This immense value, be it noted, covers only drugs that were seized by the authorities.

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Too little is generally known of the wholesome and enormous influence wielded by the League of Nations in its bearing upon the settlement of the numerous issues which arose in connection with the carrying out of the international problems arising out of the Treaty of Peace, and it can safely be stated that had it not been for the League or some other organization of a similar character, less happy settlements of these various issues would have been reached.

The instances I have cited are only examples of some of the actual results achieved by the League on these important questions.

After I knew that I was going to speak on this question, I thought I should get some up-to-date information on the drug question from Mr. C. H. L. Sharman, Chief of the Narcotic Division of the Department of Pensions and National Health. I wrote him on the 9th of April and he replied on the 12th. I want to place on the record the whole of his letter with the exception of the first paragraph. He says:

In reply may I state that the work conducted in Canada in connection with both the legal and illegal use of narcotics presents so many angles that it would be difficult indeed to give a concise picture thereof within the confines of one communication. I am therefore attaching a copy of the 1931 annual report, which is the most comprehensive of those published in recent years, and which, in fact, was circulated by the League of Nations to the other countries of the world as indicative of the Canadian method of narcotic control.

Perhaps a good indication of the measure of control of the legal traffic which has been maintained are the figures shown on page 4 of the annual report, which show that it has been possible to reduce the legal importation of narcotics into Canada in 1930 as compared with 1920, to the following extent:

	1920	1930
Cocaine.. . . .	6,968 ounces	2,011 ounces
Morphine and Heroin.	28,198 ounces	6,861 ounces
Crude Opium.. . . .	13,626 pounds	1,012 pounds

These reductions have been maintained since 1930 and the quantities involved are still sufficient for the legitimate medical needs of the country. I also enclose a copy of the honourable Minister's report for 1933, on pages 70-76 of which will be found the latest statistics available.

Dealing with the co-ordination of the narcotic work in Canada, both as it affects legal and illegal traffic, with the rest of the civilized world through the medium of the League of Nations, it is, of course obvious that it is entirely within Canada's competence, irrespective of international obligations, to pass such narcotic legislation as now exists, but, in fact, the value of such legislation in Canada, in so far as the results accruing from its effective administration are concerned, would be much less effective were it not for the fact that most of the provisions of our Canadian legis-

lation are based upon international conventions, to which the majority of the countries of the world conform, which conventions have been arrived at as a result of conferences held at Geneva under the auspices of the League of Nations. For example, no narcotics under Canadian legislation can enter or leave Canada without a special permit, but this provision is immeasurably strengthened by the fact that under the international obligations, no other country can issue an export licence for narcotics to leave their shores until they have in their possession the actual import licence from the country for which the shipment is intended. In that way, neither Canada nor any other country can have narcotics exported to it unless and until she has previously intimated her concurrence.

The first of these international conventions arrived at through the auspices of the League of Nations became internationally effective in 1928, and, as a result of the general experience of the nations of the world in administering same, it became evident that world opinion was ripe for further progress. Consequently in 1931 a further conference was held at Geneva attended by 57 nations, as a result of which a convention was arrived at, which was a very marked step forward in limiting the manufacture and regulating the distribution of narcotic drugs. This convention became internationally effective on January 1, 1934.

Canada to-day, in common with the other nations of the world, supplies quarterly to Geneva full details of all her narcotic imports and exports, which are closely scrutinized by a League of Nations clearing-house, called the Permanent Central Opium Board, and any discrepancies between reports of imports and exports between the countries concerned are closely followed up. In addition, each country has to supply the League of Nations in advance with detailed estimates of her narcotic requirements for the ensuing calendar year. The details in regard thereto are very intricate and I would not burden you with them, but the estimates received from every nation are carefully scrutinized and co-ordinated at Geneva, and steps taken to ensure that world manufacture is limited to the actual legitimate needs of all the countries of the world.

Similarly, there is at Geneva an Opium Advisory Committee, consisting of the representatives of 25 nations, of which Canada is one. This committee meets twice yearly and besides engaging in a minute scrutiny of existing world conditions as regards legal control of, and illicit traffic in, narcotics, initiates action on a large number of matters which have a direct relation thereto. For example, for the next meeting at Geneva there are 26 subjects for discussion and action ranging from consideration of yearly reports from all countries to efforts being made to obtain universal extradition in connection with narcotic offences, the special situation existing in certain countries, and the economic and financial losses sustained as a result of drug addiction.

Canada makes no secret of the fact that narcotic addiction exists within her borders. The Canadian Narcotic Act is an excellent piece of legislation looked upon by many as having no superior in the world. With the co-operation of the R.C.M. Police and other police forces in Canada, the situation is kept well under control, but the governing factor is that without the co-operation of other

countries, such co-operation being co-ordinated through the League of Nations, the exercise of such control would be a much more difficult matter and one which would involve considerably heavier expenditure.

Yours very truly,

C. H. L. Sharman,
Chief, Narcotic Division.

I ask every Canadian who has any sense of responsibility for the health and prestige of Canada, whether what the League is doing for the suppression of the drug traffic is not alone worth the contribution of three cents per capita.

I now want to deal with another worthwhile organization of the League of Nations, the Permanent Court of International Justice. Not being a lawyer, I should possibly be handicapped if I attempted a lengthy discussion of this body, and therefore my reference to it will be brief. I have one or two observations to make which I think will indicate that it was probably unfortunate for Canada that no such institution as the World Court was in existence many years ago.

This court is composed of nineteen judges of the highest international reputation, who are appointed by the Council and Assembly of the League of Nations. Many decisions and opinions have been given by the court on matters of international law in connection with disputes concerning which grave international complications might very easily have developed prior to 1914. Judgments have been rendered in connection with disputes which have developed involving the Allied Powers and Germany, Great Britain and Greece, Greece and Bulgaria, Germany and Poland, France and Turkey, France and Switzerland, and other countries. Distinct contributions have been made to the maintenance of international peace through the adjudications of this court.

With my very limited knowledge of legal questions and of this court, when I was reading that paragraph I tried to visualize some conditions that existed in Canada a good many years ago. Honourable members of this House who come from the Maritime Provinces, and who perhaps occasionally travel here via Saint John, McAdam and Megantic, have, I am sure, often been struck by the fact that on the way they pass over more than two hundred miles of United States territory which is like an elbow stuck into the side of Canada and stretches to within about forty miles of the Saint Lawrence river. In my humble judgment, a Permanent World Court of Justice in years gone by might have prevented that unreasonable interjection of a piece of foreign

country into what Canadians logically regard as their own territory.

I pass on now to another function of the League, which I am sure all honourable members will pardon me for referring to as one of the most important, if not the most important, of its activities.

I desire to place on Hansard Part XIII of the Treaty of Versailles, being section 1, of the Organization of Labour. It reads:

Whereas the League of Nations has for its object the establishment of universal peace, and such a peace can be established only if it is based upon social justice;

And whereas conditions of labour exist involving such injustice, hardship and privation to large numbers of people as to produce unrest so great that the peace and harmony of the world are imperilled; and an improvement of those conditions is urgently required: as, for example, by the regulation of the hours of work, including the establishment of a maximum working day and week, the regulation of the labour supply, the prevention of unemployment, the provision of an adequate living wage, the protection of the worker against sickness, disease and injury arising out of his employment, the protection of children, young persons and women, provision for old age and injury, protection of the interests of workers when employed in countries other than their own, recognition of the principle of freedom of association, the organization of vocational and technical education and other measures;

Whereas also the failure of any nation to adopt humane conditions of labour is an obstacle in the way of other nations which desire to improve the conditions in their own countries;

The High Contracting Parties, moved by sentiments of justice and humanity, as well as by the desire to secure the permanent peace of the world, agree to the following.

I hope every honourable gentleman will be sufficiently interested to read the remainder of Part XIII.

It is only fair to say that the International Labour Office has functioned more effectively than any other of the League's branches. Certain it is that the International Labour Organization has discussed and passed many worth-while conventions, all directed towards the goal set forth in what I have just quoted. I shall now enumerate briefly some of the accomplishments of the International Labour Office. Since the institution of the International Labour Office in 1919 forty conventions and forty-two recommendations have been adopted by the various conferences, and some five hundred and sixty-six ratifications of conventions have been recorded. In other words, five hundred and sixty-six labour treaties have been brought into being. The subjects covered by these conventions include hours of work in industry; protection of

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women before and after child-birth; prohibition of night work in the bakeries; employment of women on night work; minimum age of employment in industry; prohibition of white lead in paint; workmen's compensation for diseases; minimum age of employment at sea; medical examination of young sailors; employment agencies for seamen; unemployment indemnity in case of shipwreck; weekly rest in industry, etc.

The following conventions have been definitely ratified by Canada: minimum age (sea), unemployment indemnity (shipwreck), minimum age (trimmers and stokers), medical examination of young persons (sea), the use of white phosphorus—though legislation covering this matter had been passed in Canada prior to the adoption of the convention.

The following is the standing of Canada with regard to other conventions adopted by the International Labour Office: legislative action, which applies conventions in part; hours of work in industry, unemployment, child-birth, night work for women, minimum age in industry, night work for young persons in industry, employment for seamen, minimum age in agriculture, workmen's compensation in agriculture, weekly rest in industry, workmen's accident compensation, workmen's disease compensation, equality of treatment in accident cases, inspection of emigrants on board ship, minimum wage-fixing machinery, dockers' protection against accident.

Conventions in connection with which legislation has been enacted in Canada, but no formal ratification given: rights of association in agricultural industry, seamen's articles of agreement, repatriation of seamen, weight of packages transported by vessels, forced or compulsory labour.

Honourable members are aware that by reason of the provinces having jurisdiction over property and civil rights several of these conventions could not be adopted by the Federal Government; but nearly all have been put into effect by some of the provinces. Undoubtedly Canada by her voice and her vote has helped to improve labour conditions throughout the world. Is not that of itself worth three cents per capita to our citizens?

What is wrong with the League of Nations and the International Labour Office? Only too often the representatives of the member-nations are actuated by self-centered, self-serving motives. I never think of the International Labour Office without recalling a conference which I attended as the representative of the Government of Canada.

General labour conditions in this and other countries were being discussed. A distinguished and influential citizen of one of the member-nations rose to his feet and in eloquent terms described the very favourable labour conditions in his country. I suspected he was indulging in the rankest kind of misrepresentation. What was the aftermath? He attained a position of the greatest prominence, but he and his associates so flagrantly abused their power that at last the working men, reduced to the degraded condition of peonage and driven to desperation, resorted to armed revolution and forced him and his government to seek an asylum in a foreign country. This incident gives one an insight into what is wrong with the League of Nations and the International Labour Office. Such self-centered, self-seeking, lying individuals, by acting in utter disregard of the rights of humanity and the welfare of the world, are doing an incalculable injury to the League. If the representatives of the various member-nations had honestly worked for the principles underlying the formation of the League, principles so essential to the welfare of the world, the honourable senator from Vancouver (Hon. Mr. McRea) might have had a different story to tell. I trust no honourable senator will misunderstand me. I am not suggesting for a moment that all those who participate in the League conferences are disregardful of the welfare of the world. But why have certain of the great powers given notice of withdrawal from membership in the League? Simply because they could not have their own way, because they could not dictate to the rest of the world. In a word, they were self-seeking and self-centered. There is no other legitimate or logical reason for their intended withdrawal. Under these conditions is this Canada of ours to fail in her duty to the world? Will she discontinue paying her three-cents-per-capita share, and refuse to associate herself with the rest of the British Empire in the maintenance of peace?

Now, honourable members, I shall tax your patience but a little longer while I direct your attention to the viewpoints of two or three other Canadians on this important question. Lieutenant-Colonel George A. Drew, Commissioner of the Ontario Securities Commission, speaking at Toronto on January 28, 1934, on "Why should Canadians be interested in World Peace?" said, in part:

Although war clouds gather menacingly in Europe and Asia there is a tendency in Canada to think of war and the threat of war as something so remote from our daily life that we would be much better advised to give our undivided attention to the solution of pressing internal problems than to devote any part of our energy to the problem of world peace.

We are a peaceful people. We have no enemies. We have a friendly neighbour on our only land boundary and two wide oceans on the east and west. Why should we be concerned with the thought of war? This question can be answered by another. Were we not just as safe geographically, were we not just as peace-loving in the spring of 1914?

We had less reason to think of war than we have to-day, yet suddenly in August of 1914, we were committed to a struggle which strained our physical, financial and productive energy to the very limit of endurance.

No one in Canada even visualized warfare on such a colossal scale. In the South African War a few years before about seven thousand Canadians served with the British forces. Although it was our greatest military effort up to that time outside of Canada, it cost us little in men or money. But in 1914 we found ourselves engaged in a very different type of war.

More than six hundred thousand Canadians enlisted for active service, of whom sixty thousand were killed and one hundred and fifty thousand were wounded. We spent vast sums of money. In 1914 our national debt was \$544,000,000. In 1920, after demobilization had been completed it had jumped to \$3,041,000,000, the increase of \$2,497,000,000 being almost entirely due to our war efforts. It has been estimated by the Dominion Statistician that the direct and indirect cost of the war to Canada was more than five billion dollars.

But even more severe than this staggering cost in men and money has been the effect on our social and economic life.

Many of the wounded were wholly or partly incapable of returning to work. They have received some compensation. In 1932, 95,186 pensioners received \$41,858,000. In 1934, the amount paid for pensions will be in the neighbourhood of \$50,000,000. Even this large expenditure however does not begin to compensate for the suffering and reduced earning capacity of men who went to war in the full vigor of youth. But they are in many ways more fortunate than a still larger number whose bodies were not scarred, but whose energies were exhausted and spirits broken under the nerve-shattering strain of incessant shell-fire. These men gave the best of their youth, and, aged far beyond their years, have found it increasingly difficult to adjust themselves to the accelerated tempo of industrial mass production methods which have developed in the past few years. These men are not shirkers. They are burnt out physically and spiritually and their problem has not yet been solved. But more serious than the plight of these men themselves is the effect on the minds of their children, who are being reared in an atmosphere of increasing hopelessness. These intangible consequences must be remembered in computing the cost of war.

The economic collapse which brought low wages, unemployment, and resulting social agitation were all the direct result of the unbalanced condition of world trade and world production forced by the unnatural demands of war.

With all these object lessons of what war has meant and may mean to Canada surely we can offer something more than innocuous professions of belief in peace.

There are only three ways of attempting to assure peace. One is to refuse to fight.

Another is to try to be stronger than any possible enemy, by weight of arms and protective alliances. The third is to give an unqualified undertaking that every nation will join in actively suppressing by collective action any nation which breaks international law. Armenia tried the passive method against Turkey without much success. Millions of dead and hundreds of billions of money were lost in proving the second method to be a ghastly failure. The time has come to give the third method an honest trial before it is too late. Collective action to enforce peace may call for the use of economic sanctions. It is not likely that more would be needed. But even if force should be required, surely it is better to take our share in such a collective effort than to accept the only alternative of waiting until the balance of competing forces can no longer be maintained and then face another world war. Even if we should be fortunate enough to remain neutral, we would share the resulting economic distress.

We cannot be satisfied to look with complacency upon the apparent safety of our position in the world, nor can we rely alone upon our security as a member of the British Commonwealth. The Atlantic and the Pacific, which on the one hand afford protection, may on the other hand, become trade barriers in the event of war, which would keep us from our markets. The friendly attitude of the United States would not save us from financial catastrophe, because they are not in a position to accept in large quantities those goods which we must export. If, on the other hand, we take the attitude that we rely on the protection afforded to us by our membership in the British Commonwealth and feel sure that the British Navy will maintain our trade routes, then it seems that we cannot escape the responsibility that we assume in depending upon that protection, and should frankly say that in return for that security we will without question support Great Britain in the event of war.

Surely all these considerations emphasize the fact that quite apart from the moral aspect, the whole purpose of our foreign policy must be the maintenance of peace. We have no mysterious source of wealth that is not largely dependent upon stable foreign markets. We have no need to wait for war to be assured of its effect on those markets. Already we are suffering severely because of the fear of war in Europe. In 1930, we exported \$215,000,000 worth of wheat. In 1932, this had dropped to \$115,000,000.

Let us not be misled. The only alternative to the enforcement of international equity by collective action has been tried and has proved a ghastly failure. Unless common sense prevails, that failure will be repeated. The world is armed as it never was before in time of peace and the mad effort to obtain security by increasing armaments which we are witnessing to-day can only lead to destruction. Security is what all nations want and security can only be assured when the same principle is applied to nations as to individuals and society at large enforces its will upon the lawbreaker.

If this principle is once accepted, we need not be concerned with finding an answer to the difficult question of what and how great our part would be in a war involving the British Empire.

Now let me read a cable message received from Viscount Cecil of Chelwood on January 15, 1934:

I am deeply interested in the very striking proposal for promoting study of peace and its maintenance. Situation though anxious is in some respects encouraging. In particular attacks on collective system have brought great response from the people desiring peace. Believe that only by collective system can peace be secured. Warmest wishes therefore for success of efforts of Canadian League of Nations Society, which are greatly encouraging to our work on this side.

Cecil.

It would now appear to be appropriate to read the views expressed in 1934 by that great Canadian, Sir Robert Borden, who represented Canada in preparing and signing the Treaty of Versailles, to see in what measure, if any, they have changed during the intervening years. On January 21, 1934, he said, in part:

There are those who, during the past twelve months, have poured scorn upon the League of Nations and upon its alleged failures in recent years. I rejoice that from first to last I have given to the League my warm support; and I challenge contradiction when I affirm that if the League should disappear to-morrow, the world would still be truly its debtor for influence and service, impressive and enduring.

In its purpose the League vindicates humanity's highest ideals. If in achievement it has failed of the great results anticipated when we believed that war had been for ever banished, the default is of the human elements that constitute its fabric. In so far as the League has failed, humanity has failed.

What would the scorners substitute for the League? Shall we resign ourselves in despair to a system of armed camps; to intensive competition in armaments; to another suicidal war of unimaginable horror and destruction? What a strange madness has seized upon mankind if this is to be the outcome? How shall we regard the place of man in Nature? In knowledge, science, invention, he has attained amazing, unimagined heights. Shall not his spirit rise above the beast?

The living stand before the insistent challenge of a terrible menace that bids them gird themselves for the cause of peace. Yet remember that humanity, like each of her nations, consists not of the living alone, but also of those who have passed on and of those still to be born. Myriad voices call to us from those who died in the Great War to end all war. In the spirit may we not hear, beyond the veil, the cry of generations yet to be born?

Let this be my final word. Do you not believe that war's curse can be banned and banished by human purpose and endeavour? Who then is responsible for world peace? I answer, each one of us within the measure of our influence and our effort. Upon every one within sound of my voice rests an individual responsibility for peace, a responsibility certain and inescapable as death itself. Pray ponder this. It is truth and reality, not vain idealism. In what measure will Canada be powerful for peace in the councils of the nations? In such measure only as her people shall determine.

Each individual unit of opinion does truly make part of that determination and of the collective force that measures the nation's power. God grant that in this our duty we do not fail.

And now we have an expression of the considered judgment of a distinguished son of that great Canadian partner-race which, adjacent to the shores of the mighty Saint Lawrence, has given to the world a concrete object lesson in the creation and maintenance of happy, peaceful homes. I refer to the Honourable Ernest Lapointe, President of the League of Nations Society in Canada, who, on January 21, 1934, spoke in part as follows:

The situation is indeed a serious one. There are deep shadows in front of the world, which is full of explosive material. Disruptive forces are trying to bring about international conflicts. National hatreds, bitter controversies and actual hostilities are to be found in many places.

The prevailing mood is one of pessimism, international suspicion and fear.

Sir Arthur Currie, in his last message to his war comrades, on Remembrance Day, said to them:—

"We know from experience the stupidity of war and the stupidity of those who made or caused war." And he added: "Are we fighting so that the next generation of youth will not condemn our stupidity as we condemned in the trenches the stupidity of our elders in 1914 and the era immediately before it?"

This question of Sir Arthur Currie's may be asked of every Canadian.

We older people are not those most interested. If there is another war, we shall not go to it. But youth, is most vitally concerned about this problem of war. They may have imagined a warfare in which courage would count, but modern war is not that kind. The real enemy is not human. It is not a war between men and men. It is a war between machines and machines, between products of science and chemistry, and men are merely the material for the process of destruction.

I fail to understand the mentality of those who still believe that differences between countries should be decided in favour of the strongest by the process of killing men, of destroying towns, industries, fertile fields and of demolishing monuments and works of art. That this should be done in the name of freedom and safety is a cruel paradox. . . .

In common with the rest of the world, we have signed an agreement renouncing war as an instrument of national policy and pledging recourse to pacific means of settling international difficulties. This is a fundamental fact and public opinion in all countries must insist that governments everywhere keep their plighted word and refrain not only from war but from preparations for war. The League of Nations Society in Canada will devote itself to this work.

Canada has much at stake in the maintenance of peace. We are proud to believe that it has a glorious future and will become one of the great countries of the world. Only war can block its way, and war can come only from international conflicts for which we shall not be responsible. No country stands to lose more as a result of war and international upheavals.

The service of peace requires intelligence and organization. It requires a new philosophy and courage. We want to equip our association for intelligent and vigorous participation in the task of creating public opinion in behalf of international co-operation. Peace is the road that leads to salvation, and one of the paramount duties of good citizenship in this threatening hour is to keep alive the flame of hope and courage in our hearts. The League of Nations Society in Canada desires to create this spirit within every corner of our country. The will to peace must be expressed in terms of organization. . . .

There has never been and there will never be a war which will end war. War cannot be ended by war. War can be ended only by the combined will of the peoples to make it impossible. The creation of the League of Nations was the embodiment of that will. The organization of the world on a basis of peace is indispensable. . . .

Critics look only at negative results; they refuse or are unable to see positive achievements. Wars have been averted. Even if only one war was avoided, even if only a few human lives were saved through the influence of the League, it would have justified its existence and the expenditure it involves.

Even if the League failed in one or two instances, was it not something to be able to express the world's condemnation and even to propose a mode of agreement?

The League stands as the outward symbol of union among nations. It is a method of doing business, of consultation, of getting together. It stands as an obstacle between peoples and war.

The real trouble lies not in the League itself, but in the spirit which animates its members and in the character of world society. What we must do is to work for the acceptance and triumph of the principles on which alone a genuine League can be based. In the last analysis, the greatest hope and the greatest responsibility rest with public opinion, with the common people of all countries. Let their voices be heard, loud, powerful and determined. I may be an optimist, but I believe that the world will move forward, not backwards, and that moral forces will join together in mutual understanding and that respect for others, love of justice and the determination to do what is right will govern human relations.

The success of the League depends on the development in each country of strong movements which will support the ideal of international co-operation. Public opinion can be stimulated to a large extent by the great organizations which exert a profound and extensive influence upon all sorts and conditions of men and women, organizations educational, philanthropic, social, political and religious.

I am not trying to effect an emotional or sentimental reaction. I appeal to the reason and conscience of the Canadian people.

Having in view the crushing burden of taxation which the peoples are carrying, the unprecedented industrial depression and social unrest, and even more, the demonstrated folly of competitive armaments, which instead of affording security are endangering it, I appeal to my Canadian fellow-citizens to assume a clear, unhesitant and leading position, to use their might and strength to insure greater co-operation, a greater certainty of peace and a more contented and happier world.

Honourable gentlemen, I am sorry that already I have tired a number of the honourable members of this Chamber. When, on March 21, the honourable senator from Vancouver started this discussion, my first thought was—of course, improperly—that it was just an advertising stunt, something done just for the purpose of being different. Then I realized that this could not be so, and that there were real sincerity and intent behind the proposal; and on April 17 I realized it to an even greater degree when I heard the speech which the honourable senator made on that occasion. I then proceeded to delve into past prophecies and proposals. I satisfied myself that this was just something new to be followed for a while. I should not be at all surprised to find a year from now the honourable senator from Vancouver most enthusiastically supporting an entirely contrary proposal.

As I have already said a couple of times to-night, I am sorry the honourable senator is not here, because I think he is among those Canadians, numbering about ten per cent of our population, who, with similar persons throughout the world, are responsible for wars and rumours of wars. Nothing more true was ever uttered in this world than the 25th verse of the 18th chapter of Luke, where it is said:

For it is easier for a camel to go through a needle's eye, than for a rich man to enter into the Kingdom of God.

Even if I am alone in my viewpoint I am entitled to it, and I hold here and now that the capitalist and the capitalistic institutions of this and the other countries of the world are alone responsible for the wars that have taken place heretofore; and that if another war comes it will be largely, if not entirely, the result of either their activity or their inactivity in this matter. Oh, yes, I know there will be marked disagreement with that view. But if the rich men of the earth are peace-loving and have a regard for humanity they can prevent war. There is not an intelligent man in Canada, either inside this building or out of it, who does not realize the truth of what I say.

To the distinguished and honourable senator from Vancouver I commend these thoughts. I would also remind him of the travesties that we have seen and heard of during the past few years. It is only two or three years since, in this capital city of the Dominion, within the very shadow of these great Parliament Buildings, the police ordered sixty-eight hungry, homeless men away from the dump, the scrap heap where they had erected tin shelters to protect themselves from the

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elements. They were told to keep outside the city limits. Shortly thereafter a coroner's jury found that a Canadian boy, born at Gananoque, who had been too proud to beg in this Canada of ours, with its teeming thousands of bushels of wheat and other kinds of good food, starved to death. He died of starvation in the capital city of the Dominion. Who is to blame? Some other gentlemen, no whit better from the standpoint of God and humanity, can go for a holiday to Atlantic City or to Florida, acquire a glowing tan on their foreheads, and come back parading their wealth, while thousands of their fellow Canadians are hungry and starving. That is part of the conditions that have created war in the past and will be responsible for another war if there is one. It is just as well that these things should be said. And I think I am fair in saying there are some Canadians who would almost like to see another war. It might add to their millions; it might convert some of their stocks in obsolete or out-of-date industrial concerns into worth-while and dividend-paying securities. Let us place the responsibility for the war scare and the war talk—and I minimize it not one whit—where it properly belongs, and that is on the kind of person referred to in the 25th verse of the 18th chapter of Saint Luke. Fewer than ten per cent of the people of the world have for ages had dominion over the destinies of the rest of the people, and that situation still exists.

In conclusion may I say that I never for one moment thought that this Senate, composed as it is of distinguished and capable citizens, would say to the people of Canada, "We are willing to continue a tax of \$1.25 per capita for the maintenance of national defence, but we decline to permit the per capita expenditure of three cents, the value of a mere postage stamp, as Canada's contribution to upholding the banners of peace and to co-operating with the British Empire and other nations so that in some conclusive way war may be made for ever impossible."

On motion of Hon. Mr. Griesbach, the debate was adjourned.

LIVE STOCK AND LIVE STOCK
PRODUCTS BILL
SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 40, an Act to amend the Live Stock and Live Stock Products Act.

He said: Honourable members, this is an amending Bill. The main purpose is to include the exporter within the purview of the

department's control of the live stock trade. The method of control as applied to dealers and commission houses continues the same as under the present Act. Provision is made for a licensing system and regulation of commission merchants so as to give security to the farmer or grower who entrusts his products to commission houses and agents or exporters. These amendments, which are all of a minor character, bring the Act into consonance with conditions that have developed. It is the intention to have the Bill referred to the Committee on Agriculture, and a more intelligent discussion can take place after it has been returned from that Committee.

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

FRUIT AND HONEY BILL

FURTHER CONSIDERATION IN COMMITTEE DEFERRED

On the Order:

The House again in Committee of the Whole on Bill 26, An Act respecting Fruit and Honey.—Right Hon. Mr. Meighen.

Right Hon. Mr. MEIGHEN: I ask that this Order stand. A meeting of the Committee on Agriculture with department officials is to take place in the morning, and I expect we shall be prepared to go on with the Bill in the afternoon.

The Order stands.

CANADIAN AND BRITISH INSURANCE COMPANIES BILL

CONCURRENCE IN COMMITTEE AMENDMENTS

Hon. Mr. BLACK moved concurrence in the amendments made by the Standing Committee on Banking and Commerce to Bill F, an Act to amend the Canadian and British Insurance Companies Act, 1932.

Right Hon. Mr. MEIGHEN: I have an amendment, but I think the proper place to move it is on the motion for third reading. It is not important—indeed, it is almost as insignificant as an amendment can possibly be—having to do only with a clerical matter.

Hon. Mr. FOSTER: Will the right honourable gentleman state whether it is the intention to refer this Bill to the Committee of the Whole?

Right Hon. Mr. MEIGHEN: It will be generally realized, of course, that the Committee of the Whole cannot be expected to deal with this measure as competently as did the select committee which had the Bill be-

fore it over a period of seven weeks, at almost daily sittings that ran into hours, and which heard the evidence adduced and arguments pro and con. However, if it is desired to have the Bill referred to Committee of the Whole, and certainly if any honourable member has a special suggestion to make, the measure should go there.

Hon. Mr. FOSTER: I wish to make a few remarks on a certain clause, but I presume I could do that on the motion for third reading.

Right Hon. Mr. MEIGHEN: Oh, yes.

The motion for concurrence in the amendments was agreed to.

MOTION FOR THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

He said: Honourable members, with the leave of the House, I move the third reading now. I will ask the honourable senator to my left (Hon. Mr. Beaubien) to move the amendment to which I have referred, and if any other honourable member wishes to move the adjournment of the debate it will be perfectly agreeable.

Hon. Mr. BEAUBIEN: Honourable members, I move that the Bill be not read a third time, but be amended as follows:

Page 2, line 3. Insert immediately after clause 2 the following as new clause "B."
Subsection two of section three of the said Act is repealed and the following substituted therefor:—

(2) The provisions of Part II, other than the provisions of section five, shall also apply to every company incorporated by a special Act of the said Parliament on or before the said date, but not licensed by the Minister on or before the said date, and in any respect in which the provisions of said Part II are inconsistent with the provisions of the special Act so passed on or before the said date, the provisions of Part II shall prevail.

The only change is in the first line of the subsection, where the words "the provisions" are substituted for the word "those." Therefore it is only a clerical change.

The amendment was agreed to.

On motion of Hon. Mr. Foster, the debate was adjourned.

IMPORTATION OF INTOXICATING LIQUORS BILL

SECOND READING POSTPONED

On the Order:

Second Reading of Bill 3, An Act to amend the Importation of Intoxicating Liquors Act.—Right Hon. Mr. Meighen.

Right Hon. Mr. MEIGHEN: This Bill has stood so long on the Order Paper that it is probably tired. But because of a circumstance which arose to-day I have undertaken that it shall not be withdrawn for a short period of time. Certain provinces had objected to the measure and it was not considered important enough to be proceeded with against their objection, but special reasons have developed which may make it worth while to move the second reading later, though I cannot be certain of that.

The Order stands.

The Senate adjourned until to-morrow at 3 p.m.

THE SENATE

Wednesday, April 25, 1934.

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

Prayers and routine proceedings.

THE TOURIST TRADE

INQUIRY AND DISCUSSION

Hon. W. H. DENNIS rose in accordance with the following notice:

That he will call the attention of the Senate to the immense possibilities of the tourist trade, and inquire if it is possible for the Government to secure the co-operation of the provincial authorities and transportation interests towards its greater development.

He said: Honourable senators, in rising to address this Chamber I accept the opportunity to express my appreciation of the friendliness with which I have been received by the members of this House.

It is not my intention to take up any considerable part of the time of honourable members, but I do feel that the subject-matter of this inquiry is so important that it calls for careful examination. It is my hope that through this discussion we may arrive at a better understanding of what the tourist trade means to Canada, and what may be done to develop it to a much greater extent.

The value of the tourist trade to this country is written into the official records, and one does not need to go beyond the records of Parliament for illustrations. Let us take 1929 as the peak year of the business in this country. In 1929 expenditures in Canada of tourists from other countries amounted to \$309,379,000. In the same year the net value of production in the Canadian forest industry was \$337,649,000, in the Canadian fisheries

\$53,518,000, in mining \$310,850,000, in electrical power \$122,883,000, and in the great construction industry \$386,709,000.

Canada's 1934 wheat export quota of 200,000,000 bushels would, at 65c. a bushel, bring in \$130,000,000—somewhat less than one-half of the value of the Canadian tourist business in its greatest year.

In other words, expenditures in Canada by tourists from other countries in that year were approximately six times as great as the net value of fisheries production in Canada, almost equal to the net value of production in the Canadian forest, mining and construction industries, and two and one-half times as great as the net value of production in electrical power.

As another example of the value of the tourist trade, these comparisons are striking.

The net value of industrial production in my own province of Nova Scotia in 1929 was \$129,380,194, while the amount of money spent in Canada by tourists from other countries in that same year was \$309,379,000. Since 1929, the value of the tourist industry has steadily declined, as indeed has the value of business generally throughout the world. However, the figures I have quoted for that year are an indication of the possibilities of future development in tourist travel in Canada.

The value of this great trade is well recognized in the country to the south. The Chamber of Commerce of the United States has recently issued a report which shows that the tourist industry of that country is equal to its gigantic iron and steel industry; has a total value 6 per cent greater than that of lumber production, 11 per cent greater than production in the meat-packing industry, 11 per cent greater than in the clothing industry, 41 per cent greater than in the printing and publishing business, 51 per cent greater than in oil production, 185 per cent greater than in the bakery business, and 222 per cent greater than in the shoe business.

In considering the development of the Canadian tourist business we must take account of the extent and efficiency of our transportation systems, which for purposes of this trade embrace highways, railways, steamships and airways. It is only through the fullest possible co-operation with all branches of transportation that the Canadian tourist business can be brought to maximum development.

Canada to-day has a system of highways that has been built up at vast public expense and is highly creditable to a country of such immense distances and such a comparatively small population. These highways represent a heavy public investment, and they should

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be used to the fullest extent in the interest of the country and its people. Since the majority of visitors to Canada come by the highways, it is essential that every possible attention be given to the care of our roads, the elimination of dust, and hard-surfacing where economically feasible.

There are, I am convinced, great possibilities in steamship tourist travel, both in our coastal waters and through our inland waterways.

As is true of the highways, the railways of Canada represent a public investment of great magnitude, and it is only through promoting the use of these systems that a return from the investment in them can be realized.

While aerial transportation is still in its infancy, it is expanding rapidly, and this mode of travel cannot be overlooked as a contributor to a greater volume of tourist trade.

Heretofore, we in this country have given our attention almost exclusively to the development of tourist travel to and through Canada by people from other countries. Surely we are overlooking great possibilities within our own borders. In one season Canadian tourists spent more than \$120,000,000, a considerable portion of which money it certainly should be possible to keep within Canada. I have here a letter from a prominent transportation official stating that on a special train that runs between Montreal and Maine during the tourist season there has been for the last five years an annual average of 3,115 persons from Quebec and Ontario.

While I am not here to urge the attractions of one part of Canada against any other, we all know our own territory best. In my own provinces of the Maritimes we can offer to visitors something they will not find anywhere else. A visit to Prince Edward Island, along the Saint John River in New Brunswick, or the coast line of that province, or to almost any part of Nova Scotia, reveals something long to be remembered by people in search of recreation.

In the Maritimes we have good roads and are well served by railway and steamship lines. We also have facilities for people who favour aerial transportation.

Another great asset in relation to tourist business is the radio. Now that Canada is developing an extensive and efficient network of broadcasting stations, these facilities should be used to a much greater extent in broadcasting the attractions of the Dominion in this regard. This year, as never before, it is desirable that we should concentrate upon tourist travel.

Changes have taken place south of the line which have a direct bearing on the situation, and undoubtedly will to some extent

reduce the volume of tourist travel from that country. In addition there is the attraction of the Chicago Fair to be taken into account. Last year approximately twenty million people visited the Fair, and, as this attraction is being continued this year, it will undoubtedly have a direct influence upon the trend of travel by American tourists.

The provincial government departments, tourist bureaux, transportation companies, hotel associations, and many other organizations throughout the country have been doing excellent and effective work in advertising the advantages of Canada as a tourist land. Much good work also has been done by federal agencies, but I do feel that here at Ottawa there is need for a greater realization of the value of the tourist trade. More intensive efforts should be made to co-ordinate the work being done throughout the Dominion, and so give it greater impetus and more effective direction.

In the Maritime Provinces we have what we believe to be unrivalled attractions for the tourist. Certainly we have an ideal summer climate; the days are bright and cool, the evenings freshened by breezes from the nearby sea. Within the radius of a few hundred miles we have varied scenery—hills, valleys, rushing rivers and placid lakes, fertile agricultural lands, and rugged and picturesque sea coast, and ample opportunity for fishing, hunting, boating and golfing, with excellent modern hotels and resorts available everywhere. In no place in the world, I am informed, can so many tourist attractions be found within such a relatively small area.

Industrial development of a wide and general nature follows the tourist industry. This is largely so because of the many channels through which the money spent by the tourists circulates: through hotels to retail merchants, farmers, labourers and others; through garages to mechanics, manufacturers, and others; through theatres, retail stores, transportation companies. All these factors enter into the distribution of the money spent by tourists.

I am sure it would be money well spent if the federal authorities made a greater outlay on tourist publicity within Canada itself, as well as outside the Dominion. Federal recognition of the economic value of the tourist trade could not be demonstrated to greater advantage than through an extensive program of publicity to induce our own people to see their own country before seeking interest and recreation beyond their own borders. There is no better investment for our youth—future citizens in the making—than to travel and study their own country.

In any consideration of this question it should not be forgotten that the natural attractions of the country constitute one great asset which can be sold lavishly and still be retained undiminished and unimpaired.

The Department of Trade and Commerce in a report made in 1934 urges careful study of the tourist business at the present time. This report is comprehensive, a complete survey in detail. Commenting on the future, it says:

A great increase in tourist travel will accompany the next cycle of prosperity. The present is, then, a good time to take stock of this industry. Intensive study and wise planning are necessary to control its many ramifications, to eradicate undesirable efforts to capitalize it before they become too strongly entrenched and to encourage its future development along sound lines. Canada's tourist business is a national asset worthy of the most intelligent cultivation.

As honourable members will notice, my inquiry does not call for the appointment of a committee, but if the proposal meets with the approval of the Senate, I would suggest that a special committee be appointed to examine into this matter and to recommend ways and means for greater development of the tourist trade, which is of such immense importance to the whole country.

Hon. E. MICHENER: Honourable senators, we are indebted to the honourable member from Halifax (Hon. Mr. Dennis) for calling our attention to this important subject. Now that he has broken the ice, I hope we may hear from him frequently.

He has shown us by comparison the importance of the tourist traffic, in that it represents one of the major sources of income of the Dominion. It is, as he has stated, an asset which the Government would do well to develop. The revenue from this traffic also helps us to counterbalance our excess of importations and services from the United States.

Fortunately our greatest natural asset is our summer climate, especially that of Western Canada, where the altitude tends to cool and invigorate the air. During the summer months the climate of most of the Central States is very hot and humid, and the tourist traffic from that area is increasing rapidly as the people there realize the benefits of a holiday in our northern zone.

It is interesting to note to what extent our neighbours to the south are taking advantage of our invigorating and healthful holiday resorts. In 1929, as the honourable senator has stated, our revenue from tourist traffic exceeded \$300,000,000. In 1933 it fell to \$117,000,000. By contrast, our own

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people spent in other countries only about \$50,000,000, leaving a substantial balance in our favour. It will be seen that the favourable balance of tourist trade is an important national asset.

I have secured statistics of the 1933 motor-car traffic. During the year 2,233,418 cars entered Canada for less than twenty-four hours, and 863,136 cars for a longer period. Taking the first category, I find that in round figures the cars were distributed as follows: Maritime Provinces, 108,000; Quebec, 199,000; Ontario, 1,844,000; Manitoba, 22,000; Saskatchewan, 13,000; Alberta, 11,600, and British Columbia 33,700. I regret that my province of Alberta is at the bottom of the list. Before resuming my seat I shall make certain suggestions to remedy this disadvantage.

So varied and attractive are climate and scenery throughout this country from the Atlantic to the Pacific, that all along the three-thousand-mile border line separating us from a population of 120,000,000 there are tremendous possibilities for the development of tourist traffic from the south. We have in the Dominion of Canada, with its mighty rivers and great lakes, an abundance and variety of fish and wild game sufficient to satisfy the most ardent sportsman.

I am told by those who live in Prince Edward Island that the entire province is a summer resort. In Nova Scotia we have Digby, St. Andrews-by-the-Sea, Evangeline Beach, and many other very attractive summer places. In New Brunswick also, with its rivers and lakes, there are numerous resorts. I should like to mention particularly Campo Bello, where the President of the United States has his summer home. Next comes Quebec, with its thousands of miles of rivers, including the mighty St. Lawrence and the Ottawa, as well as innumerable lakes which offer picturesque sites for summer resorts. These places, lying almost immediately to the north of the thickly populated New England States, are more and more influencing the people of those States to spend at least part of their summers in this country.

The province of Ontario, possibly because of its numerous points of entry from the United States, receives the largest number of motor tourists of any of the provinces. Here we have Lake Ontario, Lake Erie, the Rideau lakes, the Muskoka lakes and many other beautiful resorts, scattered throughout the province. One thing which I think appeals to the people of the country to the south of us is the easy access which is afforded them to such places as the Muskoka lakes, for example,

where the climate is cool, fish are plentiful, and visitors can enjoy a complete change.

In Manitoba and Saskatchewan also there are summer resorts which are largely patronized, though not to quite the same degree as are those of the province of Ontario.

In Alberta we have, to the north, Jasper Park, a resort which is known all over the world and is growing more and more popular with world tourists. In Central Alberta, west of the city of Red Deer, from which I come, we have Sylvan lake, which I know particularly well. It is fast becoming a centre for the summer homes of the people of Calgary, Edmonton, and other parts of the province. Then in the far south we have the renowned Waterton lake, where, I understand, my honourable friend from Lethbridge (Hon. Mr. Buchanan) usually spends his summers. It occupies a unique situation, high in the Rockies, surrounded by scenery that is rarely surpassed. In Banff National Park we have perhaps one of the best known resorts on the American continent, visited by tourists from all parts of the world. Banff, situated at an altitude of 5,280 feet—one mile—is surrounded by snow-capped peaks, and these with the rivers and valleys furnish a profusion and variety of scenery not equalled on the North American continent.

Unfortunately, Banff is not as easy of access as some other places in the Dominion. Last fall I came up from California by motor, travelling on a beautiful paved highway, by way of Portland and Spokane to Gateway. When I crossed the border the paved highway ended and I came upon a very poor gravel road. I am told that the officials at the border turn back to Glacier Park many people who have intended visiting Banff National Park.

From Kingsgate to Kootenay Park, where there is a radium hot spring, the road runs for a distance of perhaps one hundred miles amid the most magnificent scenery of mountains, rivers and canyons; then, proceeding over the range of mountains, it drops several hundred feet into the Bow valley, bringing us into Banff National Park and Banff. From that point tourists can go to Lake Louise, one of the most beautiful lakes in any part of the world, or up to the Great Divide. Here a huge archway marks the point where the waters divide, some streams going out through the Fraser river into the Pacific, and the others into the Bow and the Saskatchewan, and on towards the Atlantic. The scenery along the drive is perhaps the finest in the Rocky Mountains; in fact, I know of no place in the American Rockies where the highways traverse such a beautiful and varied prospect.

There is wild life in profusion. Last fall in going through Kootenay Park I came upon a herd of moose. They were standing not over a hundred feet from the highway, with their heads in the air, nostrils distended, and not a muscle stirring. It was a thrilling sight. One can hardly go through the park without being stopped by at least one or two black bears. They come out on the highway and hold you up, in the hope that you may give them a hand-out. On the slopes of the mountains you may see mountain sheep, deer, antelope and elk; there are also partridge and other game birds in plenty, with now and then an eagle overhead. I can think of no more thrilling holiday trip than this. Yet we have but a gravel road down to the end of the park.

I should like to call the attention of the right honourable leader of the Government to what I regard as a most productive way of spending a part of the \$50,000,000 appropriated for unemployment relief. If the Dominion Government would construct an asphalt road through these national parks and co-operate with the provincial governments of British Columbia and Alberta for the paving of their portions of the road, we should have a circuitous highway extending for a distance of about five hundred miles, beginning at Kingsgate and ending at the same place, and this would attract many people from Oregon and Washington. I do not believe the Government could spend the money more advantageously than on improving our highways connecting with the highways on the other side of the line. If this were done we should reap the benefit of the great assets that are ours, by making them accessible to the people to the south of us.

I need only mention the beauties of British Columbia. They are so well known that it is unnecessary to dwell upon them at length.

I endorse all that has been said by the honourable gentleman from Halifax (Hon. Mr. Denis). I am much pleased that he has called this important matter to our attention. One of the results, I trust, will be that our own people will learn to appreciate the many advantages possessed by Canada and will henceforth spend their money in their own country.

Hon. RODOLPHE LEMIEUX: Honourable gentlemen, I wish to congratulate the honourable member from Halifax (Hon. Mr. Dennis) on the very excellent debut he has made in this House. The description that he has given of the Maritime Provinces is interesting indeed. We know from the illustrated papers we receive from time to time that they

are but one of the many gardens of Eden to be found scattered throughout Canada.

I should like to see, however, some action on the part of the provincial governments in regard to improving hotel facilities, especially in the rural sections. I speak particularly with reference to my own province. It is true that in Montreal, Quebec, Sherbrooke, and some other places we have very fine hotels, but in the rural sections generally there is much room for improvement. I hope the provincial governments will see to it that these improvements are made.

My honourable friend has spoken of the Maritime Provinces. I lay claim to having come from a maritime province, the province of Quebec. For thirty-six years I have been the representative of the county of Gaspé, which is truly part of the Maritimes. In that county we have a magnificent coast-line and some marvels of nature which are unsurpassed. I have only to mention the Percé Rock, Bonaventure Island and Mont Sainte Anne to recall Brittany to one who has travelled in Europe.

There is nothing like tourist facilities to attract general attention to a country. As my honourable friend has said, the tourist trade develops business and encourages the expenditure of money by those who are well to do.

At this point may I tell the House that this summer Canada is going to be invaded by the French. Perhaps this information could better be given by my good friend from Montarville (Hon. Mr. Beaubien) and my right honourable friend from Eganville (Right Hon. Mr. Graham), because they are the president and vice-president in charge of the Jacques Cartier celebrations at Gaspé. We are going to have eight hundred delegates from various parts of France. It is rumoured that they will be headed by a cardinal of the French church, one or two members of the French Academy and a very eminent marshal of France. They are coming to attend the ceremonies to be held in Gaspé in connection with the celebration of the fourth centennial of the discovery of Canada. The scenes to be enacted will, I am sure, never be forgotten. First, there will be at Prince Edward's Island, near Charlottetown, the unveiling of a cairn on the spot where Jacques Cartier first landed, four hundred years ago. Then the famous new French liner, the Champlain, will come north, hugging the New Brunswick coast, swing around Bonaventure Island, pass by Percé Rock and into the Bay of Gaspé. Here the Dominion Government, I am proud to say, has consented to erect a cross thirty feet high, which is to be a facsimile of the cross

planted by Cartier four hundred years ago when he took possession of the soil. This unveiling will be accompanied by memorable ceremonies which I shall not attempt to describe.

The interesting feature of this from the tourist point of view is that at least half of these eight hundred tourists will travel to Quebec and Montreal. Along the River St. Lawrence they will enjoy a most picturesque spectacle. Other ceremonies will take place at Quebec, followed by a celebration at Three Rivers of the tercentenary of the foundation of that city. The visitors, I am informed, intend to continue their journey to Ottawa, and thence to Toronto for the centennial of that city and the great National Exhibition, which takes place at the beginning of September. From there they will proceed to Fort Niagara to attend the ceremonies of reconstruction there. It is hoped that the President of the United States will be present at Fort Niagara, and possibly in Toronto; but of that there is no certainty.

The occasion will be a magnificent one. Many of these visitors intend to go to the West, where they have some holdings, and where there are many settlements of interest to them. I am quite sure they will be greatly impressed by their visit to the West, especially by the district around Calgary, Edmonton, and the Crow's Nest Pass, not to speak of the Rockies.

The question raised this afternoon by my genial friend from Halifax is a most important one, and should not be lost sight of by the country. It is true that we must help our railway systems to get out of the morass in which they find themselves. Nevertheless, in the interest of the country as a whole, our highways must not be neglected. I am glad that I have had the opportunity of listening to the honourable gentleman (Hon. Mr. Dennis). He has certainly rendered a great service to his own province and to the country at large.

Hon. J. S. McLENNAN: Honourable gentlemen, I should like to congratulate my friend of many years standing, and one of the newest of our colleagues (Hon. Mr. Dennis), upon the information that he has given us. I would also make a suggestion to the speaker who has preceded me. Cape Breton, as a place of beauty, yields the palm to no other section of the country. To those who are in charge of the Jacques Cartier celebration at Gaspé I would point out the fact that there are on the coast of Cape Breton the remains of a little town that once occupied a very important place in the affairs of the Empire.

I refer to Louisburg, which was founded in 1730 and fell in 1758. During that period there was in the town an active civic life, dependent upon the fisheries, which constituted the chief industry of the northern British colonies of that time. By way of illustrating the persistence of the people who lived on our shores in those days, let me refer briefly to a French family forced to leave Port Royal at the time of its capture by the British in 1710. The family moved to Louisburg, whence they were obliged to flee in 1745, when that town was taken by New England troops. Peace was restored in 1749 and the family came back, but in 1758 the town was once more captured and they were driven out again. Then they went to Saint Pierre-Miquelon, but they were expelled from there in the later war. After peace was restored they returned and resumed the fishing business. In 1790 the then members of the family appealed to the Revolutionary Assembly in France for aid in carrying on this hereditary business after their many losses. The name of the family was Rodrigue. It seems to me that persistency of that kind is as worthy of commemoration as the bravery of persons who distinguish themselves in war on sea or land. I therefore should like to make a suggestion to the committee in charge of the forthcoming celebrations at Gaspé, and I am sure the suggestion could be conveyed by no one more forcefully than by the honourable senator from Rougemont (Hon. Mr. Lemieux). It is that the dignitaries who participate in the celebrations should visit Louisburg and receive the modest hospitality of Cape Breton; and that the visiting French and English ships should on their return trip spend some time in Louisburg harbour. These visits would indicate an appreciation of great deeds of the past, which in time to come will be commemorated by a permanent memorial such as it is not convenient to erect at present. They would harmonize perfectly with the great ceremonies in Quebec, and I feel sure would be kindly regarded, not only by the people of the Maritimes, but by all who are proud of the glorious history of Canada.

Hon. R. DANDURAND: Honourable senators, I desire to join with my colleagues in commending the action of the honourable gentleman from Halifax (Hon. Mr. Dennis). The matter which he has brought to our attention is of very great importance. He asks that the Federal Government endeavour to obtain the co-operation of the various provinces in promoting the tourist trade, and I can tell him that no province will be more eager to co-operate than Quebec. In recent

years that province has made much progress in the encouragement and development of the tourist traffic. The roads and highways have been improved and our hotels have been equipped to give the most acceptable service. One step has been taken of which my honourable friend from Rougemont (Hon. Mr. Lemieux) is unaware. The provincial Minister of Highways paid the costs of a trip to Montreal for a number of country hotel-keepers so that they might take cooking lessons there and on their return improve the standard of meals in the rural districts. The province has for some time been carrying on a campaign urging farmers to brighten with paint the exteriors of their houses and other wooden buildings along the highway. In this and other respects the attempts to attract increasingly large numbers of tourists to the country has met with widespread support on the part of the people.

Hon. C. MacARTHUR: Honourable senators, the honourable gentleman from Halifax (Hon. Mr. Dennis) is very deservedly receiving congratulations, in which I wish to join, for his timely action in bringing to our attention the subject of the tourist trade. I trust I shall not be considered parochial for saying a few words with particular reference to Prince Edward Island, my native province.

I am hopeful that the right honourable leader of the House will take a personal interest in the honourable gentleman's inquiry whether it is possible for the Government to secure the co-operation of the provincial authorities and transportation interests towards the greater development of the tourist trade. We have heard a great deal about Maritime Rights. Better transportation facilities might be considered one of Prince Edward Island's minor rights. In no other part of Canada is there any difficulty about interprovincial communication. Generally speaking, the boundaries are imaginary lines. But in Prince Edward Island we are separated from the rest of the country by straits nine miles wide, and in the winter it is often difficult for even our new two-million-dollar icebreaker to make schedule connections with trains on the mainland.

Hon. Mr. CASGRAIN: You need a tunnel.

Hon. Mr. MacARTHUR: A tunnel has often been advocated, and so has a bridge. If we had a connecting link of either kind the tolls would be only nominal. Up to a short time ago anyone entering or leaving Prince Edward Island with a motor car had to pay a ferry charge of \$5 for the automobile one way, and of course the chauffeur and passengers had to buy tickets at the usual rates.

The present charge for a car is \$4 for the one-way trip and \$7 return, and during the tourist season, from June 15 to September 15, there is a special rate of \$3 and \$5. But this is still too high and results in keeping away many prospective visitors. A large number of appeals for the reduction of these charges have been made to the Federal Government by our provincial premier, boards of trade and tourist association. After years of importuning, the cost of operating the car ferry, which had previously been charged to the Atlantic division of the Canadian National Railways, was transferred last year to the Consolidated Revenue Fund. Therefore, in a sense, the charge on the carriage of automobiles across the straits is no longer a matter coming under the jurisdiction of the Board of Trustees of the Canadian National, and the authority to adjust the charge lies with the Minister of Railways. After all, the ferry is but a substitute for a bridge, and only a nominal charge such as a bridge toll should be exacted. If this were done there would be a great influx of tourists to our province.

Perhaps some honourable members in driving to Nova Scotia have stopped outside of Sackville and considered the advisability of turning to the left, proceeding thirty miles to Cape Tormantine and there taking the car ferry across the straits to Borden on Prince Edward Island. I can state with assurance that anyone who spends the extra time and incurs the slightly additional cost entailed by that trip will be well repaid. In the first place, the ferry is of a completely modern type, with a special automobile deck that accommodates from fifty to sixty cars. On the old ferry it was necessary to load the automobiles onto flat cars, a procedure which resulted in some extra cost and loss of time in embarking and disembarking, but machines can be driven on and off the new ferry under their own power. In the second place, the scenic effects are particularly good. I have driven several times all over Canada from the Atlantic to the Pacific; I have on many occasions come through the Matapedia valley on my way to Ottawa; I have made a number of trips to the Bras d'Or Lakes; I have motored through the Annapolis valley in the apple blossom season. The beauties of each of these localities have been observed and appreciated. And while I do not wish to make invidious comparisons, I can assure honourable members that if what has been said of the other provinces were multiplied tenfold it still would be inadequate to describe the attractions of Prince Edward Island.

Hon. Mr. MacARTHUR.

The honourable gentleman from Rougemont (Hon. Mr. Lemieux) has told us of some of the interesting historical events connected with Gaspé. I would remind him that Jacques Cartier was the first visitor of note to Prince Edward Island. He landed at Charlottetown in 1534.

Hon. Mr. ROBINSON: He was the first tourist.

Hon. Mr. MacARTHUR: The first tourist. This is what he wrote home:

All the land is low and the most beautiful it is possible to see, and full of beautiful trees and meadows.

Although for many years I have been an officer of the tourist association in my province, I never was so enthusiastic as I now am about what the province has to offer to visitors. As all honourable members know, we have at Charlottetown a fine new hotel. It has been the subject of much criticism, but there is no doubt about the high quality of its accommodation and service. In addition there are all over the Island beautiful and comfortable homes in which tourists are made very welcome and given the best of everything, at reasonable charges. Cattle inspection ensures freedom from animal disease, and our dairy and farm products are second to none. People who want country life can find it there, combined with facilities for surf bathing, shooting, fishing and many other kinds of outdoor sport.

With the permission of honourable members I will read a short extract from a folder issued by the Prince Edward Island Tourist Association:

The smallest province of the Dominion of Canada. But the most thickly populated. Frequently referred to as "The Million Acre Farm" and "The Denmark of Canada."

Finest summer climate in the world. Set in the midst of the salt sea, with neither extreme of heat or cold, and fog unknown. Invigorating, restful, refreshing; and wonderful bathing all around its coast.

Nowhere in all America can be found its duplicate. In summer a garden of perfect beauty fanned by cooling breezes from the ocean, with mile after mile of sandy beaches.

There is a great deal more that I should like to read, but anyone interested can get descriptive literature on application to the secretary of the association at Charlottetown. I have on hand a number of copies of the folder from which I read, and shall be glad to distribute them at any time.

One of the principal attractions for visitors to the province is the Dominion Experimental Fox Station at Summerside, to which town it was transferred a few years ago from Hull or Aylmer. This efficient institution has a wonderful property that is well worth seeing.

There are some fine buildings, one of which contains a well equipped laboratory. On the staff is an expert dietitian, Dr. G. Ennis Smith. Also at Summerside is a splendid building which houses the headquarters of the Canadian National Fox Breeders' Association and is the scene of the association's annual meetings. There are in the Island some large fox farms, some of which maintain as many as 1,000 foxes at a time.

Every year great numbers of native Prince Edward Islanders come home for a visit from the United States. We cannot strictly classify them as tourists, because they spend their vacations at the homes of relatives or friends who still live among us. The real tourist is more apt to travel widely over the province and take in the principal sights. To such we give a special welcome. I can assure anyone that the money and time spent on a trip to Prince Edward Island will yield generous returns in pleasure at the time and pleasant memories for long years to come.

In closing may I express to the honourable gentleman from Halifax my appreciation of the interesting and succinct way in which he presented his facts to us. He referred to the wide range of information compiled by the Bureau of Statistics. On reading some of these figures I was amazed to learn how large a sum of money is spent annually in this country by tourists. The possibilities of the tourist trade have rightly been described by the honourable gentleman as immense.

Hon. F. B. BLACK: Honourable senators, I desire to add my tribute of appreciation to those already tendered to my honourable friend from Halifax. I endorse all that he said with regard to the benefits derived by this country from the tourist traffic, which has grown so rapidly in recent years and will, I trust, grow at an increasing rate in the future.

Were I inclined to compete with other honourable gentlemen who have extolled the beauties of their respective provinces, I feel sure that in describing New Brunswick I could make a more enthusiastic address than any we have heard. But since the honourable senator from Red Deer (Hon. Mr. Michener) used a New Brunswick summer resort as a standard in praising the attractions of Nova Scotia, I think I need only draw attention to this fact. All the provinces of Canada are beautiful in their own way, and we should not try to create the impression that any one of them offers to the visitor from outside a superior kind of scenery or hospitality. In this House we should treat the tourist question, as all other questions, from a national rather than a local point of view. People

who listen to or read what we say here should have reason to feel that the Senate is concerned with advancing the interests of Canada as a whole, rather than those of any section.

The figures quoted by my honourable friend to show the value of the tourist traffic are really amazing. Had I not heard them read I should not have believed it possible that so much money could have been expended on this account. It is only fair to point out that it is expenditure for the purchase of natural wealth which we produce. In other words, every tourist, to the extent of his purchases, improves the market for our products of the farm, the forest and the sea. In this respect the tourist is one of the most important factors in our trade.

It has been stated in another place that a dollar spent within our borders by a tourist is not as good as five cents raised by the country itself. I do not know whether that is correct or not. I am inclined to think it is an exaggeration. It is said that our tourist revenue last year amounted to \$300,000,000. Let us assume that \$200,000,000 has been produced in the form of farm products. It represents new wealth. But for this new wealth you must find a market to turn it into cash. The value of the tourist traffic is that it furnishes a market primarily to our producers of farm products and secondly to others who supply the tourist's requirements.

The negotiation of trade agreements with various countries helps to increase our volume of export business; but after listening to the figures quoted this afternoon, it seems to me that we have been losing sight of perhaps one of the best markets, almost at our very doors. Recent changes in certain laws in the country to the south are certain to affect adversely our tourist traffic from that quarter: many thirsty tourists who formerly visited Canada are likely to remain in their own country. To offset this we should, as pointed out by the honourable senator from Halifax and those who followed him in this debate, develop new attractions in a more emphatic way in order to bring to the notice of those looking for change of scenery the many natural attractions in all the provinces. If this is done there will be, I am satisfied, a growing stream of tourist traffic from the United States, with a commensurate augmentation of our revenue from this source. It would be well also to advertise Canada's many holiday attractions in Europe. Ours should be the greatest tourist country in the world, and it can be if appropriate measures are taken to this end.

Hon. H. C. HOCKEN: I am sure that every honourable member appreciates the service which the honourable senator from

Halifax (Hon. Mr. Dennis) has rendered by initiating this discussion. I hope he will get his committee and that it will be able to co-ordinate to some degree the activities of all the agencies now working for the improvement of our tourist trade.

I was glad to hear the honourable senator from Rougemont (Hon. Mr. Lemieux) state that this year we are to have a large number of tourists from France and from the province of Quebec visiting Ontario and the West. I can assure him that the people of Ontario will give these visitors a very warm welcome.

It has been my good fortune at various times to visit all the Maritime Provinces, and I look back to a very pleasant six weeks that I spent in Prince Edward Island. I stayed at the little town of Souris for some time, then at Charlottetown and at other points. Everywhere I found excellent accommodation. For the past five years I have spent my summer vacation in the province of Quebec and have always enjoyed myself. The splendid attractions of these provinces differ in many respects, but they are all delightful to those who come from the congested centers of the republic to the south.

I notice by the statistics quoted that during the past year Ontario has attracted a greater number of tourists than any of the other provinces. This I attribute to its accessibility. For example, the city of Toronto is only a night's journey from all the great centers in the Middle West, in the East and for some distance in the South. A person living in Chicago, New York, Pittsburg, Philadelphia or some other American city can spend a very inexpensive holiday in Ontario. As I say, it is only a night's journey to Toronto, and with this as a base, Muskoka, Nipigon and other delightful holiday resorts are within easy reach.

There are tangible advantages, other than financial, incident to the interchange of visits between our people and our neighbours to the south, and especially between people of different provinces. When I have been in the Maritimes I have discovered that the people think that more of their fellow Canadians in Ontario should make a practice of visiting their provinces—a sentiment that I heartily endorse. I happen to know that a good many persons in Ontario make periodical visits to the Maritime Provinces. Judge Morson, of Toronto, is about as well known in Nova Scotia as in Ontario. He has been visiting there for twenty odd years. I might mention other prominent residents of my city who are quite at home in Nova Scotia, New Brunswick and Prince Edward Island. This is

Hon. Mr. HOCKEN.

a form of tourist traffic that we might well encourage.

I repeat, I should like to see a committee appointed as suggested by the honourable member from Halifax. I am confident that such a committee, after considering all the factors, would be able to devise a plan to bring about such a co-ordination of effort as would stimulate tourist traffic interprovincially, and also attract larger numbers of tourists from the United States. There is no doubt that tourist traffic in some of our provinces is a very important source of revenue. This revenue is all profit, and at this time, as stated by the honourable gentleman from Red Deer (Hon. Mr. Michener), the tourist traffic from the United States plays an important part in bringing about a balance of our trade with that country.

I trust that the representations of the honourable gentleman from Halifax will receive favourable consideration and be productive of highly satisfactory results.

Hon. C. P. BEAUBIEN: Honourable senators, our honourable colleague from Halifax has made a very successful first effort. He has presented to us gracefully, clearly and convincingly a carefully prepared address. I congratulate him on the brilliancy of his pronouncement, but also, and still more, on the timely and important matter which he has laid before the House.

To secure markets for our surplus products it is necessary to overcome a multitude of obstacles—tariffs, quotas, even the nature of the products themselves, some being too perishable for transportation to distant markets. On the other hand the tourist trade is the exportation of your products to the foreign buyer while he is within your own country. Instead of sending your goods to a buyer on the other side of the frontier, you bring the buyer to your own country and sell the goods to him there.

This business has practically no limits, for you can sell anything on your interior market without let or hindrance. That is the first great advantage. The second is that once you establish the routes of tourist trade nothing disturbs them. Contrast this with what frequently happens to export trade. We have spent millions and millions of dollars and years and years of effort to establish channels of trade with the United States; then almost overnight a prohibitive tariff wall is raised against our goods, and all our expenditure of money and effort is lost. With tourist trade, or exportation from the interior, there is no such danger. If you encourage a purchaser to buy your goods here, the oftener

he comes the more he learns about the country, and the more frequently will he return to make further purchases. Honourable members who have travelled in Europe know that certain countries there live on nothing but tourist trade. Where would Switzerland be without it? What does she produce? Practically nothing. I am told that tourist trade has enabled France to pay more than half of her war debt. My colleague on my right reminds me that in France tourist matters are controlled by a special department. There a national commission is charged with the duty of attracting tourists and ensuring their comfort and safety during their visit.

While we have made some progress in rendering Canada attractive to visitors from the United States and other countries, we have still a great deal of work to do in this respect. My honourable friend from Rougemont (Hon. Mr. Lemieux) has reminded us that we should have better equipped hotels. I agree with him. If I may dare to give advice, particularly to the people of my province, I would say to them: Do not forget that strangers come to a strange land to see strange things. May I cite this as an example? When our friends from across the line come to the province of Quebec they do not come to see things common to the North American continent; they come to see a land of romance, to read some fragments of French history in our landscape, our architecture, and certainly in the character and language of our people. If I may venture to give advice to the honourable Minister of Roads of my province, the gentleman in charge of tourist affairs, I would beg him to encourage the people to retain their racial characteristics.

I wish to thank our colleague from Rougemont (Hon. Mr. Lemieux) and our colleague from Sydney (Hon. Mr. McLennan) for their kind remarks in reference to a matter which has been entrusted in particular to my right honourable colleague from Eganville (Right Hon. Mr. Graham) and to myself. As he is too modest to make an acknowledgment, I suppose I shall have to do it for both of us. I regret his self-effacement, for I cannot hope to equal his felicity of language and charm of manner. I may tell my honourable friend from Rougemont that he has presented the programme to the House in great detail and with a fuller knowledge than I myself possess. I am happy to hear that personalities such as he has mentioned have been invited to attend the Jacques Cartier tercentenary. It will be in fact a celebration of the birthday of Christianity and of western civilization on this continent. It is the birthday of all Canadians; there can be no greater

birthday. I may tell him frankly that I am not yet aware what invitations the Canadian Government intends to send out, but I presume that, quite naturally, invitations will be addressed to the highest personalities in Great Britain, France and the United States. In fact, looking towards my leader on the right (Right Hon. Mr. Meighen), I think I may promise as much, for no country can have a greater interest in the celebration than Great Britain, France and the United States. I am confident they will send as representatives their most distinguished public men.

I am thankful also to my colleague from Sydney (Hon. Mr. McLennan) for the sympathetic way in which he stated that the people from his province were eager to participate in the event. I take his remarks to be typical of the attitude of every province and every race in Canada towards this great historic birthday. The circumstances are such that we anticipate the celebration will be unsurpassed in its historic significance and international appeal. I trust that all honourable members who can possibly spare the time will attend. They may be absolutely certain that the people of Gaspé, and may I add, of my province, for the festivities will begin in Quebec, will receive them with the warmest hospitality in appreciation of their taking part in the celebration of the birthday not only of the whole country, but, I cannot help thinking, more especially of the French race in the province of Quebec, members of which are now settled throughout the whole Dominion.

So, honourable gentlemen, may I say au revoir and, in due time, at Gaspé.

Hon. G. PARENT: Honourable gentlemen, I am not sure that all the speeches delivered this afternoon have been entirely relevant to the subject-matter proposed by the honourable member from Halifax. If I understand the resolution presented by him, he is asking the Federal Government to co-operate with the provinces with a view to encouraging tourist traffic. Wandering all over in an effort to arouse the patriotism of people so that they may visit Quebec is more or less foreign to the resolution. Nevertheless, if what has been said encourages someone to visit our province, there is no harm done, and I am willing to join with everyone who has invited people to visit us; and I assure them they will be welcome.

But to come to the resolution itself, in what way is the Federal Government to co-operate with the provinces in order to encourage tourist traffic? Is it to be by the building of roads or by the providing of more accom-

modation? I have travelled through the provinces of Saskatchewan, Alberta, British Columbia and Ontario, and have found everything most comfortable; the roads are excellent, and the communications between the provinces are perfect. The province of Quebec, of course, may properly be called a maritime province, because we have a long coast line, and are neighbours of New Brunswick, Nova Scotia and Prince Edward Island. But there is one place, possibly, where co-operation between the federal authorities and the provincial authorities might do something to improve the means of communication between Quebec and New Brunswick. There is to-day between Campbellton in New Brunswick and Cross Point in the province of Quebec a ferry across the Restigouche river. This ferry, which is the only means of communication between the whole of the Gaspé coast and New Brunswick, is supposed to make the crossing every hour, but it does not always do so. The result is that the tourist from New Brunswick, when he learns that he has to take a chance on whether the ferry will be ready to carry him across the river, goes back into the province that he has just traversed. The same is true of the people who come down from the Gaspé coast; they return by the same road over which they have come, without going on to New Brunswick and Nova Scotia, or, possibly, to Prince Edward Island. If any representations are to be made to the Federal Government towards co-operation with the provincial authorities, I think it might be pointed out that one of the best services that could be performed in the interest of the tourist trade of New Brunswick, Nova Scotia, Prince Edward Island and Quebec would be the building of a bridge between Campbellton and Cross Point.

Right Hon. ARTHUR MEIGHEN: Honourable members, before the debate closes I desire to say a very few words and to offer a suggestion to the House.

We all welcome the honourable senator from Halifax (Hon. Mr. Dennis) to our deliberations. We cannot very well wish for him anything better than that the rapid and extraordinary success he has made of a concrete enterprise in his own province should have its counterpart in an illustrious public career.

The development of the world in the last half century has been marked chiefly by a tremendous and almost unimaginable expansion of the means of transportation. Mechanization, which has been the outstanding feature of human effort for many years,

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has shown itself most plainly and usefully in the sphere of transportation—in the carrying of the human voice, the human message, and of man himself—on a scale and by a variety of methods undreamed of by our ancestors. This has really been the genesis of the tourist traffic, because the travel industry has reached its present dimensions only within comparatively late years. But for transportation facilities, but for the breaking down of distances through the mechanization of these times, we should never have known the tourist traffic as we know it now. As the process goes on we shall see an expansion of this business in all corners of the world; and the country that is most alive to its opportunities will be the one to reap the largest reward.

It is true that this country has not been asleep. We have not failed to realize the possibilities. Perhaps we have not done all that we might have done, and even now are not doing all that we could, but we have secured a fairly good share of what was to be obtained on this North American continent. In proportion to population far more Canadians travel and holiday in the United States than there are citizens of that republic travelling and holidaying in the Dominion of Canada. Their climate is warmer than ours, and this becomes an advantage at the period of the year when there is most leisure for travel. We have succeeded pretty well in setting off against the advantage a variety and rarity of scenery which that country cannot boast. The figures given by the honourable senator from Red Deer (Hon. Mr. Michener) were indeed impressive.

I do not know that I can add much to the information of the House along the lines that have been pursued, but there is one matter I want to emphasize. The organization that this country has established for the purpose of getting tourist traffic has been on a provincial basis. Each province has competed with the others for its share of the federal expenditure, and each province has itself gone heavily into debt with a view to making certain of getting its share. In this respect it is probable that Ontario has gone the farthest of all, even in proportion to its strength. The debt of the province of Ontario is relatively high compared with that of any other eastern province, at least. But a very considerable proportion of it is represented, of course, by investments which are not only sound, but certain to be revenue-bearing, and can therefore be deducted from the total. Ontario's expenditure on roads has far exceeded the expenditure by any other province. While I do not know

the exact figures, I may say that a very large part of the \$188,000,000 of Ontario's debt which is not offset by revenue-bearing investments has been incurred on roads. It is largely as a consequence of that expenditure that the tourist traffic of Ontario far transcends that of any other eastern province.

The income derived by Ontario from the tourist traffic last year totalled \$2,339,000—more than double the amount received by any other province. Of course there is no direct revenue to the treasury from this traffic, but indirect results are the receipts from the tax on gasoline and the very substantial revenue derived from the 518,000 motor licences issued. Ontario's revenue from this source is, I believe, more than three times that of any other province. All that these figures illustrate is the fact that it is worth while incurring debts and obligations in order to secure trade of this character. It has proved profitable, and is going to prove more so. In this sphere, however, as in every other sphere of effort and reward, the returns diminish during a period of depression; and they diminish more rapidly than do those in stable trades that of necessity continue more or less at the same level during good times and bad. On the other hand, while the returns from tourist trade are about the first to diminish, they are also among the first to return; and as the tourist traffic of the future will undoubtedly far exceed that of the past, we have much to hope for in the years to come in this sphere of Canadian business.

Now, what is the Dominion Government doing to help along the work? I said that the tourist organization was chiefly provincial. But it is not wholly so. The Dominion Government maintains the national parks of Canada, and these parks are the main inducement to tourists to come to this Dominion. They are not by any means the only inducement, nor are they alone in providing scenic attractions, but they represent the principal effort of the Dominion of Canada towards making this country a point of interest to the tourists of the world. The cost of maintaining these parks is substantial—the limit I cannot suggest at the moment—and the responsibility for their maintenance has always belonged, and no doubt always will belong, to the Dominion.

Large expenditures have been made upon roads in Jasper Park in the Rocky Mountains. It is indeed an expensive venture to penetrate the Rocky Mountains in order to make travel possible. I remember very vividly, in the period of depression which almost immediately followed the War, endeavouring, in the face of

considerable resistance, to have appropriations put through to enable the Dominion to take over from British Columbia the responsibility in regard to the Banff-Windermere road. I hesitate to say that Canada could not have made a more remunerative investment, but, subject to a specific study of the enterprise suggested by the honourable gentleman from Red Deer (Hon. Mr. Michener), I do not doubt that we should be using money to great advantage if we were to improve the road he described in order to make the entrance to Jasper Park easier for American tourists.

The work of maintaining the parks is conducted by the National Parks Branch of the Department of the Interior. There were formerly two branches, and their energies were somewhat dissipated. Now there is only the one branch, and a considerable number of historic sites scattered over the whole Dominion are also under its charge. These sites, maintained by the Dominion, are being added to constantly, and their surroundings improved, and in this way the Dominion is doing much to assist the tourist trade.

But the main work done by the Dominion is this. Information as to Canadian attractions, especially in relation to national parks and historic sites, is disseminated systematically throughout the tourist countries of the world, chiefly in the United States. The railways maintain correspondence bureaus, as do the provinces, and certain boards of trade make efforts of their own. The endeavour of the Dominion has been to help in co-ordinating these agencies and to avoid duplication in distributing information in particular centres which are the objectives of bands of tourists from various parts. I believe the department recognizes that it would be within our power to organize better our endeavour in this regard. It recognizes, perhaps, that the objective of its policy is too close ahead and that we are not looking far enough into the future.

If I were to make any specific criticism it would be that in our attempts to reach foreign tourists we have to a degree overlooked our own people, with the consequence, lamented particularly by the honourable senator from Halifax, that there is too great a disposition on the part of Canadians to travel south, and too little to see the land of their birth. The variety of climate and scenery and other attractions in Canada is so great, and the diversity of character and origin of our people so marked, that much more could be done than is being done, it seems to me, to increase the tourist traffic of our own people and to keep it within our own boundaries.

I welcome the suggestion of the honourable senator from Halifax that a committee be appointed. Such a committee, I think, could get valuable information from our officials, and probably would be able to make some recommendations with a view to strengthening the work of the department and particularly to the creation of a more clearly defined policy, and a longer range of vision as part of that policy. I therefore hope the House will accept this informal notice of motion to be moved to-morrow:

That a special committee of six senators be appointed to consider the immense possibilities of the tourist traffic, to inquire as to the means adopted by the Government looking to its encouragement and expansion, and to report to this House.

I suggest as members of the committee the following honourable senators: Dennis, Lemieux, Buchanan, Foster, Green and Hocken. If any honourable gentleman whom I have named would prefer not to act, the necessary change will be made before the motion is moved to-morrow.

Hon. Mr. LEMIEUX: Will you please drop my name? I am not well enough to attend to committee work.

Hon. W. A. BUCHANAN: Honourable senators, I had not intended to participate in this discussion until I heard the remarks of the right honourable leader of the House with respect to national parks. It is true that the parks at Banff and Jasper are extensively advertised by the Canadian National Railway System, which finds it advisable to advertise for business reasons; but there are many national parks of which the people in this country and abroad know very little, because the only publicity respecting them is the limited amount issued by the Department of the Interior. I believe there ought to be a definite programme of publicity of our parks, conducted not only in Canada, but in the United States and Great Britain as well. It is well known that large numbers of people go from Great Britain to Switzerland every year to view the mountain scenery and take part in sports. Some of these people might be induced to come to Canada, but I doubt that we are bringing to the attention of any considerable part of the British travelling public the attractions that are to be found in our parks.

In Alberta we have not only Waterton National Park, running along the international line and bordering on the Glacier National Park of the United States, but also the parks at Banff and Jasper. I know that a considerable number of people visit these places

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every year, and it is only reasonable to suppose that the number would be greatly increased if more advertising were done. So far as I am aware, the only way in which Americans can hear of these parks is through addresses given every winter by Mr. Campbell, of the Parks Branch of the Department of the Interior, before clubs, boards of trade and other organizations in some of the Pacific and northwestern States and probably in parts of the Middle West. But I question whether he finds time to get to the eastern and southern sections of the country. And I do not know that anyone is telling the story of our national parks to British audiences.

I have in mind a suggestion which may strike some honourable senators as ridiculous. All over the world there are people who like to go to out-of-the-way and unusual places. For instance, I have no doubt a good many people would be glad to take advantage of an opportunity to visit the North Pole, if they could do so in comfort and without having to lose too much time. Now, during the summer months we have railroad connection to Aklavik, which is close to the North Pole. The suggestion I want to make is that we should exploit Aklavik, as well as other places, such as Fort Churchill. Were we to do so we might build up a considerable addition to our tourist traffic by attracting travellers who would on their return home derive pleasure from boasting, "I have been within the Arctic circle," or "I have stood on the shores of Hudson Bay." It may be objected that there is no tourist accommodation in the Far North, but it is my understanding that the Canadian National accommodates travellers to Churchill with living quarters on the trains. The deficit on the Churchill branch line might be considerably reduced if summer excursions were conducted.

I know a considerable number of persons who have gone to Aklavik and vicinity, and who report that not only is the trip interesting, but it reveals some of the tremendous natural resources of our Northwest Territories. If we could induce people to go up into that part of our country there would soon be ample tourist accommodation available.

I believe it would be to the advantage of this country, in financial and other ways, to give much greater publicity in Great Britain, the United States and throughout the Dominion to our national parks in particular, as well as to some unusual and isolated sections of the Northwest.

Hon. CHARLES MURPHY: Honourable senators, may I point out to my honourable friend from Lethbridge (Hon. Mr. Buchanan) that, should we have another winter of the kind we have just passed through, any tourists who desire to visit Aklavik or other regions for a climate approximating that of the North Pole need not travel farther than the capital of the Dominion. And here they would get hotel accommodation such as my honourable friend says is not available in the Arctic.

I do not intend to take up much time after the splendid discussion we have had this afternoon. In the first place, if the whole vocabulary of compliments has not been exhausted, let me appropriate what remains and offer it to the honourable gentleman from Halifax for the inquiry he has made and the instructive speech with which he supported it. Allow me also to congratulate him upon the success which has already attended his effort, as evidenced by the speech of the right honourable leader of the House and the motion of which he gave notice.

The right honourable gentleman referred to what one branch of the department over which he so worthily presided a few years ago is doing in connection with the marking of historic areas. That excited the thought that an endeavour might be made to interest the people of certain places in developing the history of such local sites as would make a strong appeal to tourists. As was said by my honourable friend from Montarville (Hon. Mr. Beaubien), tourists do not come to see, and they should not be shown, things that can be seen at home; they wish to see something different. Therefore it seems to me that we should try to develop throughout the country a keener interest in local history. In the long run the result would be an increase in not only local but national patriotism. By way of illustrating the common lack of knowledge of local sites which have historical associations, may I ask how many honourable members now listening to me are aware that within fifty-five miles of this Chamber there was fought the last battle that took place in North America between the French and the English for supremacy on this continent? The fact is that that battle was fought at Chimney Island, which is three miles below Prescott, in the Saint Lawrence river. Yet very little is heard of that place. How many honourable members know that from the brink of the hill on which this building stands the course of part of Champlain's journey can be traced? And how many know that from the same vantage point a part of the route travelled by the great Jesuit martyr Father Brebeuf is visible, as is also one of the places

where he camped, just above the Chaudiere Falls? Sites of great historical interest are to be found not only in and about this capital city, but throughout our country, and could be converted into very interesting attractions for tourists.

And now just a few words with respect to another branch of the discussion. We have been told about the celebrations that are to take place this summer in honour of Jacques Cartier and other early discoverers. May I remind honourable members, and possibly a larger audience as well, that English-speaking Canada is largely indebted for its knowledge of Jacques Cartier and his discoveries to an Irishman, Hon. Thomas D'Arcy McGee. Fifty or sixty years ago, perhaps farther back, the textbooks in the English schools of this country contained D'Arcy McGee's poem on Jacques Cartier, and I venture to say that for years all that most of the people who passed through those schools knew about Cartier was what they derived from that poem. With the permission of the House I will read a few verses, which I have no doubt will revive pleasant boyhood memories in the minds of some honourable members.

In the seaport of Saint Malo, 'twas a smiling morn, in May,
When the Commodore Jacques Cartier to the westward sail'd away;
In the crowded old cathedral all the town were on their knees,
For the safe return of kinsmen from the undiscover'd seas;
And every autumn blast that swept o'er pinnacle and pier,
Fill'd manly hearts with sorrow and gentle hearts with fear.

Next he goes on to describe the anxiety that prevailed when no word came from the daring mariner. And then his return:

And when two months were over and added to the year,
Saint Malo hail'd him home again, cheer answering to cheer.
. . . he told how soon is cast
In early spring the fetters that hold the waters fast;
How the winter causeway, broken, is drifted out to sea,
And the rills and rivers sing with pride the anthem of the free;
How the magic wand of summer clad the landscape, to his eyes,
Like the dry bones of the just, when they wake in Paradise.

He told them of the river whose mighty current gave
Its freshness, for a hundred leagues, to Ocean's briny wave;
He told them of the glorious scene presented to his sight,
What time he rear'd the cross and crown on Hochelaga's height,
And of the fortress cliff that keeps of Canada the key,
And they welcomed back Jacques Cartier from his perils o'er the sea.

Honourable senators, I trust that the committee in charge of the approaching celebration, as well as the orators who are to appear on different occasions, will not forget that poem when they are polishing up their perorations.

FRUIT AND HONEY BILL

FURTHER CONSIDERED IN COMMITTEE

The Senate again went into Committee on Bill 26, an Act respecting Fruit and Honey.—Right Hon. Mr. Meighen.

Hon. Mr. McLennan in the Chair.

Right Hon. Mr. MEIGHEN: Honourable members, most of the sections were agreed to when this Bill was previously in Committee. I will now refer to the subjects that were left for further consideration. By subsection k of section 3 the Minister was given power to prescribe maximum and minimum punishment for the violation of certain regulations, the maximum fine not to exceed two hundred dollars and imprisonment not to exceed one month for default in payment of the fine. A similar provision respecting punishment for violation of regulations governing honey was contained in subsection k of section 37.

The use of the word "export" was also reserved. In the original Bill the word was defined as "a shipment of honey from the province in which it is produced to any other province or out of Canada." Honourable senators do not like the word as applied to interprovincial shipments.

A further reservation was whether, as in section 34, absolute discretion should be given the Minister "to prescribe the conditions respecting applications for and the issue of licences, the duration of same and the fees to be paid therefor."

This morning the Standing Committee on Agriculture and Forestry met informally and reviewed very carefully all the subjects reserved. As the result of its deliberations I have several amendments to present. First, I move:

That section 3, paragraph k, page 3, line 1, be amended by inserting after the word "prescribe" the words "subject to approval of the Governor in Council."

Hon. Mr. SINCLAIR: I misunderstood the right honourable gentleman in the Standing Committee. There I suggested that the words "subject to the approval of the Governor in Council" should apply to the regulations generally, not to the one clause. I made the suggestion because of the powers being wider than those in the Fruit Act, which is being repealed by this Bill. I cited paragraph h of

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section 3 as bearing on the point. I thought he accepted my suggestion, and that the words "the Governor in Council may from time to time make regulations" would be inserted in both section 3 and section 37. This would make the regulations subject to the Governor in Council rather than to a ministerial order.

Right Hon. Mr. MEIGHEN: I am sorry if I misunderstood my honourable friend, but I had in mind only the penalty regulations in k on page 3 and k on page 9. The Chairman of the Committee tells me he had the same thought. I had no idea that the honourable member wanted the Governor in Council to pass on all the other regulations. True, the powers are somewhat extended, but they are mainly a re-enactment of the powers in the old Act. I should think it would be unnecessary to have the Governor in Council pass on all these detail regulations. Certainly the Governor in Council cannot know anything about them. The Minister has no power to control importations. He has power to license commission agents and dealers in Canada and to control their operations; but that is all. I do not think this is such a serious extension of power as to warrant us in having these regulations go before the Governor in Council. At least, I should not like to accept the suggestion without consulting further with the Committee on Agriculture and the representative of the department.

Hon. Mr. SINCLAIR: The old Act empowered the Governor in Council to make regulations with respect to the importation of fruit. Under paragraph h of section 3 of this Bill the Minister may make regulations:

to provide that all or any kind of imported fruit or fruit packages shall be subject to certain or all regulations made under this Act and in the case of any kind of imported fruit to make regulations in respect thereof as if such fruit had been grown in Canada.

Under this power, if the Minister wished to prohibit entry of fruit, he might make regulations with which the importers could not comply.

Right Hon. Mr. MEIGHEN: He could only prohibit its sale in the country.

Hon. Mr. SINCLAIR: In regard to the much wider powers given the Minister in respect of imports I thought they should be exercised by the Governor in Council rather than by a ministerial order.

Right Hon. Mr. MEIGHEN: May I point out to the honourable senator—he, having been a member of the former Government, will realize its importance—that in respect of the importation of seasonal fruit regula-

tions may have to be made pretty quickly. The details are known to the Minister and to his officers. Very often if something has to be submitted to Council no action will be taken on it because one member wishes to be present or another is not present, and it is deferred from day to day until the Minister's patience is exhausted and maybe considerable harm has been done, when the fact is that the only man around the Council Board who knows anything about the matter is the Minister himself. Very often there is necessity for prompt action with respect to regulations affecting fruit.

The amendment was agreed to.

Right Hon. Mr. MEIGHEN: Next I move:

That sections 36, 37, 38, 39, 40, 41 and 42 and the title of part III be amended by inserting after the word "export" wherever it appears therein the words "and interprovincial trade."

The amendment was agreed to.

Right Hon. Mr. MEIGHEN: Then I move:

That section 37 k, page 9, line 44, be amended by inserting after the word "prescribe" the words "subject to the approval of the Governor in Council."

It was thought this would best meet the point raised by the honourable senator from Queen's (Hon. Mr. Sinclair).

With respect to fees for licences, the Committee felt it would be necessary to leave this matter to the Minister. Mr. McIntosh, of the Department of Agriculture, was present and gave reasons therefor.

The amendment was agreed to.

On section 30—definitions:

Hon. Mr. MURDOCK: I would call the attention of the right honourable leader of the House to the fact that last Thursday when section 30 was under consideration he said:

I suggest that we let this clause stand. I do not understand it.

As a result the section was allowed to stand.

Right Hon. Mr. MEIGHEN: I understand it now. I brought it before the Standing Committee to-day, when the honourable member was present. I could not understand why "dealer" should be defined as:

any person who deals in fruit or vegetables to the amount of five carloads or the equivalent in any calendar year, but if a retail dealer, to the amount of ten carloads or the equivalent in any calendar year.

This morning Mr. McIntosh explained to the satisfaction of the Committee that a man who handled up to five carloads should be considered a wholesale dealer and so regu-

lated. The department did not want to interfere with the ordinary retailer, but only with the chain store retailer, and a person would be one if he needed ten carloads.

Hon. Mr. MURDOCK: I still maintain that this wording will not prevent the doing of certain things that were done in British Columbia and the Prairie Provinces about ten years ago. Personally I think paragraph c of section 30 should be amended by inserting after the word "who" in the 16th line these four words, "personally or in partnership." This morning before the Committee I mentioned that I feared there might be a repetition of what happened in years gone by. In the State of Washington after the fruit season has passed its peak there is usually a surplus to be disposed of. In the past it was the practice to send this surplus fruit forward at very much less than cost. The shippers had a list of all the retail dealers in the towns and cities of the Western Provinces, to any of whom they would send a carload. Should they attempt to do that again, it seems to me that they might evade the provisions of the Bill. I still think this particular section is faulty, but I shall not press my objection to it.

Right Hon. Mr. MEIGHEN: Apparently the honourable senator has not noted the definition of "person" in the interpretation clause on the first page of the Bill:

"person" means both the singular and plural, individuals, partnerships, companies, corporations, societies and associations and their agents or employees.

Therefore section 30 includes partnerships and has the same effect as if the honourable member's proposed amendment were adopted.

Hon. Mr. BUCHANAN: Would not the possibility mentioned by the honourable gentleman from Parkdale (Hon. Mr. Murdock) be controlled by tariff regulation with respect to the importation of fruit?

Right Hon. Mr. MEIGHEN: I think so, but I was not sure this morning. The honourable senator from Parkdale has in mind that in the latter part of the season fruit growers in the State of Washington will ship fruit of a quality that can not pass inspection, but that it will not be supervised, as those shippers will send a car to one retailer, a second car to another retailer, and so on, because the retailer is not licensed.

Hon. Mr. BUCHANAN: But the shippers in the State of Washington could not dump fruit into Canada.

Right Hon. Mr. MEIGHEN: The dumping clause would come into play anyway. We are talking rather of supervision, which is what the honourable senator from Parkdale has in mind. He says those shippers will ship their fruit without inspection, because they will send a carload to a retailer who does not buy ten carloads and therefore does not need a licence. They will not sell to a wholesaler. Mr. McIntosh's answer is that those exporters in the States sell not to a retailer, but to a commission man or a wholesaler, who must be licensed. That is the only answer I can give to the substance of the honourable senator's objection. But I would again point out to him that the word "person" is so defined as to be comprehensive enough to make the section just the same as it would be were his proposed amendment adopted.

Hon. Mr. SINCLAIR: Under the Bill officials have power to apply the regulations in regard to grading of fruit to any quantity, no matter how small, whether it is sent to a retailer or not.

Right Hon. Mr. MEIGHEN: How do they get hold of it unless through the licensing system?

Hon. Mr. SINCLAIR: They get it at the customs. The only question would be whether it was coming in at a price lower than cost.

Right Hon. Mr. MEIGHEN: That would be dumping.

Section 30 was agreed to.

The preamble and the title were agreed to.

The Bill was reported, as amended.

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

Hon. Mr. DANDURAND: Honourable gentlemen, have followed as closely as I could the argument of the honourable senator from Queen's (Hon. Mr. Sinclair) concerning the regulations under Part I. I find that under the present law, as contained in Chapter 80, these regulations were made by statute.

Right Hon. Mr. MEIGHEN: The regulations would not be made by statute; they would be authorized by statute.

Hon. Mr. DANDURAND: The grades are indicated. Subsection 4 of section 3 says:

The Minister, with the approval of the Governor in Council, may prescribe additional grades for individual kinds of fruit; prescribe the kinds of fruit to which grades defined under this subsection shall apply, and make such regulations as may be necessary for making effective the provisions of this section.

Hon. Mr. BUCHANAN.

Then there is the marking. All is done either by the Act or by the Governor in Council. Under this Bill the regulations can be made only by the Minister. Of course, as my right honourable friend has said, there are instances in which the Minister must act promptly. But attention has been drawn to paragraphs h and i, which read:

—(h) to provide that all or any kind of imported fruit or fruit packages shall be subject to certain or all regulations made under this Act and in the case of any kind of imported fruit to make regulations in respect thereof as if such fruit had been grown in Canada;

(i) to prescribe the conditions respecting applications for and the issue of registration certificates, the duration of same and the fee to be paid therefor.

The point is well taken, I think, that if those regulations allow the Minister practically to substitute himself for the Governor in Council and Parliament in dealing with the tariff, so to speak, and in impeding the movement of fruit from outside into Canada, the responsibility should lie on the Governor in Council. There is danger that the Minister may be actuated by a certain angle of the argument presented. The Governor in Council looks at things from all angles, with a view to protecting not only the Canadian producer, but also the consumer. May there not be some virtue in the claim of the honourable senator from Queen's (Hon. Mr. Sinclair) that these regulations should be approved by the Governor in Council? There is considerable power delegated by Parliament to the Governor in Council, and then, under this regulation, from the Governor in Council to the Minister. I wonder if it would not provide a safeguard to have these regulations submitted to the Governor in Council.

Hon. Mr. DONNELLY: While the honourable senator from Queen's is justified in raising his point, I should like to say a word about the difference of opinion in committee this morning. When we were discussing this Bill a week ago I understood the honourable gentleman to be raising objection to the Minister having power to fix maximum and minimum penalties. When I asked the department to send a man to explain the Bill, that was the point I had in view, and the amendment by the committee was along the line of penalties only.

Right Hon. Mr. MEIGHEN: I see the point raised by my honourable friend. The principal objection to giving the Minister power to make the regulations is that he may make special regulations by virtue of paragraph h, which says:

—to provide that all or any kind of imported fruit or fruit packages shall be subject to certain or all regulations made under this Act and in the case of any kind of imported fruit to make regulations in respect thereof as if such fruit had been grown in Canada.

Very good. But that does not give him control of importations. All he can do is to apply to imported fruit the regulations which, by virtue of any other clauses here, he can make as affecting Canadian grown fruit. He cannot stop importation.

I am in the hands of the House as to whether the Minister should submit these regulations to the Governor in Council. If they were continuing regulations, undoubtedly he should. In a sense they are continuing, but sometimes they have to be altered pretty rapidly. That is all I can say in support of the Minister's doing this himself. If it is the general feeling of the House that the regulations should be made by the Governor in Council, I shall not press the resistance any further.

Hon. Mr. SINCLAIR: I feel that the point made by the right honourable gentleman as to the speedy changing of the regulations is perhaps not as important as he may at the moment think. The present law has been in force for about thirty years, and the regulations in regard to the standard of grade and the size and description of the package, which are now being left to the discretion of the Minister, were set out in the statute, and they have been amended from time to time to suit conditions. Up to now the law has worked very well. No instance was given to the Committee by the Fruit Commissioner of any embarrassment being caused to those who were administering the Act; and when we look back over its history and find that it has worked well—I have had personal contact with it—I do not think we should be hasty in giving such wide powers to ministerial order. I think that the regulations at the least should be subject to the Governor in Council. That is the point that I have been trying, somewhat unsuccessfully, to make from the beginning. That is what I had in mind before the Committee on Agriculture when I suggested that I would not press the point strongly on paragraph k, as it would meet the situation, in part at least, to make the regulations subject to the approval of the Governor in Council.

I may say further that in a general way I feel there is rather too great a tendency on the part of Parliament to confer powers on ministerial order. It would not be so bad

in the case of minor regulations. But this is merely a skeleton Bill; the pith is in the regulations. This is true also of some other bills that have been before us or that may come before us.

It seems to me that the Senate, as a reviewing body, might very well take the ground that important regulations in a Bill of this kind should be safeguarded by being made subject to Order in Council instead of to ministerial order. The Department of Agriculture is one of the most efficient in the service, and is doing good work; but the whole viewpoint of the department is to see that the producer is protected in every way possible. That being so, it may go further than it is justified in going, and I think that as a safeguard those regulations should be passed upon by the Governor in Council, representing every viewpoint in the country. These are the reasons why I pressed this matter before the Committee on Agriculture, and again urge it here.

Right Hon. Mr. MEIGHEN: Well, if that is the desire of the Committee, I suggest that the honourable senator move that the Bill be not now read a third time, but be amended by inserting after the word "Minister" in the first line of clause 3, the words "with the approval of the Governor in Council."

Right Hon. Mr. GRAHAM: "Subject to the approval of the Governor in Council."

Right Hon. Mr. MEIGHEN: "Subject to the approval of the Governor in Council."

Hon. Mr. SINCLAIR: Would it not serve the same purpose to say, "The Governor in Council shall"?

Right Hon. Mr. MEIGHEN: No; I do not think that is the way it is usually done. I had thought of that, but the Minister has to make a report.

There are three places where these words will have to be inserted: in the first lines of clauses 3, 34 and 37. Then in the first lines of paragraph k of section 3 and paragraph k of section 37, the words "subject to the approval of the Governor in Council" will have to be stricken out.

The proposed amendment was agreed to.

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

The Senate adjourned until to-morrow at 3 p.m.

THE SENATE

Thursday, April 26, 1934.

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

Prayers and routine proceedings.

FRENCH TRANSLATION OF DEBATES

INQUIRY

On the Notice of Inquiry:

By Hon. Mr. Lemieux:

1. How many French translators are presently at work on the Senate Hansard debates staff?

2. Is the Government aware that practically no distribution of the French Senate Debates has been made since the beginning of the session?

Hon. Mr. HORSEY: The honourable senator from Rougemont (Hon. Mr. Lemieux), who is unavoidably absent, has asked me to say that he would like an answer to question No. 1, and that he wishes to withdraw question No. 2.

Right Hon. Mr. MEIGHEN: As to question No. 1, I refer the honourable gentleman from Rougemont to the answer I made to him on the same subject on March 14. I would add that I believe certain definite action has been recommended by the Internal Economy Committee in its report which the House adopted this afternoon.

THE TOURIST TRADE

APPOINTMENT OF SPECIAL COMMITTEE

Right Hon. ARTHUR MEIGHEN moved:

That a special committee of six senators be appointed to consider the immense possibilities of the tourist traffic, to inquire as to the means adopted by the Government looking to its encouragement and expansion, and to report to this House; and that the members of the said committee be Hon. Senators Dennis, Buchanan, Foster, Parent, Green and Hocken.

Hon. Mr. LEWIS: With a committee of only six members it is barely possible that those provinces which necessarily are not represented may feel aggrieved.

Right Hon. Mr. MEIGHEN: I always think committees can be too large, and six is a pretty convenient number. On the committee is a representative for each of the provinces of Nova Scotia, New Brunswick, Quebec, Ontario and British Columbia and I am sure that the honourable senator from Lethbridge (Hon. Mr. Buchanan) is well qualified to represent the Prairie Provinces, their conditions being much alike.

Right Hon. Mr. MEIGHEN.

Hon. Mr. ROBINSON: Prince Edward Island is not represented.

Right Hon. Mr. MEIGHEN: It is not necessary to encourage tourist traffic there.

CANADIAN AND BRITISH INSURANCE COMPANIES BILL

THIRD READING

The Senate resumed from April 24 consideration of the motion for the third reading of Bill F, an Act to amend the Canadian and British Insurance Companies Act, 1932.

Hon. W. E. FOSTER: Honourable senators, when moving the third reading of this Bill last Tuesday the right honourable leader of the House (Right Hon. Mr. Meighen) referred to the fact that it had been before the Banking and Commerce Committee for some eight weeks. As a member of that Committee I desire to express my appreciation of the diligence and patience of the chairman (Hon. Mr. Black) and the splendid assistance given us by the right honourable leader himself.

This is a very important measure, in that it seeks three objectives in connection with the business of insurance; first, to give the business stability; secondly, to ensure security to policyholders; thirdly, to be invulnerable to attack on constitutional grounds. Having in mind the litigation before the Privy Council in 1924 and 1931, I appreciate the importance of this legislation, and if the objectives can be attained without sacrificing the interests of any of those now engaged in the insurance business, a grave responsibility rests on any one who may offer objection to the Bill.

My main objection is to the words in section 118, "other than a member of Lloyd's." My objection is shared not only by other members of the Senate, but also by many persons outside, as is demonstrated by the fact that we have received a large number of letters and telegrams from various parts of the country protesting against the inclusion of these words. The representations, at least those which I have received, come mainly from the 25,000 agents of insurance companies doing business throughout the Dominion, many of them under licence issued by the different provincial authorities. It is claimed that there are about 250,000 persons dependent on the work of these agents. Naturally they are watching the progress of this legislation with a great deal of interest.

The British and Canadian companies which are represented by these agents have large financial interests in this country; in fact I

am told they have in deposits with the Government of Canada about \$400,000,000. They claim to spend very large amounts of money in various parts of the country, not only in the form of remuneration to their agents, but also in the form of rentals and other general expenses which are essential to the carrying on of such an important business. It is not necessary for me to go into detail in regard to these expenses. I presume, however, that there is included in the total a very considerable sum for legal fees—an item which may be of interest to some honourable gentlemen in this House—quite apart from what they may have had to pay in order to have their case placed fairly and squarely before the Senate Committee.

The securities which these companies have deposited with the Government have been purchased largely from the Government of Canada, the governments of the various provinces, and the municipalities. I think honourable gentlemen will realize that from time to time these companies have assisted very materially in taking up bond issues of the provinces and the Dominion. This is something that I think should be borne in mind when we are considering legislation affecting their interests; and when we receive protests of the nature of those that have been addressed to honourable members, it is only fair and right that we should pay some heed to them.

I may say that one communication I received bore the names of some fifteen firms and individuals who act as agents for insurance companies in the province of New Brunswick. They represent a very substantial interest in that province. Many of the businesses have been carried on for perhaps a hundred years, and are being conducted now by men whose fathers and grandfathers before them established the agencies. These people have a great stake in the community; they are part of its business life. It is therefore reasonable that I should not close my eyes to the representations contained in their letters and telegrams, but should endeavour to present their views. The people who have made these representations feel that their companies should not be compelled to compete with a group carrying on business under the name of Lloyd's unless they can do so on a fair and equitable basis. That really is the foundation of their protests.

Our legislation ought to be fair to all concerned. It is not fair in principle to compel any group or corporation to carry on business under restrictions which are not imposed upon every other group or corporation conducting exactly the same kind of business. I feel that

the principle involved in this Bill is not one that we should follow. It is hardly fair that these important companies to which I have alluded should be compelled, in order to carry on business and have the confidence of the public, to put up large sums of money or make substantial deposits for the security of their policyholders while another group of individuals or another firm or corporation can come into the country and do exactly the same kind of business without being subject to similar obligations.

As honourable members know, a system has been established for the collection of taxes from the British and Canadian companies operating under our laws. They pay large sums of money into the exchequer of the Dominion and the provinces by way of taxes. I am informed that their taxes amount to something like \$3,000,000. Therefore, unless Lloyd's are compelled to pay an equitable share of taxes they should not be allowed to carry on their operations in this country. The protests which have been made should receive some consideration at the hands of this House. It does seem unfair that these old line companies should be compelled to pay their full measure of taxes while this group called Lloyd's, having no office in Canada, escape because there is no means of checking up on any returns they might send in. As a matter of fact they would send in no returns. Under our law as it affects Lloyd's, those who pay premiums are supposed to pay the tax to the Dominion Government. Honourable members can readily see that whereas people who take out policies in any one of the line companies are compelled to pay a tax, it is practically left to the volition of the person who insures with Lloyd's whether he is taxed or not.

Most honourable members are no doubt aware that a policy issued by Lloyd's is signed by a number of individuals, perhaps one hundred or more, who guarantee that in the event of loss they will pay a certain proportion of the value of the property insured. I am not attempting to create the impression that a Lloyd's policy is not as sound as one issued by any of the line companies which make their deposits here as a guarantee of payment of losses.

Suppose that some person in Canada desired to insure his property with Lloyd's. If his application were accepted he would in due time receive his policy and send on his cheque for the amount of the premium. Although that premium is liable to taxation by the treasury of Canada, there is no system for checking the issuance of such policies; therefore no one but the insured need know whether

he pays the tax or not. Perhaps when he gets his policy he puts it into a safety deposit box and forgets all about the tax. Therefore every one of these Lloyd's policies is a loophole through which the Government may lose revenue that it should collect. The only way of ensuring the collection of the tax, as now imposed under the Special War Revenue Act or the Income Tax Act, would be through the establishment of an office to which these insurance transactions would be reported.

As a layman I inquire why the Bill grants any special exemption. One answer is that Lloyd's is a peculiar organization. It is not a corporation, company, individual, nor firm, but a group of individuals. Groups seem to be popular these days. The persons comprising Lloyd's no doubt operate in a way which best suits themselves for the purpose of profit. If on account of their peculiar method of operation they cannot comply with the laws we make for the regulation of insurance business in this country, they should seek other fields. It is contended that because of the way Lloyd's is constituted this country cannot demand that they make a deposit here, as all other insurance companies do, by way of guarantee for payment of losses. But I think it has been established that a deposit was made in the State of Illinois for the security of Lloyd's policyholders there. It is probably true, as was said, that the deposit was made not by Lloyd's itself, but by some private parties. Whatever the source of the deposit, we should have in this country some machinery for making certain that Canadians who insure in Lloyd's receive all the security that our law contemplates.

Another reason that has been put forward for the inclusion of the words "other than a member of Lloyd's" is that in this form the legislation is less likely to be attacked in the courts. It seems to me that this argument is not a sound one. I can hardly bring myself to believe that these words would stand in the way of anyone who wishes to test the legality of the statute, or that if the legality were tested they would ensure the success of the Dominion's case. The ingenuity of the legal fraternity of Canada is well known, and anyone desiring to attack the legislation would find no lack of lawyers willing to accept the brief.

Why should we grant special exemption to the Lloyd's group to do business in this country in opposition to the line companies who are complying with our law? Lloyd's pay no taxes in this country to help us in our time of need. They have no office, pay no rent, employ no people.

Hon. Mr. FOSTER.

I understand that this proposed legislation is not a Government measure, but an ordinary public Bill. In some parts of the country I am looked upon as being slightly partisan, but ever since I became a member of this House I have been inclined to give support to Government legislation, for I realize that the Administration takes responsibility for all the measures it submits and endeavours to act in the best interests of the country. As this is not a Government measure, I feel that we should judge it entirely on its merits.

Believing that we should not pass legislation which would have the effect of discriminating against all the line companies operating in this country, I move, seconded by the honourable senator from Montarville (Hon. Mr. Beaubien), that this Bill be not now read a third time, but be amended by striking out from clause 118, on page 10, the words "other than a member of Lloyd's."

Hon. C. P. BEAUBIEN: Honourable senators, I rise to explain briefly the reason why I have seconded the amendment. This Bill is without doubt extraordinary in some respects, and so far as I know there has been no attempt on the part of its supporters to deny that fact. Its passage would result in the creation of glaring discrimination, which is something not readily acceptable in this country. There are in Canada a large number of insurance companies, some of which were pioneers in the business here. One gentleman who addressed the Committee on Banking and Commerce represented no fewer than 227 companies, all of which are opposed to this Bill as it now stands. Among them are some of the most solvent institutions in this country. Such concerns as the Royal Insurance Company, the Liverpool, London and Globe Insurance Company, and many others whose headquarters are in Great Britain, have been established for a long period of years in this Dominion. They have real estate and other valuable assets here. Yet such companies would be discriminated against by the Bill. Regardless of their financial strength and the value of their investments in this country, all insurance companies operating in Canada, with one exception, are subjected to certain conditions that are considered as essential for the protection of the interests of policyholders. That exception is Lloyd's, which has no office in this country, but does its business across the ocean, in England, where it is not subject to the requirements of our law.

Honourable members will agree with me that the exemption contains no evidence of that equality of justice which should exist

in our law-making bodies. Certainly there is no occasion for surprise at the protestations which have been made by the thousand all over the country. It was stated in the committee that every member had been deluged with correspondence and telegrams expressing opposition to this discrimination in favour of Lloyd's.

There must be a reason for such an unusual legislative exemption. I freely admit that the intentions behind the reason are undoubtedly good. But what is the reason? So far our insurance legislation has fared badly. On three occasions the Privy Council, declaring that Parliament had overstepped its jurisdiction, annulled the enactment. Now a last determined effort is being made to base our legislation on such solid ground that it cannot be assailed in the courts on the plea of unconstitutionality. As I have said, similar legislation in the past has been successfully attacked before the Privy Council, and I appreciate how essential it is to endeavour to render the present Bill unassailable.

Let us examine the means adopted to bring this about. An eminent lawyer, whom I deeply respect, appeared before the Committee on Banking and Commerce and expressed himself to this effect: Be careful! The Privy Council is suspicious; it is disposed to think that under the guise of certain clauses of the Constitution, particularly with respect to bankruptcy, the Parliament of Canada will attempt to overstep its jurisdiction and control the administration of insurance. Apparently that is what we are doing. Evidently we desire to protect our policyholders against bankruptcy or insolvency of any insurance company. But what means are we adopting to attain this end?

Let us go a step further. How do those behind this measure intend to dispel the suspicion lurking in the minds of the law lords? Simply by excepting Lloyd's from its provisions. The members of the Privy Council are the ablest and most painstaking judges in the world, and their judgments are accepted without question throughout the British Empire. Let us imagine that this measure has been enacted and is being attacked as *ultra vires* of this Parliament. Counsel would argue that the Act is nothing but a usurpation of the jurisdiction of the provinces; that the Federal Government, under the pretense of controlling insurance companies with respect to insolvency, has sought to supervise the business of insurance in all its phases. Naturally the law lords would test the validity of the legislation by ascertaining whether it comes within the federal purview. If it could not be sustained

by virtue of the British North America Act, the Privy Council would rule it to be unconstitutional and void.

But, honourable members, how is it proposed to guard against the possibility of such an adverse judgment? Every insurance company "other than a member of Lloyd's" is required to deposit security with the Government. Lloyd's are utterly solvent. It is the hope that should the constitutionality of the legislation be called in question the law lords would proceed to deal with the case, not on the basis of the Constitution, but on the quality of the complainant. We are told that but for the words "other than a member of Lloyd's" the Privy Council would say: "Why, Lloyd's are absolutely solvent. Undoubtedly the legislation is *ultra vires*." By this exception in favour of Lloyd's, although the Parliament of Canada had overstepped its jurisdiction, it would presumably be justified on the ground that it was seeking to deal with solvency and bankruptcy in relation to insurance companies.

That reasoning, I submit, will not appeal to the House. The legislation cannot be declared to be good because those who question it are insolvent; and it cannot be declared to be bad because those who object to it are solvent. Let us suppose that Lloyd's accept the measure, but that the Liverpool, London and Globe Insurance Company object to it and appear before the Privy Council saying: "Look at all the real estate we own in Canada and the deposits we have made with the Department of Insurance. These are amply sufficient to guarantee our policyholders against any possibility of loss." I submit the company could make out an unassailable case for its utter solvency. This being so, why should not the Liverpool, London and Globe Insurance Company be placed on the same footing as Lloyd's? For my part I cannot see any legal justification for enacting legislation that is either constitutional or unconstitutional according to the quality of those who may question its constitutionality. A law is good or it is bad with respect to everybody.

By what right do we ask insurance companies which have made heavy investments in this country in order to carry on business to submit to certain conditions which we consider essential to the protection of their policyholders, while we exempt an organization, respectable if you like, but with no assets here, which makes its contract across the water, has an organization which pays no taxes, provincial or federal, and is making a predatory fight, so to speak, against legitimate insurance companies? That is what

Lloyd's are doing now. There is a cut-throat competition in progress between them and the legitimate insurance companies of Canada.

I am not surprised that thousands of persons are very much concerned about this measure. There is nothing so irksome and so dangerous as a sense of injustice. It has been the cause of all major troubles. Our people will tolerate nearly everything but injustice: that they will resent and oppose.

Our jurisdiction is based on the Constitution. Now we are exercising that jurisdiction, without doubt, for the good of the people of Canada, for our Insurance Department is ably and efficiently conducted. But we must not ignore the constitutional limitations imposed on Parliament. Our legislation must always respond to this test: Does it come within our jurisdiction under the Constitution? If it fails to meet this test, it will topple over of its own inherent weakness.

May I remind honourable members that in the State of Illinois the authorities required Lloyd's to make a deposit of securities. How did they do so? By their agents and representatives keeping back the premiums paid to them and due to their principals. As a matter of fact the deposit was made, but not by Lloyd's directly. Why should not the same course be followed in this country?

I hope the amendment will be accepted in the name of sound legislation and equity and to reassure our people that we desire to deal fairly by them.

Right Hon. ARTHUR MEIGHEN: I am sure that those of our number who were not present at the discussion of this subject before the Committee on Banking and Commerce will, after the eloquent addresses we have just heard, think that I come before the House as the parent of a monstrous piece of legislation. I do not seek to minimize the importance of some of the considerations advanced by the honourable senator from Saint John (Hon. Mr. Foster) and the honourable senator from Montarville (Hon. Mr. Beau-bien). The question is involved and difficult, and I do not know that I have ever risen to explain a problem of greater intricacy, where I felt the obligation to be clear and lucid more difficult of discharge, than in the present instance.

This House had three insurance measures before it two years ago. One was designed to re-establish the Insurance Department, being in the main merely a copy of the old provisions; the other, mostly new, though built upon the old legislation, was to cover

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the subject of foreign insurance; the third was a similar Bill covering British and Canadian insurance. Owing to decisions of the highest court of the realm it had become necessary, if we were to continue our Insurance Department, to bring our legislation within the ambit clearly left to us, if indeed there were any.

We passed those bills. I shall refer to the second and third as I proceed with the argument, but I think it better now to try to get the House to realize the importance of the continuation of the Federal Insurance Department. No one could have less sympathy than I have with a continual scramble, as between the federal and the provincial authorities, merely for the sake of jurisdiction and the keeping up of departmental organizations. In fact I was rather inclined to make an end of the whole thing and leave insurance to the provinces; but considerations were advanced which compelled me to change that view, indeed convinced me that it was of practical importance to Canada to continue federal supervision of insurance.

In the first place we have a very efficient department and a very able superintendent. This alone would be a rather worthless argument; it is only of value associated with the other arguments which I shall advance.

Another reason, a very powerful one, is that if insurance is to be subject only to provincial review and supervision, then the status of a very large array of Canadian companies will be so reduced and impaired that their business, not so much in Canada as abroad, will, they feel, be seriously challenged. Our companies enjoy by far the greatest part of Canadian life insurance business—I think, more than 90 per cent; but they also are in enjoyment of a tremendous business in foreign lands. Almost 50 per cent of the income of Canadian life insurance companies comes from this source. Outside Canada they have until now been able to represent themselves as licensed, supervised and inspected by the federal authorities. In that way they impressed upon their clientele and those to whom they appeal for business that they have strength and status and are really dependable companies. They have been able, largely because of this very feature, of course supplemented by their own efficiency and business capacity, to make a great success of insurance in the foreign field. I believe the House, unless it were impelled by a motivation that seemed to outweigh the importance of those facts, would hesitate to do anything that

might imperil federal jurisdiction and strike a blow at a very important section of Canadian business life.

The third reason is this. Only the two larger provinces, Ontario and Quebec—possibly, for the purpose of argument I should add British Columbia—have insurance departments. The other six provinces have none, and further, they do not want to establish them. In my humble view those six provinces are to be commended upon the common sense inherent in their position. Surely we have enough of duplication, triplication and multiplication in this country already. We have the departments of the Dominion, Ontario, Quebec and British Columbia, and all companies doing Canadian business have to bear the expense involved in complying with the requirements of this array of supervision and inspection bureaus. If we are not able to sustain the Dominion department, the number of departments will immediately be increased to nine. Honourable members will see at a glance the fearful burden that our companies would thereby be called upon to bear by reason of a grotesque multiplication of costs and machinery, already one of the banes of Confederation.

I think I have gone as far as is necessary to establish the importance of maintaining federal jurisdiction, if that is possible. I recall that a little more than a year ago, at the Provincial Conference, each of the six provinces I have referred to made pleas to the Dominion to continue the federal department. I do not know the present position of British Columbia, but I should hope that it has joined with those six provinces. Certainly to those who have a knowledge of the financial position of our provinces there would appear to be reasons why we should exercise all the economy within our power.

Now, if we think it worth while to make a real effort to maintain a federal department, our first objective should be a Bill which is likely to be sustained in the event of another appeal. Why are we so keen about resisting a possible challenge to our jurisdiction? The main reason is that already we have had three serious challenges. The first was in 1916, when Alberta launched an appeal in regard to what are known as the reciprocal insurance organizations. At that time the Privy Council held against the Dominion of Canada.

I could give the House, if it would not tend unduly to complicate the situation, the pith of the issue before the Privy Council in 1916. The question was whether the Dominion had power to compel a company to take out a

federal licence before doing business, or whether a local licence was sufficient. The Privy Council held that the local licence was sufficient, and the federal contention was disallowed on all grounds.

Canada then, having in mind the desirability of retaining if possible the federal department, set to work to achieve the goal by other means. Legislation was passed making it a criminal offence for any company to do business in Canada contrary to the provisions of the Insurance Acts. There was no question that the Dominion alone had jurisdiction in criminal law, and apparently the Government of the day was advised that if it could keep within that field it could do what it wanted to do. The provinces in 1924 went to the Privy Council, who declared that the conduct of the business of insurance was a provincial matter, and further, quite fairly and rightly, that the Dominion could not by the exercise of an undisputed jurisdiction in criminal matters invade the exclusive domain of the provinces, and that the legislation which had been passed was not really criminal legislation at all. To use the words of the Judicial Committee:

Viewed as a whole, it was not criminal law, but was merely an attempt under colour of criminal law to appropriate to itself a domain denied to it by the British North America Act.

Then, in 1931, the Dominion attempted to act under the cloak of taxation. It had previously attempted to act under the cloak of alienation. Again it failed. All through the decisions given this reservation was repeated, that it would be possible for the Dominion to frame legislation to shut out aliens, or to control them after they came in. We did our best to come within this limitation in our revision of the Foreign Insurance Companies Act, but we cannot come within it in our revision of the Canadian and British Insurance Companies Act, because a British company is not an alien. It therefore becomes necessary for us to see if there is not some other solid footing upon which we can rest and establish our jurisdiction in relation to insurance, sufficiently at least to keep the federal department reasonably effective. We have jurisdiction in bankruptcy and insolvency, and I do not think there is any serious question as to where that jurisdiction begins and ends. It has been held in the Delisle case that the federal powers in bankruptcy and insolvency go to the extent of enabling the Federal Parliament to declare where bankruptcies begin, the conditions under which the law comes into operation, and the effect of that operation. In insurance it has become

necessary that those having jurisdiction in insolvency shall also have power to declare where it begins and ends. Insurance, unlike a mere commercial operation, is a matter of actuarial science. A company able to pay all its debts on a given day may still be absolutely insolvent by reason of obligations to mature later, and it may be necessary in the public interest to declare it insolvent. Hence I think it can be conceded that in regard to insurance we have the right to declare who is bankrupt or who is able to demonstrate that he is solvent to such a degree as to warrant his being allowed to conduct the business.

That is the rock upon which the main features of this legislation stand, and I think I have said enough to impress upon the House the necessity of making sure that we are honestly on that rock and not in the position in which we were found to be on two previous occasions, of pretending to exercise a jurisdiction that everybody knows to be ours, but only for the purpose of securing another jurisdiction that is held not to be ours at all. Therefore we must show every evidence of good faith in the very terms and letter of our legislation, and the jurisdiction we are seeking to exercise must really be jurisdiction in insolvency. We do not want to be in a position where it can be said to us: "We told you that you had no jurisdiction in the business of insurance. You tried to get it under alienation, and we told you to go back. You then came before us with criminal legislation, and we told you it was colourable and could not stand. Now you come pretending to exercise your powers in bankruptcy, and we give you the same answer." There is no particular fear that any organization will hale us before the tribunal; if we are haled there, doubtless it will be by one of the provinces; but we want to be able to say to the Privy Council, and to show by every section of the Act, that we are honestly on the footing of insolvency and are not seeking to supervise insurance beyond the point of seeing that it is solvent. We do not want it to lie in the mouth of any province to say: "This is not bona fide. Here is section so and so; imagine the Parliament of Canada saying that in this special case, under terms and conditions known to the world, they have to legislate in insolvency."

Now I come to the Bill itself, but before proceeding to discuss it I want to ask the House to get the issue clearly into its mind. From the debate so far one would think that the issue was, "Shall Lloyd's be allowed to come into Canada?" or "Shall Lloyd's have

Right Hon. Mr. MEIGHEN.

to stay out?" With all deference to honourable members, that is not the point at all. The fact is that Lloyd's are here to-day, and are doing business in Quebec and in other provinces, and in the province of Quebec certain groups of Lloyd's underwriters have a licence. Whether this legislation passes in its present form or in the form desired by the honourable gentleman from Saint John (Hon. Mr. Foster), Lloyd's will still be doing business here. It is true they will lack the prestige of having a federal licence, and the advantages that go with it; but how much of a handicap that will be nobody can tell. Lloyd's do not need the prestige of a licence, or the advantages that go with it, in the same way that certain weaker or less known companies do. Personally I do not think there will be a great deal of difference in the amount of business Lloyd's will do, whether this Act passes in its present form or in the form favoured by the honourable gentleman from Saint John. Admittedly Ontario stands ready to grant them a licence; other provinces have appealed for provisions which would enable them to come in. I may mention specifically the province of Saskatchewan, and, although I have not seen the correspondence, I feel confident that I could add Manitoba and Alberta.

Hon. Mr. LYNCH-STAUNTON: They wish this to go through?

Right Hon. Mr. MEIGHEN: They do not specify what the legislation should be, but they wish some door to be opened to admit Lloyd's.

Is it not strange that this roar that has resounded throughout Canada, which has not been exaggerated at all by the honourable gentleman from Saint John (Hon. Mr. Foster) nor the honourable member from Montarville (Hon. Mr. Beaubien), was not raised in the provincial legislatures? Indeed some of them—not all—have made special provision for the admission of Lloyd's. To-day the legislatures are certainly in favour of admitting Lloyd's, and undoubtedly they will welcome this legislation far more warmly if it provides for their admission.

If there is one point that it is desirable to keep in mind in reference to our insurance legislation now, it is the desirability of some settlement of this issue with the provinces, of securing legislation which will not be challenged by the provinces as unfair, and under which they can take their part and work out their objectives alongside the federal authorities. I go so far as to say that in the Bill before us we have that legislation; but I think that if it were to be amended as proposed I

should have every reason to fear that it would be challenged.

Let me finally and definitely emphasize the fact that the provinces which have borne the brunt of the fray in the fight for provincial jurisdiction want some provision whereby Lloyd's will be enabled to do business in Canada. So the question is whether there shall be such a provision, or whether we shall go on in an attitude of perpetual challenge and defiance.

If the legislation of this Parliament again goes to the Privy Council, and is again upset, I think we may make up our minds that it is our last journey. There will then be nothing left upon which we can fall back. Federal jurisdiction over insurance will be gone, and our department will have come to an end of its usefulness. Now, if it is important to maintain that jurisdiction, surely it is worth while to canvass thoroughly our position and see if we cannot meet the provinces. Surely it is worth while to make an earnest attempt to be done with litigation and defeat in the courts, and to create a situation wherein our department will be serving the provincial departments while they in turn supplement, if they so desire, the work done under the authority of federal legislation.

The main ground of attack on this measure is that it discriminates in favour of Lloyd's and against Canadian, British and other companies which are required to make deposits and give security in Canada before they receive a federal licence. In the first place I want to emphasize that the object of our insurance legislation is to protect the interests of people who purchase insurance. It is essential that Parliament should exercise parental supervision, for the ordinary insured person is in no position to judge whether or not the company to whom he has paid his premium is fully competent to take care of its obligation. So the main, if not the whole, purpose of insurance legislation is protection for the public. Let us not debate this Bill as if the question were whether we should give encouragement to Canadian companies in preference to their competitors from other countries—as if we were considering a matter of protection for Canadian enterprises. I certainly would not oppose the giving of some advantage to Canadian companies, even in the field of insurance, if that principle were before us for consideration. But I repeat that the object—so far as I know, the only object—of this Bill is to see that the public who purchase insurance are protected.

In the carrying out of this object we must, to the utmost of our power—I emphasize

those six words—take care not to be unfair to the insured and not to discriminate unnecessarily or unjustly as between companies. Are we being unfair to Canadian and other companies in this Bill? This question brings us to the exact terms of the measure. The main feature is the same as that in the Foreign Insurance Companies Bill. Before any Dominion incorporated company or British company can obtain a federal licence to carry on an insurance business it must make at Ottawa a deposit equal to its premium reserves, as a security for the payment of its liabilities. From this provision Lloyd's are excepted on certain terms, and certainly the onus is on those who justify the exception to establish the desirability of the terms. While I am trying to do so I ask the House to keep in mind what I said before, that unless we make some provisions for giving Lloyd's a federal licence to write business here that organization will do the business without a licence. We cannot prevent it from so doing unless we obtain an injunction, such as we have hitherto sought in vain.

Hon. Mr. CALDER: Will the right honourable gentleman permit me to ask him a question? Do I understand that Lloyd's carry on business throughout Canada?

Right Hon. Mr. MEIGHEN: I do not say throughout Canada—

Hon. Mr. LYNCH-STANTON: Wherever they want to.

Right Hon. Mr. MEIGHEN: Yes, wherever they want to.

Hon. Mr. CALDER: How do they do that? Do they get licences from the provincial governments?

Right Hon. Mr. MEIGHEN: They have a licence in Quebec and they can get one in Ontario. I believe that at the present time their Ontario business is done through a Montreal office. In Saskatchewan Lloyd's have insured the Hudson Bay route, for example. They have a licence in Quebec, and Canadian applications are sent to them there or at London, the business being actually written at one of those places.

Hon. Mr. CALDER: Suppose a person residing in Toronto desired to insure with Lloyd's. Is there anything in either the federal or the provincial law to prevent him from writing to London and purchasing a policy from Lloyd's?

Right Hon. Mr. MEIGHEN: Nothing at all. That is being done right along. Or he could write to Montreal and have his

business completed there. I think I am not going too far when I say that unless we make provision for giving Lloyd's a federal licence, they will obtain one from the government of each province in which they desire to do business. If we give them a Dominion licence they will of course be subjected to the same supervision as all other insurance companies.

The Bill states that Lloyd's shall not be required to make the customary deposit, provided they comply with certain other requirements. Before proceeding further I want to state the reason why an exception is made in the case of this organization. Lloyd's are an incorporated society whose business is actually underwritten by its individual members or groups of members. They are a kind of world institution, established some two hundred and fifty years ago, whose home is in London, alongside of, and in historic significance not unlike, the Bank of England. An important fact is that there are special British statutes applicable to Lloyd's alone. Recognizing the international character of the organization, which has liabilities throughout the length and breadth of the world, and recognizing also how closely the reputation of Britain is linked with the solidity and dependability of this unique society, these statutes provide special guarantees to cover the member's liabilities in every country. In the first place, all the premiums received for any underwriter in any year have to go into a trust fund, which is maintained under the supervision of the English Board of Trade as security for payment of losses incurred by that underwriter. This fund alone amounts to more than the premium reserve which is required at Ottawa as a deposit by other companies. In the second place, each underwriter in Lloyd's has to establish a guarantee fund of deposits or guarantees acceptable to the Government of Great Britain and equal to the premium income of the preceding year. This fund is likewise under the supervision of the British Board of Trade, and, like the one I first mentioned, it amounts to more than the deposit required of other insurance companies doing business in Canada. Additional deposits, to which I need not refer, are required under the Imperial legislation. It is estimated by officials—not of the Government of Canada, for I have no figures from them in this regard, but of another Government—that the ratio of the value of these securities to liabilities is from four to five times in excess of the Canadian security requirements.

This Imperial legislation is so framed that the securities I have mentioned are applicable with respect to the liabilities incurred by Lloyd's underwriters in every quarter of the

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world. I know of no other British law containing a similar provision with respect to insurance. In the face of that statute, which has existed in its present form since 1909 and was in a similar form long years before that, it would be very difficult for counsel supporting our federal legislation to argue successfully before the Privy Council that we find it necessary to require from Lloyd's a deposit in Canada in addition to those funds held in England. Should counsel make such an argument—and there is no doubt we shall have to defend our position in the courts if the honourable gentleman's amendment is adopted—is counsel not likely to be told pretty quickly, "You are simply repeating the performance of 1916, 1924 and 1931"?

Hon. Mr. DANDURAND: But would not the point at issue before the Privy Council be limited to the right of this Parliament to impose on Lloyd's the obligation of making a deposit?

Right Hon. Mr. MEIGHEN: It may be so.

Hon. Mr. DANDURAND: Then would the Privy Council go further than to consider the principle involved? Would it go into the matter of the amount of the deposit?

Right Hon. Mr. MEIGHEN: I think it is inevitable that if we appear again before the Privy Council with respect to our insurance legislation it will be at the instance of one of the provinces. And that province may have Lloyd's standing in the same relation to it as the Factory Mutuals stood to a province in 1931. This time we should be on an entirely new footing. Our argument would be this: "We stand before you with our feet firmly planted on the solid rock of our jurisdiction in bankruptcy. We defend this legislation by virtue of our authority to declare when an institution is or is not bankrupt, and what results shall follow from bankruptcy. You have held in the Delisle case that we can declare when bankruptcy begins. We are simply taking precautions to see that it does not begin, so far as insurance companies are concerned. If we cannot do this no one else can, for in Canada we alone have jurisdiction in bankruptcy." And the reply would probably be: "Show us that this part of your legislation which requires the deposits is essential to the exercise of your jurisdiction in bankruptcy." The court might ask, "Do you think you need a deposit from the London and Lancashire Company?" We should probably answer, "The London and Lancashire is a very powerful company, which

we know has tremendous assets in England, but without such legislation as we are now defending we should have no means of applying those assets as securities for losses incurred in Canada; so we require that company to provide security in the shape of a deposit."

I think we should be correct in contending that it is the right and duty of the Federal Parliament to provide, under its jurisdiction in bankruptcy, that every insurance company, however strong, deposit securities as a guarantee of ability to meet its liabilities; and we could make that argument with respect to the London and Lancashire Company, for example. But if we attempted to apply it to Lloyd's, the law lords would probably say, "You have the same right of access that the people of England have to the special guarantee funds that Lloyd's maintain. Because you fear bankruptcy, do you think it is necessary to require deposits in Canada by Lloyd's, and thus to build the structure of their security to six or seven times the height that your legislation regards as safe?" I fear that if we replied in the affirmative we should be standing on a pretty narrow path and in danger of being brushed aside. It is only that we might the more clearly show our bona fides if we had to appear again before that great tribunal that I think we should retain the exception with respect to Lloyd's in the Bill.

An honourable gentleman says that Lloyd's can put up a deposit in Canada, as all other companies do. In reply to that argument I make the observation that Great Britain found it necessary to have special provisions applicable to Lloyd's, because of the nature of their organization. For the same reason certain provinces of Canada, one after the other, found it necessary to have special provisions with respect to Lloyd's. I go further and state that this Parliament found it necessary, when dealing with the Foreign Insurance Companies Act, to have special provisions with respect to Factory Mutuals. The Factory Mutuals in relation to the Foreign Insurance Companies Act stand on all fours with Lloyd's in relation to the present Bill. We found that we could not put the Factory Mutuals into the same mould as the corporate companies; so we had to make special provision. And if my memory serves me right that special provision passed this House with the support of the honourable senator from Saint John (Hon. Mr. Foster).

Hon. Mr. BLACK: And also with the support of the honourable senator from Montarville (Hon. Mr. Beaubien).

Right Hon. Mr. MEIGHEN: Yes, I think that is so. The organization of Lloyd's is unique. Lloyd's did not put up a deposit in Illinois; it was Lloyd's brokers who did that. They owe that money to Lloyd's. But the State of Illinois is not subject to the law of Canada or to the jurisdiction of the Privy Council. If Illinois wants to shut out Lloyd's there are no states nor principalities nor powers there to let them in again.

I want to emphasize that if the Bill passes, Lloyd's must get a licence. Then their policyholders in Canada will be in a far better position than they have ever been in the past, for the reason that Lloyd's will be obliged to have a representative in this country, an attorney, with defined powers as stipulated by the Minister. That attorney can be served with process. We do not need to go over to London and hunt out Lloyd underwriters, to the number of 150; we serve their attorney in Canada. Lloyd's are to come under the jurisdiction of the Canadian courts before they can do business here. That is stipulated in the Bill. Furthermore, Lloyd's bind themselves to this, that a judgment against them by a Canadian court shall have the same force and effect as if made by a court in England. Consequently the deposits there are immediately answerable for judgments obtained in Canada. This will put their insured in this country in a safer position. We are legislating for the insured.

Now, I do not wish to stand here as the final authority on constitutional matters. Suffice to say that in this respect I am seeking to give the House the views of the Department of Justice, views which were clearly enunciated and supported before the Committee by one of our greatest constitutional authorities, the Hon. N. W. Rowell. I think all members of the Committee will agree that after many days of contention his argument stood intact. Such being the case, are we serving any useful object by shutting the door and again inviting litigation, when we know that the only result will be that Lloyd's will operate as they have always operated—with the assistance of provincial licences and without the protection to the insured that this proposed law provides?

Such is the argument in support of the Bill. It is not strictly a Government but a departmental Bill, which we seek to have reviewed on its merits. The decision in this issue was left to the Committee without any imprimatur of the Government whatever, the Prime Minister feeling that the Committee, hearing the witnesses and the debate on the

constitutional and other features, would be in a better position to decide than would the Government itself. As leader of the House, I support the Bill. I ask honourable members to cast their vote wholly on the merits. If they feel they will serve the best interests of Canada by declining to open the door and to allow the Lloyd's provisions, of course they will vote for the amendment.

Let no honourable member think there is some discrimination in respect to taxation. There has necessarily to be a different method provided for the collection of taxes. But no Parliament could ever defend a system of taxation for one branch of business if it failed to apply it to the other branch. The taxation ultimately paid is just the same in respect of Lloyd's as of any other insurance company, though we levy it against the insured, for the reason that Lloyd's are not a company—they are underwriters in England. The fact is that Lloyd's will have to pay the tax or they cannot do business. Lloyd's fix the maximum of taxation, for they know the present law, and say, "We will pay that." If there is anything beyond the maximum the broker will have to pay it.

It is said, "You will disrupt the organization of insurance agents, some 25,000 strong." They have sent circulars to us, all instigated from the same source, to the effect that this Bill will injure their business. I do not know. Insurance agents' commissions may be reduced. I believe Lloyd's rate of commission is lower than the general rate. But is it the business of this Parliament to enact legislation in order to sustain agents' commissions under the present practice? Insurance business cannot be written except through agents. I know of no other way except possibly, as is done now, by sending the business through a broker to England and having it written there. If this Bill passes, Lloyd's insurance will be written in the same way as any other insurance. I do not know the rate of remuneration, but I do not see why there should be any lesser amount of insurance written. In a word, if there will be no great difference in the volume of business Lloyd's will transact whether or not the Bill passes, I do not see how the work of insurance agents is going to be materially affected.

Such are the considerations that have led me to support the measure, and I advance them, with all deference and respect, for the approval of the House.

Hon. Mr. LYNCH-STANTON: It appears to me a matter of utter indifference to Lloyd's whether they are asked to make a deposit or

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not, for the reason that without making a deposit they can go on doing all the business they are doing now in Canada.

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. LYNCH-STANTON: I have for seven years had a policy with Lloyd's. I have never seen it, but I know it is all right. Suppose you make Lloyd's put up a deposit, and they find it so inconvenient or embarrassing that they refuse to do so, will that lessen insurance business in Canada?

Right Hon. Mr. MEIGHEN: I do not think so.

Hon. Mr. LYNCH-STANTON: I do not see how it can in any way benefit any other insurance company to require Lloyd's to make a deposit.

Right Hon. Mr. MEIGHEN: Lloyd's take the stand that they do not want to have any difference with the federal or provincial governments. They say, "Make any reasonable regulations, and we will comply with them." They do not say, "This provision is vital to our business in Canada." I think their view is that to them individually it makes no difference.

Hon. Mr. HOCKEN: We are told this is a departmental Bill. May I ask the right honourable gentleman what is the attitude of the Superintendent of Insurance towards it?

Right Hon. Mr. MEIGHEN: He is determinedly opposed to it, just as he was determinedly opposed to the Factory Mutuals.

Hon. Mr. MacARTHUR: If these words are retained will the status of the agents of competing companies be in any way affected?

Right Hon. Mr. MEIGHEN: No. They seem to fear that Lloyd's will do a tremendously increased business without agents. I do not know how they figure it out. However, their status with their companies will be just the same as it was before.

Hon. RAOUL DANDURAND: Honourable members of the Senate, I have followed this legislation in the standing committee and have given special attention to the argument of the Hon. Mr. Rowell on the constitutional features involved.

I had the responsibility in 1910 of piloting the Insurance Act through the standing committee and through this Chamber. At that time an effort was made to subject the New England Mutuals to our general laws and force them to make a deposit of securities with the Minister. It was demonstrated that

they were not actually soliciting business in Canada, that those who wanted to insure their property had to apply direct to the Mutuels at Boston or elsewhere in the New England States. The policyholders testified that not only was the cost of the insurance so low that no old-line insurance company could compete, but they were also receiving the benefit of a very stringent inspection service which substantially reduced the fire risk. On the strength of that testimony we excepted the Mutuels from our system of control and supervision. I have not changed my opinion with respect to those companies. They are not asking for our business; we go to them.

Right Hon. Mr. MEIGHEN: They have provincial licences.

Hon. Mr. DANDURAND: Yes. As to this proposed legislation, like the right honourable gentleman I am in favour of the federal authorities retaining a measure of control over the insurance business. I have watched the supervision of fire and life insurance companies by our Insurance Department, and I think it has no superior in any country. I have seen its officials at their work in insurance companies with which I am connected, and I appreciate their invaluable assistance.

As my right honourable friend has said, the Superintendent of Insurance is absolutely opposed to the provisions of the Bill with respect to Lloyd's.

I am prepared to go a long way to ensure that the courts will, if occasion arises, declare the legislation constitutional. To the Hon. Mr. Rowell and to my right honourable friend I have put this question: "In requiring a deposit of securities from foreign and from Canadian insurance companies is your legislation on solid rock? Will it withstand the test before the courts?" Their answer is in the affirmative. I appreciate its soundness, for it is a general principle of the Bill that all foreign companies shall protect their policyholders by depositing securities with the Government.

But suppose that Lloyd's pleaded: "This legislation is directed against insolvency or bankruptcy. It is inoperative as against us, because we have millions of dollars in our treasury and on deposit in England under the insurance law of that country. There is not the remotest possibility of our becoming insolvent or bankrupt." And suppose that their contention was upheld by the courts. Would it follow that insurance companies not constituted in the same way as Lloyd's would be subject to all the provisions of the Act? Or would the courts go further and

make this distinction: "Yes, the law is constitutional, but, its prime purpose being to guard against insolvency or bankruptcy of insurance companies, it is inoperative against any company that can furnish conclusive proof of solvency"? Verily, I cannot imagine any tribunal, particularly the Privy Council, delivering such a judgment.

However, there is one thing to which I cannot reconcile myself. My right honourable friend says that by disarming an influential institution that stands as the most serious obstacle in our path we gain the advantage of making this legislation unassailable before the courts. But surely a vast number of people interested in one way or another will not favour such a law simply because there is a chance of eliminating the hostility of Lloyd's. The proposed exception goes against my own feelings. Insurance companies are very numerous in Canada. At first they were mostly foreign companies, but during the last fifty years or so many Canadian companies have developed. Competition is very keen, even in the matter of the premiums charged by the various companies. Now all these companies say, "If you make an exception in the case of such an organization as Lloyd's, they will be able to come here and undersell their competitors."

Hon. Mr. LYNCH-STANTON: But is that true?

Hon. Mr. DANDURAND: I should think it is. They will undersell to the extent of the saving effected by means of the privilege you gave them of not having to open agencies here, as other companies must.

Right Hon. Mr. MEIGHEN: No, no. There is no difference whatever.

Hon. Mr. DANDURAND: You will allow me to develop that point. What is done now by Lloyd's, so far as publicity and representation are concerned? Nothing. Other companies have agents throughout Canada.

Right Hon. Mr. MEIGHEN: The honourable member is misinformed. There are men writing business for Lloyd's in Regina, and, I think, right through to the Coast. Certainly there are in Montreal. It is all a question of what you call them.

Hon. Mr. DANDURAND: My honourable friend must know that they are not distributed throughout the country.

Right Hon. Mr. MEIGHEN: They are not writing much business.

Hon. Mr. DANDURAND: We had Mr. Lucas before the Committee. He said there were some fifteen agents in the city of Mont-

real who wrote business for Lloyd's. Of course they do not confine themselves to that work exclusively; they place insurance for Canadian and foreign companies.

This is the system followed by Lloyd's. An agent in Edmonton, or anywhere else, asked by a client to place some insurance with Lloyd's, wires to an agent of Lloyd's in Montreal, who cables to London. The Montreal agent may say that he will carry the risk till he gets the policy, or the next day he may receive an answer informing him that the risk is covered. It is a week or two, or perhaps two months, before the policy is sent out.

The grievance of the other insurance companies is that while they maintain their establishments here, pay rent and taxes, and employ staffs in order to carry on their business, Lloyd's escape those responsibilities and charges by carrying on their business by cable from London, and for that reason can quote lower rates. The companies in the Canadian field who come under the Canadian law have built up their business here and have to meet daily, weekly and yearly expenditures that are a charge on that business. I think you will see in the bluebook a statement of the millions that are paid to their various staffs. Lloyd's do not have to incur such expenditures in this country.

Right Hon. Mr. MEIGHEN: But is not the law the same with respect to both, as far as the way in which they get business is concerned? Both classes are treated in exactly the same way under the law. In the matter of getting business one may adopt a different method from the other, but the law does not discriminate between them.

Hon. Mr. DANDURAND: It does not.

Hon. Mr. LYNCH-STANTON: May I ask a question or two? The first question is: What amount will Lloyd's have to deposit? The second question is: If this Bill goes through as it is—although I do not think it ought to go through—will Lloyd's have to set up great staffs in Canada and employ numerous agents, or will they continue to go on as they are doing now?

Hon. Mr. DANDURAND: They will have to conform to the Canadian law, and will have to assume certain charges from which they are at present exempt.

Hon. Mr. LYNCH-STANTON: Would the honourable gentleman answer my question? Will they have to establish agencies, employ staffs, and buy buildings?

Hon. Mr. DANDURAND:

Hon. Mr. DANDURAND: I do not think they would do it to the same extent as the other companies.

Hon. Mr. CALDER: I cannot follow the honourable gentleman at all so far as this class of expenditure is concerned. In my own province, with a population of 800,000, there are insurance agents in the cities, towns and villages, but I cannot recall a case in which a single dollar has been expended by any insurance company except for investment purposes. The insurance companies do not put up buildings. As a rule the agents, in addition to writing insurance, do a little conveyancing, deal in real estate, and dabble in grain and all sorts of things. When the honourable gentleman endeavours to make the argument that Lloyd's should bear the same expenses as the other companies, I cannot follow him, because those companies, outside of their head offices, and perhaps in cities like Toronto, Winnipeg or Quebec, have no expenses.

Hon. Mr. DANDURAND: I readily admit that in the rural parts there would not be very much difference between an agent for Lloyd's and an agent for a Canadian, British or foreign company. But the work of the insurance company is centralized; it is in the cities that the applications for policies are received. The agents are scattered throughout the land, but they write to the principal office of the company in Halifax, Saint John, Montreal, Quebec or London. I have not the figures given in the Committee as to the amount paid for the maintenance of these institutions, but it runs into millions.

Hon. Mr. LYNCH-STANTON: The honourable gentleman has not answered my question.

Hon. Mr. DANDURAND: Would my honourable friend be good enough to repeat it?

Hon. Mr. LYNCH-STANTON: Whether Lloyd's are included under the Bill or not, will they have to put up a deposit? If they are included, will they have to establish agencies and open offices and do all the things which the other companies do?

Hon. Mr. DANDURAND: No, probably they will not; but they will have to conform to the Canadian law, and will have Canadian offices.

Right Hon. Mr. MEIGHEN: No.

Hon. Mr. LYNCH-STANTON: Will they?

Hon. Mr. DANDURAND: Or will file with the Government the statements demanded of the other companies.

Right Hon. Mr. MEIGHEN: They have to do that anyway.

Hon. Mr. DANDURAND: Or they may continue as they are doing now—like the New England Mutuals—and await the receipt of cablegrams in London.

Hon. Mr. LYNCH-STAUNTON: Of what benefit or disadvantage is it to them?

Hon. Mr. DANDURAND: I have tried to ascertain what was the real grievance of the insurance companies. There is a feeling that a privilege is being granted to one large institution whose representatives will go throughout the land boasting that their company is so solvent that it is exempt from the obligations imposed upon all other insurance companies.

Hon. Mr. LITTLE: That is the only argument they have.

Hon. Mr. DANDURAND: That is the principal argument I have heard—that a large institution like Lloyd's would be able to say: "We are in a different class from the smaller institutions, like the Royal, or the Liverpool, London & Globe. We are Lloyd's. We offer perfect security, and have been allowed by the Dominion Government to do business without having to abide by the law governing the other companies."

Hon. Mr. LYNCH-STAUNTON: Would it not be a great talking point for the other companies to say that Lloyd's have no deposit in Canada?

Hon. Mr. DANDURAND: It may be. I simply want to bring to the attention of the Senate the opinion of the men in the field, who resist the idea that all companies should not be on an equal footing.

The proposed amendment of Hon. Mr. Foster was negatived.

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

LIVE STOCK AND LIVE STOCK PRODUCTS BILL

THIRD READING

Bill 40, an Act to amend the Live Stock and Live Stock Products Act.—Right Hon. Mr. Meighen.

PRIVATE BILL

THIRD READING

Bill 9, an Act to incorporate the Bishop of the Arctic of the Church of England in Canada.—Hon. Mr. Griesbach.

DIVORCE BILLS

THIRD READINGS

On motion of Hon. Mr. McMeans, Chairman of the Committee on Divorce, the following bills were read the third time, and passed:

Bill S, an Act for the relief of Lucy Doris Cannon.

Bill T, an Act for the relief of Helen Isabelle Smith Maybee.

Bill U, an Act for the relief of Sybil Eileen Dyson Richardson.

Bill V, an Act for the relief of Bertha Alice Maude Maher Burke.

Bill W, an Act for the relief of William James Thistle.

FIRST READINGS

Hon. Mr. McMEANS, Chairman of the Committee on Divorce, presented the following bills, which were severally read the first time:

Bill X, an Act for the relief of Asiz Koudsy, otherwise known as Eddie Coudsy.

Bill Y, an Act for the relief of Marjorie Seymour Hammond Zavitz.

Bill Z, an Act for the relief of Lucille Margaret Turbin Kelly.

Bill A2, an Act for the relief of Esther Liverman Kazenel.

ADJOURNMENT OF THE SENATE

Right Hon. Mr. MEIGHEN moved that when the House adjourns to-day it stand adjourned until Tuesday next at 8 p.m.

Hon. Mr. HUGHES: Daylight saving time will be in effect next week.

Right Hon. Mr. MEIGHEN: It will be 8 o'clock daylight saving time, then.

The motion was agreed to.

The Senate adjourned until Tuesday, May 1, at 8 p.m.

THE SENATE

Tuesday, May 1, 1934.

The Senate met at 8 p.m., the Speaker in the Chair.

Prayers and routine proceedings.

COMMERCIAL AVIATION IN CANADA

INQUIRY—ORDER FOR RETURN

Hon. J. A. McDONALD inquired of the Government:

1. What assistance did the Government offer commercial aeroplane operators, if any, in 1933?
2. What further assistance, if any, is planned for commercial aeroplane operators in 1934?
3. What subsidy did the Government give the Flying Clubs in aeroplanes and cash in 1933?
4. Has this subsidy been increased for 1934? If so, why?
5. Do the commercial operators get the same subsidy for the same work done as the Flying Clubs? If not, why not?
6. Are airports in Canada being closed? If so, why?
7. Does the Government give any subsidy to encourage the airport operators?
8. What is the Government doing to encourage the establishment of an inter-city passenger service?
9. Has the Government any definite policy as to the development of commercial aviation in Canada? If so, what is it?
10. Is it the policy of the Government to operate air services in Canada as a Government undertaking or is the Government encouraging private enterprises along this line?
11. How much photography, mapping and survey flying was done in 1930, 1931, 1932 and 1933 by the Royal Canadian Air Force and what was the cost of same?
12. Could this work have been carried out by commercial operators? If so, why were commercial operators not used?
13. How much air mail flying was carried out by the Royal Canadian Air Force in 1930, 1931, 1932 and 1933 over a regular route, and what was the cost of the same? Why was not this work done by commercial operators?
14. Would an independent committee made up in part of active commercial operators be of value to the country to investigate the aviation industry as a whole in Canada and bring in a recommendation to the Government?
15. To what extent has the Royal Canadian Corps of Signals taken over the radio service previously maintained by commercial air transport firms in the Northwest Territories?
16. Are any extensions of this policy contemplated in the near future?

Right Hon. Mr. MEIGHEN: I would request that this be made an order for a return. I am told that every effort is being made to get the information, but that it will be too lengthy to put in the form of an answer.

The inquiry stands as an order for a return.

Right Hon. Mr. MEIGHEN.

PRIVATE BILLS

FIRST READINGS

Bill 27, an Act to incorporate Thousand Islands Bridge Company.—Hon. G. V. White.

Bill 29, an Act respecting the Wawanese Mutual Insurance Company.—Hon. Mr. Asetline.

LEAGUE OF NATIONS

MOTION—DISCUSSION CONTINUED

The Senate resumed from Tuesday, April 24, the adjourned debate on the motion by Hon. Mr. McRae:

That this House is of the opinion that Canada should withdraw from membership in the League of Nations, and that no further money should be voted to the League.

Hon. W. A. GRIESBACH: Honourable gentlemen, on Tuesday of last week we reached a certain stage of this debate on the proposal of the honourable gentleman from Vancouver—a stage marked by a speech made by the honourable senator from Parkdale (Hon. Mr. Murdock). There were some items in the honourable gentleman's address which I could approve, but candour requires me to say that most of them were quotations from the speeches of others.

We all live in a world of our own creation, and our usefulness depends largely upon the sort of world which we have created for ourselves. The honourable gentleman from Parkdale, for instance, considers himself to be the most honourable, the most honest and the most upright person in this House. He believes his colleagues in this House spend their time conspiring against the toiling masses. He believes himself to be the champion and the tribune of those toiling masses, and when he can find no actual opponents he constructs them and then knocks them down. In this respect he is a veritable Don Quixote.

In the course of his speech the honourable gentleman devoted a good deal of time to certain observations made by the honourable gentleman from Vancouver. The honourable gentleman from Vancouver is reputed to be well-off. I have no personal knowledge of his circumstances, but such is common report. I do know the honourable gentleman has rendered distinguished service to his country in several important spheres of the national life. The honourable gentleman from Parkdale melodramatically quoted Scripture to the effect that it is easier for a camel to enter the eye of a needle than it is for a rich man to enter the Kingdom of Heaven. I will

read the exact words he used in that connection:

Even if I am alone in my viewpoint I am entitled to it, and I hold here and now that the capitalist and the capitalistic institutions of this and the other countries of the world are alone responsible for the wars that have taken place heretofore; and that if another war comes it will be largely, if not entirely, the result of either their activity or their inactivity in this matter.

Now, first of all, the honourable gentleman from Parkdale accused the honourable senator from Vancouver of insincerity; in the second place, he levelled at him the charge of being willing to promote war for his own personal aggrandizement. You will remember that the honourable gentleman from Vancouver was not in his place. Had he been in his place he would have been entitled to claim the protection of this House and insist on the withdrawal of those two observations. As he was not in his place, however, the debate goes out to the country without any interruption—

Hon. Mr. MURDOCK: A point of order! I am in my place, and would challenge the honourable gentleman who is speaking to give a concrete instance where I charged the honourable senator from Vancouver with the things it has just been stated I charged him with. Now, stick to the truth, please.

Hon. Mr. GRIESBACH: If there is any doubt as to whom the honourable gentleman was referring to, I will read the preceding words:

As I have already said a couple of times to-night, I am sorry the honourable senator is not here, because I think he is among those Canadians, numbering about ten per cent of our population, who, with similar persons throughout the world, are responsible for wars and rumours of wars. Nothing more true was ever uttered in this world than the 25th verse of the 18th chapter of Luke, where it is said: "For it is easier for a camel to go through a needle's eye, than for a rich man to enter into the Kingdom of God."

May I ask who it was that the honourable gentleman from Parkdale was referring to when he used these words? Undoubtedly he was referring to the honourable senator from Vancouver. He was accusing him of insincerity, and in those portions of his speech in which he deprecated war he was charging him with a desire to provoke war. Those are my two complaints. Now, what has my honourable friend to say to that?

Hon. Mr. MURDOCK: What are you going to do about it?

Hon. Mr. GRIESBACH: Well, I am going to comment upon it, and it will be for the House and for those who take the trouble to

read Hansard to form their own conclusions. I am in no doubt as to what conclusion they will come to.

But let me pass from that to a general discussion of the charge that capitalists and wealthy men promote war. I know the purpose of such a statement. It will be read in scores of meetings all over Canada, and, because it was made in the Senate and was not controverted at the time, it will be preached as gospel; and thousands of men will believe it because they see it in print.

Let us consider precisely what the statement means. The charge is that wealthy men, capitalists and others, are interested in promoting war. What would happen in this country if Canada became engaged in a war of the magnitude of the last war? Either there would be an immediate repudiation of our national debt, or, as a result of the efforts to obtain money to carry on the war there would be a complete failure in value of our entire bonded indebtedness, including that of the provinces. Undoubtedly there would be conscription of wealth, and further, such taxation as would practically clean up the wealthy men of the country. Now, our bonds are held by the well-off men of the country, and by our banks, insurance companies and great corporations. In case of war they would be the sufferers. If anybody in Canada would gain by war it would be the man who has the least. In my judgment, therefore, it is utterly foolish and absurd to urge seriously that well-off men who hold their wealth in the form of bonds of our federal and provincial governments, as most of them do, are interested in promoting war. Such a statement is an insult to the intelligence of those to whom it is addressed. I wonder just why the honourable gentleman has the temerity to address such an observation to us. The answer is that he knows we do not believe it; in reality he is addressing it to those outside the House who may be impressed by it. The honourable gentleman seeks to create dissension, to engender hatred, to promote class war.

Hon. Mr. MURDOCK: Honourable senators, I do not mind being charged with many and various things, but I respectfully deny the right of my honourable friend to determine what was in my mind, or to whom I was talking. If he would speak to the subject and never mind telling me what I meant and to whom I was talking, I think the Senate and the outside public would be better informed. I have no retraction to make.

Hon. Mr. McRAE: Honourable senators, I rise to a point of order. I regret very much that I missed connections on Tuesday of last

week and was not here when the honourable senator from Parkdale (Hon. Mr. Murdock) spoke on this motion. I was under the impression that the purpose of this motion was to father goodwill upon earth and peace among men. On my return here I read the remarks of the honourable gentleman. I do not believe that my speech in introducing this motion was of that antagonistic kind—

Hon. Mr. MURDOCK: Is this a point of order?

Hon. Mr. McRAE: It will be.

Hon. Mr. MURDOCK: I wish to ask His Honour the Speaker if a point of order is being stated or another speech being made.

Hon. Mr. McRAE: I am speaking, honourable senators, on the speech of the honourable gentleman from Parkdale of Tuesday last, which speech from beginning to end rings with a charge of insincerity. I contend, honourable senators, that the honourable gentleman has said either too much or not enough—

Hon. Mr. MURDOCK: That is not a point of order. Let the gentleman who is at bat do what has to be done. The honourable gentleman from Vancouver (Hon. Mr. McRae) will have his turn a little later. I submit that in rising to a point of order he should not do as he did when he gave notice of his motion, namely, make a speech just to catch the popular fancy.

Hon. Mr. McRAE: My turn has come right now. I say that the honourable gentleman said either too much or not enough. If he said too much, he ought to take it back; if he did not say enough, there are methods by which he may complete his charge, and I invite him to use them.

Hon. Mr. MURDOCK: Is that a point of order?

Hon. Mr. McRAE: I am going to read—

Hon. Mr. MURDOCK: I will take back nothing that I said in that speech. I am only sorry now that I did not say more, as I could have done, to complete it.

The Hon. the SPEAKER: I might call the attention of the honourable senator from Vancouver (Hon. Mr. McRae) to the fact that he will have the right to make another speech when this debate is being concluded. I think that a speech should not be made on a point of order.

Hon. Mr. McRAE:

Hon. Mr. GRIESBACH: When I listened, as I did last Tuesday evening, for some two and one-half hours to the speech of the honourable gentleman from Parkdale (Hon. Mr. Murdock), and when I read it later in Hansard, I could not help thinking of another champion of labour who not long ago sat in this House and has since left us. The late Senator Gideon Robertson was a labour man. He held every office in the gift of his union. Incidentally, it is not on record that he was ever ousted from any office, or that he appealed to the courts to keep him in office. He had the confidence, the respect and the affection of labour people from one end of this country to the other, as well as in the neighbouring United States. He was also a member of this House, and here too he had the confidence, the respect and the affection of all. He was a great Canadian and a great labour man. It is to be remembered that whenever any problem came to him he approached it with a deep sense of responsibility, not only to labour but to the whole of his country.

That is all I have to say to my honourable friend from Parkdale at the moment.

Hon. Mr. MURDOCK: Hear, hear.

Hon. Mr. GRIESBACH: I shall return to him later on, when I come to discuss the value and the truth of some of his observations.

We are discussing the motion of the honourable senator from Vancouver (Hon. Mr. McRae) with respect to the League of Nations. Now, there have been other leagues of nations in the past. Every great war of times gone by has resulted in an attempt, for the purpose of maintaining peace and of securing the fruits of victory, to continue the alliances which the war provoked. It is a matter of record that all these leagues gradually died, faded away, by reason of the growing diversity of international interests brought about by fluctuations in trade, population and industrial development and the consequently altered relationships among the parties to the league. That, I say, is the history of leagues in the past. Therefore when, after the Great War, an attempt was made to form a new League of Nations on a larger and more comprehensive scale than ever before, there were those of us who ventured to think that history would repeat itself, that the factors that had destroyed previous leagues would in due course operate with respect to this one. In another place in 1920 I envisaged precisely that situation.

The present League, organized in 1919, was primarily intended to be—indeed actually was—a League of conquerors for the purpose of safeguarding the gains that had been made, maintaining peace, giving security, and so on. The primary object was the maintenance of the status quo. Now, upon the face of it, the maintenance of the status quo is a desirable thing, but throughout life, wherever we look, we find that the world is on the move, that people are constantly marching forward or backward or in some other direction. There is constant change and fluctuation. Therefore to attempt by means of a League of Nations to guarantee forever the status quo is simply to proceed contrary to nature.

Dealing with the present League of Nations and Canada's connection with it, I should like to draw the attention of the House to the fact that when, in 1919 or 1920, the Treaty of Versailles, with the League's Covenant attached, was brought before this Parliament, we moved against the implications of article 10. We were the first people in all the world to do so. Article 10 is that section of the Covenant which envisages the use of force to carry out the Covenant, to punish wrongdoers, to protect the weak, and so on. And in 1922 or the following year our delegates to Geneva were definitely instructed to proceed against it at gatherings of the League itself. Without fear of contradiction, I venture to say that of all the members of the League Canada was the first to take the move which now appears to have torpedoed the organization, or, to use another metaphor, to have robbed it of any teeth that it had.

Article 16, which is the section dealing with blockades and so on, has generally been considered to be unworkable.

The Canadian end of the League of Nations has fallen largely into the hands of pacifists or people pacifistically inclined. Here was a proposal to maintain peace by force. Support for the organization was supposed to come from people willing to fight for peace. With the repudiation of article 10 the League could no longer rely on force to execute its judgments; it had to rely on public opinion. I submit that a study of human nature and of history can lead to but one conclusion: that a League of Nations supported by pacifists is from its very inception wholly ineffective. Such a League as was envisaged in 1919 must be supported by those who join it with their eyes open, who know what the implications are and do not shrink from the prospect of using force.

In the somewhat checkered history of the League several items stand out with more or less prominence. Fifty-eight nations joined the League in 1919. All the smaller nations came in on the understanding that the League would give them security—that in any disputes or misunderstandings which might arise between a small nation and a stronger the League would intervene and guarantee security or a peaceful settlement. That idea was shattered in the early history of the League. While the Parliament of Canada was busily engaged taking the teeth out of the Covenant of the League by the repudiation of article 10, something very definite happened in 1923 between Italy and Greece. My honourable friend from Parkdale (Hon. Mr. Murdock) in the course of his speech purported to give the facts of this international incident, but they are not the facts. He said:

In 1923 an alarming situation developed between Italy and Greece in connection with the murder of some Italians. An ultimatum was issued upon Greece by Italy, and the island of Corfu occupied by the latter country. Greece appealed to the League of Nations, and the Council, with the assistance of the Conference of Ambassadors, secured the evacuation of the occupied island, and war was averted.

This statement is very far from the facts. True, some Italians were shot on August 27, 1923,—a general, a lieutenant and a private soldier. On the following day the Italian Government issued an ultimatum asserting the responsibility of the Greek Government and demanding the fullest explanation, the most solemn public apology, immediate and strict inquiry, a ceremony of expiation in Athens cathedral, a salute to the Italian flag, the arrest and execution of the murderers, and payment of an indemnity of 50,000,000 lire. The Greek Government hesitated, in fact demurred, and on August 31, three days later, the Italian fleet appeared off Corfu and opened fire, killing twenty persons and wounding eighty, after which a force of marines were set ashore to occupy the island. Greece appealed to the League of Nations. The League prepared to take action. Thereupon Italy informed the League that if it interfered in the dispute she would withdraw from membership. The League at once dropped the matter. Greece was powerless to resist, and complied with every article of the ultimatum. In a word, the League was impotent to protect the weaker power. It will be observed that the actual course of events is entirely different from the story related by the honourable senator from Parkdale. I suggest that by our repudiation of article 10 we made a distinct contribution to the impotence of the

League in this instance. In justice to the Italian Government it should be stated that it sent the 50,000,000 lire to repatriate refugees in the Balkans and other countries.

Hon. Mr. CASGRAIN: Did not Mussolini restore the Order of the Knights of Malta and give them the 50,000,000 lire because he was ashamed to use the money for governmental purposes?

Hon. Mr. GRIESBACH: The Italian Government may have done that. The honourable gentleman from Parkdale next dealt with the war between Paraguay and Bolivia and said:

In 1928 active hostilities took place between Bolivia and Paraguay. The League Council immediately exercised its good offices, and as a result the frontier fighting was arrested and the dispute was settled through the medium of the Pan-American Union, which was in session at Washington at the time.

The honourable gentleman is mistaken in his so-called facts. The League of Nations did appoint a commission. The commission went down to South America, but was unable to bring about peace. The honourable gentleman seems to think that the Pan-American Union has something to do with the League of Nations.

Hon. Mr. MURDOCK: Not at all.

Hon. Mr. GRIESBACH: I am glad the honourable gentleman knows that much about the matter. In point of fact the League of Nations did intervene, but was perfectly helpless to settle the quarrel. The war is still in progress, and a few weeks ago the press chronicled the capture of some 20,000 Bolivians by the Paraguayans.

The most marked failure of the League of Nations was manifested in connection with the situation which arose between China and Japan. The events are fresh in the memory of all honourable gentlemen. Two years ago the Japanese invaded Manchuria, and at the same time delivered a heavy attack on Shanghai with an army 100,000 strong. Their operations in Manchuria were successful and they took possession of three provinces of China with a population of 33,000,000. At the request of China the League of Nations intervened. It appointed a commission, which visited Shanghai and Manchuria, made a careful study of the situation, and reported strongly against Japan. Japan's action was contrary to the Covenant of the League, to the Kellogg Pact and to the Nine-Power Treaty guaranteeing maintenance of the "open door" in China. But Japan has ignored the representations made by the League and has set up the puppet state of Manchukuo.

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Specific instances, chronologically arranged, show that the League of Nations can guarantee no security whatever to the small powers—those that became members for the very purpose of security.

Now I turn to some observations made by my honourable and gallant friend from Vancouver (Hon. Mr. McRae). At page 238 of Hansard he is reported as follows:

Britain's foreign policy does not offer much encouragement. Since the formation of the League of Nations fifteen years ago, her policy as a whole has been very indefinite. At the moment, if we may credit the press reports, Britain is negotiating, not through the League, but direct with France, on the old pre-war basis of coalition. There are several other outstanding instances of Britain's failure to make use of the League.

I controvert this statement. I assert, first, that since its organization there has been no more active or vigorous or consistent supporter of the League than Great Britain herself. I am not prepared to admit that British statesmen are at all times ready to agree with everything put forward by the League. After all, those who control the affairs of the League are more or less second-rate men of the member-nations which they represent. On the contrary, responsible ministers of the Crown always speak for Great Britain. There have been many occasions in the past fifteen years when Great Britain was right and the League wrong.

Hon. Mr. CASGRAIN: The honourable gentleman from De Lorimer (Hon. Mr. Dandurand) is not a second-rate man.

Hon. Mr. GRIESBACH: He is a brilliant exception. In this respect I need cite but one case. The comic opera Republic of Liberia, on the west coast of Africa, was founded by slaves who were liberated after the American Civil War. The armed forces of Liberia had for years been waging war upon the tribes of the interior, destroying their settlements, killing the men and enslaving the women and children. Finally the native tribes appealed to the League of Nations. The League sent a commission to Liberia, and ultimately it recommended that the tribesmen should consent to be disarmed. Relying on the protection of the League, they accepted the recommendation. The responsible representatives of the British Government in the adjacent colonies advised against such a course, and pointed out that the only solution of the trouble was to disarm both sides. The British Government so reported to the League of Nations. Nevertheless the unfortunate natives were disarmed. The world learns now that, taking advantage of their enemies' defenceless state,

the armed forces of Liberia are exterminating them ruthlessly.

I repeat Great Britain has consistently supported the League since its inception, and has given it indirect support by maintaining a constant peace effort. No other country in the world has such an urgent need for peace as has Great Britain. Peace is essential for her recovery from her exertions in the Great War. I venture to assert that no country in the world has in the last fifteen years so persistently pursued the ideal of peace as has Great Britain. She has carried out a policy of armament reduction to the point where her national security is now endangered. She is ever ready to engage in consultation with any nation disposed to discuss disarmament. Indeed, for the last three years she has taken the lead in the Disarmament Conference. Consequently I cannot accept the observations of my honourable and gallant friend when he criticizes Great Britain's attitude towards the League.

I desire to direct the attention of honourable members to an outstanding example of Great Britain's recognition of the League and her readiness to submit herself to the Covenant. First, I cite the case of Iraq—or Mesopotamia as it was during the War. This great territory is occupied by Arab tribes. The League of Nations mandated the country to Great Britain. Great Britain began her work of reconstruction immediately. She established law and order, set up educational and judicial systems, and placed the finances of the country on a sound basis. In short she welded the separated and wandering tribes into a modern state. Having completed her task, she surrendered her mandate, retired from the field, and assured the League that she would continue to support the new state of Iraq. Great Britain is the first country to complete her task and surrender her mandate.

Now I pass to another important side of the question. Great Britain draws from Persia all the oil fuel supplies for her navy and mercantile marine. A dispute arose with respect to the terms of the oil leases, and without discussion or consultation the Persian Government arbitrarily took possession of the oil fields. Great Britain might have declared war, but she did nothing of the sort. On the contrary, she appealed to the League of Nations. The League intervened, and a proposal was made that the case should be submitted to the Court of International Justice. This was agreed to, and Great Britain won her case.

I am afraid the honourable and gallant senator from Vancouver confuses our obligations under the League with our obligations

as part of the British Empire when he deprecates the possibility of our becoming involved in war. I have pointed out that under the League we are no longer bound by section 10, and that section 16 is admitted to be inoperative. So far as our Imperial connection is concerned, it is well established that the Parliament of Canada must decide whether or not we will engage in war. The honourable gentleman suggests that Canada should withdraw from the League, and thus avoid any possibility of becoming embroiled. I contend that our membership in the League does not in the slightest degree render us liable to take part in war. Article 10 has been repudiated, Article 16 is valueless. How, then, can we become involved in war because of our membership in the League? My view is that our membership will not get us into war, neither will it keep us out.

The honourable gentleman in the course of his speech made another important statement that I feel called upon to combat. Speaking last February in the debate on the Address, he said, as reported at page 45 of Hansard:

I cannot conceive of any developments which would justify this country in sacrificing the blood of one single Canadian on the future battle-fields of Europe.

He voiced a similar sentiment on April 17 last, as appears at page 244 of Hansard:

Call me an international pacifist if you will, for I would have Canadian boys fight no more in foreign wars.

This expression of opinion has attracted a good deal of attention. With respect to it the honourable gentleman and those who think as he does must accept as a basis one of two different propositions: first, that the situation which confronted Canada in 1914 will never repeat itself—

Hon. Mr. CASGRAIN: Why?

Hon. Mr. GRIESBACH: The honourable gentleman must follow me closely. First, that the situation which confronted us in 1914 will never be repeated.

Hon. Mr. CASGRAIN: Why?

Hon. Mr. MURDOCK: Because the honourable gentleman says so.

Hon. Mr. GRIESBACH: I have quoted the speech of the honourable gentleman from Vancouver (Hon. Mr. McRae) in which he says that never again should Canadian soldiers shed their blood in a foreign land. I say that anyone who makes that statement must base it on one of two propositions: either that never will there be a repetition of

the state of affairs existing in Europe in 1914, or that the decision made and the course of action followed by Canada in 1914 were wholly wrong, wholly unnecessary, and all our sacrifices were in vain. If we can be sure that the situation which arose in Europe in 1914 will never occur again, then we may say that none of our soldiers will ever be called upon to die in a foreign country. If that view is not accepted, then the statement must be founded on the alternative proposition, that the decision we made in 1914, and the course we followed, were wholly wrong, wholly unnecessary, and all our sacrifices were in vain.

I cannot agree to either of those propositions. My knowledge of history tells me that it is perfectly possible for the condition which confronted this country in 1914 to be repeated. I have no doubt about that, and I do not agree that the course which we took in 1914 was wrong and our sacrifices were in vain. On the contrary, I believe that we did the proper thing, the thing from which there was no honourable escape, and that in discharging the tasks and duties and obligations laid upon us we added tremendously to our stature as a sovereign country and a nation of the world.

Now I pass on to another statement made by the honourable gentleman from Vancouver, and inasmuch as it is a statement that is made by a great many people, and appears in many magazine and newspaper articles, I feel that I have to treat it as being important. Speaking of peace, the honourable gentleman said:

After fifteen years of futile effort for international peace there remains but one way to obtain the abolishment of war. The road is open, clear and certain, and tests the sincerity of the nations that say they want world peace. I refer to the total discontinuance by all nations of the manufacture and sale of armaments and munitions of war. Such a policy fully enforced would end war at no distant date.

That is the belief of a great many people, yet it is utterly unsound. First of all, let us consider whether or not armaments have something to do with the causes of war. Everybody assumes that they have; but have they? Take the cases of four countries which even now are virtually on the verge of war.

Let us begin with France. France is armed to the teeth and ready for war at any moment. She is in that position because of external conditions, primarily the threat of Germany. Have armaments in themselves anything to do with the willingness of Frenchmen to fight

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and to die in the defence of their country? Not at all.

On the other hand, Germany is armed. Is Germany's readiness to fight based on an armament industry? Not at all. She is ready to fight because it is her nature so to do, as the old nursery rhyme used to have it, and because she is determined to assert herself and secure equality. That condition of mind on the part of Germany is not superinduced by armaments.

Then take Russia. In the last fifteen years Russia has armed herself beyond any other nation in the world. She has a standing army of 1,300,000 men, an army capable of expansion to seven and a half millions; and she has a complete mechanization—tanks and the like—and an enormous air force. Yet she has no private armament industry at all. What has the armament industry to do with the determination of Russia to be armed? Nothing at all.

Hon. Mr. HUGHES: If Russia could not buy arms, would that not have a great deal to do with it?

Hon. Mr. GRIESBACH: They make them in government factories. The honourable gentleman misses my point. I say there is no private armament industry in Russia at all; consequently the armament business that does exist there, which is a government industry, has nothing to do with the creation of the determination of the Russian people to be armed for the purpose of spreading their peculiar political doctrines all over the world. It has nothing to do with the spirit of the Russian people or the determination to wage war.

Japan to-day is spending eighty per cent of her budget on arms and armaments. She has her own armament industry. Will anyone seriously contend that she is armed because of that? Not at all. She is armed because she has but a small territory and a large population, and is determined to secure raw materials and find new markets. The armament industry has nothing to do with that condition of affairs in Japan.

So much, then, for the charge that the armament industry provokes war. Later on I shall deal with the extent to which it plays a part in war. At the moment I am stressing only the part that it plays in the creation of the war mind.

I come now to discuss another part of my honourable friend's remarks. He said:

I refer to the total discontinuance by all nations of the manufacture and sale of armaments and munitions of war.

There are a great many people who believe that if you could bring about a discontinuance of the manufacture of arms you would promote peace. The Disarmament Conference spent months in discussing methods of getting rid of the most modern arms, such as tanks, aeroplanes, submarines and very heavy artillery. Alongside that they considered horizontal cuts, effectives and reserves, manufacturing possibilities, and so forth. It becomes interesting, therefore, to inquire whether the suppression of modern weapons would really promote peace.

It does not seem to me that one has to carry one's inquiry very far. Let us assume that some omnipotent power has determined that after this date no weapon invented since 1900 shall be manufactured or used, and that the aeroplane, the submarine, very heavy artillery and gas shall vanish from the earth. What then? The historian would at once inquire whether there were any wars before these weapons existed. Of course there were. In the century immediately preceding 1900 there were the American Civil War, the Franco-Prussian War, the German-Austrian War, the German-Danish War, the Crimean War, the Indian Mutiny, and the last of the Napoleonic wars. As a matter of fact, they made quite good wars without having available the equipment invented since 1900. But let us go back further and assume that this omnipotent power has ruled out all the weapons invented since 1800, and that we are back to the days of the old flint-lock musket. Will anyone say there were no wars before 1800? The bloodiest wars recorded in history took place in that century under Marlborough and the other great commanders of that time. So, if you follow history back, you will see that the quality of arms has nothing to do with the maintenance of peace. People fought just as well without them as with them. Go back century by century till you pass out of the era of gunpowder into the age of the cross-bow, and you will find that people were fighting. The Battle of Crecy was fought with bows and arrows; the Macedonian phalanx fought with spears; and if you go back far enough you will find that Cain killed Abel with his bare hands. Will anybody argue, then, that the manufacture and the issue of modern arms provoke war, or that any control of the arms industry will affect the desire of anybody to go to war?

Hon. Mr. McDONALD: Would not the suppression of modern armaments stop the havoc amongst civilians?

Hon. Mr. GRIESBACH: I do not know how important that is. If I could pick out

the civilians that were to be "done in," I should be all for it.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. GRIESBACH: There are two methods of arms production: first, manufacture in government factories, or factories under government control, and secondly, private manufacture. In the first place I draw your attention to the fact that in any industrialized country there is automatically an armament industry. You cannot conceive of a modern industrialized state which has not, side by side with it, and mixed up with it, a potential arms industry. I remember reading in the papers that came to us overseas of the delight and joy of the people of Canada that so many of their factories that had been turning out corkscrews and button-hooks could make fuses, shells, bombs, and so forth. Most states maintain governmental establishments. In considering the problem of security the rulers of a country must have in mind the manufacture of arms, ammunition and munitions generally. A country which is not industrialized must provide itself with factories, an accumulation of material, and the skilled labour necessary to produce all the armament that it requires. This involves a large expenditure of money. An industrialized country, on the other hand, does not find it necessary to sink any of its money in factories. It knows that it has industries which in time of war will supply it with all the arms it needs. So, whatever people may say about the armament industry—and many sins can be laid at its door—it must be borne in mind that, though it may be inopportune to talk favourably of an armament industry when peace prevails, it is a very comfortable thing to have in time of war; and even in time of peace the leaders of states are interested in that fact, at least to this extent, that they know they do not have to spend government money on armament manufacture. Here in Canada we have normally about 150,000 rifles, 100 field guns, and 500 machine guns. Did we manufacture them ourselves? Not at all. We bought them from the private armament industry of Great Britain. If we had not been able to get them there, we should have manufactured them ourselves, and we should have been compelled to maintain plants and establishments and to accumulate the materials required, and to have the necessary staffs standing by.

So there is something to be said for the armament industry, notwithstanding the fact that almost everybody who discusses the subject abuses the whole industry as though it

were composed of pickpockets. Some of the things that are said about it are true. It is obvious that a rumour of war or an actual war increases its profits. But it is charged that the industry promotes and foments war. I cannot accept that yarn at all. It is easy to make such a charge, but I venture to think it cannot be proved. I would assert that in all great countries the statesmen and the leaders who have the responsibility of governing and of making provision for the future are not going to be greatly swayed by the efforts of the munition makers, though it may be that they can influence the press through advertising, and so forth. The type case was that in which one William Shearer was said to be employed by the Bethlehem Steel Corporation to influence the Disarmament Conference that was held at Geneva. Well, some pretty funny fellows go to Geneva on various missions. One had but to look at Mr. Shearer's face to realize that only a very low order of intelligence would be influenced by anything that he had to say.

Unfortunately, or fortunately if you like, we had an example of an attempt to limit traffic in arms in a critical situation, and I am inclined to think that the result was typical of what we might expect from any similar attempt in the future. It will be remembered that when Japan and China were at grips over Manchuria, the British Government, out of a clear sky, passed an Order in Council to prohibit the export of munitions to either belligerent. Now, examine the wisdom of that course. In the first place, the League of Nations Commission had found that Japan was the aggressor, the guilty party, and that China was the victim of Japanese aggression. Japan has an armament industry; China has none. Therefore when Great Britain placed an embargo on the export of arms to either country, though it was equally effective against both, it merely annoyed Japan, whereas it seriously handicapped the unfortunate Chinese in their endeavours to defend themselves. Great Britain then called upon all the nations of the world to join her in this rather foolish embargo, but nobody answered the call. At the end of thirty days the embargo was withdrawn, and then Great Britain discovered that the United States had grabbed off the business.

A great deal has been said about the suppression of the armament business. In Canada there is no such industry; so when any of our people foam at the mouth in counselling its abolition they are simply seeking to give advice to other countries. We have two

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small government factories making ammunition, one at Lindsay and the other at Quebec, which together produce enough to fire an artillery barrage lasting perhaps an hour.

Hon. Mr. McMEANS: What about our navy?

Hon. Mr. GRIESBACH: Having no armament business, we are free to pass resolutions deprecating the export by private manufacturers of arms from other countries. I noticed that when someone suggested the other day we should be very careful about exporting nickel, for fear it might be used in the making of munitions, someone else said that was another story. Of course it is another story. And the day may come when objections may be raised to our exporting wheat, on the ground that it may be used to feed soldiers fighting against us. I submit that before we rush into a general condemnation of the armament industry we should give the matter a little more study; and when we preach to other people we should consider their case and the extreme unlikelihood of their following our advice in the premises.

My honourable friend who leads the other side (Hon. Mr. Dandurand) made a few days ago an interesting statement, with much of which I can agree. This observation, as reported at page 246 of Hansard, seemed to me particularly striking:

It is evident that each nation, unless it is assured of security by common action, is the sole judge of its needs as regards its national safety.

With that statement I entirely agree. But I should like to point out to my honourable friend that it is not the statement of a supporter of the League of Nations, but rather of one who supports primarily the contention of France.

Hon. Mr. DANDURAND: That statement is wholly in article 8 of the Covenant.

Hon. Mr. GRIESBACH: Not wholly so. The discussions with regard to disarmament have tended to reveal the entirely contrary view. The League of Nations began with a pledge of security to the smaller nations in particular, and by a parity of reasoning it invited those nations to trust themselves to the League and not to arms. I submit that when the honourable gentleman used the words I have quoted he was not speaking the language of the League of Nations; he was speaking common sense with respect to that subject, for a change. It is the language

which is used by France in regard to the maintenance of her position, and by Germany in making her claim, not for security, but, as she puts it, for equality. It is a very striking group of words. If it suggests that there are finally reaching my honourable friend some glimmerings of the real situation, I welcome it, because I should like to believe that in the end he will come to have a sound view on this question.

There was a reference by the honourable gentleman from Red Deer (Hon. Mr. Michener) to something of which we frequently hear, namely, the proposal to create a super state, to have the League of Nations considered as a super power which would by force suppress war and punish wrongdoers. That was the conception many people had of the League when it was formed. Those who believed that articles 10 and 16 were to be the cardinal features in the structure of the League envisaged to some extent an organization which would exercise police power throughout the world. Well, what such people sometimes forget is that a super state implies a super conscience, a super will and a super justice.

Hon. Mr. CASGRAIN: And a super army.

Hon. Mr. GRIESBACH: It implies an overriding of national sovereignty, a surrender by sovereign states of just those very features of the national life to which the people, collectively and individually, cling most tenaciously. A man clings to the free exercise of his own conscience in determining what is right or wrong; he maintains his right to the exercise of his will to do or to refrain from doing; and he is particularly desirous that justice should prevail. I repeat that the super state would require the surrender of national conscience, will and justice. Therefore it is obvious that if such a proposal is placed squarely before the world, even the meanest nations will not consent to its adoption.

Hon. Mr. LYNCH-STANTON: Would the honourable gentleman allow me to ask him a question? Has anyone ever suggested a super state such as he is defining?

Hon. Mr. GRIESBACH: Oh, yes.

Hon. Mr. LYNCH-STANTON: Where?

Hon. Mr. GRIESBACH: There is in England at the present time a strongly supported movement for the creation of a super state.

Hon. Mr. LYNCH-STANTON: I am referring to a league of nations, not private enterprise.

Hon. Mr. GRIESBACH: The people behind that movement are supporters of the League of Nations who realize that the League has failed, but believe that it may be rescued and given the new status of a super state. It is to be inferred from their arguments that what many of them want is an international police force. Now, it is impossible to conceive of such a force without a conscience to direct its movement—

Hon. Mr. LYNCH-STANTON: Have we surrendered our conscience and our rights to our police force?

Hon. Mr. GRIESBACH: Oh, no. We gave very grudgingly, and we have taken some of the gift back.

Hon. Mr. HUGHES: The honourable gentleman from Hamilton is referring to the local police force.

Hon. Mr. GRIESBACH: I am sure he does not mean that, because we are not discussing it.

As I say, there is in England a movement by League supporters for the creation of a super state. Some of them say quite openly that this is their objective, while others say so by implication. And they specify a super police force as being necessary. When I say a police force I mean, not an organization equipped with clubs, but armed forces comprising military, naval and air branches, controlled and operated by the super state for the punishment of wrongdoers, the maintenance of peace and the guarantee of security.

Hon. Mr. LEMIEUX: Was that not the proposal made to the League of Nations by Mr. Tardieu of France?

Hon. Mr. GRIESBACH: There are people in France who advocate the creation of a super state.

Hon. Mr. CASGRAIN: And that proposal was turned down by Chamberlain.

Hon. Mr. GRIESBACH: I repeat that the meanest state will not consent to the surrender of those things which would have to be surrendered if a super state were created.

I come now to discuss the question whether Canada will remain in the League. It has been pointed out that our annual contribution to the League is \$300,000. I am not questioning this figure at all. It has been asked what the League may usefully do. Well, the League is rendering some very valuable service right now, as is shown by the following classification of some of its activities:

Consultation, conference, international relations, economic relations, technical organization, health, backward states and aborigines, social and humanitarian, slavery, drugs, refugees, epidemics, international law, registration of treaties, and labour relations.

I am sure that if the League will confine itself to tasks such as are indicated in that list, without pretending to do anything else, it will fill a very necessary place in international relations. But should it seek to take the place of an armed force, it could guarantee no security. It is fairly obvious that the smaller nations of the world have lost all their confidence in the League with respect to the most valuable service that it was expected to render them, namely, the guaranteeing of security. The idea that it could succeed in that direction has been exploded, and, as I said at the outset, we played a prominent part in bringing this about.

But notwithstanding what has been said by my honourable and gallant friend from Vancouver (Hon. Mr. McRae), and in spite of the statements of those who support the League, my guess is that our Government will continue Canada's membership. I think it will do so for this reason, perhaps among others. There are in Canada a number of people who believe in the League. They are not quite clear about it, but they think that in some way it is going to maintain peace. On the one hand the Government will weigh the expenditure of \$300,000, and on the other the possibility of a fight with these people. So we shall continue to pay the money and remain in the League.

As I stated before, there have been many organizations, of one form or another, similar to the League. We have observed how each of these has in time become weak and finally has been dissolved because of the growing conflict of interest between the component parts and economic, social and other developments. But there is another league, known as the British Commonwealth of Nations. When we examine it we find that, unlike the League whose headquarters are at Geneva, it has common ideals, a more or less common language and a common law. Because of these facts it avoids many of the troubles that tend to disrupt the other organization. Furthermore, the British Commonwealth of Nations has an abundance of raw materials and natural resources, while many members of the League are squabbling over such things. Then, too, in the Commonwealth there is room for expansion, whereas most of the important

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member-nations of the League are overpopulated. Finally, I submit that we of the British Commonwealth of Nations can provide for our own security if we are willing to do so and face the situation as it exists.

Hon. Mr. CASGRAIN: Hear, hear.

Hon. Mr. GRIESBACH: The League of Nations cannot guarantee the security of any country. So I say that the League will gradually sag at both ends and ultimately give way in the middle. We shall continue to support it as long as we can, for the reason I have given. There will remain, however, the British Commonwealth of Nations, which is the league of nations for me and those who think as I do. In that Commonwealth we may find not only that security which is essential, but scope and opportunity for all the development that is necessary to make our country great and prosperous.

Hon. Mr. MURDOCK: May I ask the honourable gentleman a question? Is he in favour of the motion or against it?

Hon. Mr. GRIESBACH: I thought I had made it clear that I was not particularly enthusiastic, either for or against it. I attach no importance to it one way or the other. But I will support the Government of the day in the determination which I think it has.

Hon. Mr. MURDOCK: In other words, we should drift?

On motion of Hon. Mr. McLennan, the debate was adjourned.

DIVORCE BILLS

SECOND READINGS

On motion of Hon. Mr. McMeans, Chairman of the Committee on Divorce, the following Bills were read the second time:

Bill X, an Act for the relief of Aziz Koudsy, otherwise known as Eddie Coudsy.

Bill Y, an Act for the relief of Marjorie Seymour Hammond Zavitz.

Bill Z, an Act for the relief of Lucille Margaret Turbin Kelly.

Bill A2, an Act for the relief of Esther Liverman Kazenel.

The Senate adjourned until to-morrow at 3 p.m.

THE SENATE

Wednesday, May 2, 1934

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

Prayers and routine proceedings.

DIVORCE BILLS

THIRD READINGS

On motion of Hon. Mr. McMeans, Chairman of the Committee on Divorce, the following bills were read the third time, and passed:

Bill X, an Act for the relief of Aziz Koudsy, otherwise known as Eddie Coudsy.

Bill Y, an Act for the relief of Marjorie Seymour Hammond Zavitz.

Bill Z, an Act for the relief of Lucille Margaret Turbin Kelly.

Bill A2, an Act for the relief of Esther Liverman Kazenel.

LEAGUE OF NATIONS

MOTION—DISCUSSION CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion by Hon. Mr. McRae:

That this House is of the opinion that Canada should withdraw from membership in the League of Nations, and that no further money should be voted to the League.

Hon. J. S. McLENNAN: Honourable senators, I do not expect to add anything to one side or the other of the controversy over this subject. I thought the best contribution I could make would be a résumé of the League's difficulties and achievements, and to that end I refreshed my mind with some facts. All of us, with a few favoured exceptions, have experienced the blurring of memory concerning events which at the time they happened were so vivid and important that we felt we should remember them clearly for ever.

I need not touch on that wonderful day in November, 1918. That day, of all days, with the sense of relief which it brought, is still vividly remembered by all of us. In the early months of 1919 representatives of the Allied powers assembled and drafted the Treaty of Versailles and the Covenant of the League of Nations. Bound up with that Covenant were the decisions on various questions to which the War and post-war conditions had given rise. I refer to such matters as the rectification of frontiers, the limitations and punishments to be imposed upon Germany, and the amount of reparations. Looking back,

we clearly recall the derision—I will not say contempt—that was held by a great many people, of whom I was one, for the opinion of those economists who said that altogether too much was being demanded from Germany. Yet the economists proved to have been right in this respect.

The treaty was made, in the main, for countries which had struggled through four years of war that had at times been of the most cruel intensity in its effect upon their civil populations and military forces. The countries which suffered most had to some extent been buoyed up by the view that they were engaged in a war to end war. Even those people who were not so optimistic as to believe that that view was possible of realization by ordinary human beings, at any rate expected great things to happen after the War. But even with respect to this more limited hope there had to be much disappointment. The adjustment of boundaries in many cases caused friction, notably with regard to the Saar, and the Polish-East German Corridor. Such questions as these, and many others of great importance and difficulty, were dealt with, to the best of their ability, by men who had borne the heat and toil of the day during four long years, men who had been trained in the old school of statesmanship and who acted whenever possible in accordance with the tenets of that school. They were faced with the difficulty of making adjustments between the pledges which many of them had given while the result of the conflict was still in doubt, and the aspirations—in some cases, possibly the just demands—of other states. By these worn and weary men there was signed in the spring of 1919 the Treaty of Versailles, the forefront of which was the Covenant of the League of Nations. I call the attention of the House to the preamble of the Covenant:

The High Contracting Parties, in order to promote international co-operation and to achieve international peace and security—

There is not a word about the prevention of war.

—by the acceptance of obligations not to resort to war, by the prescription of open, just and honourable relations between nations, by the firm establishment of the understandings of international law as the actual rule of conduct among Governments, and by the maintenance of justice and a scrupulous respect for all treaty obligations in the dealings of organized peoples with one another, agree to this Covenant of the League of Nations.

There followed certain articles prescribing the course of action in the event of disagreement among nations, with which articles I need not deal.

Article 22 declares that "peoples not yet able to stand by themselves" shall "form a sacred trust of civilization."

By article 23 the members of the League declare that they—

Will endeavour to secure and maintain fair and humane conditions of labour for men, women and children, both in their own countries and in all countries to which their commercial and industrial relations extend, and for that purpose will establish and maintain the necessary international organizations.

Undertake to secure just treatment of the native inhabitants of territories under their control.

Will entrust the League with the general supervision over the execution of agreements with regard to the traffic in women and children, and the traffic in opium and other dangerous drugs.

Will entrust the League with the general supervision of the trade in arms and ammunition with the countries in which the control of this traffic is necessary in the common interest.

Will make provision to secure and maintain freedom of communications and of transit and equitable treatment for the commerce of all Members of the League. In this connection, the special necessities of the regions devastated during the war of 1914-18 shall be borne in mind.

Will endeavour to take steps in matters of international concern for the prevention and control of disease.

The Secretariat of the League is now engaged on this vast program.

This beginning of international co-operation marks the end of an old epoch and the beginning of a new. It has been said that the map of the new Europe would be more familiar to Charles V than to the statesmen of the eighteenth or the nineteenth century. The League has been functioning since January, 1920—a little over fourteen years. To get a just standard of measurement of what the civilized nations of the world, through the instrumentality of the League, have accomplished during this period, let me compare this progress with what had been achieved in other periods of like duration after great national disturbances similar to those which followed the cessation of the Great War.

I take first the fourteen years following the Congress of Vienna, where, after the Napoleonic Wars, the statesmen of Europe forgathered to negotiate a treaty of peace. In England the social fabric was strained almost to the point of civil war, and parliamentary reform became a matter of extreme urgency. The Reform Bill of 1832 was enacted in the hope that it would prove a panacea for all ills of the body politic. Fourteen years later we find very serious political unrest in England, France, Germany and

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Austria. In London the Chartists became so menacing that it became necessary to swear in many reputable citizens as special constables to check rioting.

Another fourteen years saw the bungle of the Crimean War, in which France and England fought side by side. Yet a few years later Tennyson was writing "Riflemen form!" in a patriotic effort to arouse Britons against the machinations of France in relation to the moribund Bourbon monarchy in Spain and in Portugal.

During several decades since the fifties we find the deep-seated fear and suspicion of Russian policy, then general throughout Great Britain, vividly reflected in the letters of Queen Victoria to her prime ministers—Gladstone and her favourite Disraeli.

Without forgetting the international disputes to which our attention has been directed as examples of the failure of the League to bring about peaceful settlements, I maintain that great progress has been made along the line of social, economic and intellectual problems.

Some few years ago I had the privilege of spending a fortnight in Geneva. Sir Herbert Ames, who so worthily represented Canada in the various activities of the League, was my guide, and all doors were thrown open to us. As a well-wisher of the League I was gratified with the tone and temper of those whom I met on that occasion. Neither the Council nor the Assembly was in session, and this gave me a better chance to come in contact with typical members of the Secretariat. I was impressed by their competence, goodwill, earnestness and ability in the discharge of their work. I could not help reflecting that as these men from hither and yon throughout the world learned to understand one another's psychology they would, without losing their national spirit, gain an international outlook which would be a potent influence for peace.

As a well-wisher of the League, let me ask why there should be any widespread feeling of disappointment as to what the League has accomplished? The establishment of a proper relationship between national patriotism and the interdependence of nations might well be regarded as one of the outstanding objects of any such league. I think we will all admit that, to some degree at least, this object has been achieved.

Let me single out some of the other accomplishments of the League. One is the ten-year treaty lately arranged, under the Kellogg Pact, between Poland and Germany. Anyone who is familiar with the early years of the League would say that no question of

greater importance than the dispute in regard to the Polish corridor came up during the years 1923, 1924, and thereabout. The situation was very irritating to Germany, and Poland naturally held on to all the privileges which had been given her by the Treaty of Versailles. That dispute has been settled, the difficulties in regard to Silesia have been wiped away, and Poland, with its splendid though ill-starred past, can now look forward with confidence to the future.

It is interesting to note that under the mandates there has been practically no complaint raised by the various peoples concerned.

Another conspicuous example of this kind, and one that holds the interest of people who have read books by Lawrence, is to be found in the case of Iraq, or Mesopotamia, as it was previously called. At the time of the War the peoples of that country were principally wandering Arabs. Britain assumed a protectorate over Iraq, and Lawrence brought the natives together and organized them, and finally was successful in establishing them as a nation. Only the other day their nationhood was recognized by the League, and that country became a member of the League.

Another great triumph was the philanthropic work carried on by Nansen, formerly known to us as an intrepid explorer, who represented his country at Geneva, and devoted himself to the restoration of war refugees. For the great part they had been prisoners of war, and as a consequence of the downfall of Russia and the defeat of Germany their condition had become truly appalling. Then there was the problem of the refugees from Aleppo, in Asia Minor. This will all be dealt with by 1938—another great triumph of the pacific work of the League of Nations.

The Court of International Justice is so well known that I need hardly speak of it.

I should like, however, to call your attention to the Rockefeller donation to the library of the League of Nations. The League is attempting to establish—and it has made considerable progress—a library which will contain, as far as possible, all the books on all subjects relating to social and political history and kindred matters. A friend of mine told me some ten or fifteen years ago of the method followed by the Rockefellers in making their donations. In one respect they were made on a purely business basis. An expert employed by them would visit a school, or library, or whatever might be the institution to which they considered making a donation, where he would thoroughly examine into its nature, economy and

effectiveness, whereupon, if his report was satisfactory, the donation would be made without the institution concerned being informed that it was going to receive it. I have no reason to believe that the policy and practice of the younger Rockefellers has changed in that respect; and the fact that one of the younger Rockefellers has seen fit to donate \$2,000,000 to the library of the League of Nations is a proof that the work that is being done by it at Geneva is satisfactory and is producing good results.

To touch again upon the benefits resulting from the meeting together of the representatives of fifty odd nations of the world, I may refer to the publicity which attends these meetings. We have all noticed, I think, that when we are tempted to do a mean thing or a wrong thing one of the great stimulants to propriety is our knowledge that other people whom we know and respect may learn about it; consequently we are less likely to do that mean or wrong thing. The same principle applies to nations, and if the smallest country can lay its case before the League of Nations a great deal may be accomplished.

If there is any lack of enthusiasm for the League, I am inclined to think a little of the blame may be laid to its title. I think the French name, "La Société des Nations," is a happier one than the English "League of Nations." The word "league" connotes force, and practically nothing but force. It is defined in the Oxford Dictionary as

a military, political or commercial covenant or compact for mutual protection and assistance against a common enemy,

whereas "society" is defined as

an association with one's fellow men in a friendly or intimate manner; companionship or fellowship.

I do not know how the French-speaking peoples at Geneva, who comprise all but the English, respond to that connotation. To me it seems that the term "Society of Nations" or "Commonwealth of Nations" would have been a happier and more hopeful one. However, that is but a trifle.

Another thing which in my opinion has handicapped the work of the League in its efforts towards peace is the Press. The headline writer has a difficult task to arrange his type in such a way as to make his paper attractive to the prospective buyer. Consequently, even though headlines are more generally read than the text, alarming and startling things appeal to him and to his manager more than do some other important items of news.

Right Hon. Mr. GRAHAM: And not infrequently they do not agree.

Hon. Mr. McLENNAN: Yes, and that is a calamity.

I picked up one of our Canadian papers the other morning, and upon looking over it I found in the usual front-page type the following:

Concern is felt over plebiscite.

That is the main heading. It is followed by the sub-heading:

International police force suggested for Saar during voting.

Then I come to the text:

London, April 25.—Several questions brought up in Parliament to-day show the concern felt over the plebiscite to take place in the Saar in 1935.

Geoffrey Mander and Harcourt Johnstone, Liberals, suggested an international police force be stationed in the Saar during the plebiscite, or that the plebiscite be adjourned if the League of Nations noticed too strong a pressure was being exercised on the inhabitants of that region.

Sir John Simon reminded Parliament that the committee of three appointed by Geneva to study the Saar question was able to make all the suggestions necessary.

Now, we know that about the only way an ordinary member of the British Parliament has of getting a hearing is by asking questions. These questions are apt to sound important, and from the headlines the Canadian public are apt to gather that serious difficulties are to be apprehended when it comes to taking the plebiscite in the Saar. Suppose the headline had been, "Sir John Simon, the Foreign Secretary, gives reassurance concerning the Saar." The atmosphere would be entirely different. There would be one apprehension less to trouble nervous people, and one could reasonably feel happy about the Saar. And I know of no reason why at this stage we should not feel happy about it.

Hon. Mr. DANDURAND: I once said it was unfortunate that on Armistice Day the Allies had forgotten to demobilize the war correspondents.

Hon. Mr. McLENNAN: I think that remark is one of the many wise contributions the honourable gentleman has made to public life.

Another reason why we in Canada do not fully realize all that the League has done is that no Canadian question has come up for determination at Geneva. One time it was rumoured that some Indians in British Columbia had been treated badly and intended to appeal for redress to the League. At all events no appeal was made.

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Right Hon. Mr. GRAHAM: One of the Indian tribes, not of British Columbia, made a desperate effort to appeal to the League.

Hon. Mr. DANDURAND: The Six Nations.

Hon. Mr. McLENNAN: Why did they not appeal?

Right Hon. Mr. GRAHAM: To answer that question requires certain information which I should probably have given had I been making a speech on this matter. A certain gentleman from the United States had agreed, in consideration of a certain sum of money, to take their case to Geneva, and it had been arranged that the representative of the Netherlands should present the case to the League. Sir Lomer Gouin and I, who were representing Canada, made it known outside the Assembly that we repudiated the claim of the Indians. We asked their representative to meet us, but he did not appear.

Hon. Mr. McLENNAN: I am inclined to think that there is no new ground for the fear that war is imminent. I was wrong in my view in June, 1914, but I hope I am right now. If it is really believed that war is inevitable and that, as experts tell us, instruments of destruction have been perfected to such a point that the whole population of a city can be wiped out in a very short time, I cannot understand why a large number of people all over the world are not in a state of nervous collapse. I think I should get into that condition if I held such views. Most honourable members have, I believe, received a copy of an excellent magazine called "Interdependence." I have not had time to read it carefully, but as I glanced through the pages it seemed to me that the bulk of the articles expressed only opposition to war. Although some of the writers are friends for whom I have respect, I do not think that is the best attitude for us to take, for I feel it is to our advantage in every way to adopt a positive rather than a negative aim. The successes of life come to those who achieve a positive end.

Let us pursue peace and the things that make for peace, and then take our chances that happy results will follow. Perhaps it would not be too fanciful to say that Germany lost because she inspired her people by a threat of an encircling ring of enemies, whereas the allied nations were inspired by the ideal to render a service of permanent value not only to themselves but the whole world.

Let me quote from a recent issue of an English journal:

We are looking towards the League of Nations for peace and security, shutting our eyes to the fact that the Covenant can give us neither unless we are able and willing to discharge its obligations.

"Standing as I do," said Edith Cavell, a few hours before her death, "in view of God and eternity, I realize that patriotism is not enough. I must have no hatred or bitterness towards anyone." That cry of the heart is easier in moments of exultation. It is difficult to preserve that spirit during the events of everyday life. And yet we shall not exorcise war by merely hating and forswearing it. Security and freedom are treasures of great price; they are not to be preserved by those who will not incur a corresponding responsibility, or make themselves ready to discharge obligations proportionate to their demands. It will not suffice for nations to abstain from coercing each other by force. They must learn to think how by steps, slow but patient and persistent, they can bring into being an order of society based on the duty of each to all, irrespective of national limits.

A representative of Canada was at Versailles when the treaty, including the Covenant of the League, was signed. I think this country will remain in the League and continue to fulfil its obligations as expressed in the Covenant, until that great organization is much nearer a breakdown than it now appears to be. In its comparatively short history Canada has experienced and overcome a number of crises. We have always fulfilled our obligations, and I believe always will do so. I trust I have made it obvious that I am not in favour of our withdrawal from the League.

Hon. Mr. BLACK: Honourable senators, apparently there are some other honourable gentlemen who desire to speak on this subject. So much has been said on it that perhaps not a great deal more of importance can be added, but there are a few observations I should like to make. However, I prefer not to proceed this afternoon, and if no one is prepared to continue at this time I would move the adjournment of the debate until the next sitting of the House.

Hon. Mr. HUGHES: But there is at least one honourable member who wishes to speak now.

Hon. Mr. BLACK: Very well. When he finishes, my motion will be in order.

Hon. J. LEWIS: Honourable members of the Senate, in the speech of the honourable gentleman from Vancouver (Hon. Mr. McRae) I found a great deal that was interesting and much with which I could

agree, but, if he will pardon me for saying so, nothing that seemed to me to support his resolution. I fully realize the burden which the Great War placed upon Canada, not only in debt and taxation, but still more in the loss of so many promising young lives and the disabling of thousands of others. I share in the disappointment and disillusion which so many people are experiencing as to the results of the War. It was to be a war to make the world safe for democracy, but since 1919 democracy has been abolished from the greater part of Europe east of France. It was to be a war to end war, but subsequent events have illustrated the truth of Milton's saying:

What can war but endless war still breed?

This of course does not belittle in any way the sacrifices of those who fought and died in the War, and who are no more responsible for these consequences than the heroes of the Light Brigade were for the blunder which sent them to death.

These are some reasons why we should resolve never again to make such sacrifices without more definite assurance of commensurate results. They also show why if there is another war we should very carefully weigh the whole question before we make up our minds to participate or not. Whether we should determine that question by the ordinary exercise of governmental responsibility, by an election or by a referendum, is a matter into which I shall not enter now, because it would lead me away from the main subject.

But at all events the post-war developments do not constitute objections to the League of Nations. They are due to conditions which existed for thousands of years before there was a league of nations. The perilous situation that now exists in Europe is the result not of following the counsels of the League, but of defiance of them. In fact, the objections to the League destroy one another. It is said—though I think this argument is now practically abandoned—that the League might lead Canada into war. But on the other hand it is claimed that the League is weak because it lacks an armed force—it is a mere wooden gun. I freely admit the objection which is grounded on the lack of armed force.

The honourable gentleman from Parkdale (Hon. Mr. Murdock) spoke eloquently on a number of achievements, not directly related to the prevention of war, which stand to the credit of the League, with respect to narcotic drugs, labour, white slavery, epidemic diseases, refugees, and many other subjects. The hon-

ourable gentleman from Edmonton (Hon. Mr. Griesbach) freely conceded these achievements, but seemed to think they had no relation to the preservation of peace. In that I disagree with him. I think that throughout many centuries one of the causes of war has been the popular obsession that one nation is the natural enemy of another. I do not know any better way of overcoming that obsession than by getting the representatives of various nations into the habit of meeting and trying to advance those interests which are common to them all. When we come to think of it, that kind of thing is really the basis of our national civilizations. It is true that we are dependent to a certain extent upon physical force, but in Canada we can see how very little of that element is necessary for the suppression of our combative tendencies.

We are at peace with one another not only because of the fear of the policeman, but because we are accustomed to acting together in various ways, in churches, in fraternal organizations, in families, as neighbours, as business men, and so on. These human relations predispose us to a belief that our interests are in the main common rather than conflicting. My hope is that if the League is maintained, and if the region of common advantage is persistently explored, this field of harmonious human relations will constantly be enlarged.

I have heard it remarked jocularly that the League of Nations, lacking physical force, ought to be called the League of Notions. We have to put up with jokes, and I admit that is not a bad one. But it shows the extent to which we are under the power of what the late President Theodore Roosevelt termed "weasel words," words that mislead. Merely substitute "League of Ideals" or "League of Ideas" for "League of Notions," and you get an entirely different picture. In the long run ideas are greater than physical force. When we look at short periods of the world's history we are looking at the eddy rather than the stream, and it is easy to get the notion that nations are governed by physical force. But a long view gives the exactly opposite impression, and shows that whatever results from physical force does not last, that nothing remains but the product of the intellect and the spirit. All the great empires which flourished before the time of Christ have passed away, and out of all they achieved through physical force nothing remains except inscriptions that are painfully deciphered from monuments, or records carelessly inspected by visitors to museums. But the intellectual life of Athens has affected

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the thinking of the world for some two thousand years.

When our bodies are committed to the ground, as in time they must be, the minister may pronounce over our dust the words of St. Paul, "It is sown in weakness; it is raised in power." In what better way can the history of Christianity be described in a few words? Of the vast Roman Empire, in which Palestine was a little obscure province, nothing now remains. When we think of Rome to-day we think of it as a centre not of an empire founded on physical force, but of a great spiritual empire of three hundred million people or more.

I admit that these considerations are perhaps rather cold consolation. We shall have to submit for some time to the rule of physical force; we have to acknowledge that for years to come might will continue to overcome right. But these are no reasons why we should not throw our weight on the spiritual side. The cost of maintaining the League of Nations is a negligible fraction of the amount spent on war. Surely the achievements referred to by the honourable gentleman from Parkdale (Hon. Mr. Murdock) are worth far more than they have cost.

Now, as we have for a time to work in the realm of thought rather than of force, I should like to offer a little friendly criticism of the publications of the League of Nations. I am very much interested in the movement, and yet I must say that a great deal of the matter that comes to me is rather dry and uninspiring. It is a little too much like the Minutes of the Proceedings of this House or the minutes of a meeting. I should prefer something more in the nature of direct and forcible propaganda—a weekly newspaper or a series of pamphlets such as any of us in our capacity as party men issue to influence the electors.

My other idea—call it a notion, if you will—is that some day funds might be made available to establish an international university. Germany has recently gone to the other extreme of making its educational institutions narrowly national; that, of course, is her own business. But I think we, as internationalists, might take the opportunity to go a little further in the opposite direction and establish a university in which it would be understood that in the pursuit of art, science and truth there are no national boundaries. Such a university would not be a very expensive undertaking, for you would eliminate from it the teaching of physical science, which requires elaborate equipment and buildings. The course could be made practically equivalent to the arts course in our national universities.

It is barely possible that the governors of the present university at Geneva might consider the advisability of making it an international institution, and so capable of performing the functions I have suggested.

I shall certainly vote against the motion and for continuance of our contributions to the League of Nations. The League may not be fruitful in immediate results, but I am convinced that it will eventually confer great benefits upon mankind.

On motion of Hon. Mr. Beaubien, the debate was adjourned.

PRIVATE BILL—THOUSAND ISLANDS BRIDGE COMPANY

SECOND READING

Hon. G. V. WHITE moved the second reading of Bill 27, an Act to incorporate Thousand Islands Bridge Company.

Right Hon. Mr. GRAHAM: Heretofore in the other House bridge bills have been sent to the Railway Committee, because they provided for railway accommodation. This Bill does not, and it was referred to the Private Bills Committee. I would suggest that after second reading it be considered by the Committee on Miscellaneous Private Bills.

Hon. Mr. DANDURAND: Will the honourable gentleman explain the purport of the Bill?

Hon. G. V. WHITE: It is to authorize the construction of a bridge from a point on the Canadian side, across a couple of islands, to a point on the American side, where it will join a bridge which is being built from that end. The two parts will constitute what is to be known as the Thousand Islands bridge. The right honourable senator from Eganville (Right Hon. Mr. Graham) knows the geography of the district much better than I do.

Hon. Mr. ROBINSON: Is the bridge at Brockville?

Hon. Mr. WHITE: No; it is being built from a point known as Ivy Lea, in the vicinity of Gananoque.

Hon. Mr. DANDURAND: Is it subsidized by the provincial or the federal authorities?

Hon. Mr. WHITE: No. The provincial Legislature has endorsed the project.

Hon. Mr. LEMIEUX: What about the United States end of the bridge?

Hon. Mr. WHITE: The necessary legislation has been passed by the State of New York.

Hon. Mr. ROBINSON: Who are to build the bridge, the promoters or the bondholders?

Hon. Mr. WHITE: I have no information.

Right Hon. Mr. GRAHAM: I had better give a word of explanation, although it is not my Bill. The bill I was interested in some years ago was to authorize construction of a bridge from Brockville across to the American side. The necessary capital was available, but the then Governor of New York State—now President of the United States—vetoed the bill because he was opposed to the construction of a toll bridge. This Bill is to confirm an arrangement for the construction of a bridge farther west, at a place called Ivy Lea. It is an attractive summer resort, and is visited by a good many Ottawa people. The bridge will be built from the mainland to an island, then to another island, and then over to the mainland in New York State. I am not taking objection to the Bill. I have read in the press that the Ontario Government approves it, and that in due course, when the liabilities are paid, that part of the bridge on the Canadian side will revert to the province. This is not an uncommon provision in bridge bills passed in recent years, particularly those with respect to international bridges.

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

PRIVATE BILL—WAWANESA MUTUAL INSURANCE COMPANY

SECOND READING

Hon. W. M. ASELTINE moved the second reading of Bill 29, an Act respecting the Wawanesa Mutual Insurance Company.

Hon. Mr. DANDURAND: Will the honourable gentleman kindly explain the Bill?

Hon. Mr. ASELTINE: Honourable senators, this Bill was considered by the Banking and Commerce Committee of the House of Commons and reported without amendment. It has also been approved by Mr. Finlayson, the Superintendent of Insurance.

Of late years, the company has been writing automobile insurance—a type of insurance unknown at the time of its incorporation. This insurance is transacted on a cash basis. Every \$1,000 of insurance entitles the policyholder to one vote. Suppose an automobile insurance policy was written for \$100,000 public liability, \$1,000 property damage, \$1,000 collision damage and \$1,000 fire and theft. The holder of that policy would pay a premium of \$80 and be entitled to 103 votes; whereas the holder of a mutual policy of \$16,000 at the same premium would be

entitled to only sixteen votes. The mutual policyholders are responsible to make good any loss, but the other policyholders are free of liability in this respect. Therefore, in order to preserve the mutual character of the company, it is necessary to restrict the voting power to the mutual policyholders. This is the primary purpose of the Bill.

Section 4 provides:

This Act shall come into force on a date to be specified by the Superintendent of Insurance in a notice in the Canada Gazette, and such notice shall not be given until this Act has been approved by a resolution adopted by at least two-thirds of the votes of the members of the Company present or represented by proxy at a meeting duly called for that purpose, nor until the Superintendent of Insurance has been satisfied, by such evidence as he may require, that such approval has been given.

The section speaks for itself.

I shall be glad to furnish any further information that may be desired.

Right Hon. Mr. GRAHAM: In view of our experience of long delay in proclaiming Acts of Parliament, I would advise the honourable gentleman to consider seriously the advisability of changing the wording of section 4 so that the Act may come into force when the members of the company have performed their part. As I followed his reading of the section, the effective date might be deferred several years.

Hon. Mr. ASELTINE: If my right honourable friend will peruse the section he will find it covers his point. However, I suggest that the Bill be referred to the Standing Committee on Banking and Commerce.

Right Hon. Mr. GRAHAM: Yes.

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

DIVORCE BILLS

FIRST READINGS

Hon. Mr. McMEANS, Chairman of the Committee on Divorce, presented the following Bills, which were severally read the first time:

B2, an Act for the relief of Aileen Marie Thompson Robb.

C2, an Act for the relief of Doris Jones Earp.

D2, an Act for the relief of Jean Gordon Worden Ellis.

E2, an Act for the relief of Mary Alice Beatrice Featherston Moxon.

F2, an Act for the relief of Ethel Irene Probert.

Hon. Mr. ASELTINE.

THE TOURIST TRADE

SPECIAL COMMITTEE

Hon. C. P. BEAUBIEN moved:

That the names of Hon. Senators MacArthur and Horner be added to the Committee on Tourist Trade.

The motion was agreed to.

The Senate adjourned until Tuesday, May 8, at 8 p.m.

THE SENATE

Tuesday, May 8, 1934.

The Senate met at 8 p.m., the Speaker in the Chair.

Prayers and routine proceedings.

FRANCO-CANADIAN TRADE

INQUIRY

Hon. Mr. LEMIEUX inquired of the Government:

1. What were the total exports from Canada to France during the last fiscal year?
2. What were the total imports from France to Canada during the same period?

Right Hon. Mr. MEIGHEN: The answer to the honourable gentleman's inquiry is as follows:

1 and 2. Canada's trade with France for the fiscal year ended March 31, 1934, was as under:

Imports..	\$ 6,898,411
Exports—	
Canadian produce.. . . .	11,907,478
Foreign produce.. . . .	58,918
	Total exports.. . . . \$11,966,396
	Total trade.. . . . \$18,864,807

BILLS OF EXCHANGE BILL

FIRST READING

A message was received from the House of Commons with Bill 37, an Act to amend the Bills of Exchange Act.

The Bill was read the first time.

Right Hon. Mr. MEIGHEN, with the leave of the Senate, moved the second reading of the Bill.

Hon. Mr. DANDURAND: What is the purpose of the Bill?

Right Hon. Mr. MEIGHEN: It amends the Bills of Exchange Act by adding to the holidays upon which bills of exchange, if falling due, enjoy one day's postponement such civic holidays as may be declared from time to time by towns, cities and other incorporated districts. This avoids the necessity of banks being then kept open. The Bill also alters the name of the holiday formerly known as Armistice Day to Remembrance Day.

Hon. Mr. DANDURAND: Would the right honourable gentleman defer the second reading until to-morrow?

Right Hon. Mr. MEIGHEN: Yes.

The motion for second reading stands.

INCOME WAR TAX (SPECIAL TAX) BILL

FIRST READING

Bill 54, an Act to amend the Income War Tax Act (Special Tax).—Right Hon. Mr. Meighen.

SALARY DEDUCTION (CONTINUANCE) BILL

FIRST READING

Bill 55, an Act to provide for the deduction from compensation in the Public Service.—Right Hon. Mr. Meighen.

OATHS OF ALLEGIANCE BILL

FIRST READING

A message was received from the House of Commons with Bill 57, an Act to amend the Oaths of Allegiance Act.

The Bill was read the first time.

The Hon. THE SPEAKER: When shall the Bill be read the second time?

Right Hon. Mr. MEIGHEN: To-morrow.

Hon. Mr. DANDURAND: I presume that if an honourable member desires a delay in order to discuss any one of these bills, second reading will not be given to-morrow, but will be postponed.

Right Hon. Mr. MEIGHEN: Certainly. This Bill simplifies any oath of allegiance taken voluntarily or in pursuance of any statute other than the British North America Act and the Naturalization Act, the main purpose being to have the form in accordance with the title of His Majesty as taken by him under an Imperial statute of 1927.

The Bill was placed on the Orders of the Day to be read a second time to-morrow.

LEAGUE OF NATIONS

MOTION—DISCUSSION CONTINUED

The Senate resumed from Wednesday, May 2, the adjourned debate on the motion of Hon. Mr. McRae:

That this House is of the opinion that Canada should withdraw from membership in the League of Nations, and that no further money should be voted to the League.

Hon. F. B. BLACK: Honourable senators, after the interesting and able addresses which have been delivered in this debate, it may well be assumed that very little remains to be said on the subject-matter, but I hope to be able to introduce something new.

When I addressed this House last February I made, in part, these comments on the League of Nations:

I have never felt that the League as at present constituted was going to do for the world what the enthusiasts of that organization felt it might do. That it has done good I have no doubt. For instance, it has undoubtedly accomplished something with respect to the traffic in injurious drugs and the white slave traffic. The League is a board of consultation, in which the representatives of the nations which still adhere to it meet from time to time to exchange views; but it always did seem to me, and I feel this more strongly now than ever, that so long as the League had behind it no concrete force it could do but little in the matter of preventing wars. Since the Great War there have been more than twenty separate and distinct armed conflicts, exclusive of those that have taken place in China, in which country there have been almost an equal number.

There seems to be nothing in the constitution of the League which can keep nations as members when it suits their convenience to drop out. What has happened? Not long after the League was founded a number of South American nations resigned as members, possibly either because they did not want to pay the yearly dues or because they desired to be free to keep up their ordinary run of little fights down there. This latter reason was not a serious thing, because so far back as my recollection goes wars have been the order of the day in South America. While the outbreaks never became of great importance to the world at large, they perhaps acted as a safety valve for the exuberant feelings of the nations concerned. Japan, which aims to be one of the leading nations, and certainly the leading nation of the Pacific, adhered to the League and was quite agreeable that the League should function so long as it kept everyone else from fighting; but as soon as Japan desired to fight on her own account, as soon as she thought it expedient to acquire a bit of territory from her next-door neighbour, she withdrew from the League and landed an army in Manchuria, on Chinese territory, and she is there now as a sovereign power. A similar thing happened with regard to Germany. That country left the League because she was not allowed to arm to the same extent as were other European nations.

I shall not read any more, but shall try to state in a briefer form what I was going to read. In my opinion, if the country where the suggestion of the League originated had seen its way to become a member, the League would have been a much more effective organization than it now is.

When I made these remarks I was not speaking particularly on the League of Nations, but was simply stating some views that had been suggested to my mind by a speech of the honourable gentleman who leads the left (Hon. Mr. Dandurand). For fear that I may have left an impression which I did not mean to leave, I may say that I have never been an enthusiastic supporter of the League, yet I do support it. I am simply endeavouring to clarify the position which I took.

There is one feature to which I desire to refer, and which, it seems to me, is pertinent to the League of Nations. In all the recent talk of the League, in this House and elsewhere, the question of war has inevitably arisen. I have heard or read speeches by members, both of this and the other House, in which they asserted that war was coming. In one or two cases they even went so far as to fix the date. A day or two ago I read in one of our newspapers—I think it was the Ottawa Journal—an item which seemed very pertinent. It said that some people predicted the coming of war at an early date as confidently as they predicted the coming of next Christmas. Then it referred to a speech made in a Chamber similar to this, in a country not very far from here, wherein a speaker, on his return from Europe, had said that to his certain knowledge, based on documents that he had seen, Japan was prepared to attack the United States. That is another type of the very same class of positive assurance that war is coming. Yesterday I picked up this book "Interdependence," which, as you all know, appertains to the League of Nations, and I read in it something that surprised me very much. It is another instance of talk which from my viewpoint is unwarranted and unjustifiable. In an article entitled "Canada and the League," written by one Mr. Escott Reid, there is a positive statement of what is going to happen. The prophets of old are not in it at all. He says:

If the Disarmament Conference breaks up without reaching agreement, or if it agrees on an increase of the total armaments of the world, the collective system set up after the war to maintain peace will have failed. That failure will be followed within perhaps ten years by another great war or series of wars.

Hon. Mr. BLACK.

He does not merely express the opinion or the expectation that this may happen; he says positively that it will.

Those wars will mean to the world as a whole the downfall of civilization as we know it. To Canada they will mean the blasting of her hopes as a nation.

That class of unjustified and unjustifiable talk and writing by persons in responsible places and elsewhere, probably more than anything else, endangers the peace of the world. I think they should be more cautious. It is easy to sway the public mind. It is the impression created by persons who are supposed to speak with authority which leads the people to expect war; and if you get the people to expect it there will probably be war.

There has been fighting as long as there has been recorded history. The millennium has not yet arrived, but men are becoming better and wars more humane, notwithstanding much that is said to the contrary.

There has been much talk, and very strong talk, about the manufacture of armaments. That question was, I think, dealt with and explained very well by the honourable and gallant senator from Edmonton (Hon. Mr. Griesbach). All that I want to add is the statement that I do not believe that armaments lead to war. People fought when they had nothing to fight with but their bare hands; then they fought with clubs, and later with stone axes or tomahawks; and the wars of those times were wars of extermination, more disastrous than any conflicts that have occurred since the invention of armaments as we know them. Armaments are not the causes of war; they are the implements used to end a war that has been declared. I believe the condemnation of the people who make armaments is entirely unjust and unwarranted. We have no armament factory in Canada, but if there were one here the manufacturer would be making implements of war because the people of Canada permitted it. And he would be working under the laws of Canada, just as an armament manufacturer in Great Britain, France or Germany, or anywhere else, operates in harmony with the laws of his country. A man is justified in carrying on this business where the laws permit it. If any are in the wrong they are the people of those countries in which the business is legitimate, for it would be stopped at any time if through their votes they expressed a desire to have it stopped. If all the countries of the world agreed not to make armaments, war would not thereby be prevented. We should not blame armament makers for war any more than we

blame distillers for all the drunkards in the world. There would be no distilleries unless people wanted to consume their products. Why should we say that the armament maker is chiefly responsible for bringing about war? History shows, in my opinion, that he is not.

Another apparent fallacy that is frequently expressed and I believe generally credited is that war is much more horrible to-day than it was in the past. It has often been said and rarely contradicted that the late war was the bloodiest in history. Yet the facts are quite contrary to this statement. I want to make a few comparisons between wars of the past and the last war to illustrate what I mean. I will go back no farther than the battle of Thermopylae, with the record of which all honourable members who are Greek scholars are familiar. About ninety per cent of the combatants were killed in that battle or died from the effects of it. When Hannibal engaged the Roman army in the battle of Cannæ, some 76,000 Roman soldiers took part, and after the fighting was ended 70,000 of them lay dead on the field. Now let us look at some figures about the Waterloo campaign. That comes almost within our own ken, because when I went to school the textbooks had a great deal to say about it. There were mixed troops in that battle, the so-called English army consisting of English and Dutch soldiers, about 93,000 in all. Approximately 60,000 of these were British, and out of that number some 15,000 were killed outright in one day's fighting. That was in the main engagement.

Hon. Mr. CASGRAIN: May I ask the honourable gentleman where he got that information?

Hon. Mr. BLACK: I obtained it from a book in the Library. If my honourable friend wishes I can let him know the source later. For the time being I will ask him to take my figures as being fairly accurate, as I think they are. I usually do not make many mistakes in figures, but if I fall into any error at present I shall apologize later.

The number of French engaged in that campaign was 124,000, and the casualties amounted to 45,000, or 36 per cent.

Hon. Mr. McDONALD: Does that figure of 124,000 include the 40,000 troops under Marshal de Grouchy, who were not near the field of battle?

Hon. Mr. BLACK: The fact is exactly as I have said, that there were 124,000 French soldiers engaged at Waterloo. If my honourable friend wants me to state the total number of troops, including those who came

up too late to take part in the battle, I will do so, but I do not want to clutter up the record with unnecessary figures. So intense was the fighting at Waterloo that on an area three miles square 45,000 men were killed or so seriously wounded that they could not move without help. These figures give some idea of the carnage that went on there.

Now I will go back to Flodden Field, in order to show what happened in that famous encounter between the English and the Scotch. Honourable members will remember these lines, dealing with the return of Randolph to Edinburgh:

Where are they, our brothers—children?
Have they met the English foe?
Why art thou alone, unfollowed?
Is it weal or is it woe?"

Of course, that was poetic licence, for all but one were not killed.

Fathers, sisters, mothers, children,
Shrieking, praying by his side.
"By the God that made thee, Randolph!
Tell us what mischance hath come."

And later on, as the city fathers were met within the hall, the warrior replies:

"Till the oak that fell last winter
Shall uprear its shattered stem—
Wives and mothers of Dunedin—
Ye may look in vain for them!"

At the battle of Bannockburn about 85 per cent of the troops who took part in the fighting were killed or wounded. I am giving these figures to show the humanity of present-day warfare as compared with that of the past. In the storming of Bunker Hill, at the time of the American Revolution, one out of every eleven British soldiers was killed. Now let us take some illustrations from the last war. Out of 16,500 Canadians who were engaged in the first battle of Ypres, 4,000 were wounded and 2,000 killed. This was the most costly engagement in which Canadians took part, the number killed being 12 per cent of the participants. The figures I am quoting are from the official record, which I have here, and they refer only to our own troops. At Vimy Ridge 81,000 Canadians were engaged, and out of this number 5 per cent, or 4,500, were killed, and 9,000 wounded. At Passchendaele 81,000 Canadians took part, the same number as at Vimy Ridge, and 5,500, or six and one-half per cent of the total were killed, and 11,000 wounded. In the whole period of the war Canada had 600,000 men overseas, and her total losses, including the killed and those who died of wounds and accidents, and so on, were 60,000, or ten per cent.

All these figures clearly indicate that as offensive weapons become more effective the percentage of casualties in battles decreases. In this connection I should like to quote some extracts from an article by Thomas R. Phillips, which appeared in the Saturday Evening Post of March 4, 1933. I can recommend the article as a very interesting one. There was an abridgment of it in the Readers' Digest of March last. Honourable members may have noticed that I have been reading some of my speech this evening. This is the first time I ever prepared a manuscript of my remarks, and I have done so in this instance only because I am quoting from official records and from articles by other persons. Mr. Phillips says in part:

As guns have improved, they have, like warfare, become less deadly. This seeming paradox is due to the fact that soldiers hide from weapons they cannot face without dying. The Revolutionary hero who cautioned his men not to fire until "you can see the whites of their eyes" killed more with ten bullets than the modern soldier kills with 10,000. During the World War, 28,000 rifle and machine-gun bullets were fired for each soldier killed. In the Franco-German war of 1870, eighty rounds of artillery were required to kill a soldier. In the Russian-Japanese war it required one hundred and fifty rounds of artillery to kill a soldier, and in the World War it took 860 shells to kill a soldier.

That seems to show clearly that war is less deadly to-day than ever before, and it answers the question asked by the honourable senator from Shediac (Hon. Mr. McDonald) of the honourable senator from Edmonton (Hon. Mr. Griesbach) last week.

While there was extensive devastation in many cities and towns of France and Belgium during the late war, it was slight in comparison with that which took place in earlier times. When the Mongols marched away from the remnants of a captured city there was not a groan or cry to be heard from the people, for all were dead. It is recorded that the great Asiatic general Genghiz Khan slaughtered 18,500,000 Chinese in twelve years of sporadic war.

In the days when Spain was a dominant power in Europe, when she had France, Italy and most of Germany under her heel and was trying—fortunately without success—to subdue the Netherlands, the Spanish general Alma was neither merciful nor humane. It is said that on one occasion when he sacked three Low Country cities he put to the sword every man, woman and child, except only a few of the younger women, and these were put on the auction block and sold to the highest bidder among the Spanish soldiers.

Hon. Mr. BLACK.

It is evident, is it not, that four or five centuries ago war was a less humane undertaking than it is at the present time? In the late World War, despite the use of long-range guns, aeroplanes, and poison gases, the civilians who were killed averaged fewer than one in every one thousand of the total casualties. That is something to be borne in mind. Alleged experts prophesy that a few aeroplanes equipped with bombs would be able, in the event of another war, to destroy whole cities, to gas all the people over wide areas and to sink entire fleets. Mr. Phillips goes on to say, in the article to which I have referred:

During the World War, bombers sunk no battleships and destroyed no cities. Bomber aeroplanes are not greatly improved over those used in the late years of the war. True, they can fly faster, higher and carry heavier loads, but they cannot remain in one spot in the air, nor can they be armoured. At best they can but hit and run.

There has been much greater improvement in anti-aircraft guns than in aeroplanes, and a range-finder now is so accurate, and so synchronized with electrically directed guns firing high explosive shells at the rate of a hundred a minute, that the deadly effect of a plane is reduced to a minimum. These guns can fire higher than any military plane has ever flown. Experiments indicate that the average life of a bomber two miles up in the sky would not be more than twelve seconds when within the range of these guns. A bomb, such as dropped by a plane, is after all only a shell. It is impossible to drop these bombs accurately from a machine in motion at a great height; consequently the likelihood of hitting the mark is extremely doubtful. Anyone who wishes to make an experiment can try to throw a stone at a tree along the roadside from a motor car travelling at only twenty-five miles an hour, and I think he will find his aim very wide of the mark. In the recent war between Japan and China, Japanese planes dropped six thousand pounds of bombs at 10,500 feet on the observation tower at Shanghai, on which Chinese gunners were perched, without knocking the platform down. Recent United States Army bombers experimenting on a condemned North Carolina bridge, found that 600-pound bombs dented the steel bridge, but left it passable. It took 1,100-pound bombs to break a single span of the bridge.

The total number of persons killed by raids on London during the World War was 670, which is less than half the number who lose

their lives as a result of traffic accidents in the same city every year. Yet we hear a great deal said about the wholesale devastation of neutral populations.

Hon. Mr. MacARTHUR: What about the raid on Scarborough?

Hon. Mr. BLACK: These figures concern London.

Hon. Mr. MacARTHUR: What about Scarborough?

Hon. Mr. BLACK: I am quoting official figures of the number of civilians killed by raids on London during the War. Compare this number with the 33,000 killed in traffic accidents in the United States during 1933.

Prophecies are made that poison gases will wipe out whole populations. We are told that these gases will move like a blanket over the countryside, killing all life, animal and vegetable. As a matter of fact, most military gases can be seen in daytime, and can be smelt in daylight and dark before they are strong enough to be harmful. The most effective military gases now known were in general use at the end of the World War, and the quantity of gas required to do any very great damage is so great as to minimize the supposed danger. It takes 300 pounds of phosgene to gas an area of 100 square yards. In other words, 24,000,000 pounds of this gas would be necessary to cover the city of Montreal and suburbs. To spread this amount of gas over Montreal would take approximately 12,000 aeroplanes, each carrying 2,000 pounds of gas. There are scarcely a sufficient number of aeroplanes of the proper type available to-day to spread this quantity of gas.

Gas is limited in its use and in its effect. In the late war, among more than 70,000 men who were admitted to hospital on account of gas injury, the deaths numbered 1,399, or only 2 per cent. I do not suggest that those affected by gas do not suffer. I am simply calling attention to the fact that only 2 per cent of those gassed died. The fact is that as the implements for killing are improved, so are the means of protection. In the old days men fought hand to hand with axe, sword or bayonet, and in many cases few survived. In some of the Scottish frays the clans fought each other until there were no survivors—or none able to continue the battle. In short, it was annihilation.

Hon. Mr. HUGHES: In those days there were only a few men engaged in the fighting.

Hon. Mr. BLACK: What is the difference if 100 per cent of them are killed?

Hon. Mr. GRAHAM: One hundred per cent killed might represent only one man if there were but two belligerents.

Hon. Mr. BLACK: The figures I have given illustrate very clearly my point, that as time goes on war is more humane. In the late War there was no intentional devastation. In the old days the conqueror was ruthless, and even during the Napoleonic wars the soldiers sacked towns and cities and committed every conceivable depredation. To-day the soldier rarely sees his enemy. He fights from underground or from behind barricades. As the implements of war are perfected so is the percentage of loss decreased.

This is not a plea for war. On the contrary, I desire to allay men's fears, and to curtail this unjustifiable talk and prophecy of war.

The honourable and gallant senator from Vancouver (Hon. Mr. McRae) did not, in my opinion, correctly interpret the speech of the right honourable gentleman who leads this House (Right Hon. Mr. Meighen). My honourable and gallant friend asserts that we should notify Great Britain that we will withdraw from the League of Nations, and, further, that we will take no part in any European wars in which Great Britain may become involved. This is an attitude with which I cannot agree. It leads obviously to one conclusion—that Canada must completely separate itself from the British Empire. I am unable to accept or understand the theory that the Empire can be at war and Canada not be at war.

Hon. Mr. CASGRAIN: Hear, hear.

Hon. Mr. BLACK: This theory is incomprehensible to me. Surely, if my arm suffers, my whole body suffers. And so with the Empire; if one part is at war, then the whole Empire must of necessity be at war.

I can subscribe to the principle that should Great Britain voluntarily participate in a European war for the sake of the preservation of some of the smaller nations, Canada should not be asked to participate without first determining the mind of her citizens through Parliament or by a plebiscite. So long as the cause is just and the Empire is fighting for its existence, its ideals and its honour, then must every part of the Empire participate. When I bear in mind the attitude assumed by Canada at the time of the South African War and of the late War, I am satisfied that should any part of the Empire be unjustly attacked, the response from Canada would be as enthusiastic and as spontaneous as it was in 1914. Loyal Canadians of all languages and creeds would rush to enlist for her defence.

I am not an advocate of war, but I believe in adequate preparation as the best preventive of war. I am entirely out of sym-

pathy with those pacifists who advocate peace at any price. No nation ever became great that was not prepared to fight for its rights; and no nation can remain great that is not prepared to maintain, by force if necessary, its honour and its place in the world. The teaching of "peace-at-any-price" doctrines and similar slushy sentimental pacificism will, if accepted and imbibed by our youth, lead to a spineless and feeble nation—a nation which will become fair game for the first aggressor.

Let us consider for a moment the position we might be in if we withdrew from the Empire; for if we adopted the doctrine that Canada is not at war if and when the Empire is at war, then the only course for us would be to sever our connection with the Empire. What then would be our position—a population of 10,000,000 scattered over half of a great continent, with 4,000 miles of land border and 8,000 more miles of coast line to defend, with no army, no navy, no air force? We should be defenceless—fair and open game for, say, Japan, who desires territory for her teeming population; or for Russia, who desires to convert other countries to her peculiar political doctrines. With her fleet and army either power could quickly overrun this country.

What would be our obvious destiny if we severed our connection with Great Britain? Either annihilation by one of the eastern powers to which I have referred, or the humiliation of having to ask our neighbours to the south to take us within their fold. True, this would be preferable to the alternative. But what would it involve? In the first place, we should have separated ourselves from the British Crown. What then would become of the British North America Act? We should have no Constitution. Certainly if we ever took the very unlikely step of withdrawing from the British Empire, we should necessarily become a part of the United States.

In that event, honourable gentlemen, let me ask: How about Maritime rights? How about provincial rights? How about dual language rights? How about religious privileges? May I call attention to some interesting figures I have gathered from the United States census? Are honourable gentlemen aware that there are more people of French descent in the five northeastern States than in the whole province of Quebec? In addition, there are more than 2,000,000 French descendants in the States through which flows the Mississippi river. Those people have no separate schools, no dual language rights; in short, they enjoy none of the privileges we enjoy in Canada. I was surprised to find from

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the same census figures that 1,106,159 French Canadians had moved into the United States, and that 471,605 immigrants had entered from France. From a study of these figures I gather that there are at present 8,577,000 French-speaking people in the United States.

Some Canadians are not very favourably disposed towards the German people. It may surprise honourable members to be informed that during the War it was officially estimated there were about 17,000,000 Germans in the United States.

I mention these figures so that those who think that Canada would be better off if separated from the British Empire may ponder what would happen to us in this event. These are serious considerations and should be taken into account by every one who entertains the idea that with our small population and vast territory we could remain an independent nation outside the Empire. I do not think we could. But I have greater faith in Canadians than to believe that any large group desires to separate from the British Empire. I am not by any means an advocate of war, but, I repeat, I believe adequate preparation is the best preventive of war. I have two boys of military age. I yield to no one in my desire to see them lead a peaceful life in this Dominion. But if the Empire is attacked, I want to see those boys line up for its defence. I am confident that a similar spirit animates the majority of Canadian parents. Anything that may be said here or elsewhere to dampen the spirit of patriotism, which after all constitutes the heart and soul of a nation, is a crime not only against the Empire, but also against the youth of our country. If we accept the doctrine that Canada is not at war when the Empire is at war, then the only decent course for us to take is to sever our connection with Great Britain.

I come back to a discussion of the League of Nations. I do not think the League has accomplished all that might have been expected from it. That it could prevent war I consider extremely doubtful, for it never had the machinery to do so. Whatever it could do by moral suasion, by the united front of a group of the great nations, was all to the good. But with our neighbour to the south holding aloof the League was gravely hampered. It was still further hampered when Japan and Germany and some of the smaller powers gave notice of withdrawal. However, the League does furnish fairly effective machinery for adjusting disputes that give rise to international ill feeling. It provides a means for international conciliation and the adjudication of international disputes. It has,

as has already been pointed out by others who have taken part in this debate, satisfactorily settled the Aland Islands dispute between Sweden and Finland, the Polish-Lithuanian dispute over Vilna, the Polish-German dispute over Upper Silesia, the Franco-British dispute on the question of the nationality decrees in Tunis, and the Albanian boundary.

I have already referred to the good work the League has done in suppressing illicit traffic in opium and other dangerous drugs, and the slave traffic, also in guarding the welfare of children and young people, and in preventing and controlling disease.

That much money is wasted I believe is true. But, after all, substantial results are being obtained, and I suggest that in place of advocating the abolition of the League it would be more to the point to use our efforts towards bringing into the organization that nation whose one-time President is said to have originated the idea of the League, as well as those nations which, once being members, have since dropped out. That the League has not come up to the expectations of its enthusiasts is certain, but it has done some good. It is the only international machinery we have, and I would urge that until something better is available we continue our membership. Furthermore, I submit, until Great Britain as the Mother of the Empire decides she will no longer retain membership, it is our duty to stay by the Empire and not sever our connection with an organization that at least has done some good. Let us keep peace with honour, but let us also be reasonably ready to meet aggression. Let us keep always before our young men and women a vision of their country and their Empire, and the ideal that what Canada needs is "men who their duty know, but know their right; and knowing, dare maintain."

Hon. W. A. BUCHANAN: Honourable senators, I do not know whether the members of this Chamber realize the importance that is being attached to this debate in at least one other country of the world. I do not think it has been mentioned in the discussion up to the present moment that in editorial comment the statement has already been made in Germany that Canada has decided to withdraw from the League of Nations. Remember, it is stated, not that we are discussing withdrawal from the League, but that we have decided to withdraw, and that this is a proof that the League is breaking up.

In referring to that statement I am not attempting to criticize the honourable senator from Vancouver (Hon. Mr. McRae) for bring-

ing this question before the Senate. On the contrary, I am inclined to compliment him upon what he has done, because I think there has not been in the other branch of Parliament for some time as full and thorough a discussion on the League of Nations and on world problems as has recently taken place in this House. I am of the opinion that if the other branch of Parliament pays little attention to the League of Nations and to world questions of high importance to Canada as a nation, we in this Chamber can very well devote some time and attention to foreign affairs. Therefore, if there were no other reason, I would offer my warmest commendation to the honourable senator from Vancouver for bringing this question forward, because in discussing it we may arouse among the people of Canada some interest as to what the League of Nations really means, a desire to learn how Canada stands in relation to the rest of the world, and an appreciation of whether we may or may not be involved in war. I am of the opinion that if there is to be a war Canada may very well be involved in it. Therefore it is my desire to support something that will enable Canada, and, if possible, the world itself, to avoid war.

The terrible nature of war has been referred to several times in the speeches that we have listened to during this debate, but I do not think the real meaning of the Great War could be better expressed than it was recently in a speech delivered by Dr. Nicholas Murray Butler, Principal of Columbia University, in New York. This gentleman, if my recollection serves me, was one of the few leaders of American thought who supported the League of Nations at a time when it was most unpopular in the United States. In pointing out that more than four hundred billions' worth of property had been swept away during the Great War, he made this statement:

That amount of money would build a \$2,500 house with \$1,000 furniture on five acres of land worth \$100 an acre for each and every family in the United States, Canada, Australia, England, Wales, Ireland, Scotland, France, Belgium, Germany and Russia.

That being done, he declared, there would be a surplus big enough to provide each country with a \$5,000,000 library and a \$10,000,000 university, and endowments for the salaries of 125,000 teachers and 125,000 nurses. After all this there would still be enough left to buy up France and Belgium. That is the meaning of war. We know something of it, for we have a debt problem in this country. It strikes me that as an argument against war that statement cannot be sur-

passed, and may very well be placed on the records of this House.

Apart from the question of Canada's debt, which came about so largely by reason of our participation in the War—and I am not criticizing that participation—we have a problem which I think can be blamed largely, if not entirely, on the War and the situation resulting from it. I refer to the difficulty of marketing our wheat. The best authority I can quote to support my argument in this connection is the Prime Minister. I recall very well that on his return from the Economic Conference he delivered before the Montreal Board of Trade an address in which he pointed out that there was a tendency on the part of the governments of the countries of Europe which feared war to encourage the people to raise enough food-stuffs to make them self-sustaining and independent of the rest of the world. If that policy was encouraged because of the fear of war, it is but another reason why Canada should very seriously consider the question of war and the likelihood of this country again being involved in it.

The honourable senator from Vancouver, speaking in the debate on the Address in reply to the Speech from the Throne, made this statement:

I cannot conceive of any developments which would justify this country in sacrificing the blood of one single Canadian on the future battle-fields of Europe.

I do not want any Canadians to sacrifice their lives on the battle-fields of Europe, South Africa, or any continent; but I can conceive of a situation arising in which Canadians would be forced to make such a sacrifice.

Why do I say that? We belong to the British Commonwealth of Nations, and no matter what we may think, no matter what position we may take in regard to a war in which Great Britain is involved, we of ourselves could not prevent a foe of Great Britain from attacking this country if it were thought that such action would undermine or help to destroy Great Britain. For instance, if Great Britain were engaged in war with one of the countries of the Orient, and that country were powerful enough to strike at our western coast, it would do so in order to cripple and harm Great Britain. I see the possibility of a similar development if Great Britain were engaged in war in Europe. I am not saying there is any such danger at the moment; but unless there is some method of bringing about a peaceful understanding between nations, there is the possibility of a return to the secret diplomacy and entangling

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alliances of pre-war days. Such a condition might very easily bring Great Britain into a struggle with some nation of the world that would, if the opportunity arose, strike at Canada in order to defeat Great Britain. Could we then keep out of war?

It is largely for that reason that I feel this country should not, at this time at any rate, support any movement that seeks to break up the collective system, the aim of which is to solve the problems or the differences of nations by peaceful rather than by warlike methods. That system was very effectively explained in a recent issue of *Interdependence*, the organ of the League of Nations Society in Canada, and it appeals to me as the only system that can be adopted in this world to prevent the possibility of war.

The "Collective System" is the name that is coming to be used for the international organization of security and peace. Its principles are those of the League of Nations, namely, co-operation between nations, and the use of judicial methods of arbitration for the settlement of disputes between nations.

Those who believe in the "Collective System" method believe that the relations between nations should be similar to the relations between individuals in a national society, because the world is now so closely bound together by trade, communication, and the creations of modern science, that it has become a single society itself. In one society, war is disastrous for the whole. Human beings have set up police, courts, judges, to enforce and uphold the law equally for all individuals in the state, and assault and violence are treated and punished as crimes. This is possible because the members of society collectively support the enforcement of law and are willing to pay taxes to maintain it, and submit to it when they bring their differences before it.

In the same way, the individuals in the world society, that is, the nations who compose that society, must collectively agree (if assault and violence, i.e. war, are to be stopped from breaking out from time to time to upset trade, destroy property and retard progress) to obey a common law and to submit their disputes to its courts and jurisdiction.

The collective system, which is the basis of the League of Nations, is one that I think appeals to the majority of the people of the world. It appeals not only to those who have never actually been engaged in war, but also to those who have been engaged in it or have suffered from it. I recall that at the recent annual convention of the Canadian Legion in Ottawa a very strong resolution was passed in support of the League of Nations. Those men, returned soldiers who had taken part in the Great War and do not want any more war, think the only means of bringing about understanding between nations and preventing the possibility of war is the League of Nations.

Now I want to make some reference to what, by reason of the withdrawal of Japan and Germany, appeared to be a breaking up of the League of Nations, and to quote from the Manchester Guardian an editorial which is really a condensation of a speech delivered recently by Lord Cecil. I think it explains the cause of indifference towards the League of Nations, and, coming from Lord Cecil, one of the great advocates of the League from the very beginning, it is worth heeding. This is what the Manchester Guardian says:

Lord Cecil, who presided yesterday over a national conference in defence of the League of Nations, wisely observed that recent attacks on the League had been ultimately of considerable service to it. They have roused not only professional statesmen but ordinary men and women throughout Europe to restate their conviction that the way of the League is the sole alternative to the bad old-fashioned plan of the rule of force. Why has the League fallen into discredit? Some may speak of the failure to treat Japan as an aggressor when she wantonly seized Manchuria from China and then left Geneva. Others will emphasize Hitler's decision to leave the League, undoubtedly largely inspired by the success of Japan's impudence. But in the last analysis it is, as Lord Cecil said, the failure of those nations which have given the greatest amount of lip-service to League principles to make adequate use of the machinery provided for them that lies at the root of the evil. The League consists of nothing more than the States that compose it. A bad workman blames his tools, and so perhaps does an unwilling workman.

I should be very sorry indeed to see this Chamber make any declaration that Canada should leave the League of Nations, and thereby contribute to the arguments of those nations that desire the break-up of the League and a return to the old system.

There is, in connection with the League of Nations, another point that I think is important to Canada as a member of the British Commonwealth. Every time the representatives of this country go to Geneva they come into contact not only with the representatives of other nations of the world, but also with their fellow representatives from other parts of the Commonwealth, and usually with the Foreign Secretary of Great Britain. That, as I see it, helps to meet the point very properly raised by the honourable senator from Vancouver (Hon. Mr. McRae) when he said:

If Great Britain, by secret treaty or otherwise, should guarantee security to France, or make a coalition with any other continental country or group, and a war should come about in which Britain must participate, have we no voice as to what Canada should do about it? Many of our citizens think we must fight if Britain is at war. If that is so, should we not have something to say, at the time they are being negotiated, about the treaties, coalitions, or agreements which obligate us to fight? Yet where is the Canadian to-day who would advocate that Canada should sign any treaty or join any coalition which promises to involve us in a European war?

Keeping in mind that there is always a possibility of war, and of Canada being involved when Great Britain is at war, I feel that inasmuch as the League of Nations enables us to meet our fellow members of the Commonwealth and the representatives of the Government of Great Britain at Geneva, the League offers us and the other members of the Commonwealth an opportunity of communicating to the Government of Great Britain our views and feelings in regard to her foreign policy. If we were to leave such matters to the Imperial Conferences, which are held more or less irregularly, we might be too late; but at least once every year some member of the Government of Canada meets in Geneva the members of the governments of the British Dominions and of Great Britain, and surely he ought to be able to sound out the Foreign Secretary and learn something of the ideas of Great Britain and the problems of the world. In that way we should be able to wield an influence upon Great Britain with respect to her policy towards the other nations of the world.

While it may be true that the people of Canada have not in past years, when conditions were prosperous, given serious thought to the League of Nations, I believe the majority of them are in sympathy with what it represents. It may not have fulfilled its purpose; in many respects it has not; but I think that its ideal is the ideal of the majority of the people of Canada, and that they would not at this time support any move to leave it, and thus give the countries of the world further arguments against it. If this question should come to a vote, honourable members, you will understand from what I have said that I am opposed to Canada's withdrawal from membership in the League of Nations.

Hon. Mr. TURGEON: Honourable senators, on behalf of the honourable gentleman from Essex (Hon. Mr. Lacasse) I move the adjournment of the debate until to-morrow. The motion was agreed to, and the debate was adjourned.

Hon. Mr. TURGEON: Honourable senators, on behalf of the honourable gentleman from Essex (Hon. Mr. Lacasse) I move the adjournment of the debate until to-morrow.

The motion was agreed to, and the debate was adjourned.

IMPORTATION OF INTOXICATING LIQUORS BILL

SECOND READING POSTPONED

On the Order:

Second Reading of Bill 3, an Act to amend the importation of Intoxicating Liquors Act.—Right. Hon. Mr. Meighen.

Right Hon. Mr. MEIGHEN: I am still not in a position to pronounce final sentence on this Bill. I hope to be able to do so to-morrow.

Right Hon. Mr. GRAHAM: A terrible subject, this.

The Order stands.

DIVORCE BILLS

SECOND READINGS

On motion of Hon. Mr. McMeans, Chairman of the Committee on Divorce, the following bills were read the second time:

Bill B2, an Act for the relief of Aileen Marie Thompson Robb.

Bill C2, an Act for the relief of Doris Jones Earp.

Bill D2, an Act for the relief of Jean Gordon Worden Ellis.

Bill E2, an Act for the relief of Mary Alice Beatrice Featherston Moxon.

Bill F2, an Act for the relief of Ethel Irene Probert.

The Senate adjourned until to-morrow at 3 p.m.

THE SENATE

Wednesday, May 9, 1934.

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

Prayers and routine proceedings.

PRIVATE BILL—THOUSAND ISLANDS BRIDGE COMPANY

REPORT OF COMMITTEE

Hon. C. E. TANNER presented the report of the Standing Committee on Miscellaneous Private Bills on Bill 27, an Act to incorporate Thousand Islands Bridge Company, and moved that the proposed amendments be taken into consideration.

He said: Honourable senators, I think that as the Committee recommends certain amendments to this Bill, I should explain them briefly. Several of them are merely verbal changes. One amendment is that the following be added to clause 17 as subclause 2:

The construction of the said bridge shall not be commenced unless and until the company has satisfied the Board of Railway Commissioners for Canada that it is financially capable of carrying out and completing the whole of the work in accordance with the plans approved by the Governor in Council.

Hon. Mr. TURGEON.

I understand some question will be raised in the House about that amendment.

Another amendment is to strike out subclause 2 of clause 8, and substitute a clause which was submitted to the Justice Department representative at the committee and approved of by him.

And there is an amendment to add the following as subclause 3 of clause 20:

Canadian materials in so far as available in Canada shall be used in the construction of the Canadian bridge.

I may explain that under this Bill there are proposals to construct three bridges extending from the Canadian side to United States territory: the Canadian bridge, the International bridge, and the American bridge. According to clause 20 as it now stands, employment of labour in the construction, maintenance and supervision of the Canadian and International bridges shall be subject to the terms and conditions of the Fair Wages Act, and Canadian materials and labour to the extent of at least 50 per cent must be used in the construction of the International bridge. The Committee added the further subsection that I read a moment ago.

I ask that these amendments be considered this afternoon.

Hon. Mr. DANDURAND: As these amendments will be printed in the Minutes, we shall have an opportunity of reading them to-morrow and learning exactly what is proposed. I therefore suggest that the report of the Committee be taken up at the next sitting of the House.

Hon. Mr. TANNER: My only reason for suggesting that we take action to-day is that I understand we shall not be sitting to-morrow.

Hon. G. V. WHITE: Honourable senators, I suggest that with the leave of the House the amendments be taken into consideration at the present time, in view of the fact that we may not be sitting to-morrow and on that account there might be considerable delay in putting through the legislation.

Hon. Mr. DANDURAND: This is a House of Commons Bill which is in our hands for consideration. It would not be given the Royal Assent this week in any event; so if we postponed consideration until the next sitting of the House there would be no time lost.

Hon. Mr. WHITE: I understand that only two days a week, Monday and Friday, are now being allotted to private bills in the House of Commons. Therefore, if this meas-

ure is not considered here to-day, and if the Senate adjourns until Tuesday, the Bill could not be referred back to the Commons for final consideration until a week from Friday.

Right Hon. Mr. MEIGHEN: The sponsor of the Bill outside the House has told me—I do not know whether he wants it mentioned or not—that some special reason makes it necessary to proceed with the organization of work under this Bill before the 15th of the present month. I cannot inform the House just what that reason is. On this account I should like to have the amendments discussed now. Because of our intention to adjourn from to-day until Tuesday night, and because of the practice now obtaining in another place, the passage of this Bill will be delayed much past the middle of the month if we fail to deal with the amendments one way or another now. Therefore, unless my honourable friend opposite has some special reason for objecting, it is important that we should proceed with consideration now.

Hon. Mr. DANDURAND: I withdraw my objection.

Right Hon. Mr. MEIGHEN: The principal amendment is to provide that after the Governor in Council has approved of the general financial scheme, and before any work can be begun, the company must get the approval of the Railway Commission by way of a certificate that the company has enough money to finish the undertaking. So far as I know, no provision of this kind has ever before been included in any such bill. This precautionary measure, as I suppose it is called, seems to be entirely new, and I should think that the House could discuss the merits of it now as well as at any other time.

Hon. Mr. CASGRAIN: There is no harm in such an amendment. It is just like placing a plaster on a wooden leg, because a structure of the kind contemplated could not be built without the approval of the Railway Board in any event. And before the company can build the bridge it must get permission from the Government of Ontario, because the bottom of the river belongs to that province. We had such matters up before in connection with Beauharnois.

Right Hon. Mr. MEIGHEN: The honourable senator has missed the point. Certainly the Railway Commission's approval of the structure would be necessary, but this amendment provides that the company cannot go ahead with its work until the Commission has declared that the company is financially capable of completing the work.

That is entirely outside the usual purview of the Commission.

Hon. Mr. CASGRAIN: I think that is a proper amendment.

Hon. Mr. GRIESBACH: I moved the amendment before the standing committee. I am informed that complementary legislation has been passed by Congress and by the Legislatures of New York State and the province of Ontario. I am not greatly impressed by the information.

The company to be incorporated by this Bill will have an authorized capital stock of 50,000 shares of a par value of \$10 each. This would provide a capital of \$500,000. The estimated cost of the Canadian end of the bridge is said to be \$1,500,000.

It seems to me that in its financial set-up this Bill is similar to other bridge bills that have so often engaged our attention. A group of men form a company with a capitalization that is wholly inadequate for the building of the proposed structure, and probably the stock never will be all subscribed in cash. As a matter of fact, those who buy the bonds—the investing public of Canada—will build the bridge. If there is any profit to be derived from the enterprise the group of promoters will pocket it, but if it proves a failure the bondholders will suffer by repudiation of their bonds.

The Bible characterizes as the most foolish man in the world the person who began to build a house without having the wherewithal to complete it. We have many examples of works begun and through lack of funds never carried to completion. An outstanding failure was the attempt of DeLesseps to build a canal across the Isthmus of Panama. Millions and millions of francs were squandered. Curiously enough, some years ago an abortive attempt was made to build a bridge in the neighbourhood of the site now proposed. Concrete abutments and rusty machinery are grim reminders of the failure.

It is the duty of Parliament to protect the investing public against this sort of thing. The question is, how should we go about it. It was proposed at first to amend the Bill by requiring the promoters to satisfy the Governor in Council that they had sufficient capital to carry the proposed work to completion, but a representative from the Department of Justice did not think it proper to impose this duty on Council. Then I suggested the matter should be left to the decision of the Board of Railway Commissioners. It may be that the Board has no jurisdiction. I am not particular as to what authority shall be invoked to decide whether or not the

capitalization is sufficient to warrant the commencement of the work. True, section 12 provides that the Governor in Council may pass upon the financial set-up. This safeguard is all very well so far as it goes, but my amendment would make it impossible for the promoters to proceed with the bridge until they had furnished satisfactory evidence of having sufficient funds in hand to complete the work. By insisting on such an amendment not only shall we prevent the ugly spectacle of an unfinished structure, but, what is more important, we shall give the unfortunate—or perhaps fortunate—purchasers of the bonds a “run for their money.”

Hon. Mr. MURDOCK: The first amendment, as I heard it read by the Chairman, contemplates referring to the Board of Railway Commissioners the question whether this company is financially able to put through the project to be authorized. I am in full sympathy with the desire to safeguard investors. But can we confer on the Board a jurisdiction not contemplated by the Railway Act?

Right Hon. Mr. MEIGHEN: In view of the suggestion that these amendments be considered now, I think they should be considered in Committee of the Whole. Therefore, by way of amendment to the motion, I move that the House resolve itself into Committee of the Whole.

The amendment was agreed to.

PROPOSED AMENDMENTS CONSIDERED IN COMMITTEE

The Senate went into committee on the proposed amendments.

Hon. Mr. McLennan in the Chair.

On proposed amendment to section 10, line 6—for “both” substitute “all”:

The proposed amendment was agreed to.

On proposed amendment to section 10, line 14—for “either” substitute “any”:

The proposed amendment was agreed to.

Hon. Mr. MURDOCK: Is the committee to have an opportunity of discussing the Bill?

Right Hon. Mr. MEIGHEN: I would have gladly made the motion in that form had it been desired. We had before the House the proposed amendments. Consequently they are all I asked to have dealt with in Committee of the Whole.

Right Hon. Mr. GRAHAM: We can discuss the Bill generally on the third reading.

Right Hon. Mr. MEIGHEN: Of course. All but one of these are verbal amendments.

Hon. Mr. GRIESBACH.

On proposed amendment to section 11, subsection 1, line 25—for “either” substitute “any”:

The proposed amendment was agreed to.

On proposed amendment to section 17—add the following as subclause 2:

(2) The construction of the said bridge shall not be commenced unless and until the Company has satisfied the Board of Railway Commissioners for Canada that it is financially capable of carrying out and completing the whole of the work in accordance with the plans approved by the Governor in Council.

Right Hon. Geo. P. GRAHAM: A question has arisen as to the competency of the Board of Railway Commissioners to deal with the financial capacity of the bridge company. My own view is that the Board would be fully justified in declining to act, on the ground that the implied power is not within the scope of the Railway Act.

The site of the proposed bridge is in the locality from which the honourable senator from Leeds (Hon. Mr. Hardy) and I come. The uncompleted bridge mentioned by my honourable friend from Edmonton (Hon. Mr. Griesbach) is not near the locality referred to; it is opposite the property of my honourable friend from Leeds. Two or three abutments were erected, but the company then suspended operations for lack of capital.

I have had some experience in regard to financing the construction of bridges. Some \$20,000 to \$25,000 was expended on a projected bridge just west of Brockville. It will be readily understood that under the proposed amendment the bridge company would have to sell bonds even to get sufficient money to carry out the surveys and prepare the preliminary and the final plans for approval by the Government. Now, a company cannot very well sell bonds until it knows what it is to sell them for. It strikes me that with respect to a bridge estimated to cost only \$1,500,000 the investing public would be sufficiently safeguarded by the provision for approval of the plans by the Governor in Council. It is not an easy matter at the present time to finance undertakings of this kind, and in my opinion the proposed amendment would greatly hamper the bridge company. The Brockville bridge that we had in mind was a much more pretentious structure and would have cost \$8,000,000 to \$12,000,000.

The bridge as located would be constructed from the Canadian side to a Canadian island; the central span, as I see it in my mind's eye, would extend thence to the first American island, this being the international section; the last span would be wholly in United States territory.

I am strongly in favour of protecting the investing public at all times, but by adopting this amendment we may destroy all possibility of the company financing the Canadian section of the bridge to the extent of \$1,500,000. I do not think the amendment means much after all.

Hon. F. B. BLACK: I was able to attend the Standing Committee on Miscellaneous Private Bills for only a short time. As I understand, the proposed bridge will be in three sections. The first section will extend from the Canadian side to the island adjoining the international section, and is to cost \$1,500,000; the middle or international section extends across sixty feet of almost dead water to the island on the American side; the third section connects this island with the mainland on the United States side. The estimated cost of this part is also \$1,500,000. I am not sure whether the cost of the small central span is included in this figure.

Hon. G. V. WHITE: It is included.

Hon. Mr. BLACK: In any event the cost would not be very great. To judge by experience of the actual cost of bridges on the St. Lawrence, this estimated cost of \$3,000,000 is likely to be substantially exceeded. Investors who have bought tunnel and bridge bonds have been rather badly disappointed. The bonds of the Detroit and Windsor Tunnel Company are quoted to-day at \$7, but it is doubtful whether there is a market for them. Canadians put their money into that company on the strength of legislation similar to this Bill. I am all in favour of safeguarding Canadian investors in international bridges, in order, if possible, to prevent further losses.

Hon. L. McMEANS: I voted against the proposed amendment in the standing committee for this reason. I understand that for two hundred miles to the west and for fifty miles to the east of the proposed site there is no bridge accommodation. Only the other day we had a pretty eloquent speech from the honourable member from Halifax (Hon. Mr. Dennis), pointing out the value of tourist traffic and urging that steps be taken to encourage it to the fullest possible extent. Well, I do not know any better way of encouraging tourist traffic than by building a bridge. The Canadian section is estimated to cost only \$1,500,000. We are not concerned with the cost of the American section. I repeat. I know no better way of encouraging tourist traffic than by building a bridge of this kind and making the country accessible to the thickly populated State of New York,

bordering on the St. Lawrence. I cannot understand why obstacles should be thrown in the way of a scheme of this kind when there is so much unemployment in the country. Construction of the bridge would mean work for a considerable number of men and the use of a great deal of structural material. I certainly think this amendment should be defeated. I was told in the committee that never before had a clause of this kind been put into such a bill.

Hon. A. C. HARDY: Honourable senators, I want to touch principally upon the point referred to by my honourable friend from Edmonton (Hon. Mr. Griesbach), namely the security of the shareholders. The Peace Bridge company at Fort Erie fell into a state of practical insolvency and had to be re-organized; and the Detroit-Windsor Bridge company has been in financial trouble for a good many years. I do not know anything about the people who are behind this Thousand Islands Bridge project. While I am not very enthusiastic about a bridge of this kind, I would rather support than oppose it, but I feel that the investing public should be protected. This amendment provides that the financial set-up of the company must be approved by the Railway Board, and I should like honourable senators to consider whether if that were done it would be used as a bait for investors. Will the members of this company say that the financial set-up has been practically approved by the Government of Canada? We know that there are companies of other kinds whose financial structure is subject to certain Government approval, and they all hold themselves out to the public as having been approved, if not guaranteed, by the Government.

Like the honourable senator from Edmonton (Hon. Mr. Griesbach), I should not care to see a bridge of this kind started and left uncompleted because of insufficient capital, or its operation discontinued through lack of ample fluid assets. A million and a half of dollars is a very considerable sum. Without doubt the bonds will be floated largely in eastern Ontario, a district in which I am greatly interested. I feel that we should be very careful in protecting the public from getting the idea that the bonds of a company such as this are a safe investment because the financial set-up has been approved by the Government or a Government commission.

Hon. E. S. LITTLE: Honourable senators, I supported the amendment in committee this morning. At first it was suggested that the Governor in Council should pass upon the financial status of this company before it be

allowed to proceed with the work, and then it was decided to require instead the approval of the Railway Commission. I supported the amendment because I firmly believed that the right honourable leader of the Government would rise in the House and say it is ridiculous that a Government commission should be asked to pass on the financial standing of the company. I think the amendment goes altogether beyond our field. Furthermore, as has been pointed out, losses have been incurred on bonds issued in connection with the construction of other bridges. That fact should be sufficient warning to the investing public. I do not think this House should pass such an amendment, for it would likely interfere with the carrying on of a public work which would give employment that is badly needed at the present time.

Hon. Mr. MURDOCK: Honourable senators, there are certain laws and regulations governing the Board of Railway Commissioners in Canada. Again I ask, can we give to that Board the authority and right to ascertain whether this bridge company is financially capable of carrying out its project? Is it not likely that if this amendment were passed the Board would decline to act in accordance with it, and would say that it already has troubles enough of the kind it was created to handle? Might we not just as well allocate this job to the Grain Board or to the Unemployment Commission? Has the Board of Railway Commissioners any power to undertake such a job?

Hon. Mr. HARDY: If the Bill were passed with this amendment there would be an Act of Parliament giving the Board the necessary power.

Hon. Mr. MURDOCK: The honourable gentleman says that there would be an Act of Parliament giving the Board certain authority. But as I understand it—and I am asking for information—the functions and duties of the Board are defined in the law which created it. There are a number of honourable members here who know more about the subject than I do, and I should like to be told whether this amendment is something that can be made effective or is simply a gesture of protection for some people from financial exploitation. I am all in favour of protecting the public against financial exploitation, but I cannot see why the job of providing the protection should be allocated to the Railway Board any more than to the Grain Board or the Unemployment Commission.

Hon. Mr. LITTLE.

Right Hon. Mr. MEIGHEN: Honourable senators, I will say a few words first on the point raised by the honourable senator from Parkdale (Hon. Mr. Murdock) and referred to and indeed largely answered by the right honourable senator from Eganville (Right Hon. Mr. Graham). Certainly Parliament could in this or any other Act add to the powers of the Railway Commission by authorizing that body to pass upon the financial ability of the company to complete the construction of the bridge. But I agree with the right honourable senator from Eganville that the amendment does not vest in the Board the power to express its satisfaction with the company's financial ability. The Board might say that impliedly it has that right, but I think that Parliament should not ask it to rest upon so slender a foundation. If we are going to move at all in the direction of the proposed amendment, we should go farther and expressly give the Board that power. In any event it would probably ask for such power before it would act.

From this point on my remarks will be based on the assumption that we have invested the Board with the necessary authority. The question then is whether the amendment is a wise one. Some honourable members have argued that it is intended to protect the public who will be asked to subscribe to the bond issue. We have been told that the purchasers of bonds on two similar enterprises, the Peace Bridge at Fort Erie and the Detroit-Windsor Bridge, lost their money or a large part of it. But I ask honourable members to reflect upon this question. Suppose such an amendment as we have here had applied to those projects, would it have protected a single bondholder? The answer is that it would not have afforded the slightest protection, because the companies had secured all the money that was necessary to build the bridges.

Hon. Mr. BLACK: May I interrupt the right honourable gentleman? If at the time those securities were issued there had been a law similar to this proposed amendment, it would have had the effect of assuring the public that the companies would not proceed with the undertakings until they had enough money on hand to complete them. And in my opinion the companies would have sold more stock and in that way increased their actual working capital, so that stockholders would have been responsible, in part at least, for the building of the bridges. But what happened was that the people who bought the bonds paid the cost of construction, and the promoters put in virtually no money of

their own, or at most a sum so small as to be insignificant.

Undoubtedly what the proposer of this amendment has in mind is protection to investors. That is what I have in mind. If the amendment does not give that, let us substitute another. At all events let us put into this Bill, and into every measure of the kind, some provision that will, so far as is possible, prevent further exploitation of the public through the sale of bonds on these bridge projects.

Hon. Mr. McMEANS: What my honourable friend wants is absolute protection for the investor.

Hon. Mr. BLACK: No, but I want to prevent exploitation.

Right Hon. Mr. MEIGHEN: I am afraid the honourable gentleman has missed the point. What I said was that had this provision been in the bills authorizing the construction of the other bridges mentioned, it would not have given any protection to a single bondholder, for the provision is simply that before any work is begun the Railway Board must be satisfied that the company is financially capable of completing the structure. In the two instances that have been mentioned the companies did have sufficient money, and they did build the structures. The amendment does not provide that the money, or any proportion of it, shall be raised among stockholders; it makes no reference whatever to the source of the funds. Consequently, had this provision been in effect in those two instances, the bondholders would have been in exactly the same position as they in fact were.

Hon. Mr. GRIESBACH: Not quite, I think. The total amount of money required would be stated at the inception—

Right Hon. Mr. MEIGHEN: In those other cases the companies had the total amount of money required.

Hon. Mr. GRIESBACH: When a company launches such a project it estimates construction costs and income, and the public invests on that basis. But if the estimate of costs is too low and more bonds have to be sold to complete the bridge, the income on the bonds that were sold first is likely to be much less than the investors calculated. This amendment is not designed to protect shareholders against losses in operation so much as to ensure that the structure as contemplated will be completed.

Right Hon. Mr. MEIGHEN: That is all. If the honourable gentleman had kept to the point I am on he would not have made the

explanation, because it does not affect the situation at all. So far as the other companies are concerned, they had not merely a part of, but all the money required to complete the works before construction was commenced. Therefore, had this amendment been in effect at that time, the same losses would have occurred that did occur.

If we are endeavouring to protect investors, is this the proper way to go about it? It seems to me that it is not, for the amendment would not protect anyone. I do not see how we could give the public any greater protection than is afforded by legislation such as is in effect in Ontario and the West, and I think also in Quebec. The Security Fraud Prevention Act of Ontario provides that people who sell securities must disclose in connection therewith the facts, the whole facts and nothing but the facts, and in such a way that the dullest person may understand them. I do not see how we can go further than that unless we aim to guarantee the safety of investments, by placing upon securities the imprimatur of the Governor in Council or the Railway Commission or some other body which would be regarded by the public as equally responsible in the event of any claim for losses. Rather than support this amendment I would vote against the Bill in toto, because I think the effect of the amendment would be a roundabout balking of the bridge project. Suppose an investment banking house were asked to underwrite the bonds for this company and sell them to the public. Would it be likely to do so when it did not know what the attitude of the Railway Commission would be?

I do not think that the Railway Commission has the machinery to enable it to estimate what the bridge would cost. Other honourable members of this House are better informed than I about that. As the honourable senator from Parkdale (Hon. Mr. Murdock) says, the statute which created the Board did not provide for work of this kind. Of course the company would come under regulations of the Railway Commission in the construction and operation of the bridge, but it seems to me that to ask the Commission to decide how much money would be necessary for the building of a structure across the St. Lawrence river, and to satisfy itself that the necessary money is in the company's treasury before any work is undertaken, is to ask it to invade a field in which it is not equipped to operate. If the amendment were passed it would simply be a notice to any investment banking house not to underwrite

the issue of the company's bonds, and therefore the project would never be carried on.

I am not a member of the Committee which considered this Bill and I have not given enough study to the measure to speak with authority on the point that is in the mind of the honourable senator from Westmorland (Hon. Mr. Black). But it seems to me that if we want to meet his point we should provide for a larger capital structure. I do not know whether the total sum to be protected by the \$500,000 capital stock provided for here is \$1,500,000.

Hon. Mr. LITTLE: It is \$2,000,000.

Right Hon. Mr. MEIGHEN: If it is only \$1,500,000, the measure of protection is much larger than is usually given, for \$500,000 would have to be lost before the bondholders would suffer. But if \$3,000,000 of bonds are to be secured by only \$500,000 of stock, the margin of security is much smaller and perhaps further protection should be given. But in this respect also there is a responsibility resting upon the provincial authorities, and within this responsibility the company must come by virtue of the terms of the Bill. The provincial authorities can authorize or forbid the company to sell bonds. I suggest that we should leave the responsibility to them and should not seek to place it upon any federal authority. If it be felt that, aside from the provincial responsibility, we should provide, by way of an increase of stock, a larger margin of safety for the bondholders, the Bill might be referred back to the standing committee for further consideration. But the amendment is not only futile, it is destructive of the whole purpose of the Bill, and if we do not think the project satisfactory we should be doing our duty more manfully by rejecting the Bill.

Hon. Mr. BLACK: I do not see anything in the Bill to indicate that the capital stock must be paid up.

Right Hon. Mr. MEIGHEN: Perhaps it should be; but that is another point entirely.

Hon. Mr. BLACK: In my opinion a capitalization of \$500,000, subscribed but not paid up, is no guarantee to back a bond issue of \$1,500,000.

Right Hon. Mr. MEIGHEN: I should think that under the Security Fraud Prevention Act the Provincial Government could require the capital to be paid up. Perhaps it should be paid up. But that is entirely aside from the amendment. It appears to me that the \$500,000 capitalization is protection against the

Right Hon. Mr. MEIGHEN.

Canadian end. Only the Canadian company can issue bonds under this legislation, and it alone gets the benefits of the stock subscription. It would seem to me to be a fair statement of the case that the holders of bonds to whatever amount may be required for the Canadian construction will have the benefit of being protected to the extent of the subscription, or, if we insist on the capital being paid up, to the amount of \$500,000.

Hon. Mr. CASGRAIN: It may interest the right honourable gentleman who leads the House (Right Hon. Mr. Meighen) to know how the Royal Engineers in England award contracts. They do not necessarily give the contract to the lowest bidder; they give it to the contractor who can furnish a guarantee from two solvent companies that he is financially able to proceed with the work. A clause along similar lines would in this instance afford protection to the investing public.

The CHAIRMAN: Shall the proposed amendment to section 17 carry?

Hon. Mr. McMEANS: I move that the amendment be stricken out.

Right Hon. Mr. MEIGHEN: During the course of this discussion I have been more and more impressed with the wisdom of having the standing committee again deal with the Bill. It is not the usual practice to refer a bill back on the motion for third reading, but I do not see why it should not be done in this case. It may be that the standing committee will be able to put the Bill into a more acceptable shape with reference to the financial relationship between stockholders and bondholders.

Hon. Mr. GRIESBACH: As the mover of the amendment in the standing committee I accept the proposal. I appreciate that the weakness of the amendment lies in the reference to the Board of Railway Commissioners. The Bill, however, contains a number of references to the Railway Act, and at the time it struck me that the Railway Board would be as good a body as any to deal with the matter.

Right Hon. Mr. GRAHAM: It may be that the Board of Railway Commissioners was mentioned because it has been the practice to refer to it in bills authorizing the construction of bridges to carry railway as well as vehicular traffic. Those bills were always dealt with by the Railway Committee.

Hon. Mr. McRAE: As the seconder of the amendment under consideration, I am agreeable to the suggestion of the right honourable

leader of the House. The Bill does not provide for a paid-up capital of \$500,000. Furthermore, the Bill authorizes trading the common shares for rights of way, and so on. I do not think Parliament should grant such a privilege.

The motion of Hon. Mr. McMeans was agreed to.

On proposed amendment to section 18, pages 6 and 7—leave out subclause 2 of clause 18 and substitute therefor the following:

(2) When the corporate obligations and stock of the Company and of any of the companies or authorities mentioned in sections fifteen and sixteen of this Act, with which this Company has united or become amalgamated, have been retired in the manner prescribed in their by-laws, then the said bridges and the approaches thereto and all appurtenant structures, property, property rights and franchises, so far as the same are located in the United States of America, shall be conveyed without cost or expense, by the said Company, its successors and assigns, to the State of New York or as the Legislature of the said State may designate; and all of the said bridges and approaches thereto and all appurtenant structures, property, property rights and franchises located within the Dominion of Canada, shall be conveyed without cost or expense to the Province of Ontario or otherwise as the Lieutenant-Governor in Council thereof may designate, and all rights, title and interest of said Company, its successors and assigns therein, or in any of such works in the Dominion of Canada shall then cease and determine.

The proposed amendment was agreed to.

On proposed amendment to section 20, page 7—add the following as subclause 3 of clause 20:

(3) Canadian materials, in so far as available in Canada, shall be used in the construction of the Canadian Bridge.

The proposed amendment was agreed to.

Hon. Mr. MURDOCK: I notice that subsection 2 of section 20 provides for the use of Canadian materials and labour to the extent of at least fifty per cent in the construction of the international bridge. I cannot understand how the proposed subsection 3, providing for one hundred per cent Canadian materials, can be consistent with the preceding subsection, although I am all for it.

Hon. G. V. WHITE: Subsection 2 refers to the international portion of the bridge, subsection 3 to the Canadian section.

The amendments were reported.

REFERRED BACK TO STANDING COMMITTEE

The Hon. the SPEAKER: When shall this Bill be read the third time?

Right Hon. Mr. MEIGHEN: I move that this Bill be referred back to the Standing Committee on Miscellaneous Private Bills, with instructions to reconsider the financial features of the measure.

The motion was agreed to.

PRIVATE BILL

FIRST READING

Bill G2, an Act to amend the Act incorporating Central Finance Corporation and amending Act.—Hon. Mr. Robinson.

THE BATTLE OF WATERLOO

QUESTION OF PRIVILEGE

Before the Orders of the Day:

Hon. F. B. BLACK: Honourable members, before the Orders of the Day are called, may I make a short statement on a question of privilege?

In the most kindly manner three honourable members have called my attention to what they thought was an error in the figures in relation to the Waterloo campaign which I gave when addressing the House last night on the League of Nations. In courtesy to them I desire to clarify those figures.

I would point out that there were two phases of the campaign: the first was the battle of June 16 at Quatre Bras and Ligny; the second and final phase occurred next day. The figures I gave were for the two-day campaign, and they are absolutely correct.

May I add that on his return from Elba 1,000 men rallied to Napoleon; three weeks later he had an army of 350,000 at his command. On the 14th of June, two days before the first phase of Waterloo, Napoleon had on the borders of Belgium 124,000 men, and, more or less in reserve, an additional 56,000, of whom it is estimated 20,000 were immediately available. It has always been one of the major criticisms of the campaign that had Napoleon called up those 20,000 he would have been victorious. On the 16th Marshal Ney had at Quatre Bras 50,000 troops, plus 20,000 in reserve, with which to engage Wellington, and Napoleon had approximately 54,000 with which he engaged Blucher. Blucher at the same time had 116,000 men. It is true that Napoleon's troops were more or less seasoned, while those of Blucher were not seasoned and were not available for immediate service. As I said

yesterday, Wellington had in all an army of 93,000 men. Of these only 42,000 were seasoned and reliable troops, but he brought into action from 60,000 to 70,000.

With respect to the final stage of the campaign, which was on the 17th, my honourable friends are correct. Had I referred yesterday only to the battle that took place on the second day, the percentage of British losses would have been very much greater than I stated, and I should have conveyed an entirely wrong impression.

I trust this explanation makes the matter clear to my honourable friends.

Hon. A. H. MACDONELL: May I call the honourable gentleman's attention to the fact that there was one distinct battle when Napoleon attacked Blucher at Charleroi, and another distinct battle at Ligny. The battle of Waterloo was fought on the field of that name. In that engagement the forces under Wellington totalled 68,000 odd, and those under Napoleon 73,000 odd. It is quite true that at Hal there were 20,000 men on Wellington's right rear, but they were not on the field of Waterloo.

Hon. Mr. BLACK: The honourable senator from Toronto South (Hon. Mr. Macdonell) is quite right, but he is dealing only with the second phase of the Waterloo campaign. May I inform him that I depended for my facts upon an article in the twenty-second volume of the latest edition of the Encyclopaedia Britannica. I have also read three books dealing with the Waterloo campaign, namely "The Duke," by Guedalla, "Napoleon," by Ludwig, and "Napoleon and His Marshals," by Macdonell. If my honourable friend will refer to any of these books he will find that the figures I have given are correct. I was speaking of the two-day campaign, whereas he refers only to the second day.

DIVORCE BILLS

THIRD READINGS

On motion of Hon. Mr. McMeans, Chairman of the Committee on Divorce, the following bills were read the third time, and passed:

Bill B2, an Act for the relief of Aileen Marie Thompson Robb.

Bill C2, an Act for the relief of Doris Jones Earp.

Bill D2, an Act for the relief of Jean Gordon Worden Ellis.

Bill E2, an Act for the relief of Mary Alice Beatrice Featherston Moxon.

Bill F2, an Act for the relief of Ethel Irene Probert.

Hon. Mr. BLACK.

BILLS OF EXCHANGE BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 37, an Act to amend the Bills of Exchange Act.

He said: Honourable senators, this Bill provides that "Remembrance Day" be substituted for "Armistice Day" in the list of legal holidays, and that civic holiday in any municipality shall be observed as a legal holiday.

Hon. Mr. DANDURAND: We have already quite a number of holidays, Dominion and provincial. This Bill would add to the list any day which is declared a civic holiday by resolution of the council of any municipality. On such a holiday the banks would be closed. I do not know whether this point was mentioned in the other House, but I should like to ask my right honourable friend whether there has been any general request for such legislation, and whether he thinks the legislation is desirable. Parliament has created certain holidays, and so have the provinces. Now this Bill provides that

In any city, town, municipality or other organized district, any day appointed as a civic holiday by resolution of the council, or other statutory body charged with the administration of the civic or municipal affairs of the city, town, municipality or district—

shall be observed as a legal holiday. Would this not lead to considerable difficulty in connection with bills of exchange that happen to fall due on civic holidays?

Right Hon. Mr. MEIGHEN: I read the brief discussion that took place in the other House, and it did not touch upon the point raised by the honourable gentleman. A civic holiday may be declared by the municipal council or other statutory body charged with the administration of municipal affairs, and the difficulty to which my honourable friend refers is due to the fact that the holiday does not fall upon the same date all over the country. For instance, Montreal's civic holiday may be on a different date from that of Toronto; Winnipeg may choose another date, Brockville another, and so on. A bill may be drawn at one place and fall due at another, and if in that other place the due date happens to be civic holiday, the bill is not legally due until the next day. So this proposed provision might give rise to considerable uncertainty in the minds of business men as to just when a bill would be payable. The point appears to me to have some force, but so far as I am aware there was no discussion on it in the other place.

Hon. Mr. DANDURAND: No, there was none. Could we not postpone further consideration of the Bill until next week, in order that in the meantime we might inquire from boards of trade and other organizations whether they desired to express an opinion?

Right Hon. Mr. MEIGHEN: Yes. It may be well to state the case now from another viewpoint. When a civic holiday is declared in any municipality it is advisable that it should apply to all the citizens, but in the absence of such a provision as this it would be necessary for banks to remain open in order that bills falling due on that day might be paid. There are a large number of persons working in banks, and if this Bill were passed they would be able to take advantage of civic holiday in common with all other citizens.

On the general question of holidays I must admit that my views have undergone a change in recent times. I do not think that an increase in holidays the world over would have a bad effect, though I once believed to the contrary. Holidays really have the effect of lessening the number of working hours, and the result is that work is distributed among a larger number of persons. But this argument does not deal with the question raised by my honourable friend opposite, that the passing of the Bill as it stands might cause considerable complications with respect to the payment of bills maturing on civic holidays, which are held on different dates in different municipalities. I have no objection whatever to the third reading being postponed until next week, and in the meantime I shall endeavour to ascertain the views of boards of trade and banks on the question.

Hon. Mr. MURDOCK: Surely there is no necessity for delaying the passage of this Bill. I assume that the object of the measure is uniformity. Apparently the honourable leader on this side (Hon. Mr. Dandurand) did not read the explanatory note, which says:

Paragraph d is new and designed to permit the closing of bank offices on civic holidays. In the absence of such provision, bills falling due on a civic holiday would have to be paid on that day.

Surely that shows the object is to establish uniformity so that on civic holiday in any municipality bank employees may in common with other persons be free, and bills falling due on that day may not be payable until the next day.

Hon. Mr. DANDURAND: But I would point out to my honourable friend that the Bill would work against uniformity. Everyone knows when Dominion and provincial holidays occur, but no one knows in advance when a municipality may declare a civic

holiday. And think what effect the uncertainty would have on business men who have bills of exchange falling due throughout the country. One man might hold a number of bills which are all payable on the same date, but at different places. In some towns he would get his money, while in others there might be a civic holiday and he would have to wait until the next banking day.

Hon. Mr. MURDOCK: If it was civic holiday in Toronto on the 2nd of August, a bill falling due there on that date would not be collectable until the 3rd. If Winnipeg's civic holiday occurred on the 8th, payments due on that day would have to be postponed until the 9th. So in the sense that this Bill recognizes as a legal holiday the day which is declared by any municipality as civic holiday, it tends to uniformity.

Right Hon. Mr. MEIGHEN: Yes, it does in that sense. I think we can see what complications may arise if we consider a hypothetical case. Suppose a man takes a three-month bill which will become due at the city of Stratford on the 3rd of August. Knowing that the payer is a responsible party, he acts on the assumption that the bill will be paid on the 3rd and arranges to meet an obligation on that day. But in the meantime the city of Stratford declares the 3rd of August to be civic holiday, and consequently the bill does not become payable until the 4th. The holder of the note had no way of knowing that in advance, and he finds himself in a tight corner. That is an illustration of the kind of thing that would be likely to occur in numerous instances all over the Dominion. If civic holiday were fixed by Parliament for the same date throughout Canada, no difficulty would arise, but there are thousands of municipalities and every one of them may choose any date it prefers for the holiday. If this provision were passed business men would not be able to tell whether their bills fell due on the specified due date or the day afterwards, or even two days afterwards should a Sunday intervene.

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

INCOME WAR TAX (SPECIAL TAX) BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 54, an Act to amend the Income War Tax Act (Special Tax).

He said: Honourable senators, this Bill merely provides for the continuance during the ensuing year of the special income tax of ten per cent upon the salaries of the

judiciary and commissioned officers of the military, naval and air forces, and of the Royal Canadian Mounted Police. The word "twelve" is new, and I am not sure what the effect of that change is.

Hon. Mr. MURDOCK: There are only twelve months in the year.

Right Hon. Mr. MEIGHEN: I fancy that last year the word "twelve" was not in the Bill because there were not twelve months then remaining in the fiscal year.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

SALARY DEDUCTION (CONTINUANCE) BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 55, an Act to provide for the Deduction from Compensation in the Public Service.

He said: This Bill, honourable gentlemen, merely extends for one year the salary deduction provided for by previous legislation, and makes an exception for the benefit of those receiving not more than \$1,000 a year. The exception is represented by the lines which are underlined on page 2 of the Bill.

Provided that no provision of this Act shall operate to reduce the compensation of any member of the public service of Canada below one thousand dollars per annum. Provided further that such deduction shall not apply to any member of the public service of Canada whose compensation during such fiscal year is not more than one thousand dollars, and there may be paid out of any unappropriated moneys in the Consolidated Revenue Fund such sums as are not otherwise provided for and are necessary to give effect to the provisions of this subsection.

The year 1934 is changed to the year 1935. The underlined portion in subsection 2 of section 5 and in section 6 are necessary in order to have these clauses comply with the exception made in subclause 1 of section 3. In a word, the purpose of all the amendments is to except the lower salaried men and women from the deduction.

Hon. Mr. DANDURAND: Honourable members, although I have read this Bill more than once, and have read the discussions which occurred in another place, I cannot under-

Right Hon. Mr. MEIGHEN,

stand the wording of the amendment to which my right honourable friend has referred. Probably the reason is that I do not exactly appreciate the economy of the Act. Under this amendment on page 2 we are deducting ten per cent—

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. DANDURAND:—provided that it does not reduce any salary to less than \$1,000.

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. DANDURAND: Yet there is this statement:

And there may be paid out of any unappropriated moneys in the Consolidated Revenue Fund such sums, not to exceed in the aggregate one million dollars, as are not otherwise provided for and are necessary to give effect to the provisions of this subsection.

The subsection bears on a reduction of salaries by ten per cent, provided they are not reduced below \$1,000. To the extent of that reduction we seem to be relieving the treasury; yet, as a consequence, a fund of \$1,000,000 is provided—

Right Hon. Mr. MEIGHEN: Where is the reference to \$1,000,000?

Hon. Mr. DANDURAND: My right honourable friend perhaps has the Bill in the form in which it was given first reading.

Right Hon. Mr. MEIGHEN: I have the Bill as passed by the House of Commons.

Hon. Mr. HARMER: On the 4th of May?

Right Hon. Mr. MEIGHEN: On the 4th of May.

Hon. Mr. DANDURAND: If my right honourable friend will refer to page 2 he will see:

Provided that no provision of this Act shall operate to reduce the compensation of any member of the public service of Canada below one thousand dollars per annum. Provided further that such deduction shall not apply to any member of the public service of Canada whose compensation during such fiscal year is not more than one thousand dollars, and there may be paid out of any unappropriated moneys in the Consolidated Revenue Fund such sums, not to exceed in the aggregate one million dollars, as are not otherwise provided for and are necessary to give effect to the provisions of this subsection.

Right Hon. Mr. MEIGHEN: That clause "not to exceed in the aggregate one million dollars," is not in my copy of the Bill.

Hon. Mr. DANDURAND: As we are providing for a deduction, I do not see what part that million dollars plays.

Right Hon. Mr. MEIGHEN: I do not either.

Hon. Mr. BEAUBIEN: That is not in the Bill.

Right Hon. Mr. MEIGHEN: There has been some error in the printing. The copy that I have is the Bill "as passed by the House of Commons, 4th May, 1934," and it contains no such phrase as my honourable friend has read. There is no reference to \$1,000,000 at all.

Hon. Mr. DANDURAND: What is the number of the Bill?

Right Hon. Mr. MEIGHEN: No. 55. While we are waiting for the original Bill, we might discuss the inclusion of a provision for paying out money in a Bill whose purpose is to save money by means of salary deductions.

Hon. Mr. DANDURAND: There surely is a reason, but I have not been able to discover it.

Right Hon. Mr. MEIGHEN: I should presume that the reason was this: deductions have already been made in accordance with the legislation previously passed, and under this Bill the recipients of salaries of less than one thousand dollars are to have those deductions refunded. That must be the reason. But why \$1,000,000 should be needed passes my comprehension.

Hon. Mr. MURDOCK: Let me give a concrete illustration of what I think it means. The stenographic staff of the Senate are paid a daily rate of \$5, less ten per cent, or fifty cents. They are now getting \$4.50 a day. Unless their remuneration reaches \$1,000 a year it will become necessary later to reimburse them at the rate of fifty cents a day. It will depend on the length of the session whether the reimbursement will apply to the whole period or only part of it.

Right Hon. Mr. MEIGHEN: My honourable friend is quite right.

Right Hon. Mr. GRAHAM: It was to meet such a situation, I think, that the change was made.

Hon. Mr. DANDURAND: So there would be provisional deductions which would have to be reimbursed at the end of the year?

Right Hon. Mr. MEIGHEN: Yes, that is right. Some deductions have been made already, and, as the honourable senator says, some will continue to be made, and it may be that only at a later time, perhaps at the end of the year, can it be ascertained what they should be.

Hon. Mr. MURDOCK: The end of the fiscal year.

Right Hon. Mr. MEIGHEN: I find that the honourable gentleman (Hon. Mr. Dandurand) was right, and that my Bill was wrong. The words "one million dollars" are in the original Bill.

Hon. Mr. CASGRAIN: The stenographers are employed only for the session. Why should they come into this \$1,000 class at all?

Hon. Mr. MURDOCK: Because they have to eat and sleep 365 days in the year.

Hon. Mr. CASGRAIN: We do not pay them to sleep.

Hon. Mr. DANDURAND: It all depends on the length of the session.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

OATHS OF ALLEGIANCE BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 57, an Act to amend the Oaths of Allegiance Act.

He said: I explained this Bill yesterday.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

LEAGUE OF NATIONS

MOTION—DISCUSSION CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. McRae:

That this House is of the opinion that Canada should withdraw from membership in the League of Nations, and that no further money should be voted to the League.

Hon. G. LACASSE: Honourable members, I do not know whether I should proceed with this debate this afternoon. I am in the hands of the right honourable leader of the House.

Right Hon. Mr. MEIGHEN: It is all right.

Hon. Mr. LACASSE: To what time are we going to adjourn?

Right Hon. Mr. MEIGHEN: It is my intention to move that when the House adjourns it stand adjourned until Friday at 3 o'clock; and on Friday to move that we adjourn until Tuesday at 8 o'clock. The meeting on Friday is rendered advisable from our own standpoint, I think, in order that we may meet the necessities of the case in relation to the Thousand Islands Bridge Bill. Had it not been for that Bill we should have been quite within our rights in adjourning longer; but I do not think we should allow any enterprise of such magnitude and importance to be delayed. Therefore I am going to ask that when the House adjourns to-day it stand adjourned until Friday. I am sorry that this is necessary, because I said to more than one honourable member—particularly to the honourable gentleman from North York (Hon. Sir Allen Aylesworth)—that the House would adjourn until Tuesday, and on this understanding they have gone home. This is just one of those vicissitudes that cannot be avoided. There is no reason, however, why the honourable gentleman should not proceed with his address.

Hon. Mr. CASGRAIN: Is it the intention of the Government to bring down the Deputy Governor to give the Royal Assent to that particular Bill?

Right Hon. Mr. MEIGHEN: It is the intention not to delay any measure unnecessarily. I cannot give any definite answer as to when the Royal Assent will be asked for. All I can say is that we shall endeavour not to delay this Bill.

Hon. Mr. CASGRAIN: Is there any likelihood of the Deputy Governor coming here to sanction it?

Right Hon. Mr. MEIGHEN: There are other bills as well.

Hon. Mr. LACASSE: If it is the desire of honourable members that I should move the adjournment of the debate until Wednesday, I shall do so; otherwise I shall proceed now.

Some Hon. SENATORS: Go ahead.

Hon. Mr. LACASSE: I beg of the House to bear with me for but a few moments. I intend to make my remarks this afternoon in French, and shall be as brief as possible.

Right Hon. Mr. MEIGHEN.

(Translation): It is perhaps apropos that a French voice be heard in the course of this discussion on international problems and activities at Geneva—not only because the rights of the French language must be upheld in this Chamber, but also and especially because this vehicle of expression and communication par excellence, among diplomatic circles, must everywhere preserve the prestige and place of honour which international usage and tradition have established.

So as on the one hand not to weary the majority of my audience, and on the other hand to avoid repeating what has already been stated on this very important question dealing with the maintenance or abolition of the League of Nations, I shall endeavour to be as brief as possible. Moreover, I have no other authority to take part in this debate than that which is conferred upon me by a close observation of world events during the last fifteen years, and also—must I say?—by the ties of discreet but deep sympathy which unite those whose sons tragically disappeared in the great upheaval of 1914-1918 and those who may be likewise called upon to give their own flesh and blood to the hecatomb of to-morrow.

I was quite impressed while listening to all the speeches which enlivened this debate, particularly those of my hon. leader (Hon. Mr. Dandurand)—the foremost Canadian authority in the international field—and of my hon. friend from Parkdale (Hon. Mr. Murdock). I agree with the eloquent remarks and strong plea made by the latter in favour of the poor and humble people; I refuse, however, to endorse his direct and vehement attack against the mover of the resolution under consideration by this Chamber. I am not willing to admit that the intentions of my hon. friend from Vancouver (Hon. Mr. McRae) were not sincere. I really think that his purpose in precipitating this debate was to bring out the facts and secure an expression of opinion which would guide public opinion as much as possible, rather than deliberately to induce the Canadian people to repudiate by the voice of their Parliament their sacred obligations and refuse in cold blood their official and loyal co-operation in the great work of peace promoted and partly accomplished by the League of Nations. In this respect he has won a splendid success, for the statements made and views expressed in the course of this important debate will be of great interest to those who, at present, are studying the great problem of the survival of nations.

The object of the discussion seems to bear on the real nature of the responsibilities

which Canada assumed in ratifying for her own part the famous Article 10 of the Pact; on our precise obligations in case of an attack by one nation, member of the League of Nations, on another, and the extent to which we must co-operate in a military way—the economic sanctions not having been sufficient—with those who will be called upon to carry out the decree of the Council of the League of Nations.

Although the explanations given by my hon. friend from de Lorimier (Hon. Mr. Dandurand) only partly satisfy me, I am frankly of opinion, with many others, that the probability of our participating in an armed conflict under the ægis of the League of Nations are so remote that it should not deter us from reposing our trust in the generous and well intentioned men who periodically meet at Geneva to maintain in our perpetually unsettled world a degree of peace which, relatively, has been very satisfactory hitherto.

Many other reasons have also been invoked in favour of our withdrawal from the League of Nations. I shall mention but one—the most important, to my mind, because it is the most likely to strike the popular imagination, especially in these days of distress, almost nation-wide; it is the considerable annual expenditure which we have to make in order to have the privilege, honour and right of being a member of the League of Nations. I do not think that any one could reply with more effect and convincing eloquence to this objection than did the hon. senator for Parkdale (Hon. Mr. Murdock) when he stated:

In conclusion may I say that I never for one moment thought that this Senate, composed as it is of distinguished and capable citizens, would say to the people of Canada, "We are willing to continue a tax of \$1.25 per capita for the maintenance of national defence, but we decline to permit the per capita expenditure of three cents, the value of a mere postage stamp, as Canada's contribution to upholding the banners of peace and to co-operating with the British Empire and other nations so that in some conclusive way war may be made for ever impossible.

In spite of this, it is clear that an honest and serious endeavour, directed toward a greater economy, would be most welcome to the Canadian people, and one of the means to succeed on this ground is to further assert, as a nation, our faith in the League of Nations, and draw more and more sympathy around it—thus contributing towards increasing the number of its members and, indirectly, reducing the expenditure of its adherents.

I regret, with many others, the abstention of the United States. It is, indeed, very unfortunate that a nation of such importance—for reasons, if not of petty selfishness, at least of ultra-nationalism and party politics—has not thought proper to accept generously and nobly the part which a great President had intended for her.

May I, here, express the hope that soon Washington will realize the disgraceful, humiliating and unfortunate position in which it finds itself to-day through its narrow policy of conceited isolation.

My hon. friend from Parkdale (Hon. Mr. Murdock) made, in the course of his remarks, another statement which caught my ear and filled my soul with sadness. He stated that if the League of Nations had existed when the Canadian-American international frontier lines were drawn, certain eastern sections of the United States would perhaps to-day be in Canadian territory.

He might have made the same comment as regards what is commonly known as the Alaska Panhandle, for, perhaps, in the latter case the authorized voice of our venerable colleague from York North (Hon. Sir Allen Aylesworth) would have awakened a more favourable response in Geneva than it did in London. May I further discreetly add, without going back to the deluge, that had the League of Nations existed it might also have prevented that tragic event, that stain on the glorious British blazon which can hardly ever be erased, known in history as "le grand dérangement"—in other words, the deportation of the Acadians (1775); and, incidentally, Longfellow's most sympathetic heroine would not have been born, and United States literature would have been deprived of one of its most beautiful masterpieces.

A French economist whom I intend to quote at greater length in a few moments, even writes that if, in July, 1914, there had existed that "central exchange" and "that green carpet with seats scattered around it"—that is the picturesque and significant name he gives to the League of Nations—it is believable that the great catastrophe would have been avoided.

My hon. friend from Vancouver (Hon. Mr. McRae) suggests at the close of his remarks, substituting some other means for the work of the League of Nations so as to eliminate the possibility of armed conflicts between nations. His statement is as follows:

After fifteen years of futile effort for international peace there remains but one way to obtain the abolishment of war. The road is open, clear and certain, and tests the sincerity

of the nations that say they want world peace. I refer to the total discontinuance by all nations of the manufacture and sale of armaments and munitions of war. Such a policy fully enforced would end war at no distant date.

I willingly endorse, without restriction, such a policy. But, I ask my hon. friend, how shall we succeed in putting it into practice without the existence of an international agency whence will come the order, and who will provide uniformity of action? Such an agency exists already, and is precisely known as the League of Nations. Why then destroy an institution to substitute a similar one and thus lose the fruit of all that has been accomplished hitherto?

I do not wish to enumerate again all the services rendered by the League of Nations. This has already been splendidly done, and more thoroughly than I could do it. Let me simply state that the greatest merit of the League of Nations—especially in these times, when one is too easily led, in certain circles, to urge one's right by brutal force—resides in the protection afforded to minorities, and particularly through the mediation of the Permanent Court of International Justice.

In fact, the League of Nations is, to my mind, a necessary international tribunal, or forum, and it is unloyal and unfair to judge it without taking into consideration the extenuating circumstances, namely the obstacles which this institution had to surmount from the very outset and which it has still to contend with in spreading over the world its appeasing and pacifying influence.

I now wish to quote an interesting author to whom I alluded a moment ago, Mr. Gonzague de Reynold, who has written a splendid essay on the need of unity and organization of the League of Nations. He writes as follows:

One must admit that the League of Nations is unlucky. It endeavours to carry out internationalism at a time when nationalisms are desperate, multiply and take shape. It advocates the freedom of trade, the lowering of tariff barriers at a time when all countries are raising their tariff and carry on exaggerated protection. It convenes, at Geneva, the Disarmament Conference, at a moment when the Japanese start war against the Chinese. These checks, successive defeats could not do otherwise than strike a telling blow at the prestige of the Genevan institution.

Perhaps also her agenda was, at the outset especially, too ambitious, or altogether "too inflated," to use the expression of this same author; and "the moment has perhaps arrived to choose and concentrate all efforts on the

Hon. Mr. LACASSE.

points where there might be a chance of putting in a telling blow, resulting in a contraction of program?" and also a corresponding decrease in the strictly necessary expenditures.

One of the important parts played by the League of Nations is constantly to establish between nations a rational equilibrium between the abuse of extreme nationalism and the monopolizing effect of ill advised internationalism.

With that end in view, it must not aspire to a status and authority overruling the state, but rather be satisfied with being "a plain centre of international intercourse."

The League of Nations has, therefore, a very intricate and difficult part to play: the part of arbitrator and mediator, and—one must keep this consideration in mind before passing any opinion on it—it is nevertheless the most gigantic human effort ever attempted towards the establishment of universal peace, so far as that is possible here on earth. Each nation has its own notions, usages and customs, its language and its own characteristics, and each has a natural right to keep intact and distinct all that constitutes its ancestral heritage; but if the flags of the various nations on earth have colours which symbolize their particular character and their own patriotic ideals, people must remember that blood has not two colours and that to be happy they must live on terms of universal brotherhood. It is the great lesson which, for the last fifteen years, has been taught through the existence and work of the League of Nations. Far from being ineffective, it has proved useful both in the abstract and in the sphere of concrete facts; and before endeavouring to paralyse its efforts and destroy it, something better should be found to replace it. I am not aware that the establishment of any superior institution has yet been proposed. International conferences, special alliances, trade treaties and independent conventions were resorted to, but always without definite and permanent success. I therefore state, and this is my last word, that if the League of Nations did not exist, we should have to establish one.

On motion of Hon. Mr. Beaubien, the debate was adjourned.

IMPORTATION OF INTOXICATING LIQUORS BILL

SECOND READING POSTPONED

On the Order:

Second reading of Bill 3, an Act to amend the Importation of Intoxicating Liquors Act.—Right Hon. Mr. Meighen.

Right Hon. Mr. MEIGHEN: Honourable senators, I beg to move that this order be discharged and placed on the Order Paper for two weeks from to-day. On this motion I hope the Chair will allow debate, as the honourable senator from King's (Hon. Mr. Hughes) wishes to say something on the measure. He may not be in his seat when it is again dealt with.

While on my feet I may say that the Western Provinces objected to the measure. In deference to their objections those who had asked for the Bill withdrew their request. Since then others have requested its enactment in a modified form. The modified form is being submitted to the Western Provinces. Their replies will not reach us for about two weeks. Hence the motion I have just made.

Hon. J. J. HUGHES: Honourable senators, I thank the right honourable leader of the House for according me an opportunity to make a few brief observations. These may not be germane to the Bill, but nevertheless I deem it an opportune time to present them.

It must be within the knowledge of honourable members and others that a very considerable volume of spirituous liquor is smuggled into Canada. This is particularly true with respect to the Maritime Provinces and Quebec. The illicit traffic has also increased in Ontario and the Western Provinces, for reasons which I shall give in a moment.

It is obvious that smuggled and illicitly manufactured liquor pays no duty, and consequently there is a serious loss of revenue to the Government.

But much more serious is the demoralization of the people. When a particular law is broken, respect for all laws is weakened. This is undoubtedly so with regard to our youth. They know very well what is going on, and there is something about smuggling that appeals to their spirit of adventure. They are aware that the majority of Canadians do not condemn bootlegging and smuggling. These young men long for the day when they will be able to engage in the traffic and swagger around perhaps with a revolver in their pockets, and, by defying the authorities, gain a certain measure of notoriety.

I understand that at one of the recent conferences in Ottawa the provincial premiers discussed the question with the Prime Minister and members of his Government. It was suggested that the only way to stop the traffic was to make a drastic reduction in the customs and excise duties. This would to

some extent reduce the revenue, particularly in Ontario and perhaps also in the Western Provinces; but it is possible that lower prices would discourage bootlegging and smuggling, and to that extent a very much lesser volume of contraband liquor would be consumed.

That smuggling flourishes along the border between Canada and the United States is evident from a paragraph that appeared in the Montreal Daily Star of April 24. It is quoted from the Memphis Commercial Appeal and is headed, "Bootleg Tide Reversed."

Ontario police officials report that rum running from the United States into Canada is going ahead on a big scale, and that the liquor smuggling machinery has gone into reverse with great ease and efficiency. Large quantities of United States made liquor have been seized in border towns and even as far away as London. . . . Canada has the traditional British respect for law and order in great measure, but unduly high liquor prices and too rigid restrictions allow bootleggers to flourish there. The incident has a salutary lesson for wets and dries alike, as they search for the most satisfactory solution of the liquor puzzle.

It is apparent that conditions are just as bad in the United States. In its editorial column of May 7 the Ottawa Citizen quotes Mr. Joseph H. Choate, Director of the Federal Alcohol Control Administration, that "there is more bootleg liquor being made and sold in the United States to-day than ever in the palmiest days of prohibition." In his opinion the only remedy is to reduce the excise duty so that bootlegging and smuggling would no longer be profitable. I am told, and I believe it to be within reason, that if the smugglers get one car of liquor out of four landed they make a lot of money. They can afford to lose three cargoes to get in one.

The customs duty is, I think, \$10 per proof gallon, and the strength of the liquor brought in is generally 40 over-proof. So every gallon of over-proof would be, by measure, almost one and a half gallons proof. This would mean, if my calculation is correct, that there is a duty of about \$14 a gallon on an article that costs from 50 to 80 cents to manufacture. You can see, therefore, the tremendous inducement that is held out to men to make a business of breaking the law, and the consequent demoralizing effect upon the people. I do not think I need say more. If there is any way to prevent this business, which is certainly a very injurious one from every point of view, it should be considered.

There is a small army of men in the Maritime Provinces, on land and sea, who are trying to prevent this business. But it is practically impossible to do so because of the tremendous coastline of the Maritime Prov-

inces, with all its indentations, and harbours and rivers, and the close proximity of the islands of St. Pierre and Miquelon, where there is, I think I might say, an unlimited supply of spirituous liquors to be obtained from vessels lying outside the three-mile limit. Those vessels are met by fishermen, and by smugglers in very fast boats, and the liquor is landed in all kinds of places with the co-operation of the people. The traffic cannot be stopped by the police. It is said that even the officials who are commissioned to stop the traffic may be approached, because there is so much money in it. That is most demoralizing to the authorities.

As I see it, the only way to prevent this business is to make the duty so low that the traffic would not be profitable to the smugglers. We had practically none of this trouble in the Maritimes and eastern Quebec before the duties were increased during the War. I voted for the increase at that time because I thought it proper and necessary as a war measure. But the duty remains at the same high level, and I would vote against it now, for the reasons I have mentioned.

I understand that the conference of provincial premiers that met with the Government here last winter is to re-convene after prorogation, and that this subject will come before it to be considered. I would suggest, therefore, that this House appoint a committee of reasonable size to secure from preventive officers in or near Ottawa information in regard to this business and the efforts that are being made to prevent it. We should find out what these efforts are costing, and whether, in the opinion of the witnesses, the prevention or a curtailment of the smuggling is possible. This information could be secured at very small cost, and when the provincial premiers and the federal authorities meet it would be useful to them in reaching a decision as to what is best to do in regard to the traffic.

Hon. C. P. BEAUBIEN: Unfortunately, the right honourable the leader of the House was called away to a very important interview. I know that he will regret not having heard the honourable gentleman's remarks.

No doubt my honourable friend's suggestion has much merit, if it is practicable. On the other hand, taxes are not imposed merely for the pleasure of imposing them; and usually they are imposed where they can best be borne. Liquor is a luxury. If it were not, it would never be subject to such a heavy tax. Tobacco, being a luxury, also bears a heavy tax; in fact, the price of cigarettes is made up mainly of the tax.

Hon. Mr. HUGHES.

Hon. Mr. HUGHES: My argument is that we are losing revenue by reason of this smuggling.

Hon. Mr. BEAUBIEN: It may be that the Government, because it needs revenue, will find it utterly impossible to consider the suggestion which has been made. I would ask my honourable friend how he ties up his suggestion with the Bill that is now before the House.

Hon. Mr. HUGHES: In my opening remarks I stated that what I was about to say was not particularly germane to this Bill. I mentioned to the right honourable leader of the House the subject that I intended to bring up, and he told me that in his opinion it would be quite in order for me to do so.

The Order stands.

The Senate adjourned during pleasure.

After some time the sitting was resumed.

ADJOURNMENT OF THE SENATE

Right Hon. Mr. MEIGHEN: Honourable members, I now move that when the House adjourns to-day it stand adjourned until Friday next at 3 o'clock. And at this time I wish to give notice of another change. I find it will be necessary for us to resume next Tuesday at 3 o'clock instead of at 8 as had been intended, for I am advised it is essential that a certain Supply Bill should receive our attention that afternoon.

The motion was agreed to.

The Senate adjourned until Friday, May 11, at 3 p.m.

THE SENATE

Friday, May 11, 1934.

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

Prayers and routine proceedings.

PRIVATE BILL—THOUSAND ISLANDS BRIDGE COMPANY

REPORT OF COMMITTEE

Hon. C. E. TANNER presented the report of the Standing Committee on Miscellaneous Private Bills on Bill 27, an Act to incorporate Thousand Islands Bridge Company, and moved concurrence therein.

He said: Honourable senators, Bill 27 was on Wednesday referred back to the Standing Committee on Miscellaneous Private Bills,

and the Committee now recommends that the following be added to the Bill as subclause 2 of clause 17:

The company shall not commence its operations or incur any liability before a sum of at least fifty thousand dollars has been paid into the treasury of the Dominion of Canada, which sum shall not be withdrawn until the proposed bridges, together with their approaches, buildings and all other assets used in connection therewith are constructed, and such sum shall be forfeited to His Majesty if such project is not completed.

The Committee found a precedent for that provision in a similar bill which was passed by Parliament last year and was quite satisfactory to the promoters. That is the only amendment the Committee is recommending with respect to the financial features of the measure. The Committee thinks that the deposit of \$50,000 will be a substantial proof of good faith on the part of the company, and that this additional requirement will make the measure satisfactory. It should be noted that by section 11 the company is required to comply with the Security Fraud Prevention Act of Ontario, under which the issue of securities would be thoroughly analysed, and that the company must satisfy the Governor in Council of this compliance. The Committee would like to have the proposed amendment considered this afternoon, if that is agreeable to the House.

The motion was agreed to.

THIRD READING

Hon. G. V. WHITE moved the third reading of the Bill, as amended.

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

PRIVATE BILLS

THIRD READING

Bill 29, an Act respecting The Wawanesa Mutual Insurance Company.—Hon. Mr. Aseltine.

SECOND READING

Bill G2, an Act to amend an Act to incorporate Central Finance Corporation and Amending Acts.—Hon. Mr. Robinson.

FRUIT AND HONEY BILL

SENATE AMENDMENTS NOT INSISTED UPON

The Senate proceeded to consider a message from the House of Commons with regard to amendments made by the Senate to Bill 26, an Act respecting Fruit and Honey.

Hon. Mr. MacARTHUR: Honourable senators, my honourable friend from Queen's (Hon. Mr. Sinclair) has written to request that consideration of this matter be deferred.

Right Hon. Mr. MEIGHEN: I did not know the honourable senator was not to be here to-day. I know he is the principal protagonist of the amendments which the Commons has declined to concur in, and I am very loath indeed to go on in his absence, but the Department of Agriculture considers it important that the Bill be enacted without delay. I feel sure that if the honourable senator knew the facts he would not ask that consideration be deferred until next week.

The Commons has concurred in all our amendments except three. The three amendments are really one and the same, for in the three sections which provide that the Minister may make regulations this House inserted the condition, "with the approval of the Governor in Council."

It will be recalled that the honourable member from Queen's felt that, as very sweeping powers were being given to the Minister, it would be advisable that any such regulations he might make should be approved by the Governor in Council. I pointed out at the time that this approval would probably involve delay, which might be very serious in relation to fruit, because of its perishability; but during the discussion I became persuaded that probably it would be better to accept the honourable gentleman's suggestion.

The message from the Commons states that that House does not concur in these three amendments—which, as I have said, are really only one—for the reason that in this respect it believes the Act should be in harmony with the Seed Act and the Fruit and Vegetables Act, which empower the Minister to make regulations. That as a reason did not seem to me overwhelmingly convincing; therefore I asked for the judgment of Mr. McIntosh, who, as honourable senators will recall, was a witness before our Committee. We did not question as closely on this point as we did on others, which we considered of more importance. Consequently it was necessary to get some data from him. The memorandum I have received this morning seems to me conclusive, and I cannot do better than read it to the House:

Complying with telephone request from Mr. Hinds, the following information is submitted relating to the request of the House for reconsideration of Senate amendments 1st, 2nd and 5th to Bill No. 26, An Act respecting Fruit and Honey.

One of the primary reasons for complete revision of the Fruit Act at this time was the expressed desire by producers, package manufacturers and the trade, after thirty-three years' experience, for legislation of a more flexible character.

Because of the perishable nature of the products concerned, the uncontrollable conditions of production, changes in marketing methods, the effect of truck distribution and other factors, they especially urged that the Minister be given power to prescribe the regulations and thereby avoid even such delay as might be necessary if made subject to the approval of the Governor in Council.

In this connection I quote the following letter addressed to me on April 26, 1934, by Mr. L. F. Burrows, Secretary-Treasurer of the Canadian Horticultural Council, and also letter of September 19, 1933, from Mr. E. J. Chambers, Chairman of the Grades Committee of the British Columbia Fruit Growers' Association and President and General Manager of the Associated Growers of British Columbia, Limited.

This is the letter from Mr. Burrows:

Re Fruit and Honey Act

I have just learned that the Senate yesterday in dealing with the above Act made certain amendments, the principal one of which is that the word "Minister" as it occurs in the first line of section 3, and subsequent like paragraphs, is struck out and the words "Governor in Council" inserted.

He is wrong as to the amendment and its relative importance, but that does not matter.

As you are undoubtedly aware, the effect of this amendment will be to seriously delay action being taken as promptly as is essential in dealing with so highly perishable a commodity as fruit. The provision to have the Minister make regulations has been requested by the industry from one part of Canada to the other during the past number of years, and its significance and effect is thoroughly understood and desired by them. Since the Bill received third reading in the House of Commons copies have again been widely distributed and as widely approved by the entire industry, and the amendment now proposed by the Senate will be most disappointing.

On behalf of this Council, representing the entire fruit industry of the Dominion, I shall very sincerely appreciate such action as may, even at this time, be possible to secure the reconsideration by the Senate in this matter.

This is the letter from Mr. Chambers:

Further to question of power being given your Department for the establishing of fruit grades instead of this having to be done by legislation.

There have been so many instances during the past number of years when conditions could have been dealt with much more effectively if your Department had this responsibility that every effort should be made at the coming session to bring this about. The situation would have been even more difficult if it had not been for the splendid co-operation that has been extended both by your executive officials and your district supervisors.

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Marketing, climatic and other conditions very often necessitate changes being made to cope with the situation and it would be almost impossible to have these contingencies covered by legislation and some more practical means of dealing with them should be devised.

We sincerely trust that every effort will be made to have this change brought about this coming session.

Hon. Mr. MacARTHUR: Honourable senators, in order to expedite the matter, I will take the responsibility of withdrawing my objection on behalf of my honourable friend from Queen's.

Right Hon. Mr. MEIGHEN: I thank the honourable senator. I had better read the concluding portion of Mr. McIntosh's letter:

As an illustration of conditions that arise, it is noted that in the southern part of the Okanagan Valley in British Columbia last September, in the Penticton area, approximately 175,000 boxes of apples were put out of the grades within twenty minutes because of injury by hail. Legally there was no way in which this fruit could be offered for household use, although for immediate consumption the apples were of good quality. The situation had to be met and in reality arrangements made contrary to the Act in order to permit of the growers marketing these apples.

In Nova Scotia two years ago a similar situation resulted from a wind storm, creating an emergency condition.

Matters of more minor character relating to marking of packages, standardization of packages, inspection and certification, packing and transportation arise on many occasions throughout the crop season.

In the Root Vegetables Act, Maple Sugar Industry Act, Seed Act, Feeding Stuffs Act, Fertilizer Act and Agricultural Pest Control Act the Minister is given power to prescribe regulations. This has proved so satisfactory to all concerned in the production and marketing of these commodities that the fruit interests have for some time been endeavouring to have the same provision made in the Fruit Act.

Over six thousand copies of the Act were distributed among those interested in the different Parts, and received almost unanimous endorsement of provincial and Dominion organizations.

I must say that the reasons seem to me unanswerable. I therefore move that the Senate do not insist on its first, second and fifth amendments.

Hon. Mr. CASGRAIN: In my ignorance I do not see much difference between an Order in Council and the Minister. The Minister could very well write an Order in Council, or tell his secretary to do so, and bring it down. Of course, under that procedure there would be some delay and in the meantime the fruit might go bad.

Right Hon. Mr. MEIGHEN: That is it. There is a lot of delay.

Hon. Mr. MacARTHUR: I trust that when the honourable senator from Queen's (Hon. Mr. Sinclair) returns the right honourable leader will make a thorough explanation.

Right Hon. Mr. MEIGHEN: I am sure the honourable senator from Queen's will agree that what we are doing had to be done.

Right Hon. Mr. GRAHAM: Honourable senators, there may be a reason, as the right honourable leader says, for giving full authority to the Minister. As explained on a former occasion by the honourable senator from Queen's (Hon. Mr. Sinclair), it is the Minister who makes the regulations, which really become the law. I think my honourable friend from De Lanaudière (Hon. Mr. Casgrain) is a little in error in implying that a Minister's recommendation is always adopted by Council. If he had been a Minister he would have known that sometimes the sponsoring of a recommendation is a wearisome experience. It is a common thing for a department to focus its attention on one objective, and the Minister usually takes the advice of his departmental experts. But when he brings his recommendation to Council, other Ministers may have entirely different ideas and the recommendation may be seriously amended before it is adopted.

Hon. Mr. CASGRAIN: In a case like that, would the Minister resign on the ground that his colleagues had no confidence in him?

Right Hon. Mr. GRAHAM: They have confidence in one another. The same thing applies in the Senate. We all want to express our own viewpoints, but that does not mean we lack confidence in one another.

In the circumstances, I have no objection to the passage of the Bill. It seems to me that the whole industry is in favour of what is being done, and I feel that the honourable gentleman from Queen's (Hon. Mr. Sinclair) will probably acquiesce.

The motion was agreed to.

The Senate adjourned until Tuesday, May 15, at 3 p.m.

THE SENATE

Tuesday, May 15, 1934.

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

Prayers and routine proceedings.

APPROPRIATION BILL No. 3

FIRST READING

A message was received from the House of Commons with Bill 82, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1935.

SECOND READING POSTPONED

The Hon. the SPEAKER: When shall this Bill be read the second time?

Right Hon. ARTHUR MEIGHEN: Honourable members, before fixing a date for the second reading I desire to make some inquiry with regard to the details of the measure. According to my information, the measure does not deal equably as between this House and the House of Commons. Naturally and necessarily, because Parliament does not sit the year around, an extra apportionment, over and above the fraction which sweeps across the whole breadth of the estimates, must be provided in respect of Legislation. I am informed that this Bill provides such an extra amount in respect of the other House, but that there is no provision in relation to the Senate. The Bill was handed to me just as the House opened, and I am speaking now subject to correction, after a careful perusal of the measure. I want to be satisfied in this regard before moving the second reading of the Bill.

Hon. Mr. DANDURAND: When is it suggested that the second reading of the Bill should take place?

Right Hon. Mr. MEIGHEN: I do not think it is necessary to fix any date.

Hon. Mr. DANDURAND: If there is no motion fixing a date for the second reading of a bill that has been read the first time, the bill disappears from the Order Paper. I would suggest to the right honourable gentleman the advisability of moving, with the consent of the House, that the motion for the second reading be placed at the foot of the Order Paper. Meantime he can ascertain whether or not he is correct in his interpretation of the Bill.

Right Hon. Mr. MEIGHEN: I have no objection to that procedure if it is in accordance with the rules of this House, but before the motion for the second reading is put I must be satisfied on the point I have mentioned.

The Bill was placed at the foot of the Order Paper, for second reading.

LEAGUE OF NATIONS

MOTION—DISCUSSION CONTINUED

The Senate resumed from Wednesday, May 2, the adjourned debate on the motion of Hon. Mr. McRae:

That this House is of the opinion that Canada should withdraw from membership in the League of Nations, and that no further money should be voted to the League.

Hon. C. P. BEAUBIEN: Honourable members, at this late stage of the discussion on the League of Nations it is certainly not my intention to make any very extended remarks. The motion of the honourable senator from Vancouver (Hon. Mr. McRae) has echoed far and wide. As everybody knows, it was published in the press of Germany. This, perhaps, is the reason why the Prime Minister thought it wise to state immediately the policy of the Government with respect to the matter. It may be taken for granted, I think, that this motion will have no direct and practical bearing on the policy of the Government with relation to the League, but I hope it will have a very far-reaching effect on public opinion.

Nicholas Murray Butler stated quite recently, "Public opinion holds the world in its hand." This is true not only of the League, but of all major questions that are now occupying the attention of the nations of the world. Whether those nations are democratic or are under the control of an autocracy matters little; no law will survive unless it is the rescript of the thought and will of the people.

Strange as it may seem, the League of Nations has been turned down, before public opinion in Canada, by two eminent members of this House. We should perhaps attach much importance to their opinion, inasmuch as they know whereof they speak. I know that the honourable gentleman from Vancouver, particularly in the latter part of his speech, gave expression to impressions that he gathered while in France.

The honourable gentleman based his opposition to the League on three grounds. The first was that the League is too costly. That argument, I think, has been disposed of, and I do not intend to deal with it. His second ground was that it is dangerous, and that as a result Canada may be drawn into the vortex of future wars. The honourable the leader on the other side (Hon. Mr. Dandurand) has given a full and final explanation of article 10. We are no longer bound; we are free. Our Parliament is free to decide whether or not Canada shall participate in any future

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wars, or the extent to which she shall participate. I think I may conclude, therefore, that the second ground of the honourable senator from Vancouver has been disposed of. There remains the third ground, namely, that the League is useless. The honourable gentleman from Vancouver (Hon. Mr. McRae) and the honourable gentleman from Edmonton (Hon. Mr. Griesbach), both of whom rendered outstanding service to Canada during the War, returned with such a vivid impression of its horrors that they are now somewhat impatient that, directed by the League, humanity has not already been freed from the bloody grip of war.

It is my intention to make a rapid survey of the situation to see if it is true that the League is useless. I am going to deal, not with the services rendered by the League, but rather with what the world expected of it in two major instances. I think I should be correct in stating that had the League satisfactorily settled the Sino-Japanese conflict and the disarmament problem there could be no serious reproach levelled at it. With respect to both these questions may I therefore submit the real facts, which are an extenuation if not a full justification of the course of the League?

But before doing so perhaps I may be permitted to dispose of certain aspersions that have been cast on the League without the slightest foundation. Such aspersions are in my opinion apt to cause the League to suffer more in public opinion than if charges that could actually be substantiated were made. The honourable gentleman from Edmonton (Hon. Mr. Griesbach) has stated that the League is controlled by pacifists—I think he said it was in the hands of pacifists.

Hon. Mr. GRIESBACH: In Canada.

Hon. Mr. BEAUBIEN: I do not think that qualification appears in Hansard, but I am willing to accept my honourable friend's correction. I presume, then, that he intended to say also that the League is in the hands of second-rate statesmen in Canada. In reply to that I will simply read the list of representatives whom we have sent to Geneva, and particularly those who have headed delegations, and will leave it to the House to form its own opinion whether these aspersions were justified.

The delegations, in chronological order, were as follows: Sir George Foster and Right Hon. C. J. Doherty; Right Hon. C. J. Doherty and Sir George Perley; Hon. W. S. Fielding and Hon. Ernest Lapointe; Sir Lomer Gouin and Right Hon. G. P. Graham; Senator Dan-

durand and Hon. E. M. Macdonald; Senator Dandurand and Hon. Hewitt Bostock; Senator Dandurand and Hon. P. C. Larkin; Sir George Foster and Sir Herbert Ames; Senator Dandurand and Hon. Charles Stewart; Right Hon. W. L. Mackenzie King, Senator Dandurand and Hon. Charles Dunning; Senator Dandurand, Hon. J. C. Elliott and Sir George Foster; Right Hon. Sir Robert Borden and Hon. Thomas Chapais; Hon. Hugh Guthrie and the speaker; Sir George Perley and Hon. Maurice Dupré; Hon. Dr. Manion.

Do I need to say anything more? Is there any ground for the statement that the delegations from Canada were composed of pacifists?

Hon. Mr. GRIESBACH: No, I did not say that.

Hon. Mr. BEAUBIEN: I dislike to contradict my honourable friend, but I think I am stating correctly the impression that I gathered. At page 329 of Hansard the honourable gentleman is quoted as saying:

The Canadian end of the League of Nations has fallen largely into the hands of pacifists or people pacifistically inclined. Here was a proposal to maintain peace by force. Support for the organization was supposed to come from people willing to fight for peace. With the repudiation of article 10 the League could no longer rely on force to execute its judgments; it had to rely on public opinion. I submit that a study of human nature and of history can lead to but one conclusion: that a League of Nations supported by pacifists is from its very inception wholly ineffective.

Hon. Mr. GRIESBACH: I was referring there to the organization that supports the League in Canada.

Hon. Mr. BEAUBIEN: In another passage my honourable friend stated that delegations to the League from nations throughout the world were composed of second-rate statesmen.

Hon. Mr. GRIESBACH: No. Again I correct my honourable friend. I said:

After all, those who control the affairs of the League are more or less second-rate men of the member-nations which they represent.

Hon. Mr. BEAUBIEN: Well, I am willing to leave it to the House whether my interpretation is sound. If the League is composed of delegations which are made up of second-rate statesmen—

Hon. Mr. GRIESBACH: Again I must correct my honourable friend. I said "controlled," not "composed."

Hon. Mr. BEAUBIEN: The League can be controlled only by delegations, and if the delegations are composed of second-rate statesmen, I think I have interpreted fairly what my honourable friend said.

Hon. Mr. GRIESBACH: No. The League is controlled by a group of member states in Europe, as everyone knows. The delegations that we send consist of very eminent Canadians, but they have very little influence in the control of the League, so far as policy is concerned.

Hon. Mr. BEAUBIEN: I will leave that question to the judgment of this House. I thought we were entitled to hold a much better opinion of the work done by our delegates. I intend to refer to this matter a little later, but in the meantime may I say that virtually all the European delegations have been headed by the most outstanding statesmen of the different countries. I will give a few of the names that come to my mind at this moment. From France: Clémenceau, Briand, Herriot, Barthou, Boncour, Tardieu and Painlevé. I do not know of any more prominent men in France than those.

Hon. Mr. DANDURAND: Ex-Prime Ministers.

Hon. Mr. BEAUBIEN: Yes. From Italy: Schialoya and Grandi. From other countries: Benès Politis, de Madariaga, Apponyi and Huymans. From Germany: Stresemann and Curtius. From Great Britain: Lloyd George, Balfour, Cecil, Austen Chamberlain, Ramsay MacDonald, Sir John Simon and Arthur Henderson. It would be difficult to choose an equal number of British statesmen of higher eminence and greater ability.

Now may I address myself to the Sino-Japanese conflict? I will do so by putting to the House this question: Could it be reasonably expected that this matter, which has created throughout the world a very profound impression against the League, could be settled by the League? In this connection may I give the House a brief excerpt from the Lytton report of the conditions which existed in Manchuria at the time:

During the preceding quarter of a century the ties which bound Manchuria to the rest of China were growing stronger, and at the same time the interests of Japan in Manchuria were increasing. Manchuria was admittedly a part of China, but it was a part in which Japan had acquired such exceptional rights, so restricting the exercise of China's sovereign rights, that a conflict between the two countries was a natural result. These exceptional rights are chiefly based on the Treaty of Peking of 1905, following the Treaty of Portsmouth, and on the Treaty of 1915, known as the "Twenty-one Demands," as well as on various railway contracts. The list of these rights shows the exceptional character of the political, economic, and legal relations created between Japan and China in Manchuria. There is probably nowhere in the world an exact parallel to this situation; no example of a country enjoy-

ing in the territory of a neighbouring State such extensive economic and administrative privileges.

Honourable gentlemen, let us go back a few years to the time preceding this incident and see how Japan, after acquiring Manchuria in 1905, was forced by all the Great Powers of Europe to abandon her conquest; how, immediately after she had withdrawn her armies from Manchuria, Russia annexed the country and treated it as a Russian province; and how she declined to recognize the validity of rights thus acquired unless Russia recognized her occupation of Korea. The Russo-Japanese war followed, and to the surprise of the world Japan gained a decisive victory.

Hon. Mr. CASGRAIN: It was no surprise to the world.

Hon. Mr. BEAUBIEN: By the Treaty of Portsmouth Russia ceded to Japan all her railway and mineral concessions in Manchuria, with the right to continue the military occupation of the railway zone.

Then came the Treaty of 1915, which Japan forced China to enter into under threat of war.

By the Nine-Power Treaty the Great Powers agreed to respect China's sovereignty.

Let us not forget that from the moment Japan assumed control of Manchuria the Chinese began to migrate to that province, leaving their own flag and fleeing from anarchy to the stable government of Japan. They settled there so rapidly that they soon numbered 30,000,000. They preferred to live under Japanese rule rather than under Chinese anarchy. It must be admitted that Manchuria was Chinese territory, and that if China preferred to allow the province to rot in anarchy, it was her business. True, but it was very annoying for Japan, with two billion yen invested in Manchuria, and absolutely depending on the country for her raw materials and food supply.

Honourable members will see how intermingled were the interests of the two nations. How was it possible for the League to render justice to both?

Now I call the attention of the House to the solution suggested by the Lytton Commission. I trust honourable members will share my opinion that by the League of Nations, as by every other agency in this world, there are certain things that cannot be accomplished. Every day we have recourse to physicians, and in many cases we find them incapable of effecting a cure. Why, then,

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should the League of Nations be condemned because it was confronted with a state of things which could not be remedied? Allow me to read this passage from the report:

A mere restoration of the status quo ante would be no solution. Since the present conflict arose out of the conditions prevailing before last September, to restore those conditions would merely be to invite a repetition of the trouble. It would be to treat the whole question theoretically, and to leave out of account the realities of the situation.

It is not therefore a question of rendering unto Caesar what is Caesar's. It is a question of finding a modus vivendi under which these conflicting interests existing to such an acute degree in Manchuria could be harmonized and arranged so that there might be no repetition of the irruption of 1931.

What is the conclusion reached by the Lytton Commission? That the interests of three nations must be harmonized: Russia's interest in respect to her railway; Japan's interest, in respect to the treaties I have cited; and the interest of China as being the sovereign nation. To this end the Commission recommends the ratification of treaties already concluded; then a treaty of commerce, a treaty of non-aggression, the creation of a semi-independent State—which practically exists to-day—but under the sovereignty of China, and the withdrawal of the Japanese troops.

The report was ratified by the Council of the League, then by the Committee of Nineteen, and, lastly, by the Assembly.

So far no possible reproach can be levelled at the League. Its opponents say: "The League fell down. It did not have the courage to put into effect the recommendations of the Lytton Commission." But everyone knows that if the Great Powers had attempted to force Japan to withdraw her troops from Manchuria there would have been war. Do honourable members believe that it would have been wise for the League to incur this dreadful responsibility? Happily the war was then confined to the Far East, where there was little inflammable and explosive material. Would it have been wise to run the risk of involving Europe in war?

Hon. Mr. CASGRAIN: May I remind my honourable friend that article 10 provides for an economic embargo before resort to war. Why did the League not put that article into effect?

Hon. Mr. BEAUBIEN: If my honourable friend will be patient, I shall attempt in the course of my argument to give the answer

to his question. I am coming to the economic sanctions.

Hon. Mr. CASGRAIN: I am sorry to have interrupted the honourable gentleman.

Hon. Mr. BEAUBIEN: Everyone is agreed that if the major nations, members of the League, had resorted to force, the results throughout the world might have been appalling.

I come now to the economic sanctions. My honourable friend rejoices in having been a consistent opponent of the League, taking whenever occasion arose an extraordinary and incomprehensible pleasure in deriding the League. To him it is a great satisfaction to find that statesmen throughout the world have failed to do away with the greatest curse of mankind. And perhaps in this case too he may have some reason to rejoice, but I doubt it.

The economic sanctions could only be applied if all the great nations subscribed to them. If the League, or its member nations, had invoked these sanctions against Japan, what would have happened should the United States once again disappoint Europe? What would have happened then to the commerce of Great Britain? What would have been the result to the commerce of France and of all the other great powers of Europe? Japan would have turned to the United States. Would that have been a desirable thing for the European powers? And if the United States had joined the member nations of the League in enforcing the economic sanctions, to what extent could Japan have secured essential supplies from Russia?

But there is something more to be taken into consideration. Philip Noel Baker, of Yale University, in a recent address stated that if England had taken the lead, perhaps the United States would have followed. The answer to his statement came very swiftly: If economic sanctions had then been invoked against Japan, she would have resorted to war. What would have been the result? Honourable members, it is easy to deal with these great questions when you have no responsibility; but when you are responsible it is appallingly difficult to reach a conclusion. When the nations had to decide whether or not they would apply the economic sanctions, they had no assurance that the United States would co-operate; and without such co-operation nothing effective could have been accomplished. And it would have been disastrous if the United States had joined the

member nations of the League, for it is virtually certain that Japan would have resorted to war. Rather than take this grave risk, was it not better for the League to pause and determine not to seek success at such a frightful cost?

Another sin of omission charged against the League of Nations is its failure to bring about disarmament. For the last six or seven years negotiations have been in progress to secure disarmament.

Hon. Mr. CASGRAIN: Ten years.

Hon. Mr. BEAUBIEN: Three modes of disarmament have been suggested: the horizontal, the quantitative, and the qualitative. Finally, a year ago, Great Britain suggested a period of probation, followed by disarmament. But unfortunately Germany then gave notice of withdrawal from the League.

But, honourable members, is it not true that there is no problem of disarmament? The only problem is one of security. No nation wants to carry the crushing load of armaments. I well remember when in 1931 Mr. Briand made his last great speech before the League. He was a very sick man at the time. The question of disarmament had been urged by Lord Robert Cecil with all the force and energy at his command when defending the policy of the League of Nations. Mr. Briand mounted the rostrum and in effect said:

Gentlemen, disarmament is mentioned in the Versailles Treaty jointly with security. If it had not been so it would have been a great pity, for otherwise the most generous nations would have been deceived. Security is like a beautiful statue about to be unveiled, the delightful form of which can be perceived through the drapery; but that veil is never withdrawn. But would any of you here present, if you were standing in my place, conscious of his responsibility for the peace and very life of his fellow-countrymen,—would any of you disarm in face of the menace which is now suspended over the head of my country?

But, honourable members, let me cite to you the opinion of a man absolutely impartial, an opinion delivered by a great Canadian statesman in 1930. Sir Robert Borden then said:

But do not minimize the difficulties of disarmament. By what means and in what measure may any nation that realizes its vulnerability to attack make certain of its security in case it should disarm? The realist presents his formula: arbitration, security, disarmament; security must precede disarmament. The idealist replies that arbitration and security have been going hand in hand, and with them should march disarmament. But how shall security be defined; and how shall you establish such disarmament that science

cannot swiftly and suddenly supersede it with appalling methods and instruments of destruction, presently unknown or unrevealed?

That was in 1930. Then Germany was surreptitiously arming. What is Germany doing to-day? She is arming openly. Hitler has lashed the spirit of the people into a frenzy of pride and hatred. Supported by ninety-nine per cent of the population, and with every man in the Reichstag, except one, now wearing his livery, he has abolished all the states and provinces, and has even attacked the powerful Lutheran Church. And where is he leading his people? Every day, by radio and through the press, he is driving his people to demand the old German hegemony of Europe. Can that fact be denied?

Under these circumstances is it possible for France to disarm? If it is not, why should the League be reproached for not having accomplished the impossible? The League is composed of humans, and there is a limit to what it can do. To disarm to-day would be to leave Germany free to conquer by force.

The honourable gentleman from Vancouver said a few weeks ago, upon his return from Germany, that if he were in the place of France he would go in and "clean up" Germany. I think those were his words. But yesterday the President of France said that France would never be guilty of a war of aggression. France has bound herself not to go to war, and will not go to war except in defence of the life and liberty of her people.

Is it fair to say that the League has failed in the matter of disarmament, and in regard to the Sino-Japanese conflict? There are things which we should not expect the League to do, at all events for the present.

The honourable gentleman from Edmonton said that the League had been emasculated, and in large measure Canada was responsible. I do not know that that statement can be contradicted in toto. It is true that when Canada found itself face to face with article 10 of the Covenant it realized fully the nature of the responsibility which had fallen upon its shoulders. In creating the League the world was entrenching itself, so to speak, against any possible aggressor; but when it came to the manning of the trenches, the United States were missing, and Canada's flank, to use a military expression, was "left in the air." Under those circumstances was it not natural that Canada should explain to the League that there had been a change in conditions and that this necessitated a modification of the undertaking signed by Canada?

How did the League accept those explanations, honourable gentlemen? After all, Can-

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ada is governed by public opinion, and we are not all of the same view. Would my honourable friend contend that in 1920, or at any time since, Canada should have supported a hard and fast obligation such as is contained in article 10? I do not think he would. I do not think anybody would. Both parties felt that public opinion would not carry them so far, and therefore they asked for their release on two occasions and obtained it. They did it openly and manfully, and the League of Nations accepted their withdrawal.

But there was more than that. Great Britain followed the example of Canada. Mr. Chamberlain stated that the attitude adopted by Canada in 1920, 1921, 1922 and 1923 had influenced the determination of Great Britain in regard to article 10. He made that declaration in 1928. The Protocol of Geneva was suggested, not only to prevent war from entering through the gaps left open in the Versailles Treaty, so to speak, but to permit of a reconstruction of article 10. The representative of Canada, the honourable the leader on the other side of the House (Hon. Mr. Dandurand), opposed the Protocol. How was the attitude of Canada regarded at that time? If honourable gentlemen will permit me, I should like to read just a few lines from a very excellent article by Professor Soward, published in *International Conciliation* of October, 1932.

The protocol was enthusiastically accepted by the Assembly, which dispersed on October 2, with the conviction that a new day had dawned.

In view of the fact that the British delegation had actively co-operated in framing the protocol after the recent rejection of the Draft Treaty of Mutual Assistance, the position of the Dominions was rather awkward.

I must say that at the time Mr. Ramsay MacDonald and M. Edouard Herriot had both agreed on the terms of the protocol. It was later turned down by the British Conservative Government, represented by Mr. Chamberlain.

This was appreciated by the British Government, whose delegates made a point of maintaining close contact with the Dominion delegations in their informal meetings, and of discussing with them every difficulty that arose. It fell to Senator Dandurand, who was making his first appearance at Geneva, to present the Canadian attitude towards the protocol, and this he did in an able speech on the last day of the debates.

Senator Dandurand quoted illustrations from Canadian history to prove his contention that "the three chief pillars upon which this structure (the protocol) has been erected, arbitration, security and disarmament, have long been accepted and applied in my country." On that account he was convinced that, in accordance with the protocol, "Canada, faithful to her past, will be prepared to accept compulsory

arbitration and the compulsory jurisdiction of the International Court." As far as disarmament was concerned, Canada with her unarmed frontier could be said to have already reached "the ideal towards which you are striving." There remained the crucial question of sanctions. After reminding the Assembly of Canada's war effort and pledging her loyalty to the Covenant, the Canadian spokesman emphasized the fact that his country had never expected in 1919 "that she would have the burden of representing North America when appeals would come to our continent for assisting in maintaining peace in Europe." Living "in a fire-proof house far from inflammable materials," Canada had sought in the past to secure a more precise interpretation of her obligations. It was only natural that Canada should hope to find in the protocol recognition of the views contained in the Resolution of 1923. These considerations should guide the Canadian Government in studying the protocol before it could undertake to accept its obligations.

This speech in its carefully phrased section on sanctions may be said to foreshadow the subsequent Canadian rejection of the protocol. But it showed a sympathy and appreciation of the European problem and a generous attitude towards arbitration which was warmly welcomed in Geneva, and won for Senator Dandurand a popularity which successive Assemblies did not decrease.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. CASGRAIN: May I ask what happened to the protocol, anyway?

Some Hon. SENATORS: Oh, oh.

Hon. Mr. CASGRAIN: I am sincere.

Hon. Mr. BEAUBIEN: It was turned down.

Hon. Mr. CASGRAIN: It was no good, then?

Right Hon. Mr. GRAHAM: Such is not always the case.

Hon. Mr. CASGRAIN: I am sincere.

Hon. Mr. BEAUBIEN: I am not doubting the sincerity of the honourable gentleman at all. If he will be kind enough to note down his questions, I shall be very sincere in attempting to answer them later on.

Now, honourable gentlemen, my purpose is simply to show that we have gone as far as we could to help the League. The situation would have been ideal if all the nations had joined together; then there would have been little danger, if any, of war, because an aggressor would have faced a coalition of the great nations of the world. But when the United States withdrew, and the signature of their President was denied, conditions changed. War became much more feasible, if not probable, and Canada had to take notice of the change and shape her course accordingly.

There is only one way in which that which has not been done in the past can be brought about in the future, and that is by education. There is only one road open, the road of propaganda.

During this debate I was greatly astonished to hear the apology for arms and for war. I said to myself, "Is it possible that we should hear a plea for arms and war sixteen years after the Great War?" Still the honourable senator from Westmorland (Hon. Mr. Black) read an article which stated that war was every day becoming more humane. He said that as arms become more effective their victims become less numerous. The honourable senator from Edmonton (Hon. Mr. Griesbach) said that wars did not make predatory nations.

Hon. Mr. GRIESBACH: I said "armaments," not "war."

Hon. Mr. BEAUBIEN: I am glad the honourable gentleman has corrected me, because that is what I intended to say. Armaments do not create the criminal, but they multiply in a frightful manner the results of his criminality. Gentlemen, among the nations there are gangsters. What makes them gangsters? Do you think that gangsters would fight with bare knuckles? What are the gangsters in Chicago fighting with? They are fighting with the armaments of war.

It is true that there have been wars since the beginning of the world, but we have reached a time when, if we want to preserve humanity and civilization, war must be vanquished. The honourable gentleman from Westmorland (Hon. Mr. Black) stated that the wars of old had created greater havoc than the Great War. When I heard him I wondered. He spoke of 45,000 men having fallen in the Battle of Waterloo. Surely he has forgotten Verdun, where within a space easily swept by a glance, 400,000 Frenchmen and 500,000 Germans fell, and where even the foundations of the cities were obliterated. Did he ever look at the little signboard which marks the site of the town of Fleury?

I took the time to look up an old circular that was published shortly after the War. Just listen to this catalogue of destruction:

Dwellings destroyed, 741,933; land destroyed—
When was land ever destroyed before? Where is it recorded in history that war destroys the land? The land in France was destroyed; anyone who says otherwise cannot have seen it. It had to be rebuilt and remade.

Cattle, 834,933; horses, donkeys and mules, 375,393; sheep and goats, 890,794; pigs, 331,656; factories, 22,900.

My honourable friend has forgotten that more than three-quarters of the factories of France were totally destroyed. It was estimated, I think, that seven-eighths of the entire industry of France was systematically wiped out. Machinery was removed whenever possible, and in other circumstances it was utterly destroyed. The destruction of railway lines amounted to 2,400 kilometres, or 1,600 miles. Of canals there were destroyed 1,621 kilometres, or roughly 1,100 miles. And 7,401 schools were demolished.

Honourable members, is it true that war is becoming more humane? Is it true that armaments are not a menace to the world to-day? My honourable friend from Edmonton (Hon. Mr. Griesbach) is quite right when he says we should not place blame on the manufacturer of armaments, for, after all, he operates under the sanction of national laws, as the manufacturer of every product does. The trouble is that with the growth in armaments there is a growth in international suspicion and fears. Nations watch one another, and when one of them thinks the time to strike has come it strikes, because it knows that to delay would be but to play into the hands of an enemy.

Let me quote from an authority who, I know, is regarded with a great deal of respect by all honourable members. On the 11th of November, 1930, the right honourable leader of this House (Right Hon. Mr. Meighen) delivered a brilliant address at Washington before the Good Will Congress of the World Alliance for International Friendship. In the course of that address, which made a deep and lasting impression, he used this persuasive argument:

Civilization has to end war or war will end civilization. Do we believe that to be true or do we not? If we do not, it surely is time we did, and if we do, then this race of human beings has to adjust itself to new facts, that is, facts which never existed before; it has to adjust to new tremendous facts, or pass out.

What are these facts? The chief one is this:—Science has given us so great a command over the elements of nature that millions can be snuffed out in this day in a mere matter of moments. Where hundreds fell before in manly contests arm to arm, great cities now, the whole countryside, can be eaten up by the insatiate maw of chemistry. As soon as war got into three dimensions, that is, got into the upper air and under sea, as well as on the surface, vast possibilities were opened up. When you get in three dimensions, weapons come into play which cannot be matched with other weapons and the issue decided as it has been decided in the past by a test of strength and skill. Let me repeat, such a test cannot be made in three-dimension war. Take the submarine; the Germans had only some thirty in use at any time in the last great struggle. These required ten thousand men. Against

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those thirty submarines were arrayed four thousand surface vessels, great and small, trying to suppress them; against the ten thousand men on the submarines were one million trying to resist them, and besides, immense mine fields, shore batteries of cannon and all kinds of immobile defences. In defiance of all these, the submarines destroyed eleven million tons of allied shipping, and hosts of human beings. In the air attack on Whitsun in 1918, there were only thirty-three planes carrying on the offensive, and of these only six were lost, although they were opposed by one hundred British planes and as well by eight hundred guns, four hundred searchlights and a whole division of troops. Have we any idea of what the submarine and aeroplane of to-morrow can accomplish? Why, the French to-day can drop in one raid one hundred and twenty tons of bombs ten times the war maximum in weight, and every ton ten times as powerful in explosive destruction. There is death and desolation multiplied one hundred times already. In a single factory in Germany there is produced now two thousand tons per day of nitrate of ammonia-compound which can be quickly converted into the most terrible of explosives. In the whole course of the Great War there were dropped in England only three hundred tons.

We have even British experts and American experts arguing as to how many cruisers each country is going to be allowed. General Groves is authority for the statement that one hundred modern aeroplanes in ten minutes can lay a cloud of poison gas from fifty to one hundred and fifty feet thick over an area of one hundred square miles. How long would a thousand cruisers last against a weapon like that? Aeroplanes travelling three hundred miles an hour, undetectable by sound, can carry gas bombs which would depopulate London. The only way these weapons can be met is by reprisals. Reprisal will follow reprisal until the civil population passes, this nation to-day, that nation to-morrow, by millions into eternity.

What a forceful argument! And how true! Honourable members, war should be outlawed. When I listen to my honourable friends, one a determined opponent and the other a reluctant upholder of the League who wishes to reduce its functions virtually to those of a benevolent and philanthropic association, I feel compelled to ask them what alternative plan they can suggest.

Hon. Mr. HUGHES: Hear, hear.

Hon. Mr. CASGRAIN: We could not have anything worse.

Hon. Mr. BEAUBIEN: What have they to suggest? The League, in its organization, purposes and accomplishments, opens a tremendous field for study. Sir John Macdonald used to say that it took a man seven years to learn how to hang his hat in the House of Commons. Surely it requires a much longer time to become familiar with the essential facts concerning the League of Nations. I am thinking not of the superficial knowledge that is obtained from the reading of newspaper

articles, or more often indeed from their headings, but of what can be ascertained only by conscientious and deep study. Those who have considered the mass of documentary evidence and have attended meetings of the League will understand me when I say that long and profound study is a necessary preliminary to any criticism of what is being attempted at Geneva. Surely, therefore, when a man publicly condemns the League he should in fairness be bound to say what he has to offer in its place.

Honourable members, do we want to revert to the system which has kept the nations in bondage from the beginning of history? While I listened to my honourable friend from Vancouver (Hon. Mr. McRae) stating that Canada should endeavour to keep clear of war, I was reminded of a wonderful description by that literary genius of France, Victor Hugo. Anyone who has read "The Toilers of the Sea" will recall the vivid tale of a man who was seized by a devil-fish and had his blood sucked out by the encircling tentacles of the monster. That is a very good allegory of a nation in the grim clutch of war. Yet there are people who laugh as though war meant nothing. But they would not laugh at a pestilence or any other scourge of humanity.

Why should we destroy the League when there is no substitute for it? What could we gain by its destruction? Critics say it is a useless organization, and that nations withdraw from it when they cannot have their own way. I do not approve of Germany's withdrawal, but I think I understand it. Lashed into a fury, the German people are bent on achieving the enchanting goal that has been set before them, the domination of Europe. Hitler has promised them that he will restore the old boundaries of 1914 and regain the colonies lost during the War. But two weeks ago a declaration was made in the British House of Commons that the Government would not give up its protectorates in Africa.

Hon. Mr. CASGRAIN: Hear, hear.

Hon. Mr. BEAUBIEN: What did that declaration mean? It served notice on Hitler that whatever he might promise his own people, England was determined not to give back its protectorates to Germany.

Hon. Mr. CASGRAIN: "What we have we hold."

Hon. Mr. BEAUBIEN: Honourable members, is the task of the League impossible? My honourable friend the leader on the other side of the House (Hon. Mr. Dandurand) pointed out that Christianity has been in existence for two thousand years, yet it has

permeated only one-third of the world. To judge by that experience, it might be felt that the League would not command the support of all nations in time to avert another catastrophe. But there is a difference between the creed of Christianity and that of the League. Christianity imposes self-abnegation, and teaches that good conduct in this life will be rewarded in the next, while the League endeavours to win men over to a policy of self-preservation, to convince them that in order to save their very existence they must abandon war and agree to live in peace.

Is there any sound reason why man should not practise in an international sphere what he practises every day within his national boundaries? It required well nigh one thousand years to create the France of the days of Richelieu. In times of old there was almost continuous strife, city against city, palace against palace, and even house against house. But at last the people discovered how foolish it was to persist in that savage insanity, and they would have no more of the internecine strife that was eating into their very vitals.

As I have said, I can understand why Germany withdrew from the League. She wants to reacquire the power she held before the War. And I can also understand the position of Japan. Her aim is to remain a first-class power on the Pacific. Without Manchuria she can neither feed her people nor provide for her industrial needs. But what is the situation in Canada? Here we stand in no danger, yet some of our people are timorous. We are not loaded with heavy responsibilities and burdens as they are in Europe, and yet some of us have grown tired and disheartened. If we withdrew from the League what a poor example we should set our neighbours across the line, who we daily hope will fulfil the glorious promise they gave when the Peace Pact was signed in 1918?

By way of encouragement for those people who believe that, although we may be far from the goal, we have no reason to be down-hearted nor to turn back, I will conclude by quoting an extract from Sir Robert Borden's grand oration at the eleventh Assembly of the League, on the 11th of September, 1930:

I have said that we are here as children in the kindergarten of peace. Is it conceivable that we can advance beyond the kindergarten until the world shall have been freed from the menace of armaments? Do I hear a whisper that this is vain idealism? Let us thank God that the idealism of one generation becomes the achievement of the next. In my country there are thousands of worthy and contented citizens from every nation in Europe and from many other nations. If I might interpret their message, they would bid you look forward and not backward. May not the dead past bury

its dead? Let our faith have vision to look beyond, to behold the day when war shall be outside the pale of thought or imagination, when it shall be cast forth forever into the outer darkness of things accursed, its brow seared with the brand of eternal infamy.

Hon. G. LYNCH-STAUNTON: Honourable members, while listening to this interesting debate I have asked myself why the League of Nations was formed. In my opinion it was formed for the purpose of bringing peace on earth, of persuading nations to settle their disputes by arbitration rather than by recourse to war; not for the purpose of bringing about order and good government throughout the world.

I have studied public opinion as expressed in newspapers and magazines and as declared orally, and I have reached the conclusion that the League is wearing out its welcome. This is not because of adverse criticism of its efforts to preserve peace. No one knows whether the influence of the League has or has not prevented an explosion in Europe. Everyone does know that it failed, and properly failed, to drive Japan out of Manchuria. Its success would have been a great evil.

It is said that Japan has robbed China of Manchuria. But Manchuria never belonged to China; China belonged to Manchuria. One might as well say that England belongs to Ireland. Before the formation of the Irish Free State and Northern Ireland, all the world said that Ireland belonged to England by right of conquest; similarly China belonged to Manchuria by right of conquest. We justify ourselves—by “we” I mean the British Empire, from which everyone seems to be trying to tear us away—we justify our control of India by the fact that anarchy would be let loose were we to hand over its government to the natives. Under China’s feeble administration Manchuria was overrun by marauding bands of irregular troops. Japan assumed control and set up a stable government. What difference does it make to the Manchurians whether they are under Peking or Tokyo so long as they are in peaceful enjoyment of life and property? Certainly, if the failure of the League of Nations to restore Manchuria to China is the only sin of omission that can be charged against it, I do not consider that a sufficient reason for its abolition.

The growing opinion against the League is founded upon the unreasonable cost of its operation. The honourable member from Parkdale (Hon. Mr. Murdock) said: “Why, what does this cost amount to? It is a mere trifle, equivalent to a contribution from each Canadian of the price of a three-cent postage

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stamp.” Then he told us all the useful things the League had done since its inception, and the list was succinctly given by the honourable senator from Edmonton (Hon. Mr. Griesbach) when he participated in this debate:

Consultation, conference, international relations, economic relations, technical organization, health, backward states and aborigines, social and humanitarian, slavery, drugs, refugees, epidemics, international law, registration of treaties, and labour relations.

Well, any one of these activities might cause war. I wonder the League does not busy itself with birth control, for certainly excessive population is a potential source of war.

I submit, honourable gentlemen, it is absolutely unjustifiable that \$300,000 of this country’s money should be spent annually to do the scavenger work of Europe and Asia. The League was formed primarily to preserve peace, not to clean the streets of those continents. We are erecting a super-state, for the League seems to think it should police every country on earth. Our people will not tolerate such a policy. Let the League stick to its knitting, let it attend to the business for which it was formed. But, like many other organizations, the League is seeking to render itself important and to justify its existence.

Hon. Mr. CASGRAIN: Hear, hear.

Hon. Mr. LYNCH-STAUNTON: The League, through its numerous committees, busies itself in almost everything, these manifold activities being embodied in bulky reports. The last report I received was on malaria. I fancy the League itself is affected with malaria. This misdirected energy will in all probability bring about its destruction.

The purpose for which the League was formed amply justifies its existence. It is a good thing for the representatives of the nations of the earth to get together, to rub off the rough edges and learn to understand one another. But, like many other excellent organizations, it seems inclined to lose sight of its primary function and to disintegrate. I see there is a proposal on foot to build a palatial home for the League at a cost of \$8,000,000.

Will any honourable member tell me what earthly good will result from our sending each year to Geneva a band of gentlemen to help keep the peace of Europe? The proper men to attend the meetings of the League are the Prime Ministers of the member-nations. They are the statesmen who really make war or preserve peace.

More and more every year the world is becoming peace-minded. A definite change has taken place during the last hundred years in the outlook of mankind with respect to war. Search the literature of the last century and you will find no great novelist writing about war. The public took no particular interest in war; they regarded it as a matter of course. In short, they were war-minded. Recently while reading the life of John Bright I was very much interested in his challenge to the Government of the day to justify the Crimean War. There was really no justification for it. But although both in Parliament and on the public platform he declaimed most eloquently against the war policy of the British Government, he failed to change the course of events. It may be said that, in a sense, the nations of Europe were in a state of comparative barbarism a hundred years ago. Then the various governments placed no greater value on human life than do our motorists to-day.

Now, why do we expect war? What reason have we to think we are on the edge of a precipice? After the Franco-Prussian War the publicists and press of Europe were every day predicting a fresh outbreak. All my life, from my youth up, I have heard rumours of war, but for half a century the world enjoyed peace. I repeat my question: why should we expect a war now? France is sick of war. If we are to believe newspaper reports—and surely we may believe at least half of those reports—France has fortified her frontier from the Baltic to the Mediterranean. Germany is said to be arming. What is she arming for? Do honourable gentlemen think Germany will undertake another war against France? In 1914 Germany was better armed and in every way better prepared for war than any nation in recorded history. Her crazy Kaiser boasted that the War would be over before the snow flew. Yet Germany was beaten in the first seven months. Crushing defeat then, is Germany so grossly stupid to-day as to think that she could conquer France? The idea is absurd. And why should she seek to vanquish France? What is she going to gain? Surely, after what has happened since the Treaty of Versailles, every nation is convinced that nothing is to be gained by war. From my observation and reading I am convinced there is not a war cloud in the sky. Apart from newspaper writers seeking after the sensational, very few people believe there is going to be another war.

It seems to me that the honourable gentleman from Edmonton (Hon. Mr. Griesbach)

has disposed of the disarmament talk. But supposing that France, Germany, and all the other great powers disarmed to-morrow, would that ensure a continuance of peace? In my view this step would be to the decided advantage of Germany. She has a population of 60,000,000 or 70,000,000 as against France's 30,000,000. Surely this disparity in favour of Germany would be provocative of war. I do not think there are any more burglars because of the use of revolvers. If all revolvers were destroyed and their manufacture forbidden, there would be just as many burglars in the world. Men do not go to war simply because they are armed. They go to war because they are provoked, because they are greedy, because of national hatreds and jealousies. Those are the causes of war. The League of Nations was formed to destroy or neutralize those causes; not, as I have said, to do the scavenger work of Europe.

Probably it is not germane to the subject-matter of this debate, but as we are hearing so much about the terribly destructive powers of enemy airplanes, I deem it well to refer to an article which appeared in a recent issue of the New York Times from the pen of General Bishop, an acknowledged authority on the subject in the United States. He contends that airplanes are of no use in war except for scouting, and that it is ridiculous to think that if hostile airplanes bombed New York the United States would suffer defeat. He says that even the virtual destruction of New York would not affect the ultimate result. In his opinion a war can be won only by infantry supported by artillery. He points out that anti-aircraft guns have been so perfected that hostile aircraft would be an easy target.

It is admitted that a bombing plane can do some damage. During the War the Germans made an air raid on London. They dropped a bomb in Temple Court, and the explosion made a cavity six feet deep by eight or ten feet in diameter. They dropped another bomb in Chancery Lane and scooped out another hole. That was the only damage done in the narrow street. Of course, a direct hit on a large body of men would cause many casualties. But I am inclined to share General Bishop's opinion that it is a waste of time and money to develop a large air force.

On motion of Hon. Mr. Casgrain, the debate was adjourned.

APPROPRIATION BILL No. 3

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 82, an Act for granting to His Majesty certain sums of money for the

public service of the financial year ending the 31st March, 1935.

He said: Honourable senators, when this Bill was placed at the end of the Order Paper for consideration, I repeated to the House the information I had received as to discrimination in the provision made in respect of the staff of the Senate and that of the House of Commons. Upon consulting the officers of the Department of Finance I find that in item No. 36 of schedule A, which relates to the House of Commons, there is included an amount of \$15,000 to cover the expenses of committees. Otherwise the usual one-twelfth would have been sufficient.

Hon. Mr. DANDURAND: To cover the other items.

Right Hon. Mr. MEIGHEN: Yes, but not the expenses of committees.

The officer who furnished the Estimates explained that he had no knowledge that there would be similar requirements here. I am advised that there certainly will be, and that without a similar item for the Senate the work of this House would have to be greatly curtailed—in fact, the expenses could not be met. I have, however, received from the Comptroller of the Treasury an assurance that, for the purpose of correcting the error, the necessary moneys to carry on the work of this Chamber and of its committees will be provided out of the appropriation for unforeseen expenses; and, this being covered by an undertaking in writing, I have no hesitation in moving the second reading of the Bill.

I trust that the officers of the Finance Department will understand that this House cannot be expected to decline to look after its own urgent and imperative necessities when provision is made for the needs of the other Chamber.

Hon. Mr. MURPHY: Hear, hear.

Right Hon. Mr. MEIGHEN: I move the second reading of the Bill.

Hon. Mr. CASGRAIN: What is the amount appropriated for the Marketing Bill, of which we have heard so much? It was stated in the Commons that it was some \$25,000.

Hon. Mr. BALLANTYNE: The Price Spreads Committee.

Right Hon. Mr. MEIGHEN: We have no Price Spreads Committee; ours is a Tourist Traffic Committee.

Hon. Mr. DANDURAND: Of course another means of dealing with this matter, which could have been adopted by my right

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honourable friend or by the Senate, would have been to add an amount to the sum appropriated. If we had done that, however, when it is not our function or within our jurisdiction to do so, we should have been treading on very delicate ground. We have asserted our right to amend money bills, but we have never claimed the right to increase the charge on the Treasury.

Right Hon. Mr. GRAHAM: We can reject money bills.

Right Hon. Mr. MEIGHEN: We could reject the item respecting the Commons.

Hon. Mr. DANDURAND: If my honourable friend is satisfied that the needs of the Senate will be provided for, I have no objection to the second reading.

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

Right Hon. Mr. MEIGHEN: The third reading can take place to-morrow in the usual way.

I may say to the House at this juncture that, as other measures are on the eve of being sent to us from the other Chamber, it has been deemed wise to postpone the Royal Assent until to-morrow.

Hon. Mr. CASGRAIN: At what time will the Royal Assent take place?

Right Hon. Mr. MEIGHEN: At five o'clock to-morrow.

The Senate adjourned until to-morrow at 3 p.m.

THE SENATE

Wednesday, May 16, 1934.

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

Prayers and routine proceedings.

THE ROYAL ASSENT

The Hon. the Speaker informed the Senate that he had received a communication from the Deputy Assistant Secretary to the Governor General, acquainting him that the Right Honourable Sir Lyman P. Duff, Chief Justice of Canada, as Deputy of the Governor General, would proceed to the Senate Chamber this day at 5 p.m. for the purpose of giving the Royal Assent to certain Bills.

APPROPRIATION BILL NO. 3

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of Bill 82, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1935.

Hon. Mr. DANDURAND: Honourable members, I pointed out yesterday that although the Senate has power to amend a money bill that comes from the House of Commons, by reducing the amount of the vote, we should be treading on very delicate ground if we attempted to increase the amount. I desire to say now that a money bill of considerable importance which came to this Chamber at the end of the session of 1917, the Income War Tax Act, was amended here by our increasing some of the tax burdens and decreasing others provided for in that measure. We felt that the House of Commons would perhaps accept some of our amendments, but would disagree to others on the ground that concurrence in them would conflict with the customary procedure governing the relations between the two Chambers. That measure had perhaps been introduced into the other House without sufficient preparation. It was the first time that such proposed legislation had come before our Parliament, and the drafters had only two sources to which they could go for models—England and the United States, in which countries income tax legislation had existed for a number of years. The Senate seemed to be unanimously of the opinion that it was essential to revise the Bill, and to that end we went to work at it without regard to precise lines of demarcation between the jurisdiction of the two Houses. Prior to the adoption of our amendments there was a long discussion as to the legislative powers of the Senate, a perusal of which discussion I recommend to any of my colleagues who may be interested in the subject. Our amendments, which were numerous, were all concurred in by the House of Commons, with the reservation that this concurrence should not be considered a precedent.

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

LEAGUE OF NATIONS

MOTION—DISCUSSION CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. McRae:

That this House is of the opinion that Canada should withdraw from membership in the League of Nations, and that no further money should be voted to the League.

Hon. Mr. CASGRAIN: Honourable senators, I adjourned the debate yesterday with the intention of going on this afternoon, but at 6 o'clock last evening the honourable senator from King's (Hon. Mr. Hughes) came to my room and asked me whether I would give way to him to-day, as he was desirous of making a speech before he left for his home in Prince Edward Island, where there was an important matter awaiting his attention. I cheerfully consented, but I trust the House will agree that I am not prejudicing my right to speak later.

Hon. Mr. DANDURAND: My honourable friend wants to make it clear that what he has just stated is not his speech.

Hon. Mr. CASGRAIN: It will be longer than that.

Hon. J. J. HUGHES: Honourable members, the statement just made by the honourable senator from De Lanaudière (Hon. Mr. Casgrain) is quite correct. As I consider this debate both interesting and important, I thought it my duty to contribute what observations I could. If I did not do so to-day my chance would probably pass by, for I shall be unable to be present next week. I desire to express my sincere thanks to my honourable friend for so kindly and considerately giving way to me.

The motion moved by the honourable senator from Vancouver, namely, "That this House is of the opinion that Canada should withdraw from membership in the League of Nations, and that no further money should be voted to the League," together with the speech in which he supported it, and the speeches by other honourable members, has opened up a field of thought so wide that it seems to me to cover nearly all our duties towards the God who created us and the human race of which we form a part. The science of sociology has to do with the entire range of man's social relations, and many books have been written upon it; but the simple declaration of our Saviour that the two commandments, to which He reduced the ten, contained the whole law and the prophets, has never been and never will be improved upon. If both commandments are not observed, neither is kept.

We are told that another world war is inevitable—some people say imminent—and that it will far surpass the last one in horror, destruction and all kinds of evil; that the

mind of man can hardly contemplate or picture the horrors that will ensue.

But, to judge by his speech, the honourable senator from Westmorland (Hon. Mr. Black) does not agree with this view of the situation. He says war is becoming more humane and less deadly than it was a few centuries or even a few decades ago. I wish I could agree with my honourable friend, but I am afraid that all the facts and nearly all informed public opinion are against him.

It is true that some of the battles of centuries ago were very deadly so far as the actual combatants were concerned. But those battles were fought by professed soldiers who made war a trade, and comparatively few men from other walks of life participated. Moreover, it often happened that one battle ended the campaign and decided the result of the war—as for instance the Battle of Hastings. Much gallantry and heroism were displayed when men fought foot to foot and lance to lance, but now the combatants live and die like rats in their holes, while those who are not killed and come through without visible wounds have endured a living death of years amid dirt, squalor and misery undreamed of in the olden days. Many of the wars mentioned by the honourable senator from Westmorland were merely tribal affairs, just as are some of the wars in South America to-day, where the people in one part of the country do not know except by what they read in the newspapers that a war is going on in another part.

And perhaps these further facts should be mentioned. In the olden days of Christianity even soldiers retained enough respect for the principles of their faith to hold sacred the buildings in which God was worshipped, and to think that on some days of the week, for instance, Sunday, strife should cease and men, even enemies, should be brothers. In these modern days churches and cathedrals are the first places to be destroyed, and the general or the statesman who would think that any place was sacred, and therefore safe from destruction, or that any day in the week was too holy to kill the enemy if opportunity offered, would be regarded as a fit subject for a lunatic asylum. It may be that much depends on the angle of vision.

In all wars there is much propaganda circulated to blacken the character of the enemy countries, and the opposing armies. Much of this propaganda is taken as history. It even finds its way into school-books, thus poisoning the minds of children who are taught to regard foreigners as monsters. This is one of the great evils of war. In past centuries, when France was our enemy and

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Germany our ally, we were taught to believe that the French were hardly human beings, while the Germans were a fine race. In 1914 we went into reverse gear, and though the pace has slackened, we are still travelling in reverse. We were longer at war with Spain than with any other European country, and Spain has never been our ally to any extent; therefore we came to believe that a Spaniard was even worse than a Frenchman had ever been. I am afraid the honourable senator from Westmorland has been reading war propaganda, and is unsophisticated enough to take it for authentic history. Good men are to be envied for their innocence!

The honourable senators from Edmonton and Westmorland, and, I think, the honourable senator from Parkdale, believe that armaments and warlike preparations do not make or hasten wars. Well, the Prime Minister of Canada, and the Prime Minister of Great Britain, together with many other men, and some women, in Europe and America, who think they know something about the subject, differ entirely from our two or three colleagues. With respect to the late War, public opinion seems to hold that on the day Germany decided to have a larger and more efficient army than any other nation in Europe, and a navy strong enough to challenge Great Britain on the high seas, war became inevitable. The murder of an Austrian archduke in a Serbian province was only a pretext. If that had not happened, something else would have served as an excuse. It is therefore possible that our colleagues may be wrong in their viewpoint.

The honourable senator from Lethbridge (Hon. Mr. Buchanan) in his speech quoted some rather startling statements by Nicholas Murray Butler, President of Columbia, which I wish to mention. They are so unique that I think they will bear repetition. I have copied them from the Ottawa Journal, which in turn copied them from the Detroit News:

The total cost of the World War is generally put at 400 billion dollars. "With this sum," says the President of Columbia, "we could have built a \$2,500 house and furnished this house with \$1,000 worth of furniture, and placed it on five acres of land worth \$100 an acre, and given all this to each and every family in the United States, Canada, Australia, England, Wales, Ireland, Scotland, France, Belgium, Germany and Russia.

"After doing all this there would have been enough money left to give each city of 20,000 inhabitants, and over, in all the countries named, \$6,000,000 apiece for a library and a university. And then out of the balance we could have still sufficient money to set aside a sum at five per cent interest which would pay for all time to come a \$1,000 salary each for an army of 125,000 teachers, and in addition

to this pay the same salary to each of an army of 125,000 nurses."

These sums are beyond our comprehension, but tremendous as the monetary loss was—and would be in the event of another war—the nations of the world and the human race could stand it, because, in the last analysis, money is nothing. But I do not think the nations of the world could survive the hatreds and the enmities the last war engendered, and the next war would produce. After all, the real loss of war is the destruction of the picked manhood of the belligerent nations. Unless some power intervene to remove from the minds of men the national and racial hatreds that now prevail, Europe, at least, is doomed to perish. As I see it, the Caucasian race is in far more danger of disaster than are the Mongolian and Negro races. And the Caucasian race is supposed to be the Christian race. Have we been weighed in the balance and found wanting? "To whom much is given, of him much shall be required."

The founding of the League of Nations was an attempt on the part of the governments represented at Versailles to establish a central authority whose decisions might be respected and perhaps obeyed, in minor matters at least. But none of the great powers surrendered, or intended to surrender, any of their sovereign rights, or really intended to observe the League's decisions any farther than it suited their national aspirations and purposes so to do. Under these circumstances it was impossible for the League to achieve any large measure of success. It was inevitable that its influence should gradually wane till it would become of little value.

Nevertheless, the mere setting up of the League was an acknowledgment on the part of the nations that some central authority which all should obey was a world necessity if mankind was to be saved from anarchy and final destruction. The history of the whole world proves that in all ages, in all climes, and under all circumstances, the principle of authority in small things and in great must be invoked and enforced if anything is to be achieved and if any order is to be maintained.

Anything that is common to mankind at all times, in all places, and under all circumstances, has God for its author. It cannot be disregarded without the most serious consequences. The great Apostle of the Gentiles was clear and most emphatic on this point when in writing to the Romans he said: "Let every soul be subject to higher powers; for there is no power but from God; and those that are, are ordained of God." "There-

fore he that resisteth the power resisteth the ordinance of God. And they that resist purchase to themselves damnation."

Hon. Mr. CASGRAIN: Did he get an answer?

Hon. Mr. HUGHES: Yes, in the Christianizing of a large part of the world.

In speaking thus, St. Paul was not announcing his individual opinion; he was proclaiming the law of God, because he had been commissioned by God so to do. Therefore that law will endure while this world endures.

There are two kinds of power, material and moral or spiritual, and when they work together, as they always should, the greatest possible good to the greatest possible number is obtained. Unfortunately, however, they do not always work together, and then we have a world such as we have to-day. The League of Nations has not now, and never had, any material power; and it has not been recognized as possessing much, if any, moral or spiritual power. How, then, could it accomplish much?

Man is certainly a paradox. At his best he is little less than an angel, while at his worst he is almost, if not altogether, a demon. And the same man may be genuinely both during his lifetime on this earth; he may be a Dr. Jekyll and a Mr. Hyde. He is a composite being of matter and spirit, the spirit being far the more important part. This composite character must be recognized in any work undertaken for the betterment of the race. The League of Nations recognized only the material side of man; hence its fundamental weakness.

Every age has had its problems, which differ little in essentials, and if we make a brief survey of history and scan some of the troubles which our forefathers faced, and in part, at least, overcame, it will surely help us to wrestle with the difficulties that beset us in this our day. Let us consider events in their chronological order.

There have been several great empires in the world, which exercised considerable material power. The greatest of them all in every material respect was the Roman Empire, which between the first and the fourth centuries of the Christian era extended from Mesopotamia in the east to the Atlantic in the west, and from the Sahara Desert in the south to the Danube and the Rhine in the north. Its centre was Rome, which was based on the Mediterranean, and from Rome it governed. It possessed a small but very efficient army, and the commander-in-chief was generally, if not always, the emperor, who claimed to possess spiritual as well as temporal

power. It commanded peace by force, but for no great length of time. It became unwieldy however, because of its size, and local generals took over local governments, which weakened the central authority.

There was organized in the first century a great spiritual power which, divinely guided, established its headquarters at Rome, but even without divine guidance it would have been a far-seeing thing to do. The emperors thought the new religion encroached upon their divine prerogatives; hence the fierce persecutions of the Christians for the first three centuries. But notwithstanding these persecutions, perhaps in part because of them, the profound belief that the crucified Jesus was God as well as man spread to every part of the Empire, and embraced all classes of the people, so that by the fourth and fifth centuries there was no part of the then civilized world in which the Church had not been firmly established.

In the fourth century the Emperor Constantine, who had been converted to Christianity, removed his seat of government to Constantinople, thus leaving the Western capital and the Latin part of the Empire open to the northern barbarians who were crowding upon it.

In the fifth century Attila, King of the Huns, at the head of a victorious army carried death and destruction over a large part of Europe, and finally camped before the gates of Rome. The Emperor fled; the people were panic-stricken. Pope Leo I, with only a few companions, went out of the city to Attila's camp and pleaded with him so earnestly that he agreed to spare not only the city, but much of the surrounding country. Other popes had somewhat similar experiences with other barbarian generals, so that in time the Church became the most powerful institution in all the Western civilization, and the people in large numbers looked to the Bishop of Rome and his suffragans as the natural protectors of their civil and religious rights,—and did not always look in vain.

Between the fourth and the eighth centuries Europe was almost a continuous battle-field. The northern hordes were carrying fire and sword all over the southern plains, and civilization had been almost wiped out; but by the tenth century order was restored and civilization was again making progress.

About the tenth century a great new danger overspread the East and threatened even the West. Mohammedanism from being a heresy became a new militant religion and conquered nearly all the Greek-speaking part of the Empire, all north Africa, many of the islands of the Mediterranean, and nearly all of Spain.

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In North Africa it ultimately crushed out every vestige of Christianity. In Spain and Syria and Asia Minor many of the people remained Christian, but their masters were Mohammedans. The new cult became possessed of Jerusalem and all the holy places in the East. The popes realized the danger and tried, with considerable success, to unite the princes of Europe against it. Hence the Crusades, with all their jealousies, bickerings, strifes, self-denials and heroisms, and with all their victories and defeats. At length Spain was retaken, the Turks were utterly routed before the very gates of Vienna, and Europe was saved. But for the comparatively united front that Europe presented to the enemy, the Western world would probably have shared the fate of northern Africa.

Now, what I wish to call the attention of the Senate to in this recital is the fact that during these centuries all Christendom, but particularly Europe, recognized a central spiritual authority which it believed to be disinterested and capable of rendering fair decisions, even in temporal matters. Thus the popes were compelled by the exigencies of the times to intervene between ambitious, foolish princes, and between princes and peoples, and many a conflict was avoided and many a dispute settled in this way. There was, in fact, no other authority to intervene. I know that writers and historians have called the popes ambitious, meddlesome, dangerous men; but as I read history I have concluded that their interference was a necessity, if not a duty, and, considering the tremendous difficulties and responsibilities of their position, it was a measurable success. At all events it was much better than no interference at all. It was the only authority possible in the days of which I have been speaking. And, honourable senators, if this is God's plan—and much proof could be offered to that effect—it is the only authority that will bring even comparative peace to a distracted world to-day.

The times to which I have alluded have been called the "Dark Ages," but the centuries when Europe was covered with schools and churches, the churches filled with the masterpieces of art; when amicable relations existed between workmen and master; when the foundations were laid for many of our parliamentary and representative institutions; when much attention was paid to letters; when the bitterness and cruelties of warfare were mitigated by the institution of the orders of chivalry and knighthood; when there could be gathered up and brought together in a great common cause the profound spiritual

convictions of all the people, and in the face of tremendous difficulties they could carry the flag of their faith to the grave of their Redeemer—those centuries should not, in my opinion, be called "Dark." Such things could not be done to-day.

The thirteenth century has been properly called the greatest of all the centuries. That century saw the real founding of the universities of Oxford and Cambridge, and the dotting of the continent with similar institutions of learning, each attended by not hundreds but thousands of students. It saw the building of hundreds upon hundreds of churches and cathedrals, and their adornment with the masterpieces of sculpture and painting that are still the admiration of the world. It saw the formation of workmen's guilds, in which the chief purpose was to excel in craftsmanship and character. There was no thought of strikes or lockouts. Masters and workmen recognized and performed their respective duties. It saw great advancement in letters. It saw the beginning of nearly all our parliamentary or representative institutions that we call democracy, which, by the way, is fast disappearing in this century. Of course, the thirteenth century would not compare with the nineteenth century in the application of the sciences and in the perfection of the mechanical arts; but, after all, what have these things done for us? They have brought us, in the opinion of many, the dethronement of God, the enslavement of the masses, and some colossal fortunes. They have brought us hunger in the midst of abundance, nakedness, anger, hatred, nation arming against nation, brother raising his hand against brother in deadly commercial war and physical strife, and a loss of faith in God and man. In the thirteenth century there was much comparative peace; there was contentment; there was earnest striving after better things. In a word, there was faith in God and man, and therefore God had His legitimate place in all the affairs of life.

I read in the Montreal Gazette to-day an article by Professor Whitelaw, of McGill University, entitled "Civilization and Culture." It points out that "The terms civilization and culture are not synonymous, and the fond assumption that a civilian estate of human society means the same thing as culture is a gross illusion." He says we can have great material progress with very little culture, and that culture is the more important. There is another sentence: "Modern civilization has gained profitably in some directions and lost grievously in others." All through the article, which I consider well repays the reading, runs the thought that if

moral principles are overlooked, or even lightly regarded, the nation or nations responsible will have to accept the consequence.

Between the thirteenth and the sixteenth centuries a very great deterioration in morals took place. Many men who were entirely unworthy obtained high positions in Church and State; greed and undue worldly ambition were rampant and society became disintegrated. There were serious scandals, with dire consequences. As Our Lord said, "Woe to the world because of scandals. For it must needs be that scandals come; but nevertheless woe to that man by whom the scandal cometh." The Church was assailed by fierce opposition from without, but her worst troubles came from within, and if she were a merely human institution she would have disappeared from the earth without leaving a trace behind. She was grievously wounded, but came through with faith and vitality unimpaired, as the Council of Trent and her work since then prove.

We should not, however, lose sight of the fact that the churchmen of those days were not as black as they have been painted. We shall realize this if we consider for a moment the things the party politicians of our own and every other country say about one another in these days, and then remember that political party differences of the present time cannot even be compared with the religious differences of the people in the sixteenth, seventeenth and eighteenth centuries.

On Wednesday, the 2nd of May, I read a startling article in the Toronto Globe under the heading "Facts and Fancies," which, if true, shows that Christianity is fast disappearing from the minds of a majority of the people in the United States. This article is only a further proof of what I referred to in this House on another occasion when I mentioned an article by a Harvard graduate which appeared in the Atlantic Monthly, and which stated that nine young men and women out of every ten who graduate from the secular and some of the denominational American universities are atheists. And this article was never challenged by those whom it arraigned.

I am afraid conditions in Europe are no better. We know what has happened to Christianity in Russia; we have some idea of what it is contending with in Germany and other European countries. If mind dominates matter, and the spiritual controls the temporal, need we be under any illusions in regard to what ails the world to-day?

There is no such thing in the world to-day as an international or catholic conscience. Each and every nation is ready to take any advantage it can of its neighbours. Even

W. E. Gladstone admitted that as Prime Minister of Great Britain he did things which as a man he knew to be wrong; and if Gladstone did such things, and felt impelled to do them, what may we expect from less conscientious statesmen?

Now, I do not think the world can get along without an international conscience, and it cannot have such a conscience without an international authority which it respects and will obey. The Right Hon. Lord Dickinson, writing in the *Contemporary Review* of last March, says:

The world is losing the spirit of internationalism and, unless this can be revived, it is of little use to talk about reforming the League. All civilized nations must be brought to realize that human progress demands not only international peace, but international co-operation—

and, I add, international conscience as well.

Now I come to what appears to me to be the pith of the objection of the honourable senator from Edmonton to the League of Nations:

There was a reference by the honourable gentleman from Red Deer (Hon. Mr. Michener) to something of which we frequently hear, namely, the proposal to create a super state, to have the League of Nations considered as a super power which would by force suppress war and punish wrongdoers. That was the conception many people had of the League when it was formed. Those who believed that articles 10 and 16 were to be the cardinal features in the structure of the League envisaged to some extent an organization which would exercise police power throughout the world. Well, what such people sometimes forget is that a super state implies a super conscience, a super will and a super justice.

Hon. Mr. Casgrain: And a super army.

Hon. Mr. Griesbach: It implies an overriding of national sovereignty, a surrender by sovereign states of just those very features of the national life to which the people, collectively and individually, cling most tenaciously.

A man clings to the free exercise of his own conscience in determining what is right or wrong; he maintains his right to the exercise of his will to do or to refrain from doing; and he is particularly desirous that justice should prevail. I repeat, that the super state would require the surrender of national conscience, will and justice. Therefore it is obvious that if such a proposal is placed squarely before the world, even the meanest nations will not consent to its adoption.

Hon. Mr. Lynch-Staunton: Would the honourable gentleman allow me to ask him a question? Has anyone ever suggested a super state such as he is defining?

Hon. Mr. Griesbach: Oh, yes.

Hon. Mr. Lynch-Staunton: Where?

Hon. Mr. Griesbach: There is in England at the present time a strongly supported movement for the creation of a super state.

Hon. Mr. Lynch-Staunton: I am referring to a league of nations, not private enterprise.

Hon. Mr. Griesbach: The people behind that movement are supporters of the League of

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Nations who realize that the League has failed, but believe that it may be rescued and given the new status of a super state. It is to be inferred from their arguments that what many of them want is an international police force. Now, it is impossible to conceive of such a force without a conscience to direct its movement—

Hon. Mr. Lynch-Staunton: Have we surrendered our conscience and our rights to our police force?

Hon. Mr. Griesbach: Oh, no. We gave very grudgingly, and we have taken some of the gift back.

Hon. Mr. Hughes: The honourable gentleman from Hamilton is referring to the local police force.

Hon. Mr. Griesbach: I am sure he does not mean that, because we are not discussing it.

What I meant to say was the Dominion police force, not the local police force. But even with this explanation my interjection was unnecessary, and the honourable senator from Edmonton answered me very correctly and very courteously.

As I see it, he thinks and speaks on this question as a soldier, and not as a statesman. While there was much in his observations that was sound, there was a false note running all through them, which the honourable senator from Hamilton (Hon. Mr. Lynch-Staunton) clearly detected. There may have been, when the League was established, some persons who envisaged such an organization as the honourable senator from Edmonton defined, and there may be some persons who hold similar views still, but I venture to say their number was and is small, and they did not think and have not thought deeply on the subject. I quite agree with the honourable gentleman that a league such as he described would not get the international support that would enable it to function; but if a league that could function cannot be established and get the necessary international support, the world has retrograded during the last few centuries and the last few decades, and we are far on the road to a state of barbarism, in which international society would be impossible.

Of course, it is elementary to say that no family or no state is possible unless the individuals who compose it surrender some of their individual rights. In this surrender they get far more than they give. There is no person in the world free to do as he likes, no matter how depraved or how exalted he may be. Even the Chicago gangsters have a boss gangster whom they must obey. And I am sure that when we obey a leader in this House we are not surrendering our conscience and our will.

Right Hon. Mr. MEIGHEN: Hear, hear.

Hon. Mr. HUGHES: When the honourable senator from Edmonton was giving meritorious service to his country as an officer in the late War, he exacted obedience from those below him, and gave willing obedience to those above him. I am sure it never occurred to him that he had surrendered his conscience and his will, or had ceased to be a responsible man. The fact is, the world has become so small, and modern life has become so complex, that a League of Nations and a World Court are as necessary for the world as a Supreme Court is for the nation.

A clear thinker and writer on "Man and Society" well says:

It may be laid down as a general principle that the more complicated and numerous human relations become, the more need there is of governmental machinery to regulate them. The more persons deal with one another and the more their juridical relations are multiplied, the greater becomes the need of rules and sanctions of government. This principle explains the vast increase of social legislation in the United States during the past five decades. The increase has been even more rapid in densely populated countries, such as Germany, Great Britain and France. Similarly, the relations of nations with one another have increased markedly since the close of the past century, and there is urgent need of international law to define in world terms the rights of the various nations and their citizens. It is no straining of logic to say that if the doctrine of the "brotherhood of man" dictates the need of law and order within a nation, it dictates with equal urgency the need of law and order among nations. The brotherhood of man does not stop at political boundaries. Either it is co-extensive with humanity, or it has no meaning whatsoever. . . .

As the individual citizen needs the state, the state needs an association of states. In other words, as the individual citizen cannot live a normal life without a state to which he cedes some of his freedom of action, the state cannot function properly without a power to which it cedes some measure of its autonomy. As the good of the individual is the purpose of the state, the good of the state is the purpose of a world association of states.

Of course, there are alternatives to a League of Nations. We may nurse our national pride and cultivate our national animosities, and refuse to surrender any part of our national sovereignty; we may go on preparing for war and making war till Europe becomes a desert, or till one nation becomes so strong that it will dominate all the others and enforce peace. In that event what would become of the sovereign rights of which we had been so careful? And then there is the possibility that when we should have about destroyed ourselves, an Asiatic nation might take charge of us to save us from ourselves! In that event our pride would be a little hurt, I suppose, but we should have fought for our

sovereign rights,—and what more could white men do? We sometimes look with pity, and even contempt, upon the "heathen Chinese" because he cannot settle his disputes and protect himself from his enemies, but the day may not be so far distant when Europe will not be able to look with contempt upon anybody.

While I should like to see a properly constituted League of Nations, properly supported and functioning in a manner to gain world respect, I am afraid that a league possessing temporal power only would never reach that end. As I see it, God cannot be left out of the reckoning, and the spiritual side of man cannot be overlooked. The divided state of Christendom, however, gives little hope that much can be done in this direction in our day.

While the honourable senator from Toronto (Hon. Mr. Lewis) was speaking on this question a few days ago, he incidentally mentioned a phenomenon which receives little attention from legislators. He said that the spiritual power at Rome reigned over and managed more than 300,000,000 persons. And I add, these people are of every race, tribe, color and tongue under the sun; they are scattered over the entire face of the globe, yet they are united as one man in doctrine, worship and government, and while there are many questions to settle and decisions to render, there is less friction than in some families, and in some congregations, and certainly far less friction than in some homogeneous states. This marvellous accomplishment is surely proof of what a central spiritual power can do, for there is not even a hint of any other kind of power. The world in its troubles and difficulties could surely get a lesson here, and it could get more than a lesson; it could get assistance and co-operation for the asking. But pride standeth in the way. Will it be always thus? There are some things happening in the world which give men of goodwill a little hope. There appears to be a great longing in Christendom for more unity, but if it come it must be under the banner of the Lord Jesus Christ. Emotionalism can never take the place of faith. In fact, emotionalism may be a hindrance rather than a help; it may be a device of the enemy.

If my reading of history is at all correct, and if my conclusions are soundly based, the way of salvation lies in a return to the principles, and, as far as possible, to the practices of the thirteenth century. The details of what such a return would mean, in the social order, have been clearly set out in the encyclicals that have been issued from the Vatican in the

last forty or fifty years. But, again I say, I doubt whether the world would not rather go down to destruction than follow such a course, and that is why I am not hopeful in regard to the future of the Caucasian race.

As I see it, the honourable senator from Vancouver (Hon. Mr. McRae) is to be congratulated on moving this motion and inaugurating this discussion. Our remaining in or withdrawing from the League should be largely governed by the sincerity or insincerity of the great powers in their dealings with it. If the powers, particularly the Mother Country, are sincere in trying to prevent another war, and are trying to make this a better world in which to live, we should be with them heart and soul. But if on the other hand they are all trying to outwit and outmanoeuvre one another, and are using the League for their selfish national purposes, what good could we do by remaining in the League?

By the Treaty of Versailles Germany was disarmed to the full extent the victorious nations desired, and they all promised to disarm accordingly; but not one of them has kept that promise. Can they expect such cynical disregard of solemn promises to bear good fruit? Again, when Germany was admitted to the League, in 1926, she was distinctly told that her entry gave her equality of rights; but this promise was not kept. Can she be blamed for withdrawing from the League and re-arming in spite of it? I read an English magazine called *The New Commonwealth*, published for the promotion of international law and order. One of its founders and contributors is Lord Davies, and it has many other eminent men in Great Britain and on the Continent as supporters and contributors. It declared recently that some time ago the proposal to abolish all aerial warfare was made at Geneva, and was supported by France and some other continental countries, but opposed by Great Britain and therefore lost. I should like to know whether Canada voted on that proposal, and, if so, how.

The honourable leader on this side of the House (Hon. Mr. Dandurand), whose views deserve consideration and respect because of his years and experience and his knowledge of this subject, has told us that the smaller powers hesitate to express themselves at Geneva lest they may displease the great powers. "But," he said, "it is not so with Canada." I was very glad to hear this. I should therefore like to know whether Canada spoke and voted on the proposal to abolish aerial warfare. And I should also like to

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know why the great powers should be offended when the truth is spoken by the smaller nations. I have long been told, and I have long believed, that Great Britain did not change her foreign policy with each change of government. The honourable leader on this side of the House has told us, and several publications in Great Britain tell us, that this is not true as regards her policy with respect to the League of Nations. This is a disturbing thing to know.

The honourable senator from Parkdale (Hon. Mr. Murdock) characterized the suggestion of the honourable senator from Vancouver (Hon. Mr. McRae) for the outlawing of private armament manufacturers as "arrant nonsense." I was surprised at this because, if I mistake not, Colonel Drew, of Toronto—whose views the senator from Parkdale quoted extensively—agrees with the senator from Vancouver, and I know that many respectable publications and many prominent men in Great Britain hold views similar to those expressed by him. In fact, common sense tells us that if the great powers go on manufacturing armaments, or allowing their nationals to do so, selling them to everybody who will buy them, there is little sincerity in their professions of peace. I think it was Colonel Drew who told us a few years ago that we need not expect the private armament manufacturers to be put out of business while Cabinet Ministers in Great Britain and others countries, merchant princes, royal princes and even bishops were shareholders in these concerns.

Now I come to the question of our membership in the League—whether to be or not to be. And here let me say that I subscribe to much that the honourable senator from Edmonton said in regard to the British Commonwealth of Nations. Hence I would not think of our withdrawing from the League without first consulting the Mother Country and the sister Dominions; and even then I should consider the matter very carefully,—because even a shadow of central authority and international conscience is better than none at all.

Right Hon. Mr. MEIGHEN: I move that the House adjourn during pleasure, in order that the Banking and Commerce Committee may meet immediately. Later the sitting will be resumed.

The motion was agreed to.

The Senate adjourned during pleasure.

After some time the sitting was resumed.

BILLS OF EXCHANGE BILL

REPORT OF COMMITTEE

Hon. W. A. GRIESBACH presented the report of the Standing Committee on Banking and Commerce on Bill 37, an Act to amend the Bills of Exchange Act, and moved concurrence therein.

The motion was agreed to.

THIRD READING

Hon. Mr. GRIESBACH, with the leave of the Senate, moved the third reading of the Bill.

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

On motion of Hon. Mr. Ballantyne, the Senate adjourned during pleasure.

THE ROYAL ASSENT

The Right Honourable Sir Lyman P. Duff, the Deputy of the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Right Honourable the Deputy of the Governor General was pleased to give the Royal Assent to the following Bills:

An Act to amend the Live Stock and Live Stock Products Act.

An Act to incorporate The Bishop of the Arctic of the Church of England in Canada.

An Act to amend the Income War Tax Act (Special Tax).

An Act to provide for the deduction from compensation in the Public Service.

An Act to amend the Oaths of Allegiance Act.

An Act respecting The Wawanesa Mutual Insurance Company.

An Act respecting Fruit and Honey.

An Act for the relief of Archibald Bruce Elliott Smart.

An Act for the relief of Lilac Violet Grumbell Reid.

An Act for the relief of Lily Archer Watson.

An Act for the relief of Annie Isabel Tinning Meldrum.

An Act for the relief of Lois Theresa Malcolm.

An Act for the relief of Helen Isabelle Smith Maybee.

An Act for the relief of Sybil Eileen Dyson Richardson.

An Act for the relief of Lucy Doris Cannon.

An Act for the relief of Bertha Alice Maude Maher Burke.

An Act for the relief of William James Thistle.

An Act to incorporate Thousand Islands Bridge Company.

An Act to amend the Bills of Exchange Act.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1935.

The Right Honourable the Deputy of the Governor General was pleased to retire.

The House of Commons withdrew.

The sitting of the Senate was resumed.

LEAGUE OF NATIONS

MOTION—DISCUSSION CONTINUED

The Senate resumed the adjourned debate on the motion of Hon. Mr. McRae:

That this House is of the opinion that Canada should withdraw from membership in the League of Nations, and that no further money should be voted to the League.

Hon. C. R. WILSON: Honourable gentlemen, were it not for the interpretation given by Germany to the motion of the honourable senator from Vancouver (Hon. Mr. McRae) concerning the withdrawal of Canada from the League of Nations, the members of the Senate would have every reason to be grateful to the honourable gentleman, for he has given us the opportunity of listening to many able opinions on the subject. I question my own ability to contribute anything of value to the debate, but I should not be faithful to my position as a member of the National Executive of the League of Nations Society in Canada did I not endeavour to reply to some of the criticisms levelled at that society.

In the first place, the honourable senator from Edmonton (Hon. Mr. Griesbach) has said that the League of Nations Society in Canada has fallen largely into the hands of pacifists. I feel that the honourable senator has not followed the work of the League of Nations Society in Canada very carefully. On the National Council he will find many who have excellent war records, and the Canadian Legion at their annual convention in March, 1934, passed resolutions very strongly endorsing the work of the society. I shall read one or two:

Therefore be it resolved that the Canadian Legion will at all times co-operate with the other organizations in support of the principles of the League of Nations and in promoting knowledge of its work and possibilities and of its influence in the interest of peace.

And particularly do we offer our co-operation and assistance to the League of Nations Society in Canada in its efforts to promote a thorough understanding of the League and its activities.

And whereas the League of Nations offers the only existing alternative to the settlement of international disputes by force,

Therefore be it resolved that the Canadian Legion expresses its approval of the educational program of the League of Nations Society in Canada and pledges its support.

During the winter the League of Nations Society and the Association of Canadian Clubs sponsored a program of eleven radio

addresses, of which nine were given by men and two by women. Among the male speakers were: Captain the Honourable Dr. R. J. Manion, M.C., M.P. (Minister of Railways and Canals); Major Jim Macdonnell, who went overseas as a junior officer and returned as a Brigade Major with D.S.O.; Mr. Brooke Claxton, who served in the ranks and was awarded the D.C.M.; Lt.-Colonel George A. Drew, V.D.; and, finally, the National Secretary of the League of Nations Society, Professor T. W. L. MacDermot, who served in the ranks and was recommended for a commission. This should be sufficient to refute the charge.

I know that, with practically every other Canadian, the honourable senator cherishes a warm admiration for Sir Arthur Currie, whose death is a great loss to Canada. Addressing the University Veterans' League on November 11, 1933, Sir Arthur Currie stated:

In our deliberate and final thought, as returned men, we have faith that these moments of discouragement are fleeting, and perhaps misleading; that those whose memories we especially cherish did not make their sacrifice in vain, and that in the end the stern determination of millions of men and women, who are tainted with no spirit of unworthy pacifism, will prevail over those whose views would tend to perpetuate the horrors of war, even though some of these latter may be seated in the high places of national executive and legislative power.

From the eloquent words quoted yesterday by the honourable senator from Montarville (Hon. Mr. Beaubien), we know that the able leader of the Government in this Chamber (Right Hon. Mr. Meighen) is among those criticized by the honourable senator from Westmorland (Hon. Mr. Black).

I find also that the Right Hon. Stanley Baldwin, a man not given to extravagant fancies, has said: "Who does not know that one more war in the West, and the civilization of the ages will fall with as great a crash as that of Rome?"

Again, Sir Frederick Whyte, speaking to the Canadian Club in Montreal last February, declared that should the institution known as the collective system of international relations break down, the world would be in chaos. Even those most acutely aware of the weaknesses and shortcomings of the Covenant and its operation during the past fifteen years have never been shaken in their conviction that the statesmen who drew up that document and set the world on the path of international progress had the correct design in their minds.

The honourable senator from Westmorland endeavoured to prove by figures that war is now carried on in a more humane manner,

Hon. Mrs. WILSON.

as a greater number of the combatants survive. For the wife or mother who loses a son or husband, it makes little difference that 99 per cent are saved if the one in whom she is vitally interested loses his life or returns home a helpless cripple. That war is carried on in a more humane fashion, however, was effectively disproved yesterday by the honourable senator from Montarville, for he gave a most vivid description of the slaughter and devastation of the late world conflict. It is not necessary for me to enlarge upon this.

After listening to the honourable senator from Westmorland I was curious enough to re-read the chapter of the Fair Maid of Perth which recounts the fight between members of the Clan Quhele and the Clan Chattan. There were thirty-two engaged on each side, and I learned that the combat was deliberately staged for the purpose of ridding the southern part of Scotland of these dreaded marauders. But one, the young chieftain of the Clan Quhele, escaped un wounded, only to throw himself later into a raging torrent. On the other side there were seven survivors, all more or less seriously wounded.

As to the larger percentage who may survive from actual battle, no mention was made of the improved transportation and nursing and medical services. One has only to read of the condition Florence Nightingale found in the Crimea to have some understanding of what these services mean.

In any case, is it reasonable that because certain conditions once prevailed they should persist? Boys in feudal days were rarely taught to read or write, in fact it was considered to make them womanish, and for those of gentle birth there was no occupation save fighting. We have had to learn different habits as individuals. Can we not as nations be reasonable?

While I was talking recently to a chaplain of a Highland regiment, he told me that he went overseas with the Seaforth Highlanders, and upon the particular occasion to which he was referring it was the turn of the Gordons to go "over the top." A party went out, and within a short time—it seemed only five or ten minutes—one of the young men was brought back with his hand shot off. The chaplain told me he could not help exclaiming, "Can nations find no other means of settling their quarrels than that a plough-boy of Aberdeen should be deprived of his means of livelihood!"

Sir William Robertson, the only man who rose from the ranks to become a field marshal in the British Army, was so impressed with the futility of war that he made a special

request that not a single uniform should be worn at his funeral.

The exportation of armaments is now receiving some attention in the British House of Commons, and questions are being asked to which no satisfactory replies have yet been received. The newspapers this morning report:

Partially answering the clamoring of opposition members of the House of Commons as to what armaments Britain has supplied to various foreign nations, the statement showed that 5,000,000 rifle cartridges had been shipped to Paraguay in November. Bolivia took 100 machine guns and some other equipment, and in addition there were 1,200 three-inch shells and a small amount of other equipment sent to Peru.

On my recent visit to Westminster I heard the Labour member from Glasgow, Maxton, ask the Prime Minister if anything was to be done to prevent the exportation of armaments to foreign countries. On being told that this must be a matter of international agreement, Maxton replied, "Was the right honourable gentleman aware that during the last war British soldiers had been killed by weapons of British manufacture?"

In his speech in support of his resolution the honourable senator from Vancouver advocated the "total discontinuance by all nations of the manufacture and sale of armaments. Such a policy fully enforced would end war." I am fully in accord with this plan, for if only a very small portion of our information with regard to the machinations of the various armament manufacturers of Europe is correct, they cannot but exercise a very provocative and sinister influence. In this time of universal depression their business has flourished.

At the annual meeting of Vickers held last March Miss Eleanor Rathbone, M.P., again raised the point first brought out in the House of Commons, that Vickers were advertising tanks in the German press. She produced evidence, including a letter from the advertising manager of a paper, to refute Sir John Simon's statement in Parliament that the paper in question had a large public outside Germany. It appeared, in fact, that less than 800 copies went abroad. The advertisements, said Sir Herbert Lawrence, were designed for "their old and valued clients" in South America. The effect of this confession was somewhat spoilt by another shareholder observing that, if this were the sole object of the advertisements, for a very small part of the same expenditure each of the old and valued clients outside Germany could be sent two circulars in his own language instead of one advertisement in German. Of course, nobody accuses

Vickers of not playing fair according to the rules of the game. But what is the game—this game of private traffic in arms?

In his speech on February 1, 1934, the honourable senator from Vancouver said:

When I refer to the League of Nations and criticize its work I am not overlooking the many good things it has done. I am not unmindful of the splendid work it did with regard to narcotics, the white slave traffic and many other things.

It was, therefore, a great surprise to me to listen to the honourable senator from Hamilton yesterday. He appeared to think the League of Nations had no concern with health, labour conditions, ill treatment of subject races, etc. Surely the spirit of the League is to bring about a better world for all, and to bear in mind the principles of the Sermon on the Mount.

A hundred years ago health was largely a matter of individual concern, or, at best, it was a family concern. If a man had small-pox that was his own hard luck. Only within comparatively recent years has there developed the idea of health as a national responsibility. Now it is a matter of international concern.

At its second meeting, in February, 1920, the League Council decided to summon an International Conference of Health Experts to draw up the constitution of the Health Organization under the paragraph of the Covenant which declares that the members of the League shall "take steps in matters of international concern for the prevention and control of disease." When this Conference met, in April, 1920, it was faced with the menace of the typhus and relapsing fever epidemics in Eastern Europe, which, originating in Russia in Asia, had spread to the eastern marches of Poland. This was a matter which concerned not Poland alone, Germany alone, or Norway and Sweden alone; it concerned the whole family of nations, and as a matter of common concern the League's Health Section took it up. A sanitary cordon was thrown across Poland and the typhus was stopped in its tracks. Not a single case seeped through the line, because behind that line you had the brains and resources, not of one nation, or of three or four, but of fifty-five nations.

In addition to the League there is an International Labour Office, whose work is to introduce the same rules of peaceful co-operation into the world of labour. War is partly caused by unequal working conditions, unequal costs of production, and injustice to the worker. The Labour Office has drawn up careful agreements which countries can sign and apply in order to improve labour conditions and make them more uniform over the world.

The honourable senator from Toronto (Hon. Mr. Lewis) told us that of the great empire of the past, founded upon force, very little trace remains to-day, but that the influence of the empire founded by the Prince of Peace, who came as a Babe to Bethlehem over 1,900 years ago, still permeates the world, and will, if only carried forward, accomplish much.

We have been expecting much of the League of Nations, but that great ideal can progress only as we give it our support. It may mean some present or future sacrifice for each nation which agrees to support the collective system; but surely the condition of the world to-day has shown us the futility of selfish policies.

Canada is a land of many nationalities, all living under one flag and unhampered by the feuds which have made of Europe a battlefield. For that reason, surely we may with a clear vision strive, by the only means yet offered to man, to bring the world to see the futility of deciding its differences by war.

On motion of Hon. Mr. Chapais, the debate was adjourned.

ADJOURNMENT OF THE SENATE

Right Hon. Mr. MEIGHEN: Honourable members, I beg to move:

That when the House adjourns this afternoon, it stand adjourned until Tuesday next at 3 o'clock in the afternoon.

While on my feet I may state that the Committee on Banking and Commerce, which has in its custody the Shipping Bill, the principal work of the Senate, will meet on Tuesday at 11 o'clock in the morning. Notice to this effect has been given.

The motion was agreed to.

The Senate adjourned until Tuesday next at 3 p.m.

THE SENATE

Tuesday, May 22, 1934.

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

Prayers and routine proceedings.

INTERNAL ECONOMY AND CONTINGENT ACCOUNTS

REPORT OF COMMITTEE

Hon. W. H. SHARPE presented the fourth report of the Standing Committee on Internal Economy and Contingent Accounts, and moved that it be taken into consideration at the next sitting of the House

Hon. Mrs. WILSON.

Hon. Mr. PARENT: May I ask the right honourable leader of the House where the money is coming from to pay these expenses?

Right Hon. Mr. MEIGHEN: From the revenues of the country.

Hon. Mr. PARENT: Have these expenses been submitted to the Treasury Board?

Right Hon. Mr. MEIGHEN: I think all expenses are submitted to the Treasury Board.

The motion was agreed to.

BANKING AND COMMERCE COMMITTEE

NOTICE OF MEETING

Hon. Mr. GRIESBACH: It is not clear from a reading of Rule 85 whether or not a notice is necessary in the case of a committee sitting during short adjournments of the Senate. In order to guard against the possibility of error, I now give notice that the Committee on Banking and Commerce will sit throughout the week, especially on Thursday, whether the House sits or not.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. McMEANS, Chairman of the Committee on Divorce, presented the following Bills, which were severally read the first time:

Bill H-2, an Act for the relief of Mary Mabel Taylor Johnson.

Bill I-2, an Act for the relief of Blanche Marjorie Short Hanson.

Bill J-2, an Act for the relief of Fenwick William Smith.

COMMERCIAL AVIATION IN CANADA

INQUIRY—DISCUSSION POSTPONED

On the notice of inquiry by Hon. Mr. McDonald:

That he will call the attention of the Senate to the very unsatisfactory position of aviation in Canada, and will inquire what steps the Government is taking to improve the situation.

Hon. Mr. McDONALD: I have been anxiously awaiting the answer to some questions that I asked in regard to this matter about two months ago. I heard just a few moments ago that the return was being tabled to-day. I will ask, therefore, that this notice stand until I have an opportunity to refer to these answers.

SITTINGS OF THE SENATE

Before the Orders of the Day:

Hon. Mr. DANDURAND: I should like to ask my right honourable friend whether he intends to move to-morrow that the House adjourn until Friday, or whether we are to sit on Thursday?

Right Hon. Mr. MEIGHEN: In view of the provisions of Rule 85 of the Senate, which seem to contemplate giving power to a select committee to sit during adjournments, provided they are not longer than a week, it would not seem necessary for this House to meet on Thursday. It is probable, therefore, that to-morrow we shall adjourn at least until Friday. Whether we shall adjourn for longer I shall not be able to state until to-morrow. The notice that seems to be essential under Rule 85 has been given by the Acting Chairman of the Committee on Banking and Commerce. The sittings of that committee are vitally necessary at the present time, as it has under its immediate consideration the final stages of the Shipping Bill.

LEAGUE OF NATIONS

MOTION—DISCUSSION CONTINUED

The Senate resumed from Wednesday, May 16, the adjourned debate on the motion of Hon. Mr. McRae:

That this House is of the opinion that Canada should withdraw from membership in the League of Nations, and that no further money should be voted to the League.

Hon. T. CHAPAS: Honourable members of the Senate, I feel bound to say a few words to explain the vote that I am going to give on the motion proposed by our honourable colleague from Vancouver (Hon. Mr. McRae). And in doing so, I shall try to remain strictly within the limits of the question which has been submitted to our consideration.

If I am not mistaken, the purpose of this motion is to get Canada out of the League of Nations, firstly, because our membership might involve our country in a new war, and, secondly, because the League is such a failure that it would be expedient and wise to sever our connection with a useless institution which costs our country a yearly contribution of about \$300,000. I shall try to prove, as briefly as possible, that these two propositions are groundless.

It is perfectly true that article 10 of the Covenant, which is the foundation of the League, imposes an obligation on the states signing that historical deed. Here is the wording of that article:

10. The members of the League undertake to respect and preserve as against external aggression the territorial integrity and existing political independence of all members of the League. In case of any such aggression or in case of any threat or danger of such aggression the Council shall advise upon the means by which such obligation shall be fulfilled.

It cannot be denied that an obligation is enacted by this article. But let us discuss the extent of that obligation. Four years after the signing of the famous Covenant an interpretation was sought by the Canadian delegation and adopted by the Assembly at Geneva. It took the following form:

The Assembly, desirous of defining the scope of the obligations contained in article 10 of the Covenant so far as regards the points raised by the Canadian delegation, adopts the following resolution:

It is in conformity with the spirit of article 10 that, in the event of the Council considering it to be its duty to recommend the application of military measures in consequence of an aggression or danger or threat of aggression, the Council shall be bound to take account more particularly of the geographical situation and of the special conditions of each state. It is for the constitutional authorities of each member to decide, in reference to the obligation of preserving the independence and the integrity of the territory of members, in what degree the member is bound to assure the execution of this obligation by employment of its military force. The recommendation made by the Council shall be regarded as being of the highest importance and shall be taken into consideration by all the members of the League with the desire to execute their engagements in good faith.

Only one member of the Assembly, Persia, voted against this proposition. So it was not adopted unanimously. The honourable senator for De Lorimier (Hon. Mr. Dandurand) has already quoted that resolution. But I want to emphasize what took place on that important occasion. According to an official publication of the secretariat at Geneva, which I have here, the President of the Assembly declared that the negative vote of Persia could not render null and void what had taken place. And he stated that, "following a precedent, the proposition would not be considered as rejected; for it was impossible to maintain that the Assembly, by its vote, had declared itself in favour of the contrary interpretation." And the official publication which I am quoting goes on to state "that it shall be deemed that, for any question in connection with article 10, the Council and members of the League would have in mind the debate in the Assembly and the proposed interpretative resolutions of article 10." All this means that, as a matter of fact, the interpretation of article 10 shall be in conformity with the resolution of 1923, adopted unanimously but for one vote.

Now let us see the deep importance of that resolution. It states that:

It is for the constitutional authorities of each member to decide, in reference to the obligation of preserving the independence and integrity of the territory of members, in what degree the member is bound to assure the execution of this obligation.

It is for the constitutional authorities of each state to decide. Honourable members, are our constitutional authorities not ourselves, our Parliament, our Government? So under the Covenant and its authorized interpretation the Canadian people would remain free to make their own decision, and would in no way be bound to take an active part in a future war.

But this is not all. Leaving aside the constitutional question, there is another consideration and a most important one. Even if we were bound to go to war, even if we should go, even if we would, even if we wished, who would dare to say that we could? There is such a word as impossible, and there is such a thing as impossibility. What would be the situation of a man of military age, in the prime of life, full of courage and of earnest patriotism, but utterly disabled during a previous war, if one day he saw the dark cloud of bloody conflict burst again over his beloved country? His heart would leap towards the battle-field and the clash of arms. But he could not shoulder a gun, for he is maimed, powerless, disabled. Well, a nation also may be disabled. The great War loaded our country with the crushing weight of over one billion dollars of debt. In interest alone we paid last year nearly \$135,000,000, that is to say \$90,000,000 more than the total expenditure of Canada, ordinary and extraordinary, thirty-eight years ago. Staggering under such an overwhelming load, what could Canada do if war were to rage again in the old world and flood once more with torrents of blood the accursed fields of Europe? Would she not be absolutely debarred from taking an active part in the deadly struggle, for the very striking reason that another billion of dollars added to her present extreme burden would break the back of the Canadian taxpayer? "A l'impossible nul n'est tenu," as we say in French. Were it only for such an evident impossibility, Canada would inevitably be kept out of the dreadful conflict.

Thus from constitutional, financial and economic viewpoints it can be safely asserted that the continuation of our Canadian membership in the League of Nations would in no way inflict upon us the obligation of actively participating in a new European war.

Hon. Mr. CHAPPAIS.

Let us now inquire whether the League is in such a state of uselessness, of decay, of impotence, that a country like ours should feel bound to desert it, to break her connection with it.

I must confess that I am not very optimistic as to the achievements of the League. I admit that it has not justified all the fervent hopes which greeted its birth. After fourteen years the universal and stable peace which the great amphictyonic Council of Geneva was supposed to foster in the world is far from being a blissful reality. Ominous clouds are darkening the sky. Military preparedness seems to be a common password. Suspicion and fearful distrust keep powerful nations on the alert. The long-desired and long-adjourned disarmament is more remote than ever. On the contrary, we see with mournful astonishment the opening of a new race for more guns, more soldiers, more armed airplanes, more battle-ships, more scientific and destructive instruments of death.

All this is true. But it does not prove that the usefulness of the League of Nations is entirely gone. To my mind it proves quite the reverse. True it is that the Geneva Council and Assembly have not always succeeded in preventing conflicts. True it is that they failed in Asia, and again in South America. True it is that on many occasions their efforts towards peaceful settlement and conciliation were doomed to failure. But what if there had been no League of Nations during the thirteen years just elapsed? A greater number of conflicts would have been pushed to their bitter end. Undoubtedly the League has not established universal security and universal harmony. But it has prevented some dangerous clashes, namely, between Poland and Lithuania, between Finland and Sweden, between Germany and Poland, between Great Britain and Turkey, to mention a few cases. And through the great Court of International Justice it has exerted its pacifying influence in litigation between France and England; between England, France and Italy on one side and Germany on the other; between England and Greece; between Poland and Czechoslovakia; between Germany and Poland; and so on. These facts should not be forgotten.

Moreover, at the present moment would the situation in Europe, indeed in the whole world, be in better shape, be more reassuring, if there were no League of Nations? Even with its deficiencies, its failures, the League is an institution whose weight and influence are on the side of peace, of goodwill and conciliation. On a would-be aggressor the

existence of the Geneva institution must have a deterrent effect. The League is still a staying, a checking power. And even with its insufficient machinery, with its impediments and its shackles, it could in a perilous emergency be the safety valve which would stop a disastrous explosion. Is not such a possibility a sufficient justification for the League's existence?

Turning to another side of the question, let us consider the good work accomplished in many fields by the League of Nations. A recent number of "Interdependence," a quarterly review of the League and of international affairs, gives this synopsis of its work:

In 1919, a number of states pledged themselves to co-operation and peace. They signed a covenant which provides ways of acting in co-operation. They paid for the establishment of a secretariat or civil service for transacting their business, and in the years that have passed that secretariat has accomplished a vast amount of work. The secretariat is equipped to look after and advise about social questions like the opium traffic and the white slave traffic; health, including the spread of epidemics, the effect of economic depression on public health, malaria, leprosy, venereal disease, tuberculosis; disarmament, and many other such matters. All of them are of world importance and have to be dealt with as affecting the world. In addition to the League there is an International Labour Office, whose work is to introduce the same rules of peaceful co-operation into the world of Labour. . . . Then again there is the Permanent Court of International Justice at The Hague for the arbitration of disputes between nations. On it all the great countries are represented, including the United States, and it has already dealt with several important questions.

Taking all those facts into consideration, one can readily understand the feeling which prompted this utterance of Sir Robert Borden at the beginning of the present year:

There are those who, during the past twelve months, have poured scorn upon the League of Nations and upon its alleged failures in recent years. I rejoice that from first to last I have given to the League my warm support; and I challenge contradiction when I affirm that if the League should disappear to-morrow, the world would still be truly its debtor for influence and service, impressive and enduring.

I do not wish to take further advantage of the indulgence of any of my colleagues. I have tried to prove that our membership in the League could not bind us to an active participation in a new war; and that the League, far from being such a failure as to command our retirement, has done enough good work to justify our continued co-operation. Under these circumstances, I deem that Canada should not play the part of a quitter. I should be sorry indeed to see our country striking a dangerous blow at an international institution whose moral influence is appreci-

ated by so many eminent minds, including the great Sovereign of the small Vatican State. Such a desertion, for the paltry sake of saving yearly \$300,000, would not, in my humble opinion, be worthy of this House, of this Parliament, and of the Canadian people.

Right Hon. Mr. MEIGHEN: Honourable members are aware that our principal work now is in the Committee on Banking and Commerce. In view of the absence of the honourable senator from De Lanaudière (Hon. Mr. Casgrain), I take the liberty of moving on his behalf the adjournment of the debate to enable the Committee to meet immediately.

The debate was adjourned.

The Senate adjourned until to-morrow at 3 p.m.

THE SENATE

Wednesday, May 23, 1934.

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

Prayers and routine proceedings.

PRIVATE BILL

FIRST READING

Bill 16, an Act respecting the Canadian Pacific Railway.—Hon. Mr. Griesbach.

IMPORTATION OF INTOXICATING LIQUORS BILL

SECOND READING POSTPONED

On the Order for the second reading of Bill 3, an Act to amend the Importation of Intoxicating Liquors Act:

Right Hon. Mr. MEIGHEN: Honourable senators, I have received a request from the Department of Justice to have this Bill stand for ten days. I therefore move that the Order be discharged, and be placed upon the Order Paper for a week from Tuesday next.

The motion was agreed to.

DIVORCE BILLS

SECOND READINGS

On motion of Hon. Mr. McMeans, Chairman of the Committee on Divorce, the following Bills were read the second time.

Bill H2, an Act for the relief of Mary Mabel Taylor Johnson.

Bill I2, an Act for the relief of Blanche Marjorie Short Hanson.

Bill J2, an Act for the relief of Fenwick William Smith.

THE TOURIST TRADE

REPORT OF COMMITTEE

Hon. W. H. DENNIS moved concurrence in the third report of the Special Committee on Tourist Traffic.

He said: Honourable senators, yesterday I presented to this House the third and final report of the Special Committee on Tourist Traffic. This Committee, as you will recall, was appointed on April 26, "to consider the immense possibilities of the tourist traffic" and "to inquire as to the means adopted by the Government looking to its encouragement and expansion." The Committee held many sittings and heard the evidence of a large number of witnesses representative of all agencies, public and private, engaged in the encouragement of the tourist trade. In addition the Committee received briefs, memoranda and suggestions from every province, and indeed from almost every community of any size throughout the Dominion. The report now before this House has had the unanimous endorsement of the Committee itself.

In passing I might assure honourable members that my haste yesterday in the presentation of this report was due to the enthusiasm and zeal with which I, in common with the other members of the Committee, have been imbued throughout our investigation of this most important national question.

As honourable members will note from the report, the peak year in tourist trade in Canada was 1929, when, according to the official figures of the Department of Trade and Commerce, the value of this trade was \$309,000,000. By 1933 this volume had shrunk to approximately \$117,000,000; and, as the report emphasizes, this shrinkage in tourist revenue undoubtedly has created a condition of emergency, which calls for prompt and effective action at this session of Parliament.

Honourable members will also note the Committee has come definitely to the conclusion that the tourist trade of Canada is a matter of great national concern, and that in order to reap the full benefits of this trade its promotion cannot longer be left to the provinces, municipalities and private agencies throughout the Dominion. In other words, this matter must be viewed and dealt with from a broad Dominion standpoint, because it is of such immense importance to the people of the whole country and is capable of bringing into Canada enormous sums of new money.

By way of showing the value of this trade I may be permitted to quote from figures indicating the size and growth of this trade

Right Hon. Mr. MEIGHEN.

in other countries. The Committee received official information that over a five-year period revenues from the tourist trade in the island community of Bermuda amounted to one and a half million pounds sterling annually. California's tourist revenue has been \$100,000,000 a year. Florida's revenue from this trade is estimated at all the way from \$250,000,000 to \$350,000,000 annually. Maine's revenue in 1933 was \$100,000,000 in round figures. And the United States Department of Commerce sets \$3,000,000,000 as the value of the tourist trade to that country in the last calendar year.

There has just come to my attention a summary of an official report on the tourist trade in Southern California. In that section of the continent expenditures by tourists last year were 83 per cent greater than the growers' income from its world-famous citrus industry. It is estimated that if Southern California's 1933 tourists were assembled at one time they "would more than populate a city the size of Boston." Indicating the effectiveness of the advertising campaigns that have been carried on, the report states that these endeavours "have returned an average of thirty-three dollars to this section in tourist expenditure for every one dollar spent in advertising." Moreover, as the report adds, the money spent there last year by tourists "filtered into every channel of trade and employment" and was a sum equivalent to more than \$30 for every man, woman and child in a given area.

As one who knows something of publicity and its effects, I was particularly struck with the evidence of a director of information representing one of the provincial governments, that in the experience of his province the decline in tourist travel in the past few years was in exact ratio to the decrease in aggressive efforts and tourist publicity. This decrease was of course due to drastic reductions in appropriations, which proved to be false economy and produced very serious results.

The tourist trade is not a new subject, and not only because of its familiarity to the public generally, but because of its great magnitude and financial importance, I was somewhat surprised to find that it had not been carefully studied by Parliament before this date. I therefore hesitated to raise this question in the Senate, but facts and figures which came to my attention, denoting the heavy falling off in Canada's tourist revenues, impelled me to take the steps I did.

A study of the evidence and the findings and recommendations of the Committee will convince the members of this honourable House that development of the tourist trade

along progressive lines offers one of the greatest opportunities before us in Canada to-day. It has possibilities of a return of many millions in added wealth to this country, and gives new hope and new vision to our people in every province.

In presenting the report on behalf of the Committee I express the confident hope that it will be not only adopted, but acted upon promptly, and that the efforts we have put forward during the past few weeks will not simply end in discussion and the report of a committee. It is my view that if we can secure prompt action at the present session of Parliament, within a reasonable time a great national machine, whose activities have been retarded in recent years, will be speeded up in all parts of the Dominion—in the cross-roads country stores, in the villages and towns and cities from Sydney to the Yukon. I have yet to meet the businessman in this country who objects to the ringing of the cash register bell. In every section of Canada to-day our people are following with the keenest interest the activity of this honourable body in connection with this most important national matter. The economic machine to which I refer, which will be speeded up across this Dominion, comprises the thousands of little tills in country shops and service stations, the cash registers in hotels and business establishments in all the towns and cities of Canada, and the exchequer of this country itself, whose revenues are drawn so largely from these sources.

It has been the sincere endeavour of the Committee charged with the responsibility of this inquiry and report to refrain from advancing sectional considerations. But I should be remiss in my duty to my native province and the Maritimes generally if I failed to emphasize the importance of the tourist trade to Nova Scotia, New Brunswick and Prince Edward Island. It is a regrettable though a thought-provoking fact that there are now living in the United States more people of Nova Scotia birth and origin than are living in Nova Scotia itself. We know that much greater industry must eventually be developed on the seaboard, but in the meantime we look to the tourist trade as one of our greatest sources of revenue, and the means through which we may bring back to their native land many of those sons and daughters of the Maritimes now living in another country. If at the moment we lack adequate industrial development in Maritime Canada, we have a priceless asset in our unmatched scenery and climate during the tourist season, and as members of the family of confederated provinces we urge that special

consideration be given the Maritime situation in the provision of better highways and transportation services, particularly the development of steamship traffic tapping the great centres of population which lie on or near the American seaboard.

We have received from many witnesses and agencies strong representations regarding the possibility of a greater enlargement of interprovincial tourist traffic. The importance of this cannot be over-emphasized, and it should be encouraged to a greater degree by arrangements for excursions and excursion rates, both rail and water.

I draw the attention of honourable members to a paragraph of the Committee's report urging the imperative need of campaigns to foster the conservation of Canada's fish and game resources, scenic attractions and forest growth.

I may be permitted to add, speaking only for my own province, that there is need for conservation of human and intellectual resources. We have established art galleries and museums, and the value of these attractions should not be minimized; but from what I know of Canadian history it seems to me that we have overlooked perhaps the most colourful and valuable of all our national treasures. I venture to say that three-fourths of the population of this country to-day know the name of Cunard as that of a great steamship line, but are quite unaware that Samuel Cunard, its founder, was a native of the Maritime Provinces. Not five per cent of the Canadian people to-day, I suppose, could tell us who Donald McKay was. These two men, natives of Maritime Canada, are the greatest figures in the history of seafaring pioneering in their respective fields. Samuel Cunard was the father of the ocean liner service as we know it to-day; Donald McKay was the designer and father of the clipper ship which ploughed the seven seas in the most romantic and significant era of modern marine transportation. But, melancholy as it may seem, both these great pioneers were forced to migrate from Canada to the United States in order to secure recognition for their vision and financial support for their enterprise.

Now, in 1934, we have the humiliating spectacle of W. J. Roue being forced to follow the migration trail in the footsteps of Cunard and McKay! Who is W. J. Roue? He is the designer of scores of vessels, one of which I consider one of the greatest publicity assets Canada possesses, the schooner *Bluenose*—undefeated champion of the Northern Atlantic deep sea fishing fleets. Even at this moment the designer of this magnificent

vessel is departing from his native country to accept a position in the United States. The point I wish to make is this. We as Canadians should be taught by history that men of this type and vision should be encouraged to remain within their own country, so that Canada should not lose the value of their genius and ability. In the case of an outstanding naval architect like the designer of the *Bluenose*, it seems to me that a special effort should be put forward to take advantage of his services in the appropriate federal department.

Similarly, in the field of aviation, how many citizens of Canada are aware that the first flight of a heavier-than-air machine in the British Empire was made in this country? This flight was made in the Maritime Provinces by J. A. D. McCurdy, twenty-five years ago. To me it seems distinctly unfortunate from a publicity standpoint, if from no other, that we have not somewhere preserved in this capital city more tangible reminders of Canadian pioneering on sea and land. Aviation is bound to play an increasingly important part in tourist travel, and those most familiar with its development urge its organization within Canada under an effective national policy.

On behalf of the members of the Committee I take this opportunity of expressing our appreciation of the co-operation of many public officials, Dominion and provincial, and of assistance and advice from representatives of tourist agencies, transportation companies, hotel associations and many other organizations throughout Canada engaged in the promotion of tourist travel. We desire to express our thanks to the Press of Canada for its unanimous support of the work of the Committee.

In conclusion I wish to thank all honourable members for the attention they have given this inquiry and my brief presentation of the Committee's report. The report is now before this honourable body, and there is but one additional consideration I have to suggest—that of urgency. It is the unanimous opinion of the Committee that its recommendations should be acted upon promptly, at the present session of Parliament.

Hon. RAOUL DANDURAND: I desire to express the thanks of this Chamber to the honourable gentleman from Halifax (Hon. Mr. Dennis) for his inspiring address, as well as for his diligent work in the Committee on Tourist Traffic, over which he presided. I desire also to convey our thanks to his fellow members of that Committee. They have done a splendid work, as is evidenced

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by the concise and able report which has just been presented to us, and I think that not only the Senate but the country at large will express gratitude for the satisfactory result of their labours.

I have noticed of recent years while visiting the great cities of Europe how freely they endeavour, by every conceivable means of publicity, to attract visitors from all parts of the world. I may mention in particular London and Paris. I have been impressed by the advertising undertaken by the railway companies of Switzerland, Germany, Holland, Denmark, Sweden and Norway to herald to the world the outstanding advantages of tourist travel within these countries. I would direct the attention of honourable members to the fact that this advertising, whether subsidized by the various governments or not, is being carried on by railway companies. This is quite natural, of course, for they are the first to benefit by increased passenger traffic.

As we are urged to take prompt action, I would suggest that any organization formed, whether or not it be a central bureau as recommended by this report, should hasten to secure the co-operation of the passenger traffic men of the Canadian National Railways, the Canadian Pacific Railway and the Canada Steamship Company, in order to develop an energetic publicity campaign throughout the United States. Already those companies have done a considerable amount of advertising there to attract tourists to Canada. A central bureau of the type recommended, in conjunction with the various transportation agencies to which I have referred, could set up a strong co-ordinating committee, and so give greater impetus to these publicity activities.

In view of the very special conditions under which we are labouring, I am somewhat chary of our asking the Federal Government to increase its appropriations, but I recognize that the proposed expenditure would be remunerative to the country at large. I am convinced that a central bureau, as recommended in the report, could be set up at a minimum of expenditure, with the co-operation of men who have the necessary experience in this class of publicity work. Half a dozen of those who appeared before the Special Committee on Tourist Traffic are at the head of publicity bureaus operated by various departments of the Government service. Others are connected with the Canadian National Railways—itsself a Government-owned transportation system. The organization set up need not be very costly, because the Govern-

ment has at hand a number of officials who could be called upon to organize and man that bureau. I do not know whether the Government would feel obliged to go outside its own staff. I hope it would not have to do so, because, although the work so ably carried on by the honourable senator from Halifax (Hon. Mr. Dennis) has been much applauded, the proposal has been the subject of some slight criticism on the ground that it would necessitate the creation of another department of government. If that department can be composed of officials already in the public service, that fact should be a sufficient answer to those who fear the setting up of a costly department.

I may say that I agree with all the statements of my honourable friend, and for myself, and on behalf of those who surround me, I applaud all that he has said and done.

Right Hon. ARTHUR MEIGHEN: Honourable members, it is not often that work in either House of Parliament in this country is done so expeditiously and efficiently as the work of this Committee in relation to tourist traffic. Without being at all ungenerous to other members of the Committee, we can no doubt attribute this in large measure to the energy and activity of its Chairman. When that body was created few of us thought it would terminate its work so soon, or that it would accomplish so much of a practical and definite character within such a short space of time. I congratulate the members of the Committee one and all, and particularly the Chairman, on the example they have shown the other committees of this House, not to mention the committees of the other assembly.

It is for the House to decide what is to be done with this report. The report, in its many phases, recommends that a great degree of additional attention and some additional expenditure be devoted to the encouragement of tourist traffic in Canada. I intend to support the recommendations in toto. I do not feel that my action in so doing amounts to a commitment of the Administration with relation to the expenditure; but it does amount to this, that I as a member of this House think it is proper for the Senate of Canada to make these recommendations to the Government of Canada at this time.

Although the tourist traffic, like all enterprises in recent times, has suffered some check, it has developed to very great proportions without much conscious effort, and certainly with little co-ordinated effort, on the part of governmental bodies. Consequently it may be felt that this traffic will be a

source of income and profit to us, whatever attitude the Government may take. But there comes a time when such trade must have the attention of authorities if the benefits and revenues derived from it are not to be seriously and perhaps permanently checked.

The honourable member in speaking this afternoon expressed surprise that so little thought had been given to the sources of revenue from tourist traffic. He cited figures showing the enormous income received from visitors in Canada and from our own people travelling in this country. So impressive were those figures that he found it difficult to understand why the tourist business had not challenged attention of administrations and, like other industries in this country, become the objective of governmental encouragement.

The general condition of the public mind the world over, especially the mind of public men, has been such that effort and enterprise were regarded as beneficial only in proportion to what they produced. Anything that did not add to the world's wealth, that did not produce something, that did not increase the volume of those things that really constitute wealth as expressed in terms of money, has been considered to have no real value. The old expression, so much commended to us by our fathers, that that man did most for the world who caused two blades of grass to grow where only one grew before, has been regarded with a sort of reverence. We have felt that it contained the law and the prophets.

But the experiences of recent years of large-scale production do not at all support that attitude of mind. I think it can be affirmed that we know to-day that what is most beneficial is the circulation of the insignia of wealth, rather than the mere uncontrolled production of what we call the means of life, otherwise known as wealth. The circulation of money is what determines the general condition of the people, and governmental activities tending towards a greater money circulation are most vital and useful in this day and generation. If we can assist therefore in the passing of money from one hand to another, we shall be doing more than by helping the multiplication of production without effective distribution.

It is because of the realization of this truth that more and more attention is being given to such subjects as tourist traffic. Tourist traffic is simply a force, a lure, an objective that results in the distribution and scattering among the many of the accumulations which formerly belonged to the few. Consequently

it is opportune that we, realizing this truth, address ourselves in some way to the task of assisting in such distribution.

But I think—and this may be aside from the immediate object of the honourable senator and of the Committee—that we have to do a great deal more. I think we have to divert the force of taxation and guide it by the very same principle that now impels us to encourage tourist traffic.

The income which successful people in the world to-day possess gives them a far greater advantage than ever before over those less bountifully equipped in the matter of talent and otherwise. Remember, success is always comparative. The leverage is growing because of the tremendous mechanization of industry, and the contrast is becoming more and more startling day by day.

The revenues of successful people—and they ought to be commended if their success is legitimate—are necessarily applied in two main divisions. First, there is the money which they spend hour by hour and day by day, and which goes into the hands of consumers—into the hands of their servants and workmen, of people who produce consumable goods, of those who are dependent upon their use. Then there is the other division, the surplus, commonly known as savings. The money that goes into the first division is put into immediate and permanent circulation; and every dollar spent results in one hundred cents' worth of employment. What goes into the other division reaches an altogether different economic and social goal—a destiny always lauded in days gone by, and properly so. It is invested usually in the bonds of some enterprise or of the state. For a time every dollar invested produces a certain amount of employment, but the money is out of circulation and the investment leaves in its trail a residuum of debt which in the end amounts to more than the debtor can take care of. The world's debt to-day is the bane of economists and statesmen. It has grown to such tremendous proportions that in the face of it we almost despair. The debt represents the accumulation of surplus income of those people who are able to save, and the residuum is so great that it constitutes the worst problem the state has to face. The consequence is that while there is progress, as we regard and define progress, it is progress without prosperity, because there is not that distribution of the world's wealth day by day and year by year which is essential to enable the other section of the population to buy. So I think governmental policy must

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more and more be directed towards the encouragement of spending and the discouragement of disproportionate saving.

It is true that we can never so direct policy that saving will not be to some degree encouraged and made possible. Otherwise there cannot be progress. But there is such a thing as too much progress with too little prosperity accompanying it, and that is the phenomenon that we have witnessed during the last two or three decades. We shall always have to direct taxation in such a way that there will be an incentive to save, particularly on the part of those with lower incomes, and an incentive to spend on the part of those with greater incomes. The incidence will have to fall less heavily upon income which takes the form of spending than upon that which takes the form of surplus.

Now, while this is not directly in line with the motion before us, it is in line with the principle behind the motion. The tourist traffic is of benefit to a country even though every tourist in that country comes from within its own borders. There is of course no addition to the aggregate of real wealth, but there is benefit by reason of the fact that the traffic stimulates the circulation of wealth—and that is the vital need at this time.

What I set out to say was this. Not only must we give more attention to this traffic, which is one of the elements and factors designed to stimulate the circulation of wealth, but more and more as the years pass on we must give attention to other things designed to achieve the same great end. I know that among those listening to me there will be some who by nature shrink, as I do myself, from the consequence of this reasoning. We have all been taught in the past that saving and thrift are cardinal virtues. They were perhaps among the primary virtues. But that day has gone by, and now that many parts of the world have passed the limit of those necessities without which man cannot live and thrive, the importance of saving and thrift is by no means as great as it was in other times.

As I am in complete and enthusiastic sympathy with the general object which the honourable senator from Halifax (Hon. Mr. Dennis) and the Committee have in mind, I support the motion. I know the honourable senator will expect me—as will this House, if it passes the motion—to see if it is not possible to get some practical results within a short space of time. In this regard I can make no promise except that which is inherent in the fact that I unreservedly

approve the honourable senator's purpose, and in my belief that if something in the way of practical, definite and early results are not attained I shall hear very forcibly from the honourable senator again.

Hon. Mr. LACASSE: Honourable members, I should like to mention just one aspect of the situation so ably covered by the right honourable leader in regard to the freer circulation of traffic and money. Would he, in view of the principles so eloquently defined and developed, as applying to individuals, extend those principles to nations? Would he favour freer trade amongst nations and a radical change in the high tariff barriers that restrict their commercial relations to-day?

Right Hon. Mr. MEIGHEN: I am afraid the honourable gentleman has not followed me. I did not know that I was in a field of intellectual exploration which even adjoined the field in which he now is. Still, I do not hesitate to answer his question. Unquestionably I should be in favour of a lowering of tariffs the world over, and I believe such a development would without any doubt be to the advantage of mankind.

The motion was agreed to.

BUSINESS OF THE SENATE

Right Hon. Mr. MEIGHEN moved:

That when the House adjourns to-day it stand adjourned until Tuesday next at 3 o'clock.

He said: I wish to urge all members of the Committee on Banking and Commerce to be present at the meeting which will take place immediately after our adjournment here this afternoon, and at the meeting to be held tomorrow. We expect to sit during practically the entire working hours and perhaps longer, dealing with the Shipping Bill and the Admiralty Bill. The Committee honestly hopes that its work on both these measures will be completed this week and that they will be sent over to the other House by the beginning of next week. They are of tremendous size and complexity, and it is only fair that they should reach that Chamber in such time as to avoid any ground for complaint that the legislation was foisted upon it towards the end of the session.

The motion was agreed to.

The Senate adjourned until Tuesday, May 29, at 3 p.m.

THE SENATE

Tuesday, May 29, 1934.

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

Prayers and routine proceedings.

COURTS OF ADMIRALTY BILL

REPORT OF STANDING COMMITTEE

Hon. Mr. GRIESBACH presented the report of the Standing Committee on Banking and Commerce on Bill C, an Act respecting Courts of Admiralty, and moved that the proposed amendments be taken into consideration.

Hon. Mr. KING: The honourable leader on this side of the House (Hon. Mr. Dandurand) is a member of the Committee and has taken a good deal of interest in the Bill. In his absence, unless there is urgency, I would suggest that consideration of the amendments stand over until to-morrow.

Hon. Mr. GRIESBACH: Next sitting of the House.

The motion stands.

BUREAU FOR TRANSLATIONS BILL

FIRST READING

Bill 4, an Act respecting the Bureau for Translations.—Right Hon. Mr. Meighen.

DIVORCE BILLS

THIRD READINGS

On motion of Hon. Mr. McMeans, Chairman of the Committee on Divorce, the following bills were read the third time, and passed:

Bill H2, an Act for the relief of Mary Mabel Taylor Johnson.

Bill I2, an Act for the relief of Blanche Marjorie Short Hanson.

Bill J2, an Act for the relief of Fenwick William Smith.

PRIVATE BILL—CANADIAN PACIFIC RAILWAY COMPANY

SECOND READING—REFERRED TO COMMITTEE

Hon. W. A. GRIESBACH moved the second reading of Bill 16, an Act respecting the Canadian Pacific Railway Company.

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

Hon. Mr. GRIESBACH: I move that this Bill be referred to the Standing Committee on Railways, Telegraphs and Harbours.

Hon. Mr. KING: Explain.

Hon. Mr. GRIESBACH: This Bill is promoted by the Canadian Pacific Railway Company for the purpose of securing an extension of time for the construction of a railway from Prince Albert to a point on the Alberta and Great Waterways Railway in Alberta.

The motion was agreed to.

INTERNAL ECONOMY AND CONTINGENT ACCOUNTS

REPORT OF COMMITTEE

Hon. Mr. SHARPE moved concurrence in the third report of the Committee on Internal Economy and Contingent Accounts.

Right Hon. Mr. MEIGHEN moved in amendment:

That the report be not now adopted, but be referred back to the Standing Committee on Internal Economy and Contingent Accounts, with instructions to reconsider clause 4 of the said report.

He said: I have reason to believe that what is attempted to be done by clause 4 is not within the prerogative of the House.

The amendment was agreed to.

LEAGUE OF NATIONS

MOTION—DISCUSSION CONTINUED

The Senate resumed from Tuesday, May 22, the adjourned debate on the motion of Hon. Mr. McRae:

That this House is of the opinion that Canada should withdraw from membership in the League of Nations, and that no further money should be voted to the League.

Hon. J. P. B. CASGRAIN: Honourable gentlemen, I find in the Montreal Star of last Saturday an article by the Right Hon. David Lloyd George on the Disarmament Conference. This is the introductory paragraph: It is assumed that the Disarmament Conference will soon pass from bed to bier. There is to be another consultation of the doctors. Decency demands that the patient, however hopeless his case, so long as he continues to breathe at all, shall not be abandoned without another effort to revive him. Besides, there must be some kind of death certificate.

May I say that I had not expected the League of Nations would become so dangerously ill in my lifetime. I did not think it would fall to my lot to do what Sir John Simon the other day said he was not pre-

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pared to do—deliver a funeral oration on the League. But some of my oldest colleagues have said to me: "You have been speaking for fifteen years against the League of Nations. Why don't you take part in this debate?" My friends outside also wondered at my silence. They have asked me: "Have you at last found out that you were wrong in opposing the League of Nations? Are you converted in its favour?" Consequently I feel compelled to deal with the subject to-day. I may tell honourable gentlemen that I have spent several hours going through Hansard to make sure of not contradicting myself in whatever I may say this afternoon.

The Right Hon. David Lloyd George, in the article which I have quoted, comments on Premier Mussolini's prediction that unless something is done quickly to avert the threatened collapse of the Disarmament Conference, the death of the League is inevitable. Mussolini sounds the alarm. And he is not an alarmist; he is a realist.

As honourable gentlemen are aware, there have been conferences, protocols, commissions, pacts—everything conceivable has been done—to bring about disarmament, but it is no nearer accomplishment. When Sir Robert Borden went to Geneva after an absence of ten years he spoke his mind very frankly. He said that the League of Nations stood at the bar of public opinion by reason of having accomplished nothing towards disarmament. Every country from the Ural Mountains to the Atlantic is arming, instead of disarming as provided in the Covenant of the League of Nations and the treaty. Indeed it is well known that, with one exception, all the nations of the world are increasing their armaments.

The Covenant of the League of Nations and the treaty are virtually one; both are signed by the same signatories. No one can deny this fact. I point it out because Sir John Simon says the members of the League never signed a treaty guaranteeing to respect and preserve the integrity of China or any other country. I shall be able to prove to you in a few minutes by these very documents that they agreed not only to preserve, but to maintain—if you read the French version you will find the word *maintenir*—the integrity of any member of the League attacked by an aggressor; and nobody denies that China is attacked to-day.

It is quite apparent that the nations of the world are spending enormous sums of money on armaments. They are doing it ostentatiously. Armament manufacturers are more prosperous to-day than they have been at any time since the Great War, notwith-

standing the fact that for fourteen years we have had the League of Nations, every member of which agreed to respect scrupulously the Treaty of Peace. I have it here, honourable gentlemen, and you can see how worn this copy is from frequent reading. I claim it has been broken not only by Germany, but by nearly every great nation in the League, especially of late years. I omit the small nations because their armaments do not count for much.

The only nation that has not increased its armament is Britain. She has actually not built up to the limit allowed her under the treaty. But the other day the Right Hon. Stanley Baldwin said in the House of Commons that England would not be inferior to any nation in the matter of air defences. He also said that London could be destroyed in twenty-four hours, a statement which is not in agreement with the contention of the honourable gentleman from Westmorland (Hon. Mr. Black) that air armaments are not very dangerous. Stanley Baldwin, acting Prime Minister of England, but in reality the Prime Minister, is to my mind one of the finest men living. He actually renounced the glory of the Prime Ministership in favour of Ramsay MacDonald, who has very few followers in the House—not many more than Lloyd George. We know at whose request the great Conservative party in England accepted Ramsay MacDonald as Prime Minister. It was a wise move at the time. The elections were carried triumphantly, the Labour party's numbers being greatly diminished and the Liberal representation so small—only members of Lloyd George's own family—that they could comfortably ride in a two-seated Ford car. I do not say this in disparagement of Lloyd George, for I have great admiration for his ability. However, England to-day is increasing its air forces, and is building more ships.

Russia, of course, was not a member of the League of Nations, and therefore was under no obligation to refrain from increasing her armament. Russia has a much better army to-day than she had in 1914, and at that time, although most people do not realize it, she manned a front longer than the French front, the Italian, or the Austrian. The Russian front extended from the Baltic to the Black Sea, a distance of 1,300 miles, and if Russia had not been betrayed the story of the War might have been very different. But we know that Russia was betrayed by money from Germany, and we know by whom.

I am not a judge of armies and armaments, so my views in this regard may not be worth very much; but with your kind permission I intend to give you what other people say about the situation. During the Great War we talked of Russia as a steam roller that was going to run right over the Austrians and the Germans. To-day that great power has wings. According to the information I have, and it is in agreement with this letter published last Saturday and signed by Lloyd George himself, Russia has the finest air force of any country on earth. She also has her own railway system for military purposes. When Russia was beaten by Japan, more than twenty-five years ago, she was beaten because her only railway was a single-track line over six thousand miles long and she could not transport men and munitions and supplies fast enough. If she had had a proper railway at that time Japan might not have captured Port Arthur or taken possession of Korea.

So far as the United States is concerned, I will not waste time in telling this honourable House what is being done. We all know of the millions that have been voted to increase the fleet and the air forces. Honourable gentlemen know just as well as I do, or perhaps better, what is happening there.

So far as Japan is concerned, we also know what she is doing. She is increasing her army at a rapid rate, for she has an ambition to build a big oriental empire. But I do not know that we British people should find fault with her. Around 1858 we commenced to build an empire in India, and it was only about a couple of decades later that Lord Beaconsfield proclaimed Queen Victoria Empress of India, and she was then the head of the greatest oriental country in the world. So perhaps we should not be critical of Japan's empire-building ambition. Japan has got Manchukuo. She has placed the son of the former Empress of China on the throne, and has organized the country so well that thousands upon thousands of Chinese have gone there to live in peace. Law and order prevail there.

Now it is said that Japan is going to take another bite out of China, even south of the great Chinese Wall. But even though that be part of her plan, we should be the last to find fault, for she is only following our example. I am not relying on my own opinion alone in this matter, for I have here the words of one who asks why England should criticize Japan for trying to build up a big empire in the East, when England

blundered and plundered through India from one end to the other. As every honourable member knows, it was in the fifties that the Indian Mutiny took place, at a time when British troops were stationed in India simply for the purpose of safeguarding and protecting the agents of the East India Company. A hundred years earlier, in 1750, France owned a very great part of India. The French representative there, Dupleix, married an Indian princess, dressed like an Indian prince or rajah, and held court. The ships of France were doing a wonderful trade, and they outnumbered English ships by three or four to one. But there was in the employ of the East India Company a young clerk named Clive, who later became Lord Clive. He schemed to get the country under British control, not by attacking the French, but by the method divide et impera. He went a long distance away to another part of the country, where he began to conquer the Indians and make allies of them. Within a few years the French were driven out of India, being left only a few acres here and there, to which the French cannot get access except through British territory.

When Dupleix returned to France he received the condemnation of his countrymen. But Clive on coming back to England was made a member of the House of Lords. His statue can be seen to-day on Downing street, not far from No. 10.

When the present Viceroy went to India, that country was in a very precarious state. We all were anxious about that greatest of British Dominions, which according to the last census has a population of 353 millions. Lord Willingdon possessed a thorough knowledge of the Oriental and Asiatic mentality and knew how to deal with those people. He never had a conference with those who were opposed to the British. The minute you ask for a conference with Orientals or Asiatics, or even with Huns, they think that is a sign of weakness on your part, because they would not discuss anything with you if they had the power to make you do what they want. Well, Lord Willingdon knew how to deal with those people and I should not be surprised if within a few years there were a statue erected to him nearby the one of Lord Clive. When the history of modern India comes to be written, I believe it will be shown that our former Governor General has played a wonderful part there.

It is said that there would not be another war if England would only declare that she would stand by France. For some time before the last war started England had had a very bad thorn in her side, namely the

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German navy. We were all brought up to believe in the two-power standard—that the British fleet should be equal to any two other of the best fleets in the world. But as Germany continued to build ships the two-power standard went by the board, and by 1912 or 1913 Germany was building at such a rate that it looked as if before long she would have a navy even superior to that of England. We all remember how, through Sir Ernest Cassel, an English knight whose mother was a German, the Kaiser tried to get Winston Churchill to go over to Berlin and talk matters over with him. But Churchill was too sly a fox and could not be caught. The Kaiser angled for others, whose names I forget now, and finally it was decided that Lord Haldane, who had been Secretary for War, should proceed with his brother to Germany. The Kaiser was planning to build three warships that year, and when Lord Haldane and his brother had a conference with him the one concession he would make was a promise to build only two ships. On receiving this report the English Cabinet said that was no concession at all, because Germany could not build more than two ships in the year in any event. Conversations were renewed, some diplomatic action was taken, and the Kaiser was again approached with a view to getting his consent that the German navy should not be increased. But he said, "Before we can have any discussion you must repudiate Lord Haldane." Naturally it was difficult for the British Government to repudiate one of its own ministers, and we were very near war at that time.

The murder of the Crown Prince of Austria in 1914 was seized upon by Austria and Germany as an excuse for beginning the last war. Some years before that a French reporter on the staff of a big Parisian paper happened to be dining with some officers on board a German ship, and the officers drank a toast to "der tag." The reporter asked them what that meant, and they said they were drinking to the day when the German fleet would engage the British fleet in battle. So war was imminent a long time before it broke out. Lord Roberts for years warned the British people. And there was some ground for the fear that England might have to stand alone in fighting Germany, for one Prime Minister of France, Caillaux, said the best course for France was to be friendly with Germany. He argued that German armies could march across Belgian territory into France, just as in fact they did during the war. Many people believe that war might have been avoided if Sir Edward Grey had

not waited until mobilization had proceeded so far in Austria, Russia, Germany and France, before announcing that England would fight to maintain the neutrality of Belgium. We all remember how, when the British Ambassador at Berlin stated that England would uphold the sanctity of the treaty for neutrality, Bethmann-Hollweg scoffed at that treaty as a "scrap of paper." Germany was not expecting that war would come so suddenly. The Kaiser was away on a cruise near Norway, in his private yacht. However, I admire Sir Edward Grey for waiting so long as he did, until the fish was well on the hook and could not get off. He reasoned that war with Germany was inevitable, and that no better time than 1914 could be chosen, because France was ready. I think he should be given great credit for arranging that England did not have to fight Germany single-handed.

In common with many other people, I do not believe that war is imminent, because at the present time Germany has no money and I am sure she has no credit. Of course those facts are not necessarily guarantees of peace. After the French Revolution, which commenced in 1789 and lasted for several years, Napoleon had not much money, but he marched his armies all over Europe and won wonderful victories. He went down to Italy and drove the Austrians out of that country, and still he did not have a very big war chest.

Almost fifteen years ago, in October, 1919, we were discussing in this Chamber the proposed ratification of the Treaty of Peace. I was one of those who said at the time that when England had signed a treaty it was applicable to the whole British Empire, and therefore it was not necessary for us to signify our ratification in that instance. Strange to say, I was supported on that occasion by the honourable gentleman who now leads this side of the House (Hon. Mr. Dandurand). Here is what he said:

We have assumed international obligations without obtaining in return an international recognition. We shall never be represented in the Council of the League.

He was too modest, as it turned out. As Canada's representative he was later elected to the Council of the League. That was a much greater honour than the other which fell to his lot, the presidency of the Assembly, which involves nothing more than presiding over the general meetings held at Geneva every year. The office lasts for one year only. But it was a matter of great political importance for Canada to be on the Council, for that is the body that controls all the actions of the

League. No matter on which the Council is unanimous is submitted to the Assembly; the only questions referred to it are those over which there is a difference of opinion. Every year, a few days before the Assembly meets, the Council prepares a neat little agenda for the Assembly, in order to give the delegates something to talk about and to help them put in the time. That amuses the delegates for the three or four weeks that they are at Geneva, where they have a good time, as we all know.

I am sorry the honourable senator from Grandville (Hon. Mr. Chapais) has left the Chamber, because I was going to talk to him. But I will talk about him just the same. He made a short speech, and a very eloquent one, as he always does. Article 10, he said, "is the foundation of the League," and "imposes an obligation on the states signing that historical deed." I will not weary the House by reading that article, because we all know it. But I want to refer to one word in it. The article says the members of the League undertake to respect and "preserve" the territorial integrity of member nations, but Sir John Simon denied a few days ago that Great Britain was pledged to "preserve" the integrity of China.

The honourable gentleman from Grandville warned against economic pressure on Japan, because it might lead to war. He went on to picture what a terrible thing war is, and then he declared, "A l'impossible nul n'est tenu"—no one can be held to do the impossible. I was very much surprised to hear such a doctrine from the honourable gentleman. Suppose a man borrowed a large sum of money from a bank, and when payment fell due he said he could not pay, because he had not the money. Would he be relieved of the debt? I did not think that anyone with so logical a mind as the honourable gentleman from Grandville has would argue a thing like that.

The honourable senator from Montarville (Hon. Mr. Beaubien) proceeded somewhat along the same lines. I have great respect for the honourable member from Montarville. He is a very able man. I believe he is sincere in thinking that the League of Nations has served a useful purpose. But many persons do not share his opinion. During the fifteen years that I have been making speeches against the League I have been told time and again outside this House, "You are right." I have heard people in the streets of Montreal and in some of our best clubs describe the League of Nations as a joke. I heard this sentiment expressed while at lunch at the

Rideau Club this very day. I inquired, "Why don't you say openly what you have just been expressing?" But everybody is afraid to do so. It is a strange thing that few persons have the courage to express for publication their views on great questions of public interest. It may be expensive to declare your mind. You may make enemies. You may not get preferment; you may not become a P. C. like some of our friends. But it is a great satisfaction to speak frankly.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. CASGRAIN: I come now to the honourable and gallant gentleman from Vancouver (Hon. Mr. McRae). He astonishes me. Certainly he did not speak as a belligerent when he said: "We will not go to war. Not a drop of Canadian blood shall be spilled on the battle-field." I thought I heard you, Mr. Speaker, and Bourassa and LaVergne in the good old days say something along those lines, but in somewhat more emphatic vein. At that time you and they were not going to have the blood of French Canadians spilled in the Chinese Sea. I could never understand why the Chinese Sea was selected as the arena of war. They made us shudder with their horrible picture of the entrails of our sons hanging from the yards of British battle-ships. It was an unimportant detail to them that modern battle-ships have no yards. But that fantastic prediction was accepted and the Nationalists gained twenty-seven seats in the province of Quebec.

The honourable gentleman from Grandville (Hon. Mr. Chapais) asserted that notwithstanding its failures the great amphictyonic Council of Geneva had effected a great deal of good. He cited the work it had accomplished in dealing with social questions, such as the opium and the white slave traffic; health, including the spread of epidemics, the effect of economic depression on public health, malaria, leprosy, venereal disease, and tuberculosis. This is all very fine, but I do not think the League of Nations was created to cure—shall I say?—venereal disease. The honourable member from Hamilton (Hon. Mr. Lynch-Staunton) is not in his seat. He always seems to strike the nail on the head. I agree with him heartily that the primary object of the founding of the League was to establish peace in the world.

The honourable member from Parkdale (Hon. Mr. Murdock) in the course of a two-hour speech made the rather striking statement that our per capita expenditure on the League amounted to a mere three-cent postage stamp—a statement that he repeated several times. Perhaps it would not appeal to the

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crowd so well to say that the Hon. Mr. Rhodes, to make good this contribution, has to provide out of taxes \$1,000 for every working day in the year as our contribution to the League. Or the honourable gentleman from Parkdale might have said that the total population of the world is estimated at two billions, of whom one-half support the League, and that their per capita contribution would be equivalent to only a one-cent postage stamp. Our per capita contribution is three times too much, according to the honourable gentleman's argument.

The honourable gentleman also referred to the good offices of the League in settling the dispute between Sweden and Finland regarding the sovereignty of the Aland Islands. As honourable members are aware, these three rocky islands are in the Baltic Sea, at the entrance of the Gulf of Bothnia, and have a population of about 3,000. Nobody cares very much who exercises sovereignty over them. Ultimately the islands were awarded to Sweden.

At the time the League of Nations was first suggested, I was inclined to favour the proposal, but I remember Sir Wilfrid Laurier saying to me: "My dear Casgrain, it is a beautiful dream. As long as there are people on earth there will be war on earth."

But a League of Nations to preserve peace is no new thing. When it was proposed at Geneva the delegate from China stated that 1,200 years before the birth of Christ they had a League of Nations among the various peoples or tribes then controlling the territories which later were welded into what became known as China. Coming down to mediaeval times, Hugo Grotius, the greatest jurist in the Europe of his day, wrote a book, *De Jure Belli et Pacis*—right in war and peace. This he published in 1625. He was a native of Holland, then the leading nation in Europe. Her navy was second to none, and she was drawing immense revenues from Java and Sumatra. Grotius proposed that all the great powers should contribute towards a world navy and army to preserve peace. In the lifetime of Grotius, 1583 to 1645, the great Dutch school of painters wrought their masterpieces, and scholars from all parts of Europe flocked to the world-famed universities of Holland.

L'Abbé de Saint Pierre followed Grotius and in 1738 published his well-known work on an international league to preserve the peace of the world. His views are contained in sixteen volumes, all of which are on the shelves of our Parliamentary Library. I hold in my hand a synopsis of those books. Nothing came of his proposal. The late Right

Hon. Charles Doherty told me that l'Abbé de Saint Pierre submitted his great work to a Cardinal at the French Court with a request that he read it and give him his opinion of the proposal. When six weeks later the Abbé returned, the Cardinal told him: "Your work is perfect. I could not take one word from it, nor add one word, but it was written for angels, not for men." The Cardinal pointed out to the learned Abbé that right could prevail only if those who sought to uphold it could exert a might greater than the might of the wrongdoer.

A third proposal for an era of perpetual peace among the nations of the world was made by Kant in 1797, but it, too, was given a very cold reception.

The honourable senator from Montarville (Hon. Mr. Beaubien) quoted Dr. Nicholas Murray Butler as saying, "Public opinion holds the world in its hand." I would qualify the statement by adding: Yes, when there are no guns. Many persons think that Dr. Nicholas Murray Butler talks too frequently out of his turn, when he is not invited to express his views. As the principal of Columbia he can lay down the law to his university. If he wants to influence the course of events in the United States, why does he not run for the House of Representatives or the Senate? Then he would be in a position to speak for his electors, not for Dr. Nicholas Murray Butler alone. His name appears in the press nearly as often as Bernard Shaw's. But Bernard Shaw has a purpose in seeking publicity—it stimulates the sale of his books. Principal Nicholas Murray Butler gets a good living out of Columbia University. Professor Leacock is another gentleman who is somewhat free in giving his opinions to the world. He, however, is more practical than most professors, for he supplements the family budget by writing humorous stories. Recently he spoke about our parliamentary institutions and delivered himself of this gem of wisdom: "We elect men to a talking Parliament—men who know nothing." Well, I wonder if he knows enough to get elected to Parliament? I never succeeded in winning a seat in the Commons. If he ever got elected to the House of Commons he would certainly find other members there, as well as in the Senate, who do know something.

Professors may be very valuable men, but they are certainly not practical, otherwise they would not be content with the low salaries they are paid. How many professors can provide a chauffeur for the family car? If they were practical men they would be eagerly sought after by great industrial leaders such as Schwab, Rockefeller, Ford and others,

and offered ten times the salary they are getting now. In another country, to the south, the Administration is using the services of a number of professors. Well, we shall see the outcome of their learned co-operation.

The honourable senator from Montarville in the course of his eloquent contribution to this debate put this question to us: If you do away with the League of Nations, what will you put in its place? My answer is: If you have a public nuisance what do you put in its place? Nothing!

It is a striking coincidence that forty-eight hours after the honourable gentleman from Montarville spoke in this debate Sir John Simon made a speech on the League of Nations, and expressed a view similar to that stated by my honourable friend, that there was no use in exerting economic pressure on a recalcitrant nation, because it might be considered an unfriendly act and lead to war. My honourable colleague ought to be very much pleased to have his opinion endorsed within forty-eight hours by a great lawyer like Sir John Simon.

But Sir John went a little further, and this is where I take issue with him. He cannot make me believe that two plus two make three. He said that England was pledged to respect, not to preserve, Chinese integrity. Reference to article 10 of the Covenant shows in the English version the word "preserve," and in the French version the stronger word "maintenir." Still Sir John says England signed no treaty with China. That is the way he explains the position as a good lawyer. As I say, we are told that to impose economic pressure would mean the risk of war. Naturally it would. That is what I have been saying in this House for the past fifteen years. I agree with the honourable member from Grandville and the honourable member from Montarville with respect to this.

I claim that none of the parties to the League of Nations have lived up to the treaty. Although they say, "We must scrupulously observe the treaty," every one of them has broken it. By the treaty they agreed solemnly to disarm. Did any of them disarm? They did not. Then why find fault with Germany, who says: "When you signed that treaty you told us that you would disarm. You have not done so. Why should we disarm? Why should we not arm ourselves again?"

We are told now that Great Britain will respect the political integrity of China, but that she never signed any treaty agreeing to preserve it. Here is the Treaty of Versailles to controvert that statement. I know it is

very audacious for a land surveyor to get up here and contradict these eminent legal lights. What I say must be taken for what it is worth, no more; but I have a right to express what I believe to be true, even if I am hauled over the coals for it. Sir John Simon also says:

Britain stands by the Lytton report on Manchuria (the League of Nations Commission which condemned Japanese aggression).

She stands by that, but she stands away from it. She will not take the consequences unless the United States comes into the League of Nations. The United States would not come in before, and she is not going to come in now, when there is trouble. If the United States would co-operate there would be no more of the horrors of war.

Britain stands by the Washington Nine-Power Treaty, whose signatories agreed to respect the integrity of China, and she stands by the obligations she assumed under the League Covenant.

The League of Nations Covenant was to preserve and maintain the integrity of any member of the League of Nations.

He observed, however, that under the Nine-Power Treaty Britain had not undertaken to use her navy, army or air force to preserve that independence.

Well, now, that is not in keeping with article 10 of the League of Nations

In speaking of article 10 there is one thing I did not say when the honourable member from Grandville (Hon. Mr. Chapais) was here. If I am permitted, I shall go back to it. I happen to be familiar with the amendment to article 10. Sir Lomer Gouin was a great man, and a friend of mine. He went to the Assembly of the League of Nations and proposed an amendment with such sincerity that he convinced others, and his resolution was sent on to a committee. It was hoped that it would have a nice funeral, and that nothing more would ever be heard of it. But that was not what happened. Sir Lomer Gouin went to the committee and insisted on a decision. He pleaded his case before the committee with the same earnestness with which he had presented it to the Assembly, and it was adopted by the committee. Then there was only one thing to be done by those who had the power. That seemed dead easy. The resolution required unanimous support. Lo and behold, the representative of the Shah of Persia opposed it. We know very well who was paying his expenses. Naturally, his objection at once put an end to the matter. And now they try to drag in the resolution. The honourable senator from Grandville, with a very specious argument, said it was all right.

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It was as if we wanted to adjourn and one member objected, and we said we would adjourn anyway.

When Sir Lomer Gouin came back he was a disappointed man. He said that he would not return to the League; that everything was fixed beforehand. It is like the races. The Assembly has very little to do with the League; the whole show is run by the Council, especially by the Secretary. Sir Eric Drummond, one of the cleverest men England could pick up, was the only person named for that position, which would seem to be a very humble one; but he ran everything.

The treaty was made by three men. All that Canada's representatives knew of it was what they read in *Le Petit Parisien*, which they could buy for one cent. They were not allowed inside the door of the room where negotiations were going on. You will notice that among the high contracting parties to the treaty nearly every country is named but Canada. We were brought in by the side door, I suppose. There is the treaty; there are the names. I defy anybody to find mention of Canada, Australia, New Zealand or South Africa.

Inside were President Woodrow Wilson, Georges Clemenceau, and David Lloyd George. Woodrow Wilson wanted a League of Nations. He had been a college professor and the principal of a university, and was dictatorial; furthermore, his health was such that he was irritable and would not stand being contradicted. His secretary, Tumulty, said he was so excited he could not be spoken to. The man was worn out. In his "Napoleon: The Last Phase," Roseberry says that at forty-five Napoleon was worn out. Wilson was sixty years of age, and had run two presidential elections, and won them—enough to wear out most men. Besides, personal matters also contributed to his weakness.

Clemenceau, who was Prime Minister of France, was not very keen about the League of Nations. He said: "My, my! The President of the United States wants fourteen points. That is a lot. God Almighty wanted only ten commandments."

But the little Welshman, Lloyd George, was there. As you know, the Welsh people are smart for trade. You may be surprised to learn that a large part of the trade in London is done by Welsh people, and that the greatest stores there are run and controlled by them. The Welshman said: "France doesn't want this; Japan and Italy do not want it; I am going in for it." England had got rid of the German fleet, but there was another thorn in

her side—the German colonies. Lloyd George realized the situation, and arranged everything in a nice, quiet way. He had a clause inserted in the treaty stating that the self-governing colonies and dominions could also come into the League. There is where we came in. That gave England six votes; and, besides, the Secretary ran everything.

Then the French people said to Clemenceau: "Where do we come in? Here is Sir Eric Drummond running everything, and here is England with six votes. It does not look very well." Then the Labour Bureau was invented, and France, being strongly Socialist, chose Albert Thomas, a highly educated man and a notorious Socialist, as director of that Bureau. Then it was decided that the Labour Bureau should get forty cents out of every dollar that came in. I have before me the budget of the League for 1934.

The Labour Bureau and the Secretariat-General never had any communication with each other. Albert Thomas would never agree with Sir Eric Drummond, and all the work was duplicated. I am not saying who was wrong. I may say en passant that this book which I have in my hand tells all about the salaries paid, and it would appear that this one is getting too much, and that one too little. There are too many generals and not enough soldiers, and we know an army of generals is of no use.

Now, here is a despatch from Geneva:

World powers join in great race for arms. Alarming signs that the much feared armament race is in full swing the world over are seen by statesmen in recent developments in the capitals of practically every major power.

From the nerve centres of the world come reports that the nations are buckling on their armour; that every branch of armament—air, water and land—is being strengthened.

Germany was opposed to the Treaty of Versailles, and re-armed. The United States naval and air forces are being increased. In Italy, in the Speech from the Throne, Mussolini put into the mouth of the King the statement that it would be necessary to discard all obsolete armaments and replace them with the most modern ones. He returned to the old maxim, *Si vis pacem, para bellum*—if you would be safe, you must be strong, and then people will hesitate to attack you.

I am told by the honourable senator from Winnipeg (Hon. Mr. McMeans) that that is enlarged upon in the New York Times.

France is building forts, the like of which the world has never seen, all along the German frontier, and I believe she is financing Belgium in the building of forts on her frontier.

Germany has increased her army budget from \$268,000,000 to \$358,000,000, and her aviation budget from \$28,000,000 to \$84,000,000, and she has appropriated \$100,000,000 for Nazi storm troops.

Poland, which had an army of 283,000 men, now has 341,000.

Russia has increased her armies in the past two years from 562,000 to 678,000 men.

Japan has increased her forces by 100,000 to a total of 456,000 in three years.

At Singapore, where the Indian Ocean and the Pacific Ocean meet, the British are carrying on operations. They are just completing the biggest graving docks ever built. Singapore is a strategic point, and, like Gibraltar on the Mediterranean, occupies a commanding position. I think England was very wise in what she did, because if one of her ships were disabled in those waters she would have to go thousands of miles to Malta. However, what England has done is not in accordance with the treaty. And do not forget, Mr. Baldwin has said that the air defences of Britain must be equal to the very best.

Italy has increased her air and naval forces by 43,000. Japan had 450 planes; she now has 3,324. France has 4,760.

Germany—and this is the worst of all—is building up with money which has been borrowed from the United States since the War, and which probably will never be repaid. Although Germany has the greatest iron and steel manufacturers in the world, and the most up-to-date factories, she is actually buying aeroplanes to-day, while her own men are idle and there are raw materials right in the country. One English firm alone got an order for 180 large bombing aeroplanes. Why would Germany buy outside of the country instead of using her own materials and labour? It is beyond me to tell. It seems to me highly significant that when the Germans have such efficient factories they should be buying aeroplanes in England. It also appears that they buy aeroplanes in Sweden and Spain. They must be in a great hurry to prepare for something.

Then Poland is building forts on the Russian front, and Czechoslovakia is doing the same thing on the German border.

Did the League of Nations prevent armament? I leave it to anyone to answer.

I was told by two persons whom I consider to be among my very best friends that I should not make fun of the League of Nations—that I should not treat this question with levity. Camille Houde says you should never follow the advice of your opponent. But listen to what was said by the Right

Hon. Robert Cecil, who is now the Viscount Cecil of Chelwood. He is a descendant of the great houses of Cecil, Burleigh and Balfour, and comes from a family that has given statesmen to Britain from the time of Queen Elizabeth. He is very quaint, to those who know him. I think the careless way in which he dresses is an affectation designed to attract notice to himself. As Chairman of the Empire Parliamentary Association I went to the station to meet him on one occasion, and when I saw the hat he had on and the way he was dressed I could not believe he was the man I was looking for. However, I was assured that he was; so I brought him along in my motor car. Throughout the ride he was busy opening telegrams and had no time to talk to me, and I did not talk to him. Over at Geneva he stood up, tall and towering over everybody, and asked that the articles be read, and after the reading he spoke these simple words: "If the treaties are not observed, Europe no longer exists." Well, everybody knows they have not been observed, but Europe still exists. When he uttered those few words the ladies waved their handkerchiefs, and cheers followed cheers, but no one knew better than Lord Robert Cecil himself that the treaties were not being observed.

Let me read article 227:

The Allied and Associated Powers publicly arraign William II of Hohenzollern, formerly German Emperor, for a supreme offence against international morality and the sanctity of treaties.

A special tribunal will be constituted to try the accused, thereby assuring him the guarantees essential to the right of defence. It will be composed of five judges, one appointed by each of the following Powers: namely the United States of America, Great Britain, France, Italy and Japan.

In its decision the tribunal will be guided by the highest motives of international policy, with a view to vindicating the solemn obligations of international undertakings and the validity of international morality. It will be its duty to fix the punishment which it considers should be imposed.

The Allied and Associated Powers will address a request to the Government of the Netherlands for the surrender to them of the ex-Emperor in order that he may be put on trial.

Will any friend of the League of Nations tell me that there ever was a request to the Netherlands to deliver up the person of William II? I do not think there was. The treaty was broken there, yet a solemn pact in the Covenant says it must be scrupulously observed.

The Serbs, Croats and Slovenes, whose country is now called Yugoslavia, made an invasion into Albania. At once Sir Eric Drummond, Secretary-General of the League, telegraphed

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them that if they proceeded with invasion they would be at war with every nation which signed the Covenant. Well, they went ahead, but not very far. Albania is a little one-horse country of only a few square miles. In area it is about the size of Vermont or New Hampshire, and it has a population of about one million, like Montreal. Rather than get into a state of war with all the nations, the invaders turned around and went home. The principal fact that caused them to reach this decision was that Albania is Italy's landing place on the eastern side of the Adriatic, and Mussolini would have been after them if they had persisted in staying there. But the League takes great comfort out of settling that affair.

I have in my hand a newspaper clipping of an Associated Press cable from London, dated May 4, which is an illustration of some of the things on which the League of Nations spends considerable time. The article is headed: "Britain annoyed by Liberia's acts. Mandate being discussed as solution of stand toward League." The first thing the League did in Liberia was to take up the question of slavery, but they did not stop the traffic, for it is still going on. Liberia is a negro republic, which is bounded on the west by Sierra Leone and on the east by the French Ivory Coast. The capital is Monrovia, which has a population of about 10,000. The country has a total area of 45,000 square miles, measuring seventy-five miles in width in one part and about 150 miles in another, the inhabited sections being practically all along the coast, and the rest nothing but African jungle. There are from one and a half to two million people in the whole country. The President is Edwin Barclay, an American.

It may be interesting to note that the Liberian republic was originally a kind of negro settlement. In 1822 some emancipated negroes left America, where they had made a little money, and went to settle in Liberia, and in 1847 the country was proclaimed as an independent republic, the constitution being modelled on that of the United States. It is one of the members of the League of Nations. No white man has a vote there, but the country must contain something worth while, for England is annoyed, and it would not bother to take that attitude if the whole place were worth nothing.

The President of the republic, Edwin Barclay, controls the customs and finances. John Loomis is one of the directors of the place. Harvey Firestone, the big American tire manufacturer, leased one million acres of land in Liberia—this may be what has annoyed England—and in 1929 he planted

30,000 acres with rubber trees, which had been brought from Sumatra, 12,000 miles away. He has 10,000 Liberians working under the direction of 90 white men. There are 100,000 blacks in the country who are partly civilized. It was from that country that the Jesuits imported slaves into America, because in those days, when slavery was legitimate, it was believed that in the tropics white people could not resist the heat sufficiently to do any work.

Three years ago the League of Nations appointed a commission, on which was Dr. Charles S. Johnson, another American, to inquire into some conditions in Liberia. The League is constantly appointing Americans to do all sorts of things, although the United States is not a member. There was the Dawes Plan, which fell down, and after that there was the Young Plan. The last big conference was at Lausanne, when Germany gave notice that at the expiration of the moratorium she would be unable to pay her debt; indeed, if she had the money she would not pay it. As a result of the representations of the delegate from the United States the other nations were led to believe that all the debts would be forgiven. They were agreeable to that proposition only because they understood the American delegate had a right to speak for the United States and that country would wipe out all debts payable to it by the Allies. The League of Nations has spent a lot of money on plans for financial and social assistance to Liberia, but that country has refused to accept them. And now it appears that England wants Liberia expelled from the League.

And we all remember the Corfu incident. General Tellini and four others, members of an engineering unit apparently similar to our Royal Engineers, were marking the frontier between Albania and Greece, and were killed. It is admitted that posts had been removed. Under article 16 it was clear that Mussolini, if he attacked Greece, would be putting Italy at war with fifty other nations that belong to the League, but he did not hesitate on that account. The Italian fleet bombarded Corfu, killing some men and more children, and the people there hoisted the white flag of surrender. As soon as Sir Eric Drummond heard of the bombardment he went as fast as he could by train to see Mussolini.

In an article in the *North American Review* of November, 1923, Stephen Lauzanne gives an account of an interview with Mussolini. There is no doubt that the interview is faithfully reported, because the writer would know that if he distorted the facts he would not get another interview in that quarter.

A telegram came in, and Mussolini said, "Bene, molto bene!" He tossed the message over to Lauzanne. It announced that Corfu had surrendered. A few minutes later another telegram came in, and Mussolini turned very pale, and exclaimed: "E' terribile, terribile! E un giornata nera!" Lauzanne thought that a catastrophe had happened. It was the news that four aviators had been killed in a crash. And Mussolini cried like a child.

Lauzanne said to Mussolini that England would not be pleased at the attack on Greece. Mussolini was ready with an answer. He pointed out that in 1850 a Portuguese Jew, Don Pacifico, owned in Athens a store which was looted during a riot. He asked damages of 800,000 drachmae—then worth about eighteen cents each—and took his case to the Greek courts, where he lost. Claiming that he was a British subject, he appealed to England, and Lord Palmerston, the Prime Minister, immediately ordered Admiral Parker to proceed with a fleet to Piraeus. Two hundred ships in the harbour of Athens were seized. Mussolini asked, "If England could seize two hundred ships for damages of 800,000 drachmae, how many islands can we take for 50,000,000 lire?"

The House of Lords thought that Admiral Parker proceeded in a very high-handed way, and they were not very much in favour of his action. But in a four-hour speech in the House of Commons Lord Palmerston defended his course. He pointed out that the Jew had appealed to England as a British subject. In the olden days, he said, if a man needed protection anywhere in the world he needed only to say, "Civis Romanus sum." And Palmerston declared he wanted it understood that a man was safe anywhere if he could truthfully say "Civis Britannicus sum"—"I am a British subject."

With regard to the incident at Corfu, the Congress of Ambassadors met and arranged to give Mussolini 50,000,000 lire; otherwise they feared he would withdraw Italy from the League. The ultimatum sent by Italy to Greece required the most solemn public apology, a ceremony of expiation in Athens Cathedral and a high mass for the repose of the souls of the slain Italian General and the four Italian engineers, and a salute to the Italian flag. Mussolini was ashamed to take the money; so he resurrected the Order of the Knights of Malta, to whom he handed the 50,000,000 lire, with instructions to go to Corfu and make good whatever damage had been done by the bombardment.

The League failed to settle the Vilna trouble. His Excellency Paul Hymans, the great Belgian statesman, was appointed sole

commissioner. He gave three decisions and each was turned down by the countries concerned.

The settlement of the Upper Silesia boundary dispute cannot be credited to the League of Nations. Stephen Lauzanne states that France was chiefly instrumental in persuading the parties to accept arbitration. He adds that the Supreme Court of the United States or the Pope could have given a decision that would have been equally acceptable.

In 1921 and 1922 war was raging in Asia-Minor between the Greeks and the Turks. We all remember the Chanak incident. Lloyd George was Prime Minister at the time. I suppose, like most Prime Ministers, he desired to remain in office, and presumably it was worth a little war to ensure his tenure of power. He cabled to our then Prime Minister, the Right Hon. Mackenzie King, and asked if Canada would join in the projected war with Turkey. Mr. King requested to be informed of the reason for the impending hostilities. The right honourable gentleman who now leads this House did not hesitate on that memorable occasion; he answered, "Ready, aye ready!" There was an election in progress in Bagot county—no, that was later on, when the right honourable gentleman made his speech in Hamilton and proposed that there should be a referendum before this country entered into another war. I may say that yesterday I was told by a very prominent man of the Conservative party that after the right honourable gentleman explained his Hamilton speech before the great Conservative Convention at Winnipeg he would have been elected leader had the vote been taken at the close of his address.

In an interview on the 14th of this month Mussolini stated to Hector Bywater, of the Daily Telegraph, that the League of Nations was dying. He expressed himself in favour of reforming the League, but added that if disarmament was not effected the League would no longer have any right to exist. I consider Mussolini one of the greatest Latin geniuses since Napoleon, and when he goes out of his way to make a pronouncement such as I have just cited, one may presume that he is pretty well convinced he is right.

Now, honourable members, I desire to quote the Toronto Star. It says that England will fight for trade, but not for a moral principle. Well, a moral principle depends on various persons' opinions. The great Napoleon said that the English people were a nation of shop-keepers. We know that those shop-keepers gave him a good deal of worry—in fact they

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worried him to death. After all, trade is the life-blood of a nation, and is worth fighting for.

The British Empire to-day has a population of no less than 485,000,000, occupying pretty nearly one-quarter of the total surface of the world. The total land surface of our globe is 57½ million square miles. The British Empire covers about 14 million square miles. At the end of the War Great Britain was given a mandate over the former German-African colony of Tanganyika, comprising 336,000 square miles. She divided Togoland with France, another German-African possession. This of course left the Germans without any colonies. When the War was ended and the Treaty of Versailles signed England had rid herself of the German naval menace and received the German colonies in Africa. As might be expected, these colonies are being well administered. Certainly Great Britain came out of the War with increased prestige—at which we all rejoice.

Right Hon. ARTHUR MEIGHEN: Honourable members, the few remarks I have to make may as well be injected into the debate now, because, first, I think they can be readily compressed within the interval before adjournment, and, secondly, it seems to me that at as early a date as may be suited to the convenience of honourable members this debate should be brought to a close.

This is not said by way of reflection on the wisdom of the introduction of this discussion, for it is well that we should give attention, and fairly continuous attention, to the great problem involved in the resolution. Much less is it said in derogation of the excellent presentation of the question made by the honourable senator from Vancouver (Hon. Mr. McRae). His speech—in which, I must say in opening, I can find very little to agree with—was a compendium of information and a complete criticism of the conduct of the League of Nations during the short period of its life, and of the attitude of various nations towards it, as well as a warning of what he conceives to be the dangers of our inclusion in its membership.

I want to say very emphatically that if I thought there was any very serious or general sentiment in this country adverse to our continuing as a member of the League, I should feel disappointed indeed. This is true despite the fact that there are many discouragements incident to the history of that great institution; also that there are weaknesses in its present organization, and good reasons for criticism of the attitude in times

past of prominent members of the League, which has resulted in its failure at crucial junctures.

In determining whether or not Canada should continue to adhere to the League we must have regard, I think, to considerations deeper than all these things. We must endeavour to look very far ahead and take careful cognizance of our position before we take so serious a step as to indicate that we are thinking of turning our faces away. We have to decide what would be the consequences of such a decision on the part of this Dominion.

My thought turns immediately to the consequences within the British Empire itself. As complained by the honourable senator from De Lanaudière (Hon. Mr. Casgrain) in his very interesting address, we may not be counted among the high contracting parties. For myself, I do not care very much about the altitude of our contracting status: we are serious contracting parties. And we are members of the League as a Dominion of this Empire. It would seem to me of disastrous significance that this country should seek to lead the march of that Empire out of the ranks of the League. Certainly I could be no party to such action being taken without the fullest consultation with all other members of the British Commonwealth, without every effort being exhausted to see that that Commonwealth does fully its part to enable the League to function.

We all understand its purposes. It is well for us to measure and see whether or not those purposes have to be abandoned because of certain failures which have marked the course of the Council and Assembly over a period of years. The great mission of the League is to form a barricade against the recurrence of war in either hemisphere. Of course we all know as well some collateral purposes. It is the only institution to which any nation has the right to look for reforms which must have universal concurrence in order to effect results. Consequently the League addresses itself to the tasks of restricting opium traffic—a world problem—of controlling epidemics, of limiting and if possible eliminating the white slave traffic, and to other high and worthy objectives. We all admit that these have to be more or less subsidiary to its great purpose. We never can feel satisfied if it does not ultimately achieve the object of its creation, but merely stops the spread of opium traffic between continents or reduces the white slave evil. Yet it does not follow that these objectives are not worth achieving, that we have not to measure what the League does

along these lines before we hastily turn our backs upon it. We all agree that much has been done in these collateral spheres.

I want to examine for a moment how far the League gives promise of reaching real results in contracting the possibilities of war. That it has been able at various periods to prevent minor conflicts we have to concede. I fancy there have been perhaps four, five or six occasions when this world, organization has been utilized successfully in bringing to settlement conflicts that might have extended and become very serious. That the intervention of the League has been useful, not in spheres of a major character, but nevertheless in important spheres, in limiting loss of life and the curse of war on this globe, is undoubted. But even there, of course, it has not as yet given promise that it can fulfil the real and larger mission for which it was created: that mission was to prevent the recurrence of such a calamity as the world suffered in the tremendous conflict which terminated in 1918.

The magnitude and imperious character of the cause for which the League exists, I hope we all appreciate. I listened with great interest to the scholarly address of the honourable senator from Westmorland (Hon. Mr. Black). I must say that I cannot estimate as he does the nature of war at this time, or the importance of striking war from the calendar of world events. The honourable senator seems to think that as the mechanism of war improves, the mechanism of defence marches with it side by side, and that in consequence war, instead of becoming more and more dangerous, more and more fatal, becomes really, so far as those participating in it are concerned, more and more merciful. He gave percentages of fatalities in the Battle of Waterloo, the Battle of Agincourt and other battles in the history of Britain and France, to show that of the numbers participating in those conflicts a greater proportion suffered death than in even the larger engagements of the Great War.

This may be true, but it is only one phase of the picture. When we look at the whole drama, war now assumes a portentousness that cannot possibly be compared with anything in history. In the last struggle there were not just a few hundred thousand taking part, as in the Napoleonic Wars, or a few tens of thousands, as in the wars of the Tudors or the early wars with France, but numbers running into tens of millions. Indeed, in that conflict, which lasted only a little more than four years, ten million fell and certainly not less than twenty-five million or

thirty million were wounded. It was one colossal and unending battle from the Declaration to the Armistice.

But, because of the nature of the struggle, its tragedy did not end there. All soldiers underwent a trial, an ordeal, from which many of them through the whole course of life can never escape. The nerve-wracking endurance left their mark on all but a few of those who survived. As the war progressed it became more and more an affair of the civilian as well as of the Tommy and the Jack Tar. Engines of destruction invaded homes of civilians, and were about to do so on a far vaster scale. In considerable degree it was this fact which finally brought about a cessation of hostilities. The pressure that ultimately broke the heart of Germany was the pressure of the British fleet, which refused to let supplies pass to civilians of that country. This pressure was applied by way of reprisal for a submarine campaign which had been directed against civilian populations in England. When inventions of modern times were turned towards people at home, the war became more and more a great struggle between unarmed masses in virtually half the world; and as it drew near a close those engines of destruction multiplied in their severity. This severity has again been multiplied in posse since by the progress of science, until today it is impossible to conceive what would be the consequences of a world struggle which lasted for more than a few weeks.

The last war brought many surprises. None of the specific predictions were verified by the events. We are as prone to minimize the consequences of the next struggle as we were of the last.

I know there are differences of opinion. There are those who feel that these death-dealing mechanisms cannot be produced in sufficient quantity and on a sufficient scale to be a serious menace to the great proportion of mankind. But I cannot understand computations which estimate the results of the next conflict at less than many times the magnitude and horror of the last. Authorities like the three political leaders of our country, like Stanley Baldwin and Butler, like all those who survived in the sphere of high statesmanship the struggle of 1918, are not far wrong when they tell us that if civilization does not wholly disappear after another conflict, at least there is no hope of anything of the character of our present social structure surviving for an hour. Consequently the greatness of the League's purpose is borne home to us all. That

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in these fourteen years it has achieved or given great promise of achieving that purpose is, I am free to admit, uncertain. I am free to admit that there is much room for criticism, perhaps for discouragement; but there is no room for despair.

The withdrawal or threatened withdrawal of two great nations is indeed a serious blow. Germany came into the League six years ago. She has now given notice of retirement for reasons which to the world outside do not seem to have any basis in rationality at all, for, whatever the complaint of Germany may be, it cannot be against the League. It may be against certain members in respect of their attitude towards disarmament. No complaint that Germany may have on the ground that equality has been denied her can be addressed to the League of Nations, for within the framework of that institution she has had full equality. But the time certainly cannot be far distant when Germany will look to the League for the realization of some advantage. The other side of the shield is certain to appear, and Germany will probably find some reason to return to the fold of that institution for the betterment of her own position.

The conduct of Japan is, I fear, universally criticized as well. Japan claims to have kept within the provisions of the Covenant; at all events she says, "If I have not, I am prepared to leave." But how she can believe she has kept within the provisions of the major articles of the Covenant I am at a loss to understand. Undoubtedly the appeal of China was made under that special article out of which there does not grow the imperative application of the sanctions called for by other articles. Whether it was by reason of pressure on the part of greater powers that China made her appeal under the article which did not call for sanctions, I do not know. At all events there was unquestionably no disposition on the part of the greater powers to take the risk of applying sanctions for the objective to be served in the case of the Manchurian conflict.

This brings to my mind the thought which, more than any other, I wish to impress upon the House at this time. I will put Great Britain, France and Italy all in the same category in this regard. They did not see fit to apply economic and financial sanctions called for by article 16 of the Covenant. They knew, as we all must know if we study the penalizing terms of that article, that such action must have led to war, and war on a grand scale, unless Japan receded. I do not quite like the spirit which seems to

me too prevalent in our own country, and which I may describe in this way: We are glad to be members of the League, because under article 10 as re-interpreted, with the dissidence of Persia, we do not at any time actually need to fight. We are happy to be within the pale of the Covenant, because all we can be asked to do is to refuse to trade; and we hold up both hands for the League of Nations because of this re-interpretation which will always keep Canada out of war, no matter what to others may result. But we complain bitterly unless Great Britain on the one hand and France on the other take steps which they know will involve them in war and all it entails, because of the force and impingement of the Covenant of the League. Until this country is ready to take the whole consequence of membership in the League, and take its whole part in the enforcement of its covenants, we have no right to rejoice in membership at all. We stand by and say that the Allies won the War, and that it was their duty immediately afterwards to win peace—to stand together as a league of conquerors and enforce peace against the fallen foe. We say it is no part of our duty to enforce peace; that the worst we could be called upon to do would be to refuse to trade with recalcitrant nations.

In the degree in which that attitude of mind prevails among its members the League will fail to achieve its purpose. Only in the definite knowledge that every country is ready to live up to its whole responsibility for the enforcement of compliance with covenants can the League ever attain its end. I agree entirely with the stand taken by the honourable senator from Edmonton (Hon. Mr. Griesbach) that when we sought to reduce, abbreviate and attenuate the meaning and force of the covenants we applied the poison from which the League is suffering at this time.

Hon. Mr. CASGRAIN: Hear, hear.

Right Hon. Mr. MEIGHEN: The honourable senator across the way twitted me because I once used the words "ready, aye ready," as expressive of the proper attitude of Canada in respect of a violation of a treaty. I am not a master of phraseology; I sometimes take my phrases from greater men. In that case I adopted a phrase of the late leader of the Liberal party, Sir Wilfrid Laurier, whose memory I revere. Never did I honour him more than when he used that language in the House of Commons as expressing the proper stand of this country in the event of a

British war. But I surrounded the application of the phrase with a condition. What I said was that when Canada signed a treaty and our Government had it ratified by the Parliament of Canada, this country had no right on the violation of that treaty by another power to say to Britain: "It is for you to enforce it, but not for us at all. All we had to do was sign it." I think if the honourable senator from De Lanaudière (Hon. Mr. Casgrain) will recall the circumstances, his heart and his mind will be with me in respect of that violation more than with those who twitted me at that time. Canada then took the stand that she has too often taken: that all we have to do is to pass high-sounding resolutions in Parliament, to get into the ranks of the contracting parties—the high contracting parties, if possible—to affix the seal of Canada and to exalt certain citizens by letting them sign opposite our seal; but that when it comes to assuming a burden and a peril it is for us to crawl out of our assurances and jibe at anybody who dares say that Canada should be "ready, aye ready."

There is the spirit which has led to the undermining and weakness from which the League suffers to-day. No wonder the greater nations, feeling that the onus would be entirely on them, and that they would probably be held eternally accountable for precipitating another great war within a decade of the end of the last, stood back and said, "We had better wait and see if this conflict cannot be avoided without too great a cost, even though its avoidance means a very serious impairment of the rigidity of covenants and the effectiveness of the League of Nations."

I am not very hopeful that in the present atmosphere of the world the League can, in the event of tremendous strain between first-class powers, operate efficiently and successfully in preventing a war. It might. I think it probably has more chance of doing so than any other institution known to man; and, whether it succeeds or not, at least it should be effective as affording a sanctuary within which can gather those who wish to consecrate their collective strength to prevent the shedding of blood, and as affording a tribunal to which all can appeal.

The honourable senator immediately opposite (Hon. Mr. Dandurand) stated in a few impressive words the truly great value attaching to the League to-day. He said that within its fold are fifty-four nations, every one of which is striving to justify its conduct, to give moral tone to its international relations and keep them on the highest plane; and

there is not one of those nations but would feel ashamed if it were found guilty of conduct which it could not justify. This onus which is thus thrown upon the aggressor is in itself of enormous value. Therefore the world is likely to benefit more from the League than it ever did from the old system which sought to balance the strength of one group of powers against the weight of another. Surely it is more like to succeed than any other institution which mankind has been able to devise. My hope is in the longer view.

I entirely agree with the honourable senator opposite that a stunning blow was struck when the United States refused to join the League. I am one of those who hold a conviction that the decision of the American Republic to disregard the pleas of its great President and to withhold its allegiance was probably the most deplorable verdict ever given in the history of the world. This great instrument was in large measure the ideal of President Wilson himself. His intellect dictated in considerable degree its terms. The personality of the man drove through, against tremendous obstacles, many of the features of the covenants. After he had done all this while he was understood to speak on behalf of the great nation he represented, strong opposition developed at home, the lessons of the conflict were forgotten, the peril of the future and the interdependence of nations were all cast behind, and the United States quietly withdrew, contending that these covenants were not theirs and they could take no responsibility. At the close of a war from which they had been determined to escape, in which for three years they declined to participate, the course of which showed that no country could remain neutral without completely forgetting or submerging every principle of honour, a war which proved that another on the same scale would make neutrality impossible for any length of time, and which showed that the world had become a unit and the interests of all nations were intertwined, how they could feel that the peace and welfare of that unit did not concern themselves passes the comprehension of thoughtful people in all other countries. But such was their decision, and from the consequences of that decision we have not been far removed in the whole course of these succeeding fourteen years.

Had all the nations assembled at Paris after the war stood by the great creation of the Peace Conference, there would not have been, in my opinion, any resignations in the year 1933, and no defiance of that universal power

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would have been long endured. But we have to take things as they are. I believed that if there were another conflict, with the experience which would inevitably be the lot of the United States as of all other parts of the world, the American people would not long hesitate after the close of the conflict to signify their eagerness to join a League of Nations. Should there be another struggle, in which perhaps they would be participants for the whole period rather than for one-third of it, there would likely be at its end no reluctance on the part of the United States in joining the other powers, in realizing that nations are as brothers, and in doing their part to prevent the occurrence of still another world calamity. Believing that, and knowing that there is at least some value in the League as it now stands, in its reduced and one might even say its emaciated form, and confidently hoping that with the passage of time and the experience that comes with time those nations who have retired from the circle of the League will return, and those who have not yet entered will see its usefulness and become members, I feel that we cannot do better than stand by to the last, remaining faithful and steadily doing our full part in support of the organization. Let us by our example illustrate what the League can become, not only by contributing to its upkeep, but also, if it becomes necessary to do so in order that the collective will of all the nations within its fold may prevail, by standing ready even to draw the sword on behalf of that collective will.

The whole question is whether the future is to belong to reason and wisdom or because of some sluggish, poisonous obstinacy in human nature to be given over to profligacy, lunacy and ruin. For myself I hope for and believe in the brighter destiny, as I am sure does everyone in this House. We believe that sooner or later there will come a time when a League of Nations will be the arbiter of the world. Man learns from experience. Often it seems he can learn only through suffering, but somehow or other he always learns in the end. And he will learn in this sphere of international relations. Before he fully applies the lesson there may be an interval, and it may be a tragic interval of perversity, of destruction, of human immolation, but if we take the long view we can see that the future will be under warmer and brighter skies. The time is coming when there will be universal allegiance to the League as the only possible fortification which can stand between man and international anarchy. Let us hope that time will soon arrive. Let us hope that the allegiance which

ultimately all nations will give will be accorded under the sunshine of reason and in the hour of triumphant peace, and that these pledges of fidelity will not wait to be spoken in the black perdition which follows an overwhelming catastrophe, by the gasping breath of a condemned and stricken generation.

The time is coming when peoples will rejoice in the measure of their devotion, when they will be glad that through dark and discouraging years their countries stood true and never wavered. The time is coming when even on this continent the tragic drama of 1920 will be reviewed and redeemed, when the name of Woodrow Wilson will come back into its own, when it will be written large across the pages of history, above the names of men who made nations and saved them, because it will be recognized that he at least tried even unto death to do something greater still. The time is coming when his name will shine resplendent over this hemisphere, not because of the triumphs which from time to time crowned his life, but because of the momentous mission, the glorious endeavour, in which in his last crowded and toiling days he failed.

For us the journey may be long and arduous. But I hope that at its end it will be possible to say of Canada that throughout its whole weary length we kept the faith.

On motion of Hon. Mr. Tanner, the debate was adjourned.

The Senate adjourned until to-morrow at 3 p.m.

THE SENATE

Wednesday, May 30, 1934.

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

Prayers and routine proceedings.

PRIVATE BILL

FIRST READING

Bill 28, an Act to incorporate Ancient Foresters' Mutual Life Insurance Company.
—Hon. Mr. Coté.

SHIPPING BILL

CONSIDERATION OF COMMITTEE AMENDMENTS

Hon. Mr. GRIESBACH moved concurrence in the amendments made by the Standing Committee on Banking and Commerce to Bill E, an Act respecting Shipping.

Hon. Mr. MURDOCK: May I ask the right honourable the leader of the House a question? Here is a Bill that came to us in February last, since which time it has been before the Committee on Banking and Commerce. I understand from hearsay that many amendments have been made to the Bill, and that those amendments are what we are now asked to adopt. I may say that I—and I believe this is true also of other members of the Senate, with the exception of those who sat on the Banking and Commerce Committee—have not the slightest idea what the amendments are. Does not the right honourable gentleman think, in view of the complimentary references that have been made to the Senate as a working body, we should have before us the text of those amendments before we are asked to adopt them? If I am in order I would respectfully insist that we should have the Bill, with the incorporated amendments, before us, so that we could logically, carefully and properly consider them. This applies to the Shipping Bill and also to the Courts of Admiralty Bill.

Hon. Mr. CASGRAIN: This is a public Bill, is it not?

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. CASGRAIN: Then it should go to Committee of the Whole.

Right Hon. Mr. MEIGHEN: Honourable gentlemen, I certainly have no objection to any procedure the Senate may desire to follow in regard to this measure, but I think a statement in reference to it, most of which would be applicable also to the Courts of Admiralty Bill, may be of value.

Nothing in the way of legislation introduced since Confederation bears any analogy at all to the present Shipping Bill. Possibly the Criminal Code, in the scope of its legislative sweep, and the utter lack of precedent before those who had to draft the law, would be the nearest approach to this measure.

This Bill has been deemed necessary because of the Statute of Westminster. Unless we choose, as I understand two other Dominions have done, to regard the Statute of Westminster, for the present at least, as non-effective in respect of shipping—a closed book, a dead letter—such a measure as this is essential. Having accepted the Statute of Westminster, we felt it to be our duty to build into our law a shipping statute. This involved problems which had never been before Parliament. Some of them were problems of principle, but largely they were problems of immense detail, gigantic in number

and magnitude, and necessitating work of a very technical and definite character.

This Bill, it will be remembered, was introduced into the Senate last year as a Government measure. It went to the Committee on Banking and Commerce, and after many weeks, I think I could say months, of study on the part of that committee the Bill became water-logged and had to be abandoned for the session. The reason was, as I think I have already intimated, the fear that if it was passed in any form we could at that time design we might find in certain instances and on certain occasions that our ships, sailing the seas of the world, and supposed to come under the law of another Dominion, were under no law at all. Therefore we felt we had better keep our ships, as in the past, under the Merchant Shipping Act of England, until such time as we could more thoroughly work out the problem.

This session a new Bill was introduced. It was prepared under the supervision of the officers of the Department of Marine, and in consultation with the governments of other countries, particularly the British Dominions, with a view to making certain, if possible, that we should not step into an unknown gap and find ourselves in a state of collapse. This Bill was referred by the House to the Committee on Banking and Commerce. That committee already had a heavy load of legislation before it in the Insurance Bill, the Admiralty Bill and some other measures of less consequence. Then the step was taken—one rarely taken, in my experience at least—of appointing a subcommittee which would give virtually its whole time to this Bill. That subcommittee consisted of—I shall name not all the members, but most of them—Senator Griesbach, the chairman, Senator Brown, Senator Tanner, Senator Graham and Senator Coté. They took the Bill as their own special charge. They sat throughout the Easter holidays and for some time after, and did not observe union hours of labour. They were assisted by Mr. O'Connor and Mr. Anderson, the last mentioned gentleman being lent by the Department of Justice. In consequence of the labours of the committee it was deemed wise to have the Bill reprinted. The amendments consisted of the excision of no less than forty sections, the introduction of between one hundred and ten and one hundred and twenty sections, and other changes far exceeding one hundred in number. The Bill as amended was hardly recognizable as the one that went to the subcommittee. To have thrown it into this House, or the Banking and Commerce Committee, with this mass of amendments attached, would only have caused

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confusion; so the subcommittee got authority from the Committee on Banking and Commerce to reprint the Bill. It contains, I think, some nine hundred pages; so from a financial standpoint the reprinting was no light undertaking. It was felt, however, that this was the only adequate way of dealing with it.

The Bill came back to the general committee in the reprinted form, and that committee proceeded to hear representations from shipping associations, pilotage associations, labour associations and shipping interests, all in addition, of course, to the many who appeared before the committee a year ago. At the conclusion of this review, everyone being heard who desired to be heard, the reprinted Bill was again amended in some particulars which were important, and in some not so important. Every portion of the Bill as to which any representation has been made pro or con was thoroughly reviewed by the general committee, and the proposed legislation has now been submitted to this House.

Now honourable members wish that it go before the Committee of the Whole. There certainly would be no objection on the part of the Government, nor of anyone, but if this House is to study the measure with anything like the thoroughness of the select committee, we shall be working on it just as long as the committee was; and unless we do study it with that thoroughness, I see little use in referring it to Committee of the Whole. We can examine a bill comprising a few pages, like most of the measures that come before us from time to time, but I doubt that in the present instance we could do work of any special value in addition to that which the select committee has already done.

There would be no use in committing the old bill with the amendments. This may as well be considered a new bill. It is a mass of details having to do with problems that arise in shipping. I do not know that it contains anything which could be called a matter of policy.

If in the face of the statement I have made the House desires to resolve itself into Committee to consider the measure, there is certainly no objection to that course. But, as I have said, nothing is to be gained by a perfunctory examination, and if every honourable member is to make himself as familiar with the various sections as are the members of the select committee, we shall need to spend as much time and labour on it as that committee did.

Hon. Mr. HARDY: Can the right honourable gentleman tell us about how long it took the general committee to revise the amended bill? I understand it took approximately two weeks or more.

Hon. Mr. BLACK: About twenty-six sessions.

Right Hon. Mr. MEIGHEN: I cannot say just how many sessions, but there were not twenty-six. Several meetings were held, and they lasted for several hours, and ended on the evening of the 24th of May.

Hon. Mr. HARDY: The committee sat much longer, perhaps, than the Senate would care to sit?

Right Hon. Mr. MEIGHEN: Yes, I think so. We are all ready to go into Committee, if that is the wish of the House, and there certainly is no reason why I should shrink from this course. But I want the Senate to understand what it would mean. In order to do work of any value we should have to go over the whole long journey, taking each step with the same care that was taken in the Banking Committee, and having the same detailed explanations. I had rather thought the House would be disposed to accept the verdict of that committee in this matter.

Hon. Mr. HARDY: Hear, hear.

Right Hon. Mr. MEIGHEN: I should not anticipate that the Bill would go before a special committee of the House of Commons and run the gauntlet there as it has done here. But should my view prove wrong, the sessional indemnity certainly would not be too large.

Hon. Mr. PARENT: It is my good or bad fortune to be a member of the Standing Committee on Banking and Commerce, which has had the duty of studying our shipping legislation and making any amendments thought necessary. At its sittings for the consideration of this measure the committee was at first presided over by the honourable senator from Westmorland (Hon. Mr. Black), who was very efficient in his office. He was succeeded by the honourable senator from Edmonton (Hon. Mr. Griesbach), who likewise was very efficient. Credit must also be given to the right honourable leader of the House (Right Hon. Mr. Meighen), who was present at all the sittings and devoted a great deal of time and study to the measure. The same may be said about the honourable leader on this side (Hon. Mr. Dandurand).

Right Hon. Mr. MEIGHEN: Hear, hear.

Hon. Mr. PARENT: As members of the committee we all think we have done the best we could, and it seems to me nothing would be gained by imposing upon all honourable members of this Chamber the arduous duties that we have been performing at numerous sittings, extending over at least a month and a half.

Hon. Mr. MURDOCK: I understood the right honourable leader of the House to say that the Bill had been reprinted.

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. MURDOCK: May we get a copy of it?

Right Hon. Mr. MEIGHEN: Has not the reprinted Bill been distributed?

Hon. Mr. MURDOCK: The copy that I have on my file is dated the 27th of February.

Right Hon. Mr. MEIGHEN: I have just been told that the reprinted Bill is ready for distribution and copies of it are piled up at the door. I think every honourable member should have a copy.

Hon. Mr. MURDOCK: That is all I am asking for.

Right Hon. Mr. MEIGHEN: I thought it had been distributed. The honourable member's request is certainly reasonable. Members of the House should have access to the Bill; it should be before them, so that they may have an opportunity of going through it, and if it contains anything which appears to be worthy of inquiry or to necessitate a change they would be quite in order in asking about it. As I say, the honourable member's request is reasonable, and I therefore think the motion should not be proceeded with to-day.

I have just been advised that the reprinted Bill does not contain the amendments made by the standing committee upon the report of the subcommittee: it is the Bill as reported by the subcommittee. The amendments made by the committee will be available to-morrow; so honourable members will have everything before them then.

I should not have sat down before without paying tribute to the fidelity and competence of the subcommittee. I think I have never seen a better piece of work done by any committee of this House than the work which the subcommittee did on this measure.

Hon. Mr. DANDURAND: It is my understanding that the amendments made by the Committee on Banking and Commerce, after the report of the subcommittee had been received, could not be reprinted until adopted

by this Chamber, because some rejections or modifications might be made here, and in that event we should require to have those included in the measure when sent to the House of Commons.

I regularly followed the work of the whole committee on this important and intricate piece of legislation. As the right honourable gentleman has explained, we decided to leave it to a subcommittee. When it was reported back to us we were highly pleased with the result of the obviously diligent and serious work that had been devoted to it. The reprinted Bill, containing the subcommittee's amendments, was distributed among interested parties in Canada, and we then listened to a number of additional representations and proceeded to make some further amendments. It is my opinion that honourable members who have not given some study to the Bill will hardly be able to arrive at a very clear understanding of the proposed amendments between now and tomorrow. I do not think any committee elsewhere could deal with the many technical clauses of this Bill within five or six weeks. It seems to me it would be well for the House of Commons, at this stage of the session to accept the Bill in the form in which it leaves the Senate, always reserving, of course, the right to challenge any principle.

Hon. Mr. TANNER: For the information of honourable senators who are not members of the Standing Committee on Banking and Commerce, I may point out that the Bill which is now being distributed is the amended form of the original Bill. Accompanying this amended Bill is a printed concordance which gives a complete record of every change that the subcommittee of the standing committee made in the original Bill.

The Hon. the SPEAKER: Is the Order to stand?

Right Hon. Mr. MEIGHEN: Yes, until tomorrow.

Hon. Mr. CASGRAIN: It is a rule of the Senate that public bills should be dealt with, not by a standing committee, much less by a subcommittee of that standing committee, but by Committee of the Whole. Sittings of the Senate have been cut short in order that measures which should be considered by this House might be dealt with by standing committees. For the last few years it has been the practice to refer important public bills to a standing or a special committee. In some cases, as in this, a subcommittee has actually dealt with the Bill. This is contrary to the rules of the Senate—and I have been

a member for thirty-four years. Surely anyone interested in a bill originating in this House can find an honourable senator who will submit to us the necessary information on the measure.

Hon. Mr. GRIESBACH: Honourable members may be interested to hear something of the actual work involved in the consideration of this Bill, for it indicates what would lie before Committee of the Whole were it to undertake to discuss the measure clause by clause.

As has been pointed out, we had before us last session Bill J. This session it came before us as Bill E, consisting of 822 clauses, together with some 150 pages of schedules. The subcommittee reduced the Bill from 822 to 719 clauses by the following process: 16 new clauses were added; 40 clauses were dropped or superseded as superfluous; 51 sub-clauses were added; 58 clauses were rewritten; 279 clauses were amended; 186 clauses were relocated; the schedules to the Bill were in one case entirely changed. Then the main committee, finishing its labours a few days ago, made 42 principal and numerous minor amendments. The principal amendments occupy three and a half pages; there are in addition amendments occupying several typewritten pages.

To discuss the Bill in Committee of the Whole clause by clause would take quite as long as the time which the Standing Committee on Banking and Commerce has already devoted to its consideration. The honourable gentleman from De Lanaudière (Hon. Mr. Casgrain) a few days ago spoke of that which is possible and that which is impossible. I venture to assert that it would be almost impossible at this time for the Committee of the Whole to give thorough consideration to this Bill clause by clause. However desirable it might be, I do not see how it could possibly be done.

Hon. Mr. CASGRAIN: That is a rule of the Senate.

Right Hon. Mr. MEIGHEN: The honourable member thinks that public bills should not be referred to standing committees?

Hon. Mr. CASGRAIN: Exactly.

Right Hon. Mr. MEIGHEN: Well, it is not a rule elsewhere. The Commons referred the Marketing Bill and the revision of the Bank Act to standing committees. Does any honourable member suggest that in Committee of the Whole we can go into the details of a cumbersome, voluminous measure like this and revise it on the wholesale scale which the honourable chairman of the sub-

Hon. Mr. DANDURAND.

committee indicated a moment ago? Every honourable member knows that it cannot be done. The honourable member from De Lanaudière says, "Let us go through the Bill in the House." If we do so the Senate will be charged, as we have been charging the Commons ever since Confederation, with holding up measures until the end of the session; either that or we must be content with a perfunctory, farcical review of the Bill. We can take our choice.

Hon. Mr. DANDURAND: Although I am out of order in speaking a second time, may I add that in stating the House of Commons would perhaps be well advised to accept the form of the Bill as it comes from the Senate, I desired simply to draw attention to the fact that towards the close of nearly every session since 1867 the House of Commons has placed this Chamber in the very same situation by leaving it no time to make changes.

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. CALDER: I have but one suggestion to make. It seems to me there is some basis for the position taken by my honourable friends from De Lanaudière (Hon. Mr. Casgrain) and Parkdale (Hon. Mr. Murdock). This Bill comes before us mainly, one might say, from a subcommittee. The majority of the members of this House have had no opportunity to consider the measure at all. I never saw it until this morning. Those who are not members of the Banking and Commerce Committee have not read the Bill, and I presume at this stage they are not likely to do so. As for the Committee of the Whole dealing with the Bill clause by clause, I think it would be foolish to make the attempt. But the pilotage interests, the labour organizations and others are interested in certain provisions of the Bill, and we might very well consider the measure in Committee of the Whole in order to give ample opportunity to honourable members to discuss contentious points. In this way we should hear the arguments pro and con and be in a position to vote intelligently.

Hon. Mr. PARENT: It will take a long time to go through the Bill clause by clause in Committee of the Whole.

Hon. Mr. CALDER: I am not suggesting that the Bill be considered clause by clause. I think we could deal with contentious points in a comparatively short time.

The motion stands.

COURTS OF ADMIRALTY BILL

REPORT OF COMMITTEE

Hon. Mr. GRIESBACH moved concurrence in the amendments made by the Standing Committee on Banking and Commerce to Bill C, an Act respecting Courts of Admiralty.

Hon. Mr. MURDOCK: Would not the discussion we have had on the Shipping Bill apply to this measure?

Right Hon. Mr. MEIGHEN: It would to some extent. Of course, this Bill is not nearly as ponderous as the Shipping Bill.

Hon. Mr. MURDOCK: Has the Bill been reprinted?

Right Hon. Mr. MEIGHEN: It has been reprinted twice. This Bill has relation to jurisprudence in admiralty, not to the actual duties of ship owners and the like.

If honourable members desire, we can defer consideration of the measure, but I hope the House will keep in mind that we do not want to have either this or the Shipping Bill delayed in reaching the Commons. They are Senate bills, and certainly they involve the greatest labour by far of any legislation that has come before us this session; in fact, in the case of the Shipping bill, any legislation since Confederation. We do not want to be open to the charge that we are sending these bills over to the other Chamber at a stage of the session when there will be little time to give them proper consideration.

Hon. Mr. MURDOCK: I have no objection to the Bill being proceeded with now.

Hon. Mr. HUGHES: Honourable members, I understand this measure provides for the retirement of judges in Admiralty Courts on their reaching seventy-five years of age. It is well known to every honourable member and to many outside that some men at seventy-five years of age are just as capable as are other men at sixty-five. If a retiring age is decided upon, seventy-five might be a satisfactory limit.

Hon. Mr. McMEANS: Is the honourable gentleman referring to the Senate now?

Hon. Mr. HUGHES: No, I am not trying to be facetious. In some of the provinces there is very little work for the Admiralty Courts. If some of the judges, having reached the age limit, are retired, although well able to perform their duties, and the vacancies so created are filled, the public expenditure will be increased without any cor-

responding advantage. A judge in Ontario has passed his ninetieth birthday and is still performing his duties satisfactorily. Judges eighty years old and upwards also show no diminution of mental vigour. This is a time for economy, and I would suggest that the Governor in Council be given discretion to continue such veterans in office, especially where few cases come before their courts.

Right Hon. Mr. MEIGHEN: Without doubt there are cases such as those referred to by the honourable senator from King's (Hon. Mr. Hughes), but some definite age limit has to be fixed. The age limit of seventy-five years in this Bill appears also in the Judges Act. The objection to the honourable gentleman's suggestion will occur to us at once, that it would leave with the Governor in Council a certain measure of control over the judiciary. This is against the spirit of the Constitution. It is a well established principle that the judge is wholly free from any possible favours or vengeance from the Governor in Council—the Government of the day. Perhaps we have carried things too far in this direction. We have at least carried them so far that the Government, responsible for the administration of law, has to sit by powerless to interfere while men obviously incompetent persist in endeavouring to go through the show of performance of public duties that they can no longer perform. But I know there would be a great deal of reluctance on the part of this as well as the other House to impair the principle in any way. It seems to me the difficulty might be surmounted by the amalgamation of certain admiralty districts. This would avoid additional expense due to the compulsory retirement of judges on reaching the age of seventy-five. There is sound reason behind the honourable senator's suggestion, and I am grateful to him for it.

Hon. Mr. CASGRAIN: For sixty-seven years we got along very nicely without any age limit. A judge was a judge as long as he lived.

Hon. Mr. DANDURAND: Not always.

Hon. Mr. BALLANTYNE: No.

Hon. Mr. CASGRAIN: In the province of Quebec it has been the practice to appoint one of the judges of the Superior Court to deal with admiralty matters, and for this extra work he receives a small annual fee. A couple of years ago Mr. Justice Mignault, mentally alert and a most capable judge, was retired from the Supreme Court of Canada. He gets his pension, and his successor is draw-

Hon. Mr. HUGHES,

ing full salary. I do not wish to be disagreeable to anyone, but it was said at the time that a certain person wanted to be appointed to the Supreme Court, and it was only by imposing an age limit of seventy-five years that a vacancy could be created. The plan did not pan out, though; there was a change of government.

Hon. Mr. DANDURAND: There was nothing in that rumour.

Hon. Mr. CASGRAIN: I never said anything about a rumour.

Hon. Mr. DANDURAND: Where did the honourable gentleman pick up that statement?

Hon. Mr. CASGRAIN: Oh, it just went through my mind.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. CASGRAIN: Sir William Mulock, for instance, is eighty-eight, I think—

Right Hon. Mr. MEIGHEN: Ninety-two.

Hon. Mr. CASGRAIN: —and still holds his position. Furthermore, he acts as Lieutenant-Governor during an interregnum.

When a man reaches seventy-five the Government in power can retire him and appoint one of their own friends. But the country has to pay the pension. There have been cases in the Civil Service of three persons drawing moneys for one service. One person having been retired on a pension, another person was appointed, and he, after remaining in office only a short time, also retired, and someone else was appointed in his place. I could give instances of that kind that occurred even when we were in power.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. DANDURAND: I desire to correct my honourable friend's state of mind. I had charge of the Bill which fixed the age limit at seventy-five. The whole Senate, including perhaps my honourable friend, whose memory fails him at the moment, knew that one of the judges of the Supreme Court was ill; that another, who was past eighty, had been absent, without reporting, for six months or more, and that there was no quorum. So the court had to be reorganized and that legislation was brought in. Every member sitting on this side of the House in opposition to the Government at that time—if you can say that in this House there is an opposition—understood the situation, and the law was passed unanimously. I think it is somewhat

inappropriate to allow the public to think that the constitutional authorities of Canada would lower themselves by passing general legislation for the purposes of patronage.

Hon. Mr. CASGRAIN: As a land surveyor I am not supposed to know about these things, but is it not always possible by Order in Council to appoint a judge ad hoc?

Right Hon. Mr. MEIGHEN: Oh, yes.

The motion was agreed to.

THIRD READING

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

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

BUREAU FOR TRANSLATIONS BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 4, an Act respecting the Bureau for Translations.

He said: Honourable members, the importance of this Bill relates to the efficiency of the service, and, so far as I can find out from a study of the measure, has nothing at all to do with any other subjects raised or contentions asserted with reference to it in another place. The only purpose of this Bill is to organize the translation service of this country. It is not a Bill to deny such service where necessary or wanted. Apparently there have been ninety-one translators scattered throughout the whole service, translating French into English and English into French, having each a duty to perform, but being in no way related to one another. The consequence was that in various departments there was nobody to do translation work when it was required. Translators were attached to the House of Commons, the Senate, or some department, or else were not attached at all, but at large, and not answerable to the call of the minister or deputy who had work to be done. The result was that new translators had to be engaged and new moneys expended. Although we had translators, no one knew in just what locality they were, and they were not available and not doing very much.

Hon. Mr. MURPHY: And very often doing very badly.

Right Hon. Mr. MEIGHEN: And doing badly. This was because of the absence of answerability.

A further result of this disorganized state of the translation service was that the French version of important documents which, to be of any value at all, should be published as

soon as possible after the English edition, were coming out six or eight months later. The translators were taking their time, and plenty of it, the consequence being that the money spent in producing these translations was simply wasted.

The cost of the ninety-one translators, not including the cost of the printing, typing or other clerical assistance, was about \$252,000. The purpose of this measure is to organize the work so that there will be a head, a deputy, or someone who will be answerable to those in authority for seeing that the work of translation is done properly. Of course, so far as appointments are concerned—and I do not think it is anticipated that there will be any—the Civil Service Commission will act in its usual capacity. The Bill is introduced not for the purpose of skimming translation, but with the object of securing translations, good translations, and giving the country value for the money that is being spent.

Hon. RAOUL DANDURAND: Honourable members of the Senate, I confess that I do not know very much about the operations of the various departments in regard to translation. My experience has to do more particularly with the translation of the debates of the Senate. I must admit that in the past we have encountered some difficulty in obtaining within a short time the French translation of speeches made in English, or the English translation of speeches made in French. Very often the translation has been ready for distribution only after the close of the session.

There are, however, a few things that I should like to know in regard to what is involved in the change. There is a much larger staff of translators in the Commons than in the Senate, and I have not had opportunity to inform myself as to the rapidity with which they do their work. I suppose that our Hansard translators will be merged with those of the Commons, and that during the session there will be a special staff attending to the translation of the debates of both Houses. I should like to know if the work will be improved or will be performed with greater rapidity by that staff; and in order to know that I should have to be informed as to what happens in the House of Commons. Are the members of that House able to get a translation of the Unrevised Edition of Hansard within twenty-four or forty-eight hours?

I should like to know also whether my right honourable friend intends to have this Bill sent to a standing committee of the House or dealt with in Committee of the Whole.

Right Hon. Mr. MEIGHEN: It is my thought that this Bill should go to Committee of the Whole House. There is no need to refer it to a special committee. It is a Government Bill, and as there is nothing particularly technical about it, I think it can be dealt with quite efficiently here.

The honourable gentleman asks what is the view of the Government as to the betterment, in point of speed and accuracy, of the translations of this House as compared with those of the other Chamber. It is certainly the intention to make an improvement. I am not reflecting on the translators of the Senate debates or the Commons debates, because, as a matter of fact, I know very little about them; I have not had occasion to refer to the translations very frequently; but surely everything that is to be done in this world has to be done in an organized way. Ninety-one men who are engaged in the same class of work ought to be related to one another, and specific duties and responsibilities should be assigned to them. Furthermore, someone should be able to order the doing of any necessary work, and direct by whom it shall be done. At present that is not possible.

There is another difficulty that it is hoped to overcome. I understand the translations are so long delayed that during the summer the Printing Bureau lacks work, and men have to be laid off. In 1932 and 1933 particularly, a great many men had to be put on short hours, and printers were working only two weeks in each month. There was work to be done, but it was not ready; it was clogged in the mire of translation. When the work is better in hand the flow to the Bureau can be distributed more evenly over the year and a far better condition of employment will prevail there.

Hon. Mr. DANDURAND: As I do not suppose the right honourable gentleman intends to move the Bill into committee just now, I should like to have from him some information concerning the staffs which operate in the Commons and in the Senate in translating our laws. That is technical work which I would not think of confiding to the translators of Hansard. It needs specially qualified experts. These staffs have been trained up in the work of the House of Commons and the work of the Senate. I wonder if it would not be appropriate that they should continue to supervise our translations. The statutes that we are engaged in making become the law of the land, and very often the Supreme Court and the Privy Council have been confronted with laws which in the two languages differed slightly, thus making a unanimous decision difficult, as some

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were trying to interpret the legislation from the French version while others were attempting to interpret it from the English version. Even in our Civil Code, which is the old Code Napoléon, based upon the Coutume de Paris, there is an article which says that when there is a difference between the two texts the court shall adopt the text that more nearly approaches the previously existing law.

Right Hon. Mr. MEIGHEN: I shall be prepared with the answer in committee.

Hon. J. P. B. CASGRAIN: Honourable gentlemen, I am sorry to be on my feet so much. Fifty-eight years ago, when I was twenty, I was a French translator in the House of Commons. In order to learn my profession I had to implement my income, which was rather meagre in those days, and for three years, when I was twenty, twenty-one and twenty-two, I engaged in that work under the Mackenzie Government.

The work of translation is most difficult. Even in the League of Nations, as I tried to bring out yesterday without much success, there is difficulty, for in the English version of the treaty we find the word "preserve," while in the French version it is "maintenir"—to maintain, to hold in the hand—which is very different.

If we as a Senate are going to accomplish any good by this Bill we should see that it provides, first—and this time I agree with my honourable leader—that the laws are to be translated by legal men and not by persons who have not studied law. That work should be done by people who know what law is. We should provide that those who are to do the translating of the Department of Marine and Fisheries, for instance, should be familiar with that work. How many are there amongst the senators here who would know the names, in both languages, of all the fish that we have in Canada? Then take the Department of Public Works, which is engaged with engineering questions. How many are there here who would be able to translate properly a specification? I do not think there are very many. I am supposed to be an experienced engineer, but I doubt very much that I could do it. We should provide by this Bill that the men who are to be translators should understand the work of the Department in which they are employed, whether it be Marine and Fisheries, Railways, Public Works or Justice. They should be experts, engineers, architects and lawyers.

Hon. Mr. GRIESBACH: Would the honourable gentleman put that into the Bill?

Hon. Mr. CASGRAIN: Of course. What are we here for if not to make a good Bill? It would not cost the country a cent more to divide the translators into sections so that the work of the Department of Railways and Canals would go to this group, and the work of the Department of Marine and Fisheries to that.

Hon. Mr. GRIESBACH: You would run out of translators.

Hon. Mr. CASGRAIN: There are very few people who know how to translate even the word "lighthouse," and that is a very simple matter.

Hon. Mr. McLENNAN: Phare.

Hon. Mr. CASGRAIN: No, that is not it at all. Honourable gentlemen know that when one is around twenty his mind is very receptive. For instance, I was required to translate the description of a Palliser gun into French. A Palliser gun such as the Mackenzie Government bought was not a smooth-bore gun, for which the French expression is un canon à âme lisse, and I had to spend a long time in studying a glossary in search of the exact words. Because of the many technical parts that were referred to, I suppose my translation was a poor one. The gun was of a new type, a rifle that gave a twist to the projectile.

Hon. Mr. McLENNAN: It was not a smooth-bore gun?

Hon. Mr. CASGRAIN: No. And there was no word in French for it. I am trying only to convince the House that if we provide in this Bill that translators with certain qualifications be allocated to certain classes of work, we may expect to get good translations. Ninety-five per cent of the translation is from English into French. The simplest kind of work is on the debates. Anyone can translate them, because when men are making speeches in Parliament they seldom use technical language. And after all it does not matter very much how that work is done.

Hon. Mr. LACASSE: The honourable gentleman should confine his remarks to his own speeches.

Hon. Mr. CASGRAIN: But the statutes, and documents in the Public Works Department, the Marine Department, and many other branches of the service, require a command of a technical vocabulary. And where will you get men to translate some of the reports on scientific research? So many new things are always coming out that the translators would have to be constantly studying

not only dictionaries, but glossaries as well, in order to familiarize themselves with the latest terms and expressions. I feel keenly on this matter, as I suppose it is only natural that I should, since I spent three years of my life doing translations. In the old days we were paid off at the end of each session. I may tell honourable members that when there was a change of government I was saved the expense of coming back here, for I was informed that my services were no longer required.

Hon. A. D. McRAE: Honourable senators, in the absence of the Chairman of the Special Committee on Public Accounts, I may be able to throw a little light on this subject. The Secretary of State, Hon. Mr. Cahan, appeared before our committee some two weeks ago and explained this Bill in detail. He produced a number of exhibits showing the inefficiency of translators, and I am sure it would be difficult to imagine anything more inefficient than some of the work that we were told about. So poor are some of the translations that they have to be rewritten many times, and the consequent expenditure runs into many thousands of dollars.

As the right honourable leader of the House said, it is expected that a considerable saving will result through a distribution of the work that will keep the translating staff busy throughout the year. Mr. Cahan estimated the possible saving from a centralizing of the translations, and from the better arrangements that could be made for printing, at \$200,000 a year. I think that consideration in itself should outweigh the objections that some honourable senators seem to have. Mr. Cahan stated definitely that the establishment of a bureau would result in the French edition of our Hansard appearing as promptly as that of the Commons Hansard now does, which, if my memory serves me correctly, is within about twenty-four hours of the English edition. So it seems to me that this Bill is designed to accomplish things that we have in mind. Some one department would necessarily have to be held responsible for the bureau, and I feel sure we could look for efficient administration and translations under the direction of the Secretary of State.

If honourable members examine departmental files they will see many instances of improper translations that justify the passing of this measure. I have no doubt that as we proceed with the Bill we shall be given more details along that line.

Hon. G. PARENT: Honourable senators, I happen to be a member of the special committee to which the honourable gentleman

has just referred, and I was present when Hon. Mr. Cahan gave his evidence. But it would appear from what has been going on in other places that this Bill has given rise to many contradictory statements, and it has been contended that the translators from English to French do not always receive that co-operation which would enable them to do the best work. Although the evidence of Mr. Cahan was to the effect that the entire fault lay with the translators, the fact would appear to be that some officials are in the habit of handing in documents with so many corrections that no one in the world could make a proper translation. That being the case, it seems to me that instead of referring this Bill immediately to the Committee of the Whole we should send it to the Standing Committee on Civil Service Administration.

Hon. Mr. LACASSE: Hear, hear.

Hon. Mr. PARENT: It may be that in another place there are certain influences that do not exist here. In any event, we could consider the question without prejudice. If anyone has suggestions to make, why should he not be given an opportunity of making them? After various views had been presented to the committee we should be in a better position to understand the matter and to give it impartial consideration. It would not take very long for the committee to hold the requisite hearings, for we are experienced in getting the points of view of witnesses. In any event, I for one am willing to remain here and sacrifice my whole summer vacation, if necessary, in trying to prevent any injustice from being done.

The Standing Committee on Civil Service Administration is composed of honourable senators Bénard, Donnelly, Griesbach, L'Espérance, McRae, Prevost, Rankin, Robinson and Cairine Wilson. I am willing to leave the fate of the Bill in the hands of this committee, fully confident that its report would be in all respects fair and equitable.

Hon. J. E. PREVOST (Translation): Hon. members of the Senate, may I, with reference to the Bill under consideration, suggest that it would be but fair to examine thoroughly the present system and seek the necessary information so as to take a rational, just and equitable attitude towards the State as well as towards the translators. I think we should appoint a committee where we could question those who are better qualified to inform us, and thus be in a position to cope fully with the present situation.

Hon. Mr. PARENT.

The Bill submitted to us tends to disorganize or, at least, to alter a system which has existed in this country for a number of years.

Perhaps this Bill may be a remedy for certain deficiencies or defects. It is, therefore, not a question of systematically opposing the Bill, but simply of making a well founded decision. The Committee of the Whole could not obtain the requisite enlightenment; nor would it afford to the employees who were criticized and against whom charges were made, a fair opportunity to vindicate themselves and fully acquaint us with the situation. I think that, under the circumstances, I must appeal to the spirit of fair play and equity of the right honourable leader of this Chamber. The Senate should be enabled to enlighten itself further as regards this Bill and moreover be placed in a position, through reference to a committee, to study this important question. The Senate should not make an unconsidered decision. The other Chamber had an opportunity of thoroughly going into the subject-matter of this Bill, and a similar opportunity should be afforded to us, in order that we may seriously examine this measure. I think that wisdom and caution enjoin us to refer this Bill to the committee suggested by my honourable friend from Kennebec (Hon. Mr. Parent) or to some other select committee, so as to be in a better position, if necessary, to discover the remedy for the situation.

Twenty-five or thirty years ago, a similar inquiry was ordered by the Government. It was carried out by Mr. Achille Frechette, an expert translator, in the bilingual countries of Europe, such as Switzerland and Belgium. Mr. Frechette, in his report to the Government, following his investigation abroad, stated that they had to discontinue the system of centralization of official translation, after giving it a fair trial; and since then each of our federal departments has had its own staff of translators. Possibly there are weak points and deficiencies existing; however, it is doubtful whether a radical change in the system would be the right method to bring about the desired improvements. Once more I state that it would be fairer to this Chamber as well as to the translators interested that the Senate be given an opportunity of thoroughly studying in select committee the matter of official translations. This question involves a number of technical features. The mechanical side of it has been much discussed; however, I am not aware that anything has been said concerning its technical character, which I think most important. We

must examine this question seriously, bearing in mind especially its technical character and all the difficulties inherent to it, if we wish to obtain in this country a system of translation worthy of Canada's Parliament, and as perfect as that prevailing in other bilingual countries.

I am not opposing the principle of the Bill; I am not expressing views absolutely contrary to it. Only, I think, and I again state, that it would be but fair and equitable to throw as much light as possible on the matter in order that we should be better informed before reaching a decision. I therefore request the right honourable leader of the Senate to kindly, if possible, afford the members of this House an opportunity of better studying this Bill in select committee.

Hon. C. P. BEAUBIEN: Honourable senators, I confess that I know very little about this measure, except what I have read in newspaper reports. Everyone will concede the paramount importance of translations. More than three million people depend upon the French version of our statutes for their law, and it is important to them that translations be accurate. The honourable senator from Kennebec (Hon. Mr. Parent) has requested that the Bill be sent to a standing committee, before whom witnesses could be heard. I do not know whether such witnesses might be inclined to advise the amendment or rejection of the Bill. But it seems to me that a measure of such importance, of vital interest to one-third of our population, might be treated in the same way as many public bills and sent to a special or standing committee for the purpose of receiving outside advice thereon. It might be prudent to follow that procedure. I readily admit that for a good many years the translation system in this House has been very poor. I am also willing to admit that the reasons which the right honourable leader on this side of the House gave for the Bill are both pertinent and powerful. Obviously, you cannot have satisfactory service from a large body of translators under virtually no control, or, at best, divided control. Still, I know how difficult it is to translate Acts of Parliament and legal documents.

Hon. Mr. CASGRAIN: Hear, hear.

Hon. Mr. BEAUBIEN: It is not merely the literal construction, it is the nice shade of meaning that sometimes gives a litigant either an adverse or a favourable judgment. All lawyers, particularly those of the province of Quebec, appreciate the difficulty of translating a technical contract. How often have they to argue on the barely discernible meaning to

be interpreted from the English or the French version. The translation must be an absolute reflection of the text in the original language. For this reason I should be very glad to see every possible safeguard thrown around this proposed legislation.

Hon. J. A. CALDER: Honourable members, I must confess that I fail to appreciate the difficulties that have been conjured up. I have read most of the newspaper reports of what occurred elsewhere in relation to the Bill. I am quite sure no one will quarrel with the statement of my honourable friend on my left (Hon. Mr. Beaubien) as to the absolute necessity of providing the very best translation in both languages. That goes without saying. But, as I understand, that is not the purpose of the Bill at all. We are not called upon to decide whether we are to have a good or a bad translation. This Bill has been and is being attacked on one ground only—that it interferes with existing conditions. The translation service is virtually without organization, and the prime object of the Bill is to organize the service so that it will function efficiently.

Hon. Mr. BEAUBIEN: That is the only purpose of the Bill.

Hon. Mr. CALDER: Certainly. I am not going to suggest that the Bill should not go to a committee, but I can scarcely see the necessity for this course. It has been decided in another place that we should have a properly organized translation service under a Minister of the Crown. For weeks and weeks elsewhere all has been said that could be said in favour of continuing the present system.

Hon. Mr. PARENT: How does the honourable gentleman regard the independence of the Senate? Would he place our staff of translators under a Minister of the Crown?

Hon. Mr. CALDER: I would do away with the staff.

Hon. Mr. PARENT: That is the point.

Hon. Mr. CALDER: I would do away with it to bring about economy and assure efficient service. Every time any attempt is made to reorganize and put the service on a more efficient basis, and so save money, there is a row, and a proper row. I know it: I have been in those rows.

We have to decide this simple question: whether or not we are to continue inefficiency in this branch of the Government service. I say, no, let us endeavour in every possible way to improve the service.

I would ask the right honourable leader on this side of the House to take into very serious consideration the advisability of referring the Bill to a committee, with a view to ascertaining whether or not it is desirable to have the service placed under a Minister of the Crown, with a proper organization to ensure its efficiency. Let us dispel the idea that anyone desires a poor translation service. I repeat, the whole purpose of the Bill is to bring about a long overdue improvement.

Hon. JAS. MURDOCK: Honourable senators, a few years ago, when I was head of the Department of Labour, I was also in charge of the Printing Bureau—the only Labour Minister, by the way, to exercise that control. In the Labour Department at that time there were two translators, close relatives. There was not sufficient work to keep them occupied, but they were both retained in their positions. I may have been mistaken, but I was always under the impression that one of those gentlemen had a very imperfect command of the English language. I had a few friendly conversations with him, but I do not think he could really understand me; nor could I understand him.

While in charge of the Printing Bureau I had ample opportunities of perceiving the extra cost of translation. I am confident that no honourable senator would for a single day be willing to continue the system then in vogue; and yet, apparently, certain distinguished and honourable gentlemen are determined to resist any change.

This Bill will give the people of Canada that which they are entitled to, a fair day's work for a fair day's pay—something which, if I know anything about the system, they have never had heretofore. No doubt there are dozens of good and efficient translators, but it seems to me—pardon the expression—a piece of sentimental nonsense to continue the present system.

While I acted as Minister of Labour I was advised from time to time that daily as many as 3,000 post cards and letters reached the Printing Bureau, asking for the French translation of some public document. Frequently no French translation would be available. Then it would be necessary to find out from the Department in which the document in English originated why the translation had not been made. This delay involved additional expense.

I recall another phase. During the parliamentary recess a considerable number of the presumably capable and well paid civil servants, the busy period being past, thought

Hon. Mr. CALDER.

they also might take a recess; they went away on their holidays. That was another cause for the delay in getting translations of public documents down to the Bureau to be printed.

I had not expected to discuss the Bill. I have followed the newspaper reports of the discussion in another place, and I have no hesitation in labelling a great deal of what I have read as absolute nonsense, unfair to the people of Canada. If I know anything about Government measures, this Bill is in the interest of economy and is fair and reasonable to all concerned. It demands from the translators as from other classes of Government employees nothing more than a fair day's work for a fair day's pay.

Hon. G. LACASSE: Honourable members. I should like to know whether the question before the House is on the merits of the Bill or of the present system. I thought we were discussing whether the Bill should be referred to a special committee or be considered in Committee of the Whole. If it is decided to send the Bill to the committee suggested by my honourable friend from Kennebec (Hon. Mr. Parent), I should not like to forgo my right to speak to-day.

I heartily concur in the point of view expressed by my honourable friends from Kennebec, from Mille Isles (Hon. Mr. Prévoist) and from Montarville (Hon. Mr. Beau-bien) that every means should be exhausted to secure ample evidence with respect to the subject-matter of the Bill. As we all know, it provoked contention elsewhere and has stirred up public opinion to a fervour such as, I think I am right in saying, we have not seen since the famous Beauharnois days. Of course then there was electricity in the air; there was more electricity than water.

French Canadian public opinion is very much concerned with the subject-matter of the Bill. I regret honourable members do not appear to pay much attention to the submission of my honourable friend from Kennebec, that there should be no encroachment on the prerogatives of the Senate to administer its own affairs. I wish better luck to my honourable friend from Mille Isles. I hope that before next November our colleagues will be given an opportunity to take cognizance of what he says. It was my privilege two weeks ago to take part in the debate on the League of Nations, and I clearly stated my reasons for speaking in French. I have not yet seen any translation of my speech, although for a few weeks now we have had a French edition of the Senate debates—something that has been

given to us since this Bill became the issue of the day in the other House. Surely this is something more than a coincidence. But despite the fact that the translation of the debates of the Senate is now being taken care of for some time—pending, I presume, final decision by this House as to what shall be done—my honourable friends who do not happen to know French, one of the official languages, will have to wait until November or December, or maybe until February of next year, to find out what I said two weeks ago with respect to the League of Nations—this of course may be of little importance—and also what my honourable friend from Mille Isles said this afternoon in relation to this Bill. That is a situation against which I protest vehemently, and if that is the improvement that is going to result from transferring the control of translation to a department of the Crown, I have not much faith in it.

I wish to state most emphatically that I fully concur in the wishes so respectfully expressed by my honourable friends from Montarville (Hon. Mr. Beaubien), from Mille Isles (Hon. Mr. Prévost) and from Kennebec (Hon. Mr. Parent), who ought to know a little—possibly more than some other honourable gentlemen who have already spoken this afternoon—about translation and the meaning of a particular word in either language.

Hon. LOUIS COTE: Honourable members, my remarks will be very brief. I have listened with a great deal of interest to what has been said this afternoon, and although I have not come to a conclusion as to what my attitude shall be on the merits of the Bill, I am not at all prepared to say that I shall vote for it. I am frank to say that in some respects it does not at all appeal to me as reasonable.

The honourable the leader of the opposition (Hon. Mr. Dandurand) has mentioned the translation of the laws. Probably, because I am a lawyer myself, I take more than an ordinary interest in that form of translation. We must all remember, honourable gentlemen, that we are legislators. The making of laws involves not merely the deliberation of this House and the voting on bills and resolutions; it includes also the drafting of laws. We have, or should have, a Law Clerk—we have borrowed one this session—to do that work. That is a very important part of the duties of officers of the Senate. Making the French version of the laws is equally important. It is a function that transcends ordinary translation, and is akin to the draft-

ing of the law, because, after all, the French and the English versions are original versions before the courts.

I have before me a Bill which says that the Minister of a department can conscript the translators of the Senate, including our law translators, and make of them ordinary civil servants responsible to another body of men, the Civil Service Commission, and not to the Senate of Canada. I do not like that feature of the Bill so far as it affects the Senate. I am only a recent appointee to the Senate, and may be a little more jealous than some of the older members of its prerogatives, and may take them too seriously; but it strikes me that the Bill certainly deserves more scrutiny than could be given to it in Committee of the Whole. Personally I should like to be on a committee or to see on it some other gentleman who would send for the law translators in order to have them explain how they do their work.

I do not think there has been any criticism of the work of the law translators of the Senate. I have before me the French version of the Shipping Act, which has been translated by our own translators and made ready for distribution at the same time as the English version.

The honourable senator from Vancouver (Hon. Mr. McRae) had the advantage the other day of listening to Hon. Mr. Cahan, an advantage that some of the rest of us did not enjoy. I think that if we had the opportunity of listening to evidence in committee we might be better able to come to a conclusion as to what we should do to improve this Bill, if necessary.

There are other matters that I could discuss at this time. For instance, I think it is plain to everyone that when you come down to the merits of the measure the real contention is in regard to two systems of conducting translation services in the country—the centralized system, with a chief at the head, and the specialized system under the control of each department. As the honourable senator from Mille Isles (Hon. Mr. Prévost) has just said in French, years ago we had a centralized system, but gave that up and decided that each department should have its own staff of experts who would specialize in matters affecting that department. Some people think that the Bill before us will destroy the efficiency of our translation, in that it will tend to destroy the efficiency of specialization. There may be an answer to that. It may be that there will be both specialization and centralization. Surely those are points about which we are entitled to obtain certain information, and it is my opinion that if the Bill were to go to

Committee of the Whole we might be deprived of some evidence that could easily be secured before a select committee. Under the circumstances, I would very respectfully urge that the Bill should not be submitted to Committee of the Whole.

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

REFERRED TO COMMITTEE OF THE WHOLE

Right Hon. Mr. MEIGHEN: The Bill will stand until to-morrow.

Hon. Mr. CASGRAIN: It cannot stand, it must move. Committee of the Whole House to-morrow?

Hon. Mr. DANDURAND: If we were to assume that the second reading had not yet been taken, someone could move the adjournment of the debate.

Right Hon. Mr. MEIGHEN: The second reading has been passed, and that is now the position of the Bill. I have no objection at all to the Bill standing until to-morrow; in fact, that is the request I make; but am I to be told that under the rules of the Senate the Bill cannot stand in its present position? What happens to it?

Hon. Mr. CASGRAIN: It is in limbo.

Right Hon. Mr. MEIGHEN: A Bill does not become law until it is read the third time and passed. If our rules do not keep it on the Order Paper when it has been read the second time, we had better amend the rules.

The Hon. the SPEAKER: Am I to put the motion that the Bill be referred to Committee of the Whole?

Right Hon. Mr. MEIGHEN: I am not making that motion.

Hon. Mr. LACASSE: Can anybody else do it?

Hon. Mr. DANDURAND: Then I revert to my suggestion that we retrace our path one step and move the adjournment of the debate on the second reading.

Right Hon. Mr. MEIGHEN: The second reading is over. If a motion to have this Bill placed on the Order Paper for to-morrow, to be dealt with then, will comply with the rules, I make that motion; but I cannot understand the rules of the Senate compelling a bill to fall into limbo before it is through this House.

Hon. Mr. LACASSE: It would be quite disconcerting.

Hon. Mr. COTE.

The Hon. the SPEAKER: The motion to go into Committee of the Whole does not mean that the Bill must be considered in Committee of the Whole. The motion is made—

Right Hon. Mr. MEIGHEN: I do not propose to make it.

Hon. Mr. McRAE: If such a motion will solve the difficulty I will move it, if I may.

The Hon. the SPEAKER: Shall I put the motion?

Right Hon. Mr. MEIGHEN: There is no seconder.

Hon. Mr. MURDOCK: I second the motion.

The Hon. the SPEAKER: It is moved by Senator McRae, seconded by Senator Murdock, that this Bill be referred to Committee of the Whole House to-morrow.

The motion was agreed to.

LEAGUE OF NATIONS

MOTION—DISCUSSION CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. McRae:

That this House is of the opinion that Canada should withdraw from membership in the League of Nations, and that no further money should be voted to the League.

Hon. CHARLES TANNER: Honourable members, I may say at once that I have no intention of entering upon any lengthy discussion of the subject-matter of the motion before the Senate. I have but one or two comments and suggestions that I should like to make before the debate is concluded. We have had a very lengthy and very interesting discussion, dealing, I think, with every possible angle. We have had the historical aspect, the philosophical aspect, the humanitarian aspect, the financial aspect, the war aspect, and finally the aspect of the League of Nations as it has existed. The ground has been so thoroughly covered that I have no intention whatever of taking up the time of the House in rehearsing what has been said.

Hon. Mr. CASGRAIN: There is plenty of time.

Hon. Mr. TANNER: The League of Nations has existed for only about fifteen years. That is a very short period of time in the history of the world. Moreover, the League is a human agency, created and conducted by men. I am aware of no human agency that was ever perfect; and I do not think that anybody, even the men who

created the League, expected that it would be perfect. At all events, Lloyd George—a very able man who was in the service of England at the time—Sir Maurice Hankey, Lord Riddell, and men like those, had very serious doubts regarding the efficiency of the League of Nations. Lloyd George, of course, lost considerable faith in it when he discovered that although President Wilson had fathered the idea of the League, the United States of America refused to come into it; and he is on record as intimating that he had great fear respecting its efficiency.

Incidentally, though President Wilson is credited with originating the idea of the League, he was not the originator of it at all. It was General Smuts who originated it; and in 1919 Sir Maurice Hankey had a plan for a league drawn out on different lines. President Wilson got possession of General Smuts' ideas and used them.

Hon. Mr. DANDURAND: I cited a letter written by Sir Edward Grey in 1915.

Hon. Mr. TANNER: In the minds of many people President Wilson gets all the credit for originating the League, whereas he was only a copyist. He was like President Monroe, who stole the Monroe doctrine from Canning.

Hon. Mr. CASGRAIN: Hear, hear.

Hon. Mr. TANNER: It was originated not by Monroe, but by Canning.

Hon. Mr. CASGRAIN: Exactly. That is right.

Hon. Mr. TANNER: As I said a moment ago, people have had a great deal of doubt about the ultimate efficiency of the League, and its ability to do all the work planned for it. There is clause 10, which was referred to by the honourable senator from Edmonton (Hon. Mr. Griesbach). He thinks it absolutely essential that a League of Nations, before it can be of service in the world, must have back of it an international armed force which will put into effect by compulsion the decrees of the League. This Parliament decided, as my honourable friend pointed out, that clause 10 was not a good one. Notwithstanding the opinion of my honourable friend from Edmonton, I venture to think that the nations would never agree upon the creation of any international force of army and navy, and that it can never be created within the short space of time ahead of any of us. As for discovering somebody to take command of such a force, all we have to do is to remember what happened in the Great War: it was only in the last moments and in the face of final danger

that the Allies were willing to agree upon a single command. To my mind clause 10 is wholly impracticable; it could never be carried out. But is that a reason for destroying the League? In my judgment it is not. There still is great and beneficial work for the League to do. More than one hundred years ago, when the plenipotentiaries of Great Britain and European nations met at Paris to draft the Treaty of Paris, one of the ablest of foreign secretaries that England ever had, Lord Castlereagh, made a very cryptic and forceful remark. He said, "It is not our business to collect trophies, but to try to bring the world back to peaceful habit." In 1929 the Allied representatives were too busy collecting trophies and laying up trouble for the future, and their activities in trying to bring the world back to peaceful habits were to a certain extent nullified.

Suppose Canada did decide to withdraw from the League of Nations. How would that affect the standing of this country in its relation with the Empire and the world at large? We are taught nowadays to believe that this Canada of ours has arrived at national status, that we are an independent nation.

Hon. Mr. CASGRAIN: Oh, no.

Hon. Mr. TANNER: My honourable friend is shaking his head. I agree with him that we are not as far advanced in that direction as we think we are.

Hon. Mr. BALLANTYNE: Hear, hear.

Hon. Mr. TANNER: Nevertheless it is commonly believed that we are an independent nation, and a member of a Commonwealth of independent nations.

Hon. Mr. CASGRAIN: Can we declare war?

Hon. Mr. TANNER: I am not arguing with my honourable friend on the subject. I think there is considerable misconception about it, but there is no doubt that we are known throughout the world as an independent nation, as a prominent member of the great British Commonwealth of Nations. In this House we are now engaged in the consideration of a very important measure, the Shipping Bill, which calls for the reciprocation of all the Empire countries for the protection of our ships, our people and our goods. Suppose we say to the League of Nations: "We are going to drop out. You are an organization for keeping peace in the world, but we think you are not doing much good; so we are going to look after ourselves." Now, in spite of any action we take here, we shall

have to continue doing business with foreign countries. And in what position should we be when any question arose about protecting our people, our ships, our goods and our national interests? As a matter of fact we should be powerless.

Granted that the League of Nations is not as wholly effective as we should like it to be, is that a reason why we should, so to speak, declare war against the whole world by resigning from the only peace-making organization that exists? Since we do not pretend to be able to defend ourselves against aggression, nor to go to the farthest parts of the earth in defence of our interests and our people, I submit we should remain in the League. Let us stick to this organization which will help us to protect ourselves.

It is commonly said that next to England we are the biggest toad in the British puddle. Canada is the greatest Dominion—

Hon. Mr. CASGRAIN: What about India?

Hon. Mr. TANNER: We are influential in the Empire, and we have a good deal of influence in the world. It has been stated, and I have no doubt with truth, that the eyes of a large part of the world are on this Senate to-day and people are wondering whether we are going to declare against a peace-making organization, to cut ourselves adrift and take our chance. It is my opinion, honourable members, that we should remain in the League and cast whatever influence we have on behalf of that organization, its work, and its prospects for further usefulness. Let that go out to the world as our stand, and let it be known that we are not going to sever relations with that great institution which was founded for the purpose of maintaining, or attempting to maintain, peace in the world.

If we decided to withdraw from the League we should have to notify the Mother Country of our decision. Old England would probably turn a smiling face to us and say: "All right; but we intend to stay in. We suppose you will lay in a store of arms for your own protection, because you certainly will not expect us to send over ships or armaments or men to protect you if you get into trouble." That would be a reasonable attitude for England and the other parts of the Empire to take. They would likely argue that if Canada is satisfied she can run her own show in an absolutely independent way, she should be permitted to make the experiment, but that they would not on that account waver in their allegiance to the League.

It has already been suggested that any action we might take with respect to the

Hon. Mr. TANNER.

League should be taken in step with the other members of the British Commonwealth, and that we should not withdraw unless England and the other Dominions decide to do the same thing. As was said by my honourable friend from Edmonton (Hon. Mr. Griesbach), the British Empire is the greatest peacemaker in the world. It will occupy that role for many long years to come, and in my judgment we should continue along with other members of the Empire in sticking to the League.

I do not intend to go into details concerning the League's accomplishments. Honourable members on both sides of the House have conclusively shown that although the League has not been as effective as its promoters hoped it would be, it has done some very great work for the benefit of the world. Aside from these achievements, which prove its efficiency in many respects, there is the all-important fact that the League exists as an organization for the purpose of maintaining peace. I suggest that honourable members ask themselves whether the world would not be a great deal worse off if that organization no longer existed. My honourable friend from De Lanaudière (Hon. Mr. Casgrain) shakes his head. He has no faith in human nature; he is worse than the man of little faith. I believe in human nature, and am convinced that had there been no League of Nations during the last fifteen years conditions might have been a great deal worse than they are to-day.

Hon. Mr. CASGRAIN: Or better.

Hon. Mr. TANNER: My honourable friend is entitled to his own views. But I say that the very existence of such an organization, backed by the British Empire and all other member countries—despite the absence of the United States, which should have come in, and may yet come in—has had a wholesome influence on the international atmosphere. We have to remember that we are a peaceful people, living in a peaceful country. Europe has always been armed defensively, sometimes aggressively, and undoubtedly will long continue so. The European people have been brought up under war conditions for centuries. As has been pointed out in the course of this debate, their boundary lines have constantly been the subject of bitter dispute. We may think we need have no very close association with European countries, but we cannot help ourselves, as we discovered when the Great War started.

All the great European powers were more or less prepared for the great conflagration

that broke out in 1914. Austria was just waiting for a chance to get at Serbia. Russia had a grudge against Austria, because Austria had got the better of her in diplomatic matters. France was ready to fight Germany, provided she could get the assistance of Russia, and her emissary who was at Moscow shortly before the outbreak received the necessary assurance. And Germany was ready to fight France. It may be possible through the agency of the League to prevent or at least to postpone another world disaster. The Polish dispute was settled by moral suasion, and it is reasonable to believe that other important international differences could be composed in a similar way.

We all know that several nations have withdrawn from the League, but it is reported that some of them are likely to come back. I know that if my honourable friend from De Lanaudière (Hon. Mr. Casgrain) had his way, he would not let them come back. Fortunately he has no say in the matter.

It has been said that our membership in the League costs us a considerable sum of money. But what are a few hundred thousand dollars, especially to a country like this? Does Canada not get good value for the money it spends on the League? Is it not worth while to receive a report like the one we got a couple of days ago, stating that Canada is leading the whole world in industrial development?

Hon. Mr. CASGRAIN: They sent that because they heard of the motion for our withdrawal.

Hon. Mr. TANNER: That report came from the economic section of the League of Nations. I am going to vote for our continuance in the League on that account if on no other. Why complain about the expenditure of a little money when we can get such encouragement as that?

To some extent the League may have failed. But even my honourable friend from De Lanaudière fails sometimes. He failed when in 1904 he made many long speeches in favour of our assuming the railway burden that is now costing us a million dollars a week. He would not take that stand to-day.

I submit, honourable members, that our duty is not to withdraw from the League and endeavour to destroy it, but to remain as members and try to improve it wherever we can. It may be possible to make revisions to good effect in its constitution and its methods of procedure, to make its work more efficient and to reduce its expenditures. But

if we withdrew we should not be able to work towards any of these ends, for we should be on the outside looking in; we should have no influence at all. Let us stay on the inside and endeavour to induce the United States, and all other great powers that now are outside, to come in with us. Let us try to make the League a clearing-house for peaceful efforts and for other activities through which very valuable service can be rendered to the whole world.

With all deference I submit that this Senate should not dispose of this motion by simply taking a vote on it. We should make a positive and definite declaration in support of the League of Nations, and that should be written into our record. I therefore am moving an amendment to the motion of my honourable friend from Vancouver (Hon. Mr. McRae). I am not particular about the wording of the amendment, and I shall have no objection if honourable members wish to make some changes, so long as it remains a positive expression of support of the League. As I have drafted it, the amendment reads:

That all the words of the motion after the first "That," line one, be struck out and the following be substituted:

considering that several nations have withdrawn support from the League of Nations, the Senate of Canada, regretting the adverse impression thus created, recognizing that the League in many of its activities has achieved substantial and beneficial results, declares the opinion that Canada should continue membership in the League and act in concert with the United Kingdom and the sister Dominions; and should exert its influence to bring about such revision of the constitutional authority, duty and procedure of the League as may be advisable and be likely to enlist the co-operation of the Great Powers and other nations of the world for maintenance of peace and betterment generally of world conditions.

That is all I have to say, honourable senators. I submit this amendment for the consideration of the House.

Hon. Mr. MURDOCK: I rise to a point of order. I submit that the proposed amendment, being entirely contrary to the motion, is out of order.

Hon. Mr. GRIESBACH: It is a point of order well taken until the amendment is seconded.

The Hon. the SPEAKER: Has the honourable senator a seconder for his amendment?

Hon. Mr. SCHAFFNER: I second the amendment.

Hon. Mr. MURDOCK: I rise to a point of order, Mr. Speaker. I submit that the words in the proposed amendment, "shall continue membership in the League," directly negative the motion that has been under consideration for some weeks, and that therefore the amendment is out of order.

The Hon. the SPEAKER: I should like to take the point of order under consideration.

On motion of Hon. Mr. Casgrain, the debate was adjourned.

The Senate adjourned until to-morrow at 3 p.m.

THE SENATE

Thursday, May 31, 1934.

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

Prayers and routine proceedings.

SHIPPING BILL

CONSIDERATION OF COMMITTEE AMENDMENTS

Hon. Mr. GRIESBACH moved concurrence in the amendments made by the Standing Committee on Banking and Commerce to Bill E, an Act respecting Shipping.

Hon. Mr. DANDURAND: Had we not decided that this Bill should go to the Committee of the Whole?

Right Hon. Mr. MEIGHEN: There was no such decision made.

Hon. Mr. DANDURAND: I am not insisting that it go to committee, but I thought that was the decision made yesterday.

Right Hon. Mr. MEIGHEN: No, the House made no such decision. But if there are certain features which honourable members would like to have discussed in Committee of the Whole, I should be agreeable to having the Bill committed.

Hon. Mr. BALLANTYNE: Honourable senators, I am sure my genial friend from De Lanaudière (Hon. Mr. Casgrain) will not insist on this enormous Bill going to Committee of the Whole. He is a member of the Committee on Banking and Commerce. Several weeks were spent by that committee on the Bill, and I am quite sure the honourable senator is in possession of all the details of the measure. I cannot see why the House itself should be detained for weeks on a consideration of the same subject in Committee of the Whole.

Hon. Mr. SCHAFFNER.

Hon. Mr. CASGRAIN: It is only for the sake of the principle that I want it to go to Committee. Within the last fifteen years or so we have fallen into the practice of failing to send public bills to Committee of the Whole. Bourinot, Todd, Beauchesne and all other parliamentary authorities say that a public bill should go before a Committee of the Whole House. So long as this measure is sent to Committee, I do not care whether it remains there only a minute or two. My point is that we should observe the rules. Private bills go to select committees, where private interests have an opportunity to be heard. A public bill deals with matters of public interest. The whole country is concerned in this measure, and the whole country is represented in this House. Will a man come all the way from British Columbia, for instance, to appear before a Senate committee?

Hon. Mr. DANDURAND: Many people do.

Hon. Mr. CASGRAIN: But not all who are interested. The representatives of the various parts of the country in this House should have an opportunity of discussing this Bill, if they so desire, in Committee of the Whole. Our rules are wise, and they were designed for good purposes. When we depart from these rules we get into trouble. I think I am standing on good ground when I say that as a matter of principle the Bill should go before Committee of the Whole. If no one wishes to discuss any section, the Bill can be reported promptly. I suggest to the honourable member from Grandville (Hon. Mr. Chapais) that the practice of sending all public bills to Committee of the Whole prevails in the Legislature at Quebec.

The Hon. the SPEAKER: Will the honourable senator mention the rule on which he is basing his argument?

Hon. Mr. CASGRAIN: It is parliamentary practice that public bills are dealt with in Committee of the Whole. The authorities give reasons why private bills go to special committees.

The Hon. the SPEAKER: The only reference I can find to the matter is in rule 63, which provides:

No Bill shall be read twice the same day; no Committee of the Whole House shall proceed on any Bill the same day the Bill is read a second time; and no Bill shall be read the third time the same day that the Bill is reported from the Committee.

I must point out that we are considering the amendments to the Bill.

Hon. Mr. BALLANTYNE: Honourable senators, I desire to submit to this honourable House an amendment which I am sure will appeal to its good judgment. The amendment reads:

That the report of the Committee on Banking and Commerce on Bill E, an Act respecting Shipping be not now adopted; that the amendment to clause 89 of the Bill which substituted the words "a maple leaf in green" for the words "the shield of Canada" be not concurred in, and that the said words "the shield of Canada" be restored to that clause.

As honourable members are aware, the flag question is highly controversial. During the present session a motion was made in the other House for the adoption of a national flag, but after an exhaustive debate the proposal was given the six months' hoist. At the meeting of the Banking and Commerce Committee last Thursday evening, of forty-five members only twelve were present. The proposal to alter the flag of the Canadian merchant marine was made at the end of a long and somewhat wearisome sitting. There was some confusion during the taking of the vote, and one honourable member told me that when he entered the room he did not know what was before the committee, but he watched his leader and voted with him.

I am confident the House will approve this amendment, for without doubt careful consideration should be given to any suggested change either in the red ensign of the merchant marine or in the white and blue ensign. In short, the flag question should be dealt with as a whole, not piecemeal.

Hon. Mr. HARDY: Honourable senators, I submit the proposed amendment is out of order in that it is directly contradictory to the motion before the House.

Right Hon. Mr. MEIGHEN: The honourable senator from Leeds (Hon. Mr. Hardy) has in mind the principle that an amendment which is a direct negative of the main motion is out of order. The reason behind that rule is very simple. Such an amendment is merely a stop-gap to prevent another amendment. The result aimed at may be reached by voting against the main motion. But the amendment proposed by the honourable member from Alma (Hon. Mr. Ballantyne) is not a direct negative. The motion before the House is to adopt the amendments to the Shipping Bill made by the Standing Committee on Banking and Commerce. The proposed amendment is against the adoption of one of those amendments, and being a

negative of the main motion in part only, whatever may be its merits, it is in order.

Hon. Mr. HARDY: I am quite satisfied with the right honourable leader's explanation.

Hon. Mr. DANDURAND: Honourable senators, I desire to state briefly the history of our mercantile marine flag. By admiralty warrant of February 2, 1892, ships of the Canadian merchant marine or ships under Canadian registration were authorized to fly the red ensign defaced—a heraldic expression—by the shield of the Canadian coat of arms. This shield contained the arms of the four original provinces—Ontario, Quebec, Nova Scotia and New Brunswick.

In December, 1921, a new coat of arms was proclaimed under the regime of my right honourable friend opposite (Right Hon. Mr. Meighen). By Order in Council of April, 1922, it was directed that for the future the Canadian mercantile marine flag should carry on the fly the shield of the new coat of arms. The use of the old flag was permitted up to March 31, 1924.

The present shield in the fly of the mercantile marine flag contains the lions of England, the Scottish lion, the Irish harp, the lilies of France, and at the bottom three maple leaves. This shield, as well as that which it replaced, becomes a mere blur at any distance beyond 200 feet, and even within shorter range it is difficult to distinguish.

A bold design that can be readily distinguished at a distance is essential in any flag, particularly in that flown by our mercantile marine. Therefore, as clause 89 described the national colours for Canadian ships, I deemed it desirable that the red ensign should contain the emblem of Canada, the maple leaf, in a design readily visible at a distance.

I draw my honourable friend's attention to the fact that up to April, 1922, the coat of arms of Canada bore the coats of arms of Ontario, Quebec, Nova Scotia and New Brunswick, and the maple leaf. To-day the maple leaves appear under the shield. Assuming that the essentials of a flag are visibility and distinguishability, I simply suggest that, for the third time since 1892, we alter our flag by changing the emblem in the fly, so that instead of being an incomprehensible thing it will be something that can be recognized and understood by all—the maple leaf of Canada. Then if the question is asked, "What flag is that?" the answer will be simple and clear, "That is the Canadian flag." I do not see what objection there can be to such a change.

My honourable friend from Alma (Hon. Mr. Ballantyne) has said that in another House the question of the flag has arisen and been disposed of. I do not know officially what has taken place in the Commons that bears on the question of a flag for Canada. The very small change now proposed has to do only with the flag of our mercantile marine; and it is because we are now dealing with the mercantile marine that I ask whether we cannot cure the defects I have referred to by placing in the fly of the flag a green maple leaf instead of the shield I have described. This change was accepted in the committee, and I intend to vote against the amendment of my honourable friend.

Hon. W. A. GRIESBACH: Honourable gentlemen, I am in entire agreement with my honourable friend as far as his complete statement of the facts and his argument are concerned, but I disagree with him in regard to the action he recommends.

There are in my opinion three main points to be borne in mind when we approach the question of a national flag for Canada. I have given the matter some thought. I have collected considerable very useful information, and I now have some very excellent designs based upon a formula which I think will be acceptable to most honourable gentlemen. This formula is that when considering a national flag we should have regard for the fact that the Union Jack represents the English, Irish and Scotch nationalities; that we have in this country a fourth nationality, the French of Canada; and that when we come to construct our flag we should give that nationality proper representation.

Honourable members of the House will be interested to learn that there is a whole library of books containing the laws of heraldry and rules governing flags. If, after proper inquiry and an observation of those rules, we evolve a national flag which is acceptable to our people, we can then derive from it a number of other flags—a flag for our navy, a flag for our government marine, and a flag for our mercantile marine. My objection to the honourable gentleman's proposal is that he seeks to do first the thing that we ought to do last. If we are to proceed logically, we should first arrive at a design for a national flag, and then develop from it the other designs.

If the proposal of the honourable gentleman is acceded to, what will be the practical results? There are 1,700,000 tons of registered Canadian shipping. I do not know what is the average tonnage of our ships, but it is safe to say that from 1,000 to 1,500 Canadian ships will be required to alter their flags

Hon. Mr. DANDURAND.

immediately. If two years hence we decide on a national flag and set ourselves to the task of elaborating from it a merchant marine flag, we shall be compelled either to follow the honourable gentleman's design or to evolve a new one. This would oblige 1,500 ships again to alter their flags, and would be bound to create dissatisfaction and a belief that in this matter we did not know what we were about. So while I am compelled as Chairman of the Committee to introduce the report containing this objectionable amendment—

Right Hon. Mr. GRAHAM: Not so very objectionable.

Hon. Mr. GRIESBACH:—and am debarred from seconding the amendment of the honourable senator from Alma (Hon. Mr. Ballantyne), I would suggest that the honourable gentleman (Hon. Mr. Dandurand) withdraw his proposal. If he is not prepared to do that, the House would be well advised, I think, to vote for the amendment of the honourable senator from Alma, so that our hands may not be tied when we come to deal with the interesting and perhaps difficult question of a national flag.

Hon. Mr. DANDURAND: I understand that although my honourable friend agrees with the principles I have laid down and the statement I have made, he would like to postpone the consideration of this question until a national flag may be decided upon.

Hon. Mr. GRIESBACH: I think so.

Hon. Mr. DANDURAND: As my honourable friend has noted, it was declared in 1922, by Order in Council, that the shield bearing the new coat of arms should replace the old shield, but it was added that the use of the flag with the old shield would be permitted up to March, 1924. If the amendment of my honourable friend from Alma does not carry, I intend to move to add at the end of the clause that it shall come into force only upon proclamation of the Governor in Council. Then if there is any likelihood of the question of a national flag being discussed within a reasonable time, the Governor General in Council can suspend the operation of this clause.

Hon. Mr. MURDOCK: Honourable senators, I find myself considerably embarrassed in taking issue with the views expressed by my honourable leader (Hon. Mr. Dandurand) and at the same time being in almost entire agreement with the honourable senator from Edmonton (Hon. Mr. Griesbach) on this particular question.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. MURDOCK: I do not believe it would do any harm to place on record just what, if I am correct, the Senate is asked to scrap or throw to one side. Section 89 reads:

(1) The red ensign usually worn by merchant ships, with the shield of Canada in the fly is hereby declared to be the proper national colours for all ships registered in Canada, and all ships and boats which would be registered in Canada if they were required to be registered at all belonging to any British subject resident in Canada except in the case of any ship or boat for the time being allowed to wear any other national colours in pursuance of a warrant from His Majesty or under regulations which may be made by the Governor in Council.

(2) If any distinctive national colours, except such red ensign or except the Union Jack with a white border, or if any colours usually worn by His Majesty's ships or resembling those of His Majesty, or if the pendant usually carried by His Majesty's ships or any pendant resembling that pendant, are or is hoisted on board any ship or boat registered in Canada or belonging to any British subject resident in Canada without warrant from His Majesty or under the aforesaid Regulations, the master of the ship or boat, or the owner thereof, if on board the same, and every other person hoisting the colours or pendant, shall for each offence be liable to a fine not exceeding twenty-five hundred dollars.

Now I want to place before the Senate certain views that occur to me on this subject. We are asked to scrap, or to put to one side, the ensign that heretofore has been used, which has denoted above all things, I think, and more than the maple leaf would do, membership in the British Empire.

Hon. Mr. DANDURAND: What about the Union Jack?

Hon. Mr. MURDOCK: I can very readily imagine what may develop if the views of my honourable leader prevail. If a ship carrying the maple leaf of Canada were in Singapore or some foreign port, and because of mutiny or piracy armed assistance were required, where would it be secured? The only power to which we can look for such assistance is the British Empire. It seems to me that it will be high time for the Senate or the rest of the lawmakers of Canada to enact that we shall have a separate symbol of this kind when we are prepared to pay our share of the piper's fees, and to help provide that continuous and never-ending watchfulness that is so necessary to the shipping of Canada and that of the rest of the British Empire. Why should we say that we are going to adopt an emblem of our own, the maple leaf—an emblem which I honour and revere—and then demand, and expect to receive, the ample protection of the British navy? Some day, no doubt, Canada

will have a distinctive flag and a distinctive emblem of her own; but it will be one that designates membership in the British Commonwealth of Nations. I hope that when that time comes we shall be prepared to help pay our share towards maintaining the protection which is so necessary, and which now is afforded by the British Empire.

I am in favour of leaving section 89 as it stands, until such time as we are ready to deal with the entire question of a Canadian flag.

Hon. Mr. BLACK: I regret that I was not able to be present at the session of the Banking and Commerce Committee when this question came up for discussion. Had I been there, the few remarks that I make now would have been made then.

I endorse very largely what has been said by the honourable senator who has just taken his seat (Hon. Mr. Murdock) and the honourable senator from Edmonton (Hon. Mr. Griesbach). Coming from a maritime province, and having had to do in a small way with shipping since I was a boy, I must say that I have not heard any complaints about the visibility of the shield at present displayed on the flag of our mercantile marine, nor have I ever heard sea-going masters of Canadian ships request that the coat of arms of Canada should be eliminated from that flag and some other insignia be displayed in its stead. I am confident that had there been any such complaints they would have registered in my mind, in which case I should have had no hesitation in stating them. Furthermore, honourable gentlemen, I do not think there has been any request for a change from the shipping interests or the ship owners of Canada.

If that is the fact, and I think it is the indisputable fact, why should we make this change in our flag now? In all probability, owing to our efforts to reach the status of an independent nation, it will not be long before Canada has a distinctive flag of her own. I am bound to say that a flag with some distinguishing mark is, I think, the ultimate outcome and result of the course that we have been travelling during the last six or eight years; and so long as the insignia of the British Empire are properly placed on that flag, and we do not lose sight of the fact that we are bound to that Empire for sentimental and other reasons, I do not think I would offer any serious objection.

If the honourable leader opposite will pardon me for questioning anything he says—a thing which I rarely do, for I have the

greatest respect for him—I should like to say that so far as visibility is concerned, I do not think there would be any difference between a green maple leaf and the coat of arms of Canada, of the same size. If the maple leaf were placed on a white background, or in a circle, it might be more visible than the present coat of arms, but, after all, the difference would be so slight that I do not think it would be noticed by passing ships or by any mariner or passenger; and I am satisfied that the sailors themselves could find no reasonable justification for the proposed change, if visibility is the only ground upon which it is to be made.

Further, while we are talking about the emblem, I maintain that the arms of Canada in the fly of the flag are much more handsome and presentable than the maple leaf. We have the maple leaf in our coat of arms, and I can see no advantage in making a change at the present time. I can see what to me and to other people interested in shipping would be an objectionable feature. Even if the suggested limitations are put in, I shall have to change the present flag, which bears the coat of arms of Canada, for another flag with a maple leaf on it. In common with every other ship owner and shipping man, I shall have to spend some money to make a change that will have no significance and will not improve the present situation. Unless we can get some real benefit from the change—and I do not think we can—we ought not to make it. We should keep our present merchant marine flag until such time as we decide on a distinctive flag for Canada as a whole. Because that is my sincere opinion, I am going to support the amendment.

Right Hon. G. P. GRAHAM: Honourable senators, this discussion has done something: it has committed a number of honourable gentlemen to a Canadian flag. We have just heard some speeches that have gone further than I ever went in favour of a Canadian flag. If I needed anything to convince me that Canada will shortly have a flag of her own, the necessary conviction has been supplied by the speeches of my honourable friends from Edmonton (Hon. Mr. Griesbach) and from Westmorland (Hon. Mr. Black). The adoption of a Canadian flag will not signify that we are giving up our standing in the British Commonwealth of Nations; it will but confirm the fact that we are a very essential part of that Commonwealth.

I cannot for the life of me understand why any person should shy from discussing a thing of this kind. Among speeches I have chosen to read, out of the vast flood of oratory, have

Hon. Mr. BLACK.

been some which indicate that the speakers—not members of this House—seem to think the mere suggestion of a Canadian flag is almost unholy. Any person who believes that the proposal for a national flag implies a desire to discontinue the use of the old Union Jack, which we all admire, is entirely wrong. The proposers simply wish to have a distinctive mark which would be recognized by other members of the Commonwealth as emblematic of Canada. Australia has her own flag and she is not disloyal; on the contrary I suppose she is more loyal than London is.

We have come a long way. Years ago when it was said that Canada was a nation some people did not believe it, but now those very people are proud of the fact and boast of it. They even want to have a national flag. And I think they are right. Surely the marine flag proposed in this Bill is not in opposition to that idea. The only objection I have is that the Bill does not go far enough and propose an altogether national flag, so that we could develop from the top down. This marine proposal might be a development from the bottom up.

Now, what is proposed here? I was impressed with a remark made in the Banking and Commerce Committee by an official of the Department of Marine. When we were discussing this very thing he rose in his place and expressed himself quite emphatically—spoke almost out of his turn. He said, "Gentlemen, remember that you want a marine flag that can be seen." That really helped to convince me that we need some change in the present marine flag. My honourable friend from Westmorland (Hon. Mr. Black) says he has heard no criticism of it. I suppose the same remark could have been made at the time of the previous change, in the administration of my right honourable friend opposite. At least, I think it was in his administration—

Right Hon. Mr. MEIGHEN: A great deal occurred in a short time.

Right Hon. Mr. GRAHAM: Much was compressed into a short period. At that time there was a substitution of the coat of arms of the Dominion of Canada for the emblems of the four original provinces.

Our coat of arms is a lovely thing, and no one admires it more than I do. The object of this marine flag is not so much to proclaim our loyalty as to indicate to other ships that any vessel bearing it is a Canadian vessel. It would require a man with very strong eyesight to make out the details of our coat of arms at any considerable distance.

Since the composition of that wonderful song, "The Maple Leaf For Ever," the people of all nations have learned to understand that the leaf of our splendid maple tree is the emblem of Canada. I once had an interesting little experience in trying to explain the Canadian coat of arms to a stranger. By the time a man is old he has had a great number of experiences. I was spending a summer at Staten Island and I searched around for a flag to put up in front of my cottage. The only thing I could find was a marine flag, and I hoisted that. Presently an old lady came along, who said she knew what the Union Jack was, but she was puzzled by the other emblem in the flag. I explained as best I could, but I am sure she did not understand what I was talking about. Had it been the maple leaf instead of the coat of arms, there would have been no difficulty at all, for I should have had to say simply, "That is the maple leaf, the emblem of Canada." As it was with the old lady, so it is with men on ships and men connected with shipping all over the world.

Right Hon. Mr. MEIGHEN: Honourable senators, when this question came before the committee I opposed the motion then made by the honourable senator who leads the other side (Hon. Mr. Dandurand), and did so for reasons which were not at the time expressed, but remain unchanged. I am in full accord with the right honourable senator from Eganville (Right Hon. Mr. Graham) that there is no question of loyalty involved in the discussion, and I do not know why the subject should be particularly shunned, or thought to be full of powder. I look at it rather calmly. But I think I see practical reasons why we should not make the change called for in the motion which carried at the committee.

I am not now making a statement one way or the other as to whether there should be a distinctive national flag for Canada. I do not think that is germane to the discussion. But I could see a better case for the proposed change if based on the assumption that the flag of Canada is to remain as it is, rather than on a contrary assumption. The merchant marine flag which honourable gentlemen opposite want might not be as good as what we already have, or it might be a little better. I think I could give a reason, not yet advanced, why it would not be as good. But there would be no serious objection to it, for it would bear a logical and sensible relation to our present national flag and would differ from it only with respect to the fly.

Before I go further I will give the reason why I think the flag desired by honourable members opposite would not be as good as what we now have. I do not know whether the visibility would be better or worse, though I am told that a green maple leaf would not have much merit from the standpoint of visibility. But here is an important point. It is the mercantile marine flag, I am advised, which is flown by our Ministers and representatives in foreign lands. For instance, it is flown over the Canadian legations at Tokyo and at Washington. It would seem to me rather unwise to substitute the maple leaf for the shield of Canada on those flags. What more would the maple leaf represent?

Our coat of arms was altered in 1921, as the right honourable senator from Eganville (Right Hon. Mr. Graham) has pointed out. The alteration was not substantial, but was required in order that we might keep in step with the development of our Dominion, for we then had nine provinces, whereas the coat of arms represented only four. The new coat of arms was merely an outgrowth, an expansion, of the old one. In 1922, I think in April of that year, the incoming Government saw fit to authorize the use of the shield, which is the central part of the coat of arms, instead of the whole coat of arms, in the fly of the mercantile marine flag. I do not know why that step was taken, but I am not criticizing it. The point I make now is that it would seem to me not at all appropriate that we in this Senate should change the mercantile marine flag and thereby take the shield of Canada from the flag which is flown over our legations in various parts of the world.

The reasons I have so far given are applicable on the assumption that we do not contemplate there will at some time be a change in the national flag of Canada. But if we do contemplate such a change, surely it is not best to start at the derivative and thereby tie our hands so that we should not have an absolutely free choice when the time came to design a primary flag. How do we know that we should want such prominence given to the maple leaf in that flag? Why should we seek now to determine just what the character of our national flag will be? I have no objection to the maple leaf, but I think the mercantile marine flag should be derived from the national flag, instead of the opposite procedure being followed. I know there are very many Canadians who look forward to our having at a not distant date a flag of our own, emblematic of the Empire, signifying all that the Empire signifies, but at

the same time distinctive of Canada. Surely they do not want to have the character and design of that flag predetermined by the adoption of a new mercantile marine flag at this time.

For the reasons I have given, I support the amendment.

The amendment of Hon. Mr. Ballantyne was agreed to on the following division:

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Honourable Senators:

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Ballantyne	McDonald
Barnard	McLennan
Beaubien	McMeans
Bénard	McRae
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Calder	Murdock
Chapais	Planta
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Donnelly	Sharpe
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Honourable Senators:

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Copp	Little
Dandurand	Logan
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The Hon. the SPEAKER: The question, honourable senators, is now on the amendments reported by the Standing Committee on Banking and Commerce as amended. Is it your pleasure to adopt the motion?

Hon. Mr. MURDOCK: Should any questions on which we desire information be brought up now?

Right Hon. Mr. MEIGHEN: On the understanding that we are not going through the Bill clause by clause, as I am confident no one wants to do, I think we shall make better progress if we move the House into Committee of the Whole.

The motion of Hon. Mr. Griesbach was agreed to.

CONSIDERED IN COMMITTEE

On motion of Right Hon. Mr. Meighen, the Senate went into Committee on the Bill.

Hon. Mr. Black in the Chair.

Right Hon. Mr. MEIGHEN.

The CHAIRMAN: Honourable senators, unless it is the will of the Committee, I do not intend to read or to name the sections. Any particular section to which an honourable senator may desire to direct attention will be taken up.

Hon. Mr. MURDOCK: Representatives of the marine engineers, who naturally are very much interested in this Bill, have asked me to bring one or two matters to the attention of the Committee.

They take exception to the interpretation of nominal horse-power. I find it at page 6 of the first reprint:

"Nominal horse-power" means the measure of the size of marine engines, ascertained in accordance with regulations made from time to time by the Governor in Council.

They submit that brake or shaft horse-power be substituted for nominal horse-power in computing the power of all turbine and internal combustion engines, and that indicated horse-power be used in computing the power of reciprocating steam engines. I would ask the chairman of the standing committee, the honourable senator from Edmonton (Hon. Mr. Griesbach), who, I know, has devoted a great deal of time to an exhaustive study of the Bill, to give the marine engineers the reason why the term nominal horse-power is used instead of actual horse-power.

Hon. Mr. GRIESBACH: The question raised by the honourable gentleman from Parkdale came before both the standing committee and the subcommittee and received the careful consideration of all concerned. The marine engineers of course were in favour of brake horse-power, for the reason that it raises the power to be attributed to a given engine, and this in turn under the regulations would necessitate the employment of certificated engineers.

It may interest the Committee to know that although scientists have been able to discover the nominal horse-power by a formula which produces an absolute result, yet in the ascertainment of brake horse-power opinions may differ on the results obtained.

The officials of the Department favoured us with this scientific explanation:

Nominal horse-power is a measure of a size of an engine, and is found by taking the sum of the squares of the diameters of all the cylinders and dividing by thirty.

That presents no apparent difficulty.

Brake horse-power is a measure of the actual power of an engine in foot-pounds per minute. Brake horse-power is found by putting a brake on the fly wheel of an engine, from which the pull exerted is found. This pull in pounds

multiplied by the circumference of the brake in feet multiplied by the revolutions per minute of the engine is the brake horse-power.

In elucidation of this we were informed that:

Shaft horse-power is actually the same as brake horse-power, but is the expression used in dealing with large engines. To find the shaft horse-power it is necessary to measure the angular advance of the shaft with the use of a torsion meter.

The members of the standing committee followed this explanation as far as they were able, but discussion collapsed when we were told that even if we adopted the brake horse-power method of determining actual horse-power, the officials of the Department would soon find a way of circumvention by another scientific formula which would be utterly beyond the comprehension of the committee!

Hon. Mr. MURDOCK: May I ask a further question? I understand that an American vessel can load a cargo at Fort William and unload it at Port Colborne, but that a Canadian vessel cannot load a cargo at Duluth and unload it at Buffalo. The marine engineers ask why something along these lines should not be included in the Shipping Bill:

No ship, other than a British ship of Canadian registry, shall take part or engage in the coastal trade of Canada.

Right Hon. Mr. MEIGHEN: I am afraid we must admit there is a good deal of truth in the honourable senator's complaint. In respect of grain, American boats can enter the coastal trade of Canada, but Canadian boats cannot enter the coastal trade of the United States. This Bill contains provisions to remedy this condition—provisions already embodied in the law, but to become effective only by Order in Council. The honourable senator has been in public life long enough to know the pressure brought to bear by the grain interests of the West. Apparently there is a suspicion that Canadian boats are controlled by a combine and if American boats were excluded from this coastal trade freight rates would be unduly increased. If the provisions were made effective by the necessary Order in Council, the Bill would be free from the objection the honourable gentleman advances.

The CHAIRMAN: It is only fair to say that those interested appeared before the standing committee this year, and also last year, and protested very vigorously against the prohibition which the honourable senator from Parkdale favours.

Hon. Mr. MURDOCK: The marine engineers?

The CHAIRMAN: No; those interested in the grain trade.

Right Hon. Mr. GRAHAM: What the honourable senator from Parkdale desires on behalf of the marine engineers is already in the law, and is reaffirmed as a part of this Bill.

Right Hon. Mr. MEIGHEN: That is correct.

Right Hon. Mr. GRAHAM: Parliament can do no more than enact this Bill, unless it be deemed advisable to omit the section giving the Government authority to bring the coasting trade restrictions into force by proclamation.

Right Hon. Mr. MEIGHEN: I may say that when, a year ago, representatives of the Wheat Pools solemnly warned the standing committee against any restrictions being placed upon American vessels engaging in Canadian coastal trade, and pointed out the awful consequences of increased freight rates to the Western farmers, the honourable senator from Alma reminded them that the Hudson Bay route was open and had all the advantages it ever had as a shield and buckler against this monopoly of the shipping interests; but he made no impression.

The preamble was agreed to.

The title was agreed to.

The Bill was reported.

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

He said: I take occasion to point out to the honourable senator from Parkdale that the clause which he inquired about is now No. 663.

Hon. Mr. COTE: Honourable members, I am wondering whether the suggestion which I placed before the Committee on Banking and Commerce the other day, in regard to the numbering of the interpretation clauses, and which received the unanimous support of the members of the committee, has been carried out.

Hon. Mr. GRIESBACH: Perhaps I can explain. The proposal was that at the end of each definition clause in the English version the number of the corresponding clause in the French version should be inserted, and vice

versa. The committee was unable to include this recommendation in its report, as the translation had not yet been done.

Hon. Mr. COTE: Oh, yes.

Hon. Mr. GRIESBACH: The Clerk of the Committee was instructed to insert the corresponding numbers. He reports that he has done so and that the numbering will appear in the reprint of the Bill.

Hon. Mr. COTE: That is quite satisfactory.

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

PRIVATE BILL

SECOND READING

Hon. Mr. COTE moved the second reading of Bill 28, an Act to incorporate Ancient Foresters' Mutual Life Insurance Company.

He said: Honourable gentlemen, it may be that a few words of explanation are appropriate at this time. The Ancient Order of Foresters were incorporated many years ago, under a charter which gave them power to carry on a life insurance business. They have carried on that business, and to-day have about 7,700 policyholders. But as the policyholders, very few of whom are members of the fraternal society, have nothing to say about the administration of the fund to which they have so largely contributed, they now seek to be incorporated as a mutual life insurance company. The Bill is quite simple; and when it has been read the second time I shall move that it be referred to the Committee on Banking and Commerce.

Hon. Mr. MURDOCK: Is the Superintendent of Insurance in agreement with the Bill?

Hon. Mr. COTE: My instructions are that he is.

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

BUREAU FOR TRANSLATIONS BILL

REFERRED TO INTERNAL ECONOMY COMMITTEE

Hon. Mr. McRAE moved that the Senate go into Committee of the Whole on Bill 4, an Act respecting the Bureau for Translations.

Right Hon. Mr. MEIGHEN: The motion is made that the Senate go into Committee of the Whole. If the honourable senator (Hon. Mr. McRae) will be good enough to withdraw his motion, I shall move that the Bill be referred to the Select Standing Com-

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mittee on Internal Economy and Contingent Accounts. I shall not proceed further unless I have the concurrence of the honourable member.

The Hon. the SPEAKER: Is it the pleasure of the House that the honourable member have leave to withdraw his motion?

The motion was withdrawn.

Right Hon. Mr. MEIGHEN: The principle of this Bill was discussed at considerable length in this House yesterday, and the whole subject has been thoroughly reviewed in the other Chamber. The comments made yesterday indicate some apprehension that under the better organized translation service which the Bill contemplates there would be no provision for specialized translators, especially in the Senate, to carry on the work of translating bills, and, I presume, other documents, and speeches. I am not strongly impressed with the grounds of such apprehension; but if there is such an apprehension in the minds of honourable members, the Committee on Internal Economy, inasmuch as it is responsible for the disposition of all who come under the prerogative of this House, would appear to be the appropriate committee to deal with the Bill.

I want to say, though, that to refer to any committee other than Committee of the Whole a Bill which has already been thoroughly reviewed in the other Chamber is somewhat a departure. The usual purpose of reference to a select committee is not only to afford opportunity for intimate examination and the freest possible review of the details, but also to permit persons who are specially interested to be heard. To hear such persons twice does not seem quite necessary, and, I think, would not contribute to the better working of our system. I know there is no constitutional objection to this procedure, but I think the committee would be well advised to prevent any abuse of privilege and check any endeavour to bog the Bill in the mire of a committee. While every reasonable opportunity will be given for presentation of the views of those specially interested, the committee, I am sure, will see that the Bill is not delayed unnecessarily, and that we have it here again at no distant date.

I move that the Bill be referred to the Standing Committee on Internal Economy and Contingent Accounts.

Hon. Mr. DANDURAND: There is one further advantage in having this Bill before the Committee on Internal Economy and Contingent Accounts rather than before some

other committee: it is that the committee named is the one that has most to do with declaring and confirming the status of our staff—

Right Hon. Mr. MEIGHEN: That is right.

Hon. Mr. DANDURAND:—at times with the concurrence of the Civil Service Commission. That committee may well explore the effect which transfer to a central bureau would have upon solemn undertakings and contracts made by the Senate on the advice of that very committee.

The motion was agreed to.

LEAGUE OF NATIONS

POINT OF ORDER—MOTION NEGATIVED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. McRae:

That this House is of the opinion that Canada should withdraw from membership in the League of Nations, and that no further money should be voted to the League.

And the amendment thereto by Hon. Mr. Tanner.

The Hon. the SPEAKER: Honourable senators, last evening I declared that I would take under consideration the point of order which was raised.

Hon. Mr. DONNELLY: With your permission, Mr. Speaker, I would ask whether we are in order in discussing the point of order at this time.

Hon. Mr. GRIESBACH: Louder.

The Hon. the SPEAKER: I was about to say that nobody could take part in the debate except with the leave of the Senate.

Hon. Mr. DONNELLY: As I understand it, the purpose of the motion of the honourable senator from Vancouver was to enable the Senate to express an opinion as to whether Canada should continue to be a member of the League of Nations. The honourable senator from Pictou (Hon. Mr. Tanner) moved an amendment to that motion, and the honourable senator from Parkdale (Hon. Mr. Murdock) raised the point of order on the ground that the amendment proposed was a direct negative of the main motion. But the amendment goes further; it not only declares against withdrawal, which is the thing asked for by the honourable senator from Vancouver, but says:

That Canada should continue membership in the League and act in concert with the United Kingdom and the sister Dominions; and should exert its influence to bring about such revision

of the constitutional authority, duty and procedure of the League as may be advisable and be likely to enlist the co-operation of the Great Powers.

It seems to me that is not a mere negative, but a broadening out, and an expression of opinion in another way.

Hon. Mr. MURDOCK: This discussion is on the point of order?

Hon. Mr. DONNELLY: Yes.

Hon. Mr. MURDOCK: Then it would not be improper for me to speak on it. I raised the point of order, and, if I can read the English language, the honourable senator who has just spoken is surely mistaken. Let us read the motion of the honourable senator from Vancouver, and the amendment of the honourable senator from Pictou. The motion of the honourable senator from Vancouver is:

That this House is of the opinion that Canada should withdraw from membership in the League of Nations, and that no further money should be voted to the League.

The amendment of the honourable senator from Pictou, if I know anything about the matter, is simply a direct negative. If it were carried and the motion as amended were carried, we should simply be deciding to do what the Government, through its responsible and authorized spokesman, has said we are going to do—retain membership in the League of Nations. But that is not the question which has been under discussion for many weeks. It is a proposal to withdraw from and to vote no more money to the League.

Let me read the amendment of the honourable senator from Pictou and place it on record. It is:

That all the words of the motion after the first word "That," in line one, be struck out and the following substituted therefor:—

"considering that several nations have withdrawn support from the League of Nations, the Senate of Canada, regretting the adverse impression thus created, recognizing that the League in many of its activities has achieved substantial and beneficial results, declares the opinion that Canada should continue membership in the League and act in concert with the United Kingdom and the sister Dominions; and should exert its influence to bring about such revision of the constitutional authority, duty and procedure of the League as may be advisable and be likely to enlist the co-operation of the Great Powers and other nations of the world for maintenance of peace and betterment generally of world conditions."

The amendment—may I say it without being unkind or unfair?—is simply an effort to whitewash and minimize and nullify the proposal contained in the motion of the honourable senator from Vancouver, and to make a grand-stand repudiation of the idea that anybody meant anything like what was pro-

posed. The amendment is a direct and absolute negative. Honourable gentlemen will pardon me for saying, as I always say, what I think and mean, whether others agree with it or not. May I as a humble layman refer to what I regard as remarkable impudence—and I say this without the slightest intention of being offensive—the remarkable impudence of undertaking to pass a resolution containing these words:

Considering that several nations have withdrawn support from the League of Nations.

Every honourable senator knows that the nations referred to are not yet out of the League; that the regulations are such that the withdrawal does not become effective for two or three years. Do we want the British Empire and the other nations that are endeavouring to carry on the League to think that we have the temerity to express regret at the withdrawal of certain nations when all they have done is to give notice of withdrawal? It seems to me that Canada could very well afford to leave a question of that kind to be raised by the Motherland or some other country which is shouldering greater responsibilities, bearing larger expenses and doing more work than we are in maintaining peace in the world. I submit we should not attempt to minimize the importance of the discussion that has been going on here, and the notoriety that has resulted, because of the motion made in the Senate some weeks ago by the honourable senator from Vancouver. I cannot read German, but I am told that after that motion was made the German papers published articles stating that Canada had decided to withdraw from the League of Nations. I think that is most unfortunate. I know there has been a great deal of notoriety—

Right Hon. Mr. MEIGHEN: Honourable senators, I think I should rise to a point of order. The honourable gentleman from Parkdale (Hon. Mr. Murdock) started to discuss the point he raised yesterday, to the effect that the amendment, being a direct negative, is not in order. If I may say so, I agree with him on that point. But he cannot make the discussion of that point a reason for dealing with the amendment itself. If the amendment is out of order it should be so declared.

Hon. Mr. MURDOCK: I beg my right honourable friend's pardon. He is entirely right. I was rather enthused on the subject.

Honourable senators, I contend that the words "should continue membership in the League" are positively and unqualifiedly a

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direct negative of the motion by the honourable senator from Vancouver.

Hon. Mr. TANNER: Honourable members, so far as I am personally concerned, it is a matter of indifference whether the objection of my honourable friend from Parkdale (Hon. Mr. Murdock) prevails or not. The views I desired to express have been expressed and are now in the records of the House. In submitting the amendment my desire was to crystallize my views in a few words. My honourable friend from Parkdale, I am sorry to say, is not a leader I should like to follow on a question of parliamentary practice. He was proceeding to discuss the whole subject a moment ago, whereas the matter presently before the Senate is of very small compass. While raising a parliamentary objection, a point of order, my honourable friend seems to have no landmarks whatever for his own guidance.

Hon. Mr. MURDOCK: You are right. Stick to the text.

Hon. Mr. TANNER: I should like to put the matter, as I see it, before the Senate in a brief form. The motion of the honourable senator from Vancouver declares that in the opinion of the Senate Canada should withdraw from membership in the League of Nations. That is the whole motion, except for the part dealing with finances. It is elementary that a merely negative amendment cannot be considered, for very good reasons, which it is hardly necessary to mention. It is only a waste of time to propose an amendment which merely contradicts, as it were—which is a mere negative of the motion. For example, if I should propose an amendment to strike out the whole of the honourable gentleman's motion and substitute the words "that in the opinion of this Senate Canada should not withdraw from the League of Nations," that would be simply a negative amendment and out of order.

Right Hon. Mr. GRAHAM: Does my honourable friend's amendment say anything more than that, except to add a few apologies?

Hon. Mr. TANNER: I shall come to that question in a minute, if the right honourable gentleman will give me time. I am simply trying to demonstrate that it would be a waste of time to propose such an amendment and stop there. We had this afternoon an illustration of what kind of amendment may be made. There was a motion before the House that the Senate concur in the report of the Committee on Banking and Commerce, and my honourable friend who sits in front

of me (Hon. Mr. Ballantyne) moved an amendment. If he had simply moved that the Senate do not concur in the report, he would have been proposing a mere negative. But he did not stop there: in addition to moving that the report be not adopted he proposed a certain change in the wording of a section. Therefore he was quite in order, as I understand it, under the practices of Parliament.

What is called the six months' hoist may be moved with respect to any bill. When a motion is made that a bill be now read, any honourable member may rise in his place and move that it be read not now, but this day six months. That is a perfectly proper amendment, because it submits a proposition different from that contained in the motion. If the amendment were only that the bill be not now read, it would be a mere negative and out of order.

My amendment, I submit, is not a mere negative. It expresses regret in certain respects and pronounces confidence in the League of Nations. It proposes that Canada should not only retain its membership, but should do certain other things. That was my argument, that Canada should not merely retain its membership, but should co-operate with the United Kingdom and other Dominions in exerting influence towards a revision of the League's constitution, authority and duty, for the purpose of enlisting the active support of all the great powers in the maintenance of peace and the betterment of the world generally. The motion is that Canada should withdraw from membership in the League.

I am satisfied to leave the case without further debate to authority that I think is as sound as the opinion of my honourable friend from Parkdale. On the subject of amendments, May's Parliamentary Practice, twelfth edition, has this to say, at page 258:

The object of an amendment may be to effect such an alteration in a question as will obtain the support of those who, without such alteration, must either vote against it or abstain from voting thereon, or to present to the house an alternative proposition either wholly or partially opposed to the original question.

My honourable friend from Parkdale said yesterday that my amendment was bad because it opposed the original motion. Of course it opposes the original motion. It would not be worth a bawbee if it did not. And it is perfectly in order, according to May, who goes on to explain:

This may be effected by moving to omit all the words of the question after the first word, "That"—

—precisely what I have done—

—and to substitute in their place other words of a different import. In that case the debate that follows is not restricted to the amendment, but includes the motive of the amendment and of the motion, both matters being under the consideration of the house as alternative propositions.

This authority is supported by precedents. It is stated here that a naked negative, and what is called an expanded negative, that is a negative made more imposing by mere verbiage, are not in order. But it is clearly laid down that a motion can be defeated by an amendment which strikes out all the words except the word "That" and substitutes other words, which may be wholly or partially opposed to the proposition in the original motion.

As I have said, it is of no consequence to me whether the point of order is upheld, but I think that so far as the House is concerned the matter is of such importance that we should have a considered ruling—that we should not in haste make a precedent which we might be sorry for in the future.

Hon. Mr. MURDOCK: May I ask the honourable senator a question?

Hon. Mr. TANNER: Ask me a dozen. I do not know that I will answer them.

Hon. Mr. MURDOCK: Is it a fact that the kernel, the gist, of the motion by the honourable senator from Vancouver is that Canada should withdraw from the League of Nations?

Hon. Mr. TANNER: What has that to do with the point of order? Can my honourable friend understand this English that I read?

Hon. Mr. MURDOCK: Will the honourable gentleman answer the question?

Some Hon. SENATORS: Question!

Hon. Mr. TANNER: This book says distinctly that it is in order to wipe out the kernel or to alter it. My honourable friend may be a greater authority on parliamentary procedure than Mr. May. If he is, he had better write a book.

Right Hon. Mr. GRAHAM: Honourable senators, what "colonel" is my honourable friend attempting to wipe out?

It would not be in order for me to say all that I should like to say on this subject. The Senate has been misjudged. Some very important bodies have concluded that the Senate is in favour of our resigning from the League of Nations. There is no ground what-

ever for such a conclusion, of course, but to pass any motion that does not express our stand in an absolutely straight and clear way would not improve the position of the Senate in the public estimation. My humble opinion is that the amendment, notwithstanding the judicious use of language by my honourable friend from Pictou (Hon. Mr. Tanner), is a mere negative to the motion.

The Hon. the SPEAKER: Honourable senators, the honourable senator from Vancouver (Hon. Mr. McRae) has moved the following motion:

That this House is of the opinion that Canada should withdraw from membership in the League of Nations, and that no further money should be voted to the League.

In amendment to this motion, the honourable senator from Pictou (Hon. Mr. Tanner) has moved:

That all the words of the motion after the first word "That," in line one, be struck out and the following substituted therefor:—

considering that several nations have withdrawn support from the League of Nations, the Senate of Canada, regretting the adverse impression thus created, recognizing that the League in many of its activities has achieved substantial and beneficial results, declares the opinion that Canada should continue membership in the League and act in concert with the United Kingdom and the sister Dominions; and should exert its influence to bring about such revision of the constitutional authority, duty and procedure of the League as may be advisable and be likely to enlist the co-operation of the Great Powers and other nations of the world for maintenance of peace and betterment generally of world conditions.

The honourable senator from Parkdale has raised a point of order to the effect that the words in the proposed amendment "should continue membership in the League" are a direct negative to the motion that has been under consideration for some weeks, and that therefore the amendment is out of order.

I have perused May's Parliamentary Practice and other authorities. May, at page 283, says:

Amendments that are merely an expanded negative cannot be put from the chair.

Peel's Decisions, page 9, says:

A mere negative cannot be moved as an amendment, and a proposed amendment which is merely an expanded negative is not in order.

In Denison and Brand's Decisions, page 9, I find the following:

Amendments in the nature of substantive resolution and not of amendment to the resolution before the House cannot be moved.

In my opinion the amendment proposed by the honourable senator from Pictou is not only in the nature of a substantive motion, but is an expanded negative to the

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main motion, and cannot be moved. Therefore I rule that the point of order is well taken.

Hon. A. D. McRAE: Honourable senators, I do not intend to detain the House very long. First may I express my appreciation of the very kind way in which this unpopular motion of mine has been received by honourable members of this Chamber. The debate has already proceeded considerably longer than I anticipated it would when I introduced the motion. I can only say that I hope the unanimity with which the motion will be rejected will in later years prove to be justified, and that my fears for the future will not be realized. In that connection, however, I want to say to honourable senators that as yet I have not changed my mind.

The one thing that has been impressed on me by this debate is the number of important issues that are, so to speak, still left in the air. The honourable leader on the other side (Hon. Mr. Dandurand) states that article 10 of the League's Covenant is not effective so far as Canada is concerned; while the right honourable leader of the House (Right Hon. Mr. Meighen) expresses strong disapproval of a membership which does not entail the full obligations imposed by the covenants. Many people in this country believe that when Great Britain is at war we are necessarily at war. That leads to questions as to our opportunity and our obligation to participate in discussions concerning commitments which bring about that liability. Large numbers of Canadians believe that the Government should not decide to participate in any war unless it first submits the question to the people by a referendum. There is a strong feeling that the Administration should not be given a blank cheque for war.

It is evident, honourable senators, that if we are going to discuss effectively the great external issues which confront Canada to-day, some better plan of procedure must be adopted in this honourable House. For once I find I am in harmony with the Society of the League of Nations in Canada when I submit that we should have a Standing Committee of the Senate on External Affairs. If next session such a committee is set up to discuss these foreign issues I shall feel that the debate has been well worth while.

The discussion this afternoon on the Shipping Bill and the proposed change in our mercantile marine flag emphasizes the fact that we have acquired a new national status. Canada must assume the responsibility which

goes with that status, and provide the requisite machinery to discharge her new obligations.

I had been warned that in initiating discussion on these four or five important external issues I was dealing with dynamite. I prefer dynamite in the Senate to dynamite in the country, where it is certain to be if these issues are left to be immediately decided when the crisis is upon us. At the present time I see no way of dealing with these issues except as I have done in the motion before the House. A Standing Committee on External Affairs would provide the necessary avenue for consideration of these matters. I repeat, if we are to discharge intelligently our obligations under our new national status we must provide the necessary machinery to that end.

In conclusion, I wish to express my appreciation of the kindly references to myself which honourable senators have seen fit to make during the course of this debate.

The motion of Hon. Mr. McRae was negatived.

Hon. Mr. MURDOCK: Honourable senators, in view of the notoriety which this debate has brought to the Senate, I submit there should be a recorded vote.

Hon. Mr. TANNER: I should like to know under what rule my honourable friend is making his submission after the vote has been taken.

Hon. Mr. MURDOCK: I do not see anything in the rules requiring me to sit down when I am suggesting we should have a recorded vote.

Hon. Mr. TANNER: The honourable gentleman is a rule unto himself.

The Hon. the SPEAKER: The honourable senator from Parkdale asks for a recorded vote. The rules require that five senators support his request.

Hon. Mr. MURDOCK: Three or four distinguished senators on the other side asked me to make this request. I note that they are not in their seats.

INQUIRIES BILL

FIRST READING

Bill 84, an Act to amend the Inquiries Act.—Right Hon. Mr. Meighen.

The Senate adjourned until Tuesday, June 5, at 8 p.m.

THE SENATE

Tuesday, June 5, 1934.

The Senate met at 8 p.m., the Speaker in the Chair.

Prayers and routine proceedings.

INTOXICATING LIQUORS BILL

WITHDRAWN

On the Order:

Second reading of Bill 3, an Act to amend the Importation of Intoxicating Liquors Act.—Right Hon. Mr. Meighen.

Hon. Mr. CALDER: Honourable members, a memorandum has been placed in my hand setting forth that the province of Ontario originally asked for the proposed legislation, but now does not wish it to be proceeded with. Manitoba and British Columbia also object to the Bill. Nova Scotia favours it to some extent, but not in toto. Therefore, on the suggestion of the Government, I move that the Bill be dropped.

The motion was agreed to, and the Bill was withdrawn.

INQUIRIES BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 84, an Act to amend the Inquiries Act.

He said: This is an amending measure to enable the Governor in Council to empower the members of an international tribunal to do in Canada whatever by the present Inquiries Act the Governor in Council could empower a Canadian tribunal to do. This authority is to be exercised as a matter of courtesy, for the benefit of governments of other countries which have extended a similar courtesy to Canada. It becomes necessary at times, for the purpose of succession duties or other matters connected with estates, to conduct an examination in a foreign country. This Bill authorizes such an examination to take place in Canada when the other country concerned has extended to the Dominion a similar courtesy.

Hon. Mr. DANDURAND: But this covers only international tribunals—

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. DANDURAND:—which desire to examine witnesses in Canada. Under our general practice a commission can be issued

for the examination of witnesses in a civil suit in any part of the world. The International Waterways Commission is the only commission I can think of that might desire to examine witnesses in Canada.

Has this proposal arisen out of a special case, or is it general legislation, already upon the statute books of the United States, for instance?

Right Hon. Mr. MEIGHEN: It has been on the statute books of other countries, and the power has been exercised in those countries. There was a case, but I cannot give it specifically. It was not one in which the International Joint Commission, or Waterways Commission, was involved. It had to do with estates. I do not know just how it arose. The honourable gentleman is quite right that all that is intended or permitted by this amendment is to empower an international tribunal to hold court in Canada if a corresponding right has been given to hold court in the other country. The powers that may be given are exactly those authorized in the present Inquiries Act. That is to say, the Governor in Council cannot allow anything more to be done than can be done under the present Act.

Hon. Mr. CASGRAIN: Is it not a case that has to do with paying succession duties twice?

Right Hon. Mr. MEIGHEN: No. That is just an illustration. If a government desired to make certain inquiries here under oath, I presume it could do so by the process of court which my honourable friend (Hon. Mr. Dandurand) had in mind; but if the matter were not in the courts it might be desirable to appoint a commission here.

Right Hon. Mr. GRAHAM: If the purpose is merely to give an international body power to take evidence, I would offer no objection; but I remember one occasion when, in my innocence, I got into a very awkward snarl with people in Canada, the United States, and Great Britain.

Hon. Mr. CASGRAIN: That must have been a long time ago.

Right Hon. Mr. GRAHAM: The Board of Railway Commissioners for Canada and the corresponding body in the United States recommended that we allow them to form a joint board for the purpose of dealing with rates that were international. The protests that came to me were so strong, and seemed so well founded, that I declined to proceed. As a matter of fact, a gentleman from London came here to point out the difficulties that might arise, and urged that it might not be

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beneficial to Canadian transportation bodies to allow even an international body of that kind to deal with rates in Canada. The matter of long hauls and short hauls and all that sort of thing came into the question.

Unless we are pretty careful in regard to what these international organizations can do, they may get us into difficulty by dealing with things that we are interested in and that should be dealt with only by ourselves.

Hon. Mr. DANDURAND: I see that the powers given under the Bill are somewhat restricted.

The Governor in Council may, whenever he deems it expedient, confer upon an international commission or tribunal all or any of the powers conferred upon commissioners under the provisions of Part I of this Act.

Of course this would be done with the knowledge and consent of the Governor in Council, and I do not see that very much harm can come from giving power to the Governor in Council to clothe an international commission or tribunal with the powers conferred upon commissioners under the provisions of Part I of this Act. It would be very exceptional, I should think.

Right Hon. Mr. MEIGHEN: Quite.

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

COMPANIES BILL

FIRST READING

A message was received from the House of Commons with Bill 64, an Act respecting Dominion Companies.

The Bill was read the first time.

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of the Bill.

He said: Honourable members, I wish to move the second reading of this Bill now, for the reason that it is an extensive measure and I am quite sure it would be the desire of the House to refer it to the Committee on Banking and Commerce. Possibly the honourable senator from De Lanaudière (Hon. Mr. Casgrain) may wish to have it referred to Committee of the Whole, but I think it would be more apt to receive at the hands of the select committee the consideration which we like to give such measures.

The measure is an important one, and quite extensive in its modifications. It is a complete revision of the Companies Act and the old Companies Clauses Act. The Bill was prepared at the instance of a provincial conference held about a year and a half ago

and was submitted to the provincial conference which met in January last. On this occasion it was reviewed by a committee, consisting of the Attorneys-General and the Deputy Attorneys-General of the provinces. Then, on the recommendation of the committee, the conference decided that the Bill should stand over for study by the various provincial governments. They were to submit by the 1st of March this year any amendments they wished to be considered. They have not submitted amendments, and I think it may be concluded from their omission to do so that they have no objection to the Bill as such. I am not certain that it can be concluded they desire as governments to fall in with the provisions of the measure and adjust their own legislation along similar lines. It can be stated, though, that British Columbia and Nova Scotia have advised that they propose to continue issuing letters patent in accordance with their previous practice, and Quebec has given notice that it intends to continue its practice of issuing to companies letters patent from the Crown. On the whole I think the Bill was pretty satisfactory to the representatives at the provincial conference in January.

In the old Companies Act, in which the Companies Clauses Act was embodied, the first part dealt with the creation of companies and the issue of their stock, also with the creation of companies which had no stock—corporations existing for purposes other than the making of money. Under the present Bill these are dealt with separately. The first part of this measure treats entirely of share capital companies. The second part has to do with corporations without share capital. The third part contains provisions applicable to companies created by special legislation, that is, companies which get their charters by statute, and determines under what general law they shall live. This part is not of great importance, because no matter what may be included in these terms dealing with companies created by special statute, the companies may be released from the whole or any part of such terms by the special statute itself. The fourth part provides regulations for British and foreign mining companies. Parts V and VI are general, being applicable over the whole field. Part VII merely deals with the bringing into effect of various portions of the law.

The main purpose of this measure is the protection of the public in relation to company launching and operation. It must be kept constantly in mind that the provinces as well as the Dominion can issue charters. This fact

has no doubt heretofore deterred the Parliament of Canada from making too stringent or too burdensome the requirements appertaining to the granting of federal charters. If the regulations are too strict, applicants for incorporation go to the province where they can get what they want, or the nearest approach to what they want. A similar situation exists across the line. Some states are very strict in their demands before they will incorporate, and in their supervision of the operating powers of companies, while others are only moderately so, or have very light restrictions.

Hon. Mr. CASGRAIN: New Jersey.

Right Hon. Mr. MEIGHEN: It used to be New Jersey, but now Maryland and Delaware are the happy hunting grounds of company promoters. But of course in the United States the sale of securities of all companies now comes under the Act which was recently put into effect.

In view of the alternative for company promoters which has always existed in Canada, this Bill goes a considerable length indeed. It goes very far in restricting the kind of companies which can be formed, especially in relation to no-par-value stock companies. I believe there is a complete prohibition of the issue of no-par-value stock.

Then there are extensive and exceedingly virile restrictions with regard to the sale of stock. The prospectus must contain not only the truth but all the truth, and the purchaser has a right to cancel his purchase within a certain time unless it can be shown that the prospectus containing full details actually reached him before his purchase was made. Also, the liability of directors is very seriously extended.

In the preparation of this proposed legislation, as well as in the collection of the old law, great care has been exercised. During the course of years, with this amendment and that being made, the law gets to a state where something in section 121, perhaps, would be better in section 3. An attempt has been made in the drafting of this measure to group all the sections properly, so as to make the law much clearer for the lawyers and for business men who have to understand it.

I do not think I need go much further in an exposition of the details of the measure. He who votes for the principle does so because he is convinced the time has come for a re-statement of the company law of Canada and for modifications along the lines I have mentioned. The modifications are indeed extensive, and I feel the House will want to

study them carefully and hear such representations as may be made. But I would impress upon honourable members that we are probably not far from the close of the session, and, while we want to do our duty with respect to the measure, we should do it as expeditiously as possible. This is a large Bill. In size it is not comparable to the Shipping Bill, but it is a good second in the legislation of this session.

I intend to move for reference to the Standing Committee on Banking and Commerce after the motion for second reading is passed. I may say that in the other House the Bill did not go to a standing committee; no doubt because the standing committees there are very busy on the Bank Act and many other Acts. It went to Committee of the Whole, where it was given some detailed consideration, and I believe it was also considered by a special committee which was not created by the House, but altogether by one party in the House. I do not know just how that came about, but apparently the Bill was satisfactory to the committee so created. I recite these circumstances merely to indicate that although the session is well on, it does seem to me right that the Bill should go before the Banking and Commerce Committee of this House.

Hon. R. DANDURAND: Honourable members, some four or five years ago there was initiated in this Chamber a Companies Bill which emanated from the Department of the Secretary of State. Mr. Thomas Mulvey, the then Under-Secretary of State, took the responsibility of steering the Bill through our Committee on Banking and Commerce, in which committee considerable time was devoted to it. We had among us at that time one who was highly qualified to watch every movement for modification of company legislation, the late Senator Béique. During the course of some weeks when the measure was under consideration we heard interested parties from Toronto and Montreal, and I think from as far as Winnipeg. We thought at that time that we had gone fairly far in drafting stringent regulations for the incorporation and control of companies, but it became apparent, more especially after the crash of 1929, that we might go still further in trying to prevent fraudulent operations under the Companies Act.

This new Bill is an important matter. As the right honourable gentleman has stated, we may make strong efforts to improve upon company legislation, but they may be rendered ineffective if the provincial laws do not keep pace with ours. I am hopeful that for the good reputation of Canada and in the

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best interest of our economic life the provinces will endeavour to strengthen any weak spots there may be in their legislation and place it on a level with ours. A considerable sum of money has been lost throughout the country because of laxity of our laws, and I feel that in this matter every province will want to co-operate for the protection of its own people.

As we shall not be able to devote to this Bill as much time as we gave to the one before us a few years ago, it seems to me that it would be advisable for Mr. Cahan, the Secretary of State, to appear before our Banking and Commerce Committee and explain briefly the various changes now proposed. I understand that he has already given a most illuminating exposition of the provisions. If he is the author of them he is of course the person most familiar with their details. I suggest to my right honourable friend that it would be well, if possible, to have the Secretary of State present to tell us in what respect this Bill goes beyond the former one to which I have referred. On that previous occasion we had thought of including in the Companies Act regulations for the trust companies as well, but it was suggested that there would probably be a special Act covering trust companies. Perhaps my right honourable friend can tell me whether the present measure applies to trust companies.

Right Hon. Mr. MEIGHEN: There is nothing within the scope of this Bill that was not previously within the Companies Act and the Companies Clauses Act. Special trust company legislation would not be within the scope of this measure.

In the main, this Bill has been prepared by the Secretary of State. He has devoted a tremendous amount of work to it, and has applied particularly some features resulting from his experience of the last four years, a period which has been one of great difficulties for the Department and of greater difficulties for stock companies. He has expressed to me a willingness to appear before the Senate committee. In his conversation with me to-day, which was the first time I had spoken to him on this subject since the conference, he referred to the Bill mentioned by my honourable friend opposite (Hon. Mr. Dandurand). I do not know just what that Bill was, but I know the Secretary of State did not like it. I am sure he will distinguish it from this one. We may not like the present measure so well, for I have already been advised that some honourable members desire to amend certain features of it.

Hon. Mr. CASGRAIN: Honourable gentlemen, a few days ago I read in a French newspaper—I do not think it is friendly to the Government—a two-column article commending the honourable Secretary of State for his wonderful grasp of the many details of this intricate measure. No Conservative paper could have praised him more highly. I have not the slightest doubt of the ability of the right honourable gentleman to explain the Bill, but its father could in a few minutes enlighten us on all the details.

Right Hon. Mr. MEIGHEN: He will attend before the Banking and Commerce Committee.

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

INDIAN BILL (CAUGHNAWAGA RESERVE)

FIRST READING

Bill 90, an Act respecting the Caughnawaga Indian Reserve and to amend the Indian Act.—Hon. Mr. Calder.

The Senate adjourned until to-morrow at 3 p.m.

THE SENATE

Wednesday, June 6, 1934.

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

Prayers and routine proceedings.

DEFENCE OF CANADA'S SEA-BORNE TRADE

INQUIRY AND DISCUSSION

Hon. W. A. GRIESBACH rose in accordance with the following notice:

That he will call the attention of the Government to the question of the defence of the sea-borne trade of Canada, and will inquire of the Government what steps it proposes to take to provide adequately for the defence of the sea-borne trade of Canada.

He said: Honourable gentlemen, the House has recently concluded its great work on the Shipping Bill and on the new Admiralty Bill. Members of the committee which dealt with those two bills have had their attention directed particularly to the whole question of shipping, to the antiquity of the law, to the part which shipping has played in the growth and development of trade and commerce throughout the world, and to the law as it

affects the lives of men of all sorts and conditions who go down to the sea in ships and do business in great waters.

It is of special interest to the people of this country to realize that we have now become the fifth trading nation of the world, forming part of an empire which, curiously enough, is virtually composed of islands. Everyone knows that Britain is an island. Australia and New Zealand also are islands. It is not so well recognized that Canada, except for her land-borne trade with the United States, is also an island. The Union of South Africa has practically no trade with any other part of Africa, nearly all her trade being sea-borne. The trade of India with the mainland to the north is negligible, and practically the whole of her trade is carried by water. Consequently the lanes of traffic upon the high seas are a dominant factor in inter-Empire trade, and, indeed, the trade of every part of the British Empire with the rest of the world.

The security of these lanes of traffic and of the merchandise which is carried upon them becomes, then, a dominant factor in the lives of the component parts of the Empire. Security is defined as the continuing assurance that the lives and property of persons within a nation shall be free from molestation, interference or destruction. There is no use in transacting business and trade or engaging in the manufacture or creation of values unless there is ultimate security in their maintenance and use. Security, then, should be the prime consideration of governments. Adam Smith, in discussing the Navigation Acts in Great Britain some eighty or ninety years ago, although he was a free trader, supported the navigation laws, and in that connection used the phrase that in the science of government "defence is greater than opulence," meaning thereby that the first consideration in the success of the life of a nation is that its trade and business should be secure. Without security there can be no confidence, no tranquillity and no progress.

Within the past thirty years the conditions affecting security have in turn been affected by modern inventions, principally by the contraction of time and space by reason of swift communication both by telegraph and wireless, and also by the greater speed of railway trains and shipping and air travel. We say then that security has been affected by the contraction of time and space, bringing countries which once were remote from each other very close together. Then there have been fluctuations in population, the depletion of resources, the destruction of markets and the

creation of new markets, and other conditions affecting security. There have also been over-population, the struggle for raw materials, and so forth.

All this is of special significance to the component parts of the British Empire, for the reason that we to-day hold the largest unsettled, open spaces throughout the world, and have in our possession the greatest store of untapped natural resources.

The security which our trade has enjoyed in the past has been guaranteed by the armed strength of Great Britain. The armed strength of the British Empire is potential rather than actual; but so far as Great Britain is concerned, she is the core of the defence of the Empire. If Great Britain were to suffer a reverse in the first three months of a great war, then the whole of the Empire would be at the mercy of the conqueror. If she fails, failure is complete. Any threat against Great Britain is a threat against Canada.

Empire conferences in the past have dealt with this question of defence, particularly of the trade routes, and it has been agreed that Great Britain would assume the major portion of the defence without much thought or very much discussion, as if it were the operation of some natural force, although the Dominions would have to provide for local defence.

There are several things to be said about local defence. First, local defence, as such, cannot possibly win a war. It may serve some useful purpose, provided we live up to our obligations. But I wish to show that we have failed even in that. So we are relying for the protection of the British Empire upon Great Britain herself.

Now it becomes interesting to examine what we have done in the matter of naval defence. The personnel of our navy is between 800 and 1,000 of all ranks—an excellent lot of officers and men. We have, in the matter of fortifications, two fortified harbours—Esquimalt and Halifax. The defence of Esquimalt consists of two 9.2 guns left there by the British when they pulled out in 1906. The fortifications of Halifax are very similar. There is a very limited supply of the materials used in defence, such as mines, harbour lights, searchlights and so forth. It may be observed that the defences of our two fortified harbours are just about sufficient to justify bombardment by an enemy—that and not much more. They give no security, no refuge for our naval vessels, if we had them.

The system of naval defence of our shipping is based upon what is known as the theory of the defence of the focus of trade. If you will

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examine a map of the world you will find, leading into the great harbours and ports, a series of converging lines from all other ports. It is considered that all we could hope to do, with our limited naval forces, would be to defend the focus of trade. On the Atlantic Coast we have three foci of trade: one into the St. Lawrence; another into Halifax; another into Saint John. On the Pacific we have the focus of trade which leads into the south end of Vancouver Island, the one which leads into the north of the Island, and the one leading into Prince Rupert. The theory of the defence of the focus of trade is that our warships shall be posted in that neighbourhood, and that as our merchant ships converge, and thereby offer a better target for the enemy, our vessels of war shall be there to protect them.

It then becomes interesting to ascertain just what ships we have for our own defence, under the agreement that we have made. We have two modern destroyers. I may say that a destroyer is the smallest type of warship. There are battleships, battle cruisers and cruisers of various sizes, and in comparison a destroyer is very small. Our Canadian Navy possesses two modern destroyers and two obsolete destroyers, that is, destroyers twenty-two or twenty-three years old which are being kept in commission as a result of tinkering and repairing.

Hon. Mr. DANDURAND: Were these destroyers bought at the beginning of the War in 1914 for purposes of protection?

Hon. Mr. GRIESBACH: These two obsolete destroyers were originally in the British Navy, which presented them to us at a time when I think the honourable senator from Alma (Hon. Mr. Ballantyne) was Minister of Marine. They were not new at that time. Then we have three, four or five trawlers, very lightly armed ships that may be used in trawling for mines, and work of that kind. That is the total naval strength of Canada, and it is divided equally between the coasts, one modern destroyer, one obsolete destroyer and a couple of trawlers being on the Atlantic, and a similar number of the same kinds of vessels on the Pacific.

The task of this naval force on the Atlantic is to defend three foci of trade, namely those leading into the St. Lawrence river, into Halifax and into Saint John. It may be asserted without fear of successful contradiction that the smallest enemy cruiser imaginable could put to flight or sink all these ships of ours in half an hour, and thereafter the

whole sea-borne trade of Canada on that coast would be at the mercy of any hostile fleet, which is to say that it would be wiped out. The effect of that I shall deal with in due course.

I have said that the use of the sea is a fundamental condition to the existence of the Empire and of the Empire's trade. I will

amplify that statement by quoting some figures to show the extent of our commerce upon the high seas. These figures, which are for the five years from 1928 to 1932, have been prepared for me by the Bureau of Statistics. They do not include our land-borne trade, which is exclusively with the United States.

Years	Imports	Exports	Total
1928..	\$ 390,060,000	\$ 753,812,000	\$1,143,872,000
1929..	397,667,000	867,629,000	1,265,296,000
1930..	400,832,000	608,250,000	1,009,082,000
1931..	322,206,000	453,105,000	775,311,000
1932..	226,817,000	343,215,000	570,032,000
	<u>\$1,737,582,000</u>	<u>\$3,026,011,000</u>	<u>\$4,763,593,000</u>

I have analyzed that sea-borne trade and find very interesting figures showing the exports from Canada of agricultural, vegetable and animal products. Our total sea-borne exports of these products alone, for the five years in question, were as follows:

1928..	\$ 573,180,000
1929..	662,710,000
1930..	402,934,000
1931..	314,779,000
1932..	240,223,000
	<u>\$2,193,826,000</u>

During the past four or five years there has been a decline in the prices of these primary products of our Canadian farms, and we are familiar with the effect that the loss in value has had upon the trade and business of Canada. I leave it to honourable members to imagine what would happen if by reason of a blockade we were deprived of the free use of the sea and could no longer export these goods, so that instead of merely losing on account of the reduced prices we should by one fell blow suffer a loss in trade to the extent of the total value of the products.

The registered tonnage in Canada totals 1,437,000. It is difficult to find out just how much of this is engaged separately in ocean and inland traffic, but it is safe to say that from one-third to one-half of the total is plying on the high seas. That is enough to carry a large proportion of our export trade and to justify our claim to being the fifth trading nation of the world.

I ask honourable members what real protection is afforded along our own coast lines to this enormous trade by the present system of merely local defence. And how much less security and protection is there for the great volume of trade that is carried upon the high seas in every part of the world where no Canadian defence whatever is provided?

Many people will say that the protection of our sea-borne trade is not a serious question after all; that we can always rely upon the British Navy. That was true in the past. During the seventy years of our history we have relied for defence upon the British Navy, but in the last five years the situation has changed. Under the Statute of Westminster we have taken on a new national status and we are making claims to independence. Our position has been altered in a legal sense, as we have learned in dealing with the Shipping Bill and the Courts of Admiralty Bill. But it is assumed that by reason of our partnership in the British Empire we are in some way entitled to the protection of the British Navy.

In the second place, it is assumed that because our exports are necessary to Great Britain, the British Navy will be moved to protect our sea routes. There is no assurance of that at all. During the past five or six years we have made the rather disconcerting discovery that the very things we produce and export are produced and exported by several other countries. This morning the papers contained a dispatch that France has 2,000,000 bushels of wheat for export. We know wheat is exported from the Argentine, from Australia and from other countries. Indeed, there is scarcely a thing we produce and export which is not produced and exported by other countries. Consequently it does not follow at all that our exports are of such value to Great Britain that the British Navy will protect our overseas commerce.

But that is not the most serious side of the question. We may rely upon the goodwill of the British people both to protect us in war and to buy our goods in peace. But I am going to suggest that as a matter of fact the British Navy is no longer able to defend our trade routes. By the Treaty of Washington and the subsequent Treaty of London the

British Navy was reduced from 70 to 50 cruisers, contrary to what was advisable in the opinion of the best British naval officers. Then since the period of retrenchment and the great drive for disarmament in the maintenance of peace the British Navy has been allowed to deteriorate, until to-day 40 per cent of its cruiser strength is approaching obsolescence; that is to say, the age of twenty years. Many of the heavier ships are also becoming old. It is interesting at the same time to note that the oldest ship in the Japanese Navy has not yet been in commission eight years.

The British Navy is turning to the use of oil for fuel purposes. I spoke a moment ago of the British Navy not being able to defend us by reason of its present constitution. In addition to that, the next war may be of such a sort as to make it impossible for Great Britain to undertake the protection of our sea routes. It is estimated that to keep the British mercantile marine supplied with fuel oil might under certain circumstances necessitate the British Navy devoting itself to this task alone. So I assert it is quite reasonable to conceive that the British Navy will be no longer able to protect our trade routes. And our sea-borne trade, in exports and imports, as I said a moment ago, approximates to a value of a billion dollars a year.

There are three courses open to us: in the first place, to do nothing—a very simple thing; second, to co-operate within the Empire; third, to separate from the Empire entirely. I am assuming that we have some consideration for our self-respect, that we are approaching manhood, and that, as I have been told by many persons, if we are going to put on the airs of a sovereign state we ought to look these realities in the face. So we are being forced to the place where we must decide what we are going to do, whether to separate entirely from the Empire, or to seek some form of co-operation in defence.

I have made some examination of what the situation would be with respect to either of these alternatives. At present we have no consular service and no navy. We are relying upon the British Navy for defence. If anyone was in doubt about this, the discussions which took place on the Shipping Bill have

brought out the point in bold relief. As will be remembered, we had to drop the Shipping Bill last session when it was pointed out to us that we had made provision for the use of consular officers, the arrest and detention of ships, the policing of the seas, and so forth, and that after the Statute of Westminster we had no more right to command the services of the British Navy than we had to command the servants of the Italian, French or any other Government.

We got around the difficulty in this way. The Bill which we passed the other day contained what are known as reciprocal clauses. Provision is made that we put our diplomatic and consular services and our navy at the disposal of other parts of the Empire, and they by similar legislation put their respective navies at our disposal. I fancy that throughout Canada this will be known as a fifty-fifty proposition, regardless of the fact that we have no consular service, and that our navy amounts to practically nothing.

This is well illustrated by a story I heard recently of a man engaged in the sausage business. He made sausages out of rabbits. It was noted that a large number of horses were taken into his factory, but none were ever seen to come out. The authorities became interested, and he finally admitted that he used a certain amount of horse meat in his rabbit sausages. When pressed to give the approximate quantities, he said, "About fifty-fifty." When pressed more closely he said that by fifty-fifty he meant one horse to one rabbit.

The reciprocal clauses of our Shipping Bill are in somewhat the same category. We are putting our Canadian Navy at the disposal of the other members of the Empire, but we have practically no navy. We are also putting our consular and diplomatic services at the disposal of the other members of the Empire, yet we have neither of these services. On the other hand, the British Government maintains consular and diplomatic services at an annual cost of between \$7,000,000 and \$10,000,000.

I propose now to discuss the expenditure by Great Britain on naval defence and to compare it with the relative figures for the other self-governing Dominions. These are the comparative figures for 1931:

Country:	Population	Trade	Tonnage	Defence expenditure
Australia..	6,000,000	504,809,000	681,000	18,420,000
New Zealand..	1,500,000	211,348,000	.....	3,475,000
South Africa..	7,500,000	548,136,000	44,000	4,907,000
Canada..	10,500,000	938,393,000	1,437,000	19,300,000
	25,500,000	2,202,686,000	2,162,000	46,102,000
Great Britain..	44,000,000	6,500,000,000	19,562,000	536,400,000

For the fiscal year 1934-35 our appropriation for defence is down to \$12,926,864.

I analyze the statement in this way. The Dominions, with five-ninths of the population, one-third of the trade and one-ninth of the tonnage, pay about one-eleventh for national defence as compared with Great Britain's expenditure.

Let me put it in another way—the cost of naval defence, relative to total trade. Great Britain pays 3·04 per cent; Australia, 1·06 per cent; New Zealand, 0·77 per cent; South Africa, 0·043 per cent; Canada, ·15 per cent.

While South Africa is at the bottom of the list, it must be remembered that in its population of 7,500,000 are included about 5,000,000 native blacks. The white population is not more than a couple of millions.

Another comparison of cost of naval defence is to view it per head of population. On this basis Great Britain pays for naval defence \$5.48; Australia, \$1.32; New Zealand, \$2.18; South Africa, 21 cents; Canada, 21 cents. We are at the foot of the list of the various British

countries with respect to our expenditure for naval defence.

Let us consider now for a moment what our position would be if we separated ourselves wholly from the British Empire. We should have to maintain consular and diplomatic services. As everyone knows, we maintain to-day but three Ministers abroad, in France, the United States, and Japan. Those who have studied the Shipping Bill and the Admiralty Bill must have been impressed with the necessity of consular officers throughout the world. Since our trade goes all over the globe, it follows that we must have the use of a consular service. If we were to place ourselves on the same footing as other nations of the world, we should have to maintain a consular service and both land and sea defences.

I have had prepared by the Statistical Department this statement. It covers a dozen nations whom I have selected as more or less corresponding with us in national stature, that is to say, in population, trade, tonnage and the like.

Area, Population, Annual Expenditure, Trade, Merchant Shipping and Expenditure for National Defence of Certain Countries in the Most Recent Year for which Figures are Available

Area	Population	Annual expenditure	Grand total trade	Merchant shipping tonnage	Year	Army	Navy	Air
000 sq. miles	000	\$000	\$000	000 1931		\$000	\$000	\$000
Norway.....	1930	1932	1932	4,066	1931	6,110	5,413	1,206
Sweden.....	1930	1932	1932	1,705	1930	21,225	13,078	2,600
Denmark.....	1930	1932	1932	1,145	1931	7,557	3,832	750
Holland.....	1930	1931	1932	3,118	1929	48,999	17,847	5,105
Finland.....	1920	1931	1931	312	1930	Total National Defence		16,109
Spain*.....	1930	1931	1932	1,227	1930	109,904	34,982	
Portugal.....	1930	1932	1931	276	1931	14,077	7,145 ⁵	478 ²
Belgium.....	1930	1931	1932	547	1930	33,762	.....	4
Argentina.....	1914	1930	1932	328	1930	74,576	.....	1
Brazil.....	1920	1931	1932	499	1930	34,812	46,212 ⁵	1
Chile.....	1930	1931	1931	184	1930	14,755	20,122 ⁵	1
Peru.....	1876	1930	1931	65	1930	4,480 ⁶	14,574 ⁵	4
Australia.....	1921	1932	1932	.....	1930	Total National Defence	2,240 ⁶	1
				681	1931	1,285	2,190	4
New Zealand.....	1931	1932	1932	.....	1931	Total National Defence	3,800	4,907
South Africa.....	1921	1932	1932	44	1931	12,100		3,400 ⁷
Canada.....	1932	1932	1932	1,437	1931			

*With Canaries.
 1 Divided between Army and Navy.
 2 Military aviation only.
 3 Included Naval Air Service.
 4 Included in Army vote.
 5 Includes lighthouse and harbour administration.
 6 Includes pensions.
 7 Includes expenditure on purchase and upkeep of aircraft and equipment for Civil Government air operations and Controller of Civil Aviation branches.

A rough analysis of this statement shows that Sweden, with 6,000,000 people, one-half our trade, but slightly more tonnage, spends almost double what we spend on defence.

Portugal, with 6,000,000 people, about one-ninth our trade, and about one-seventh our tonnage, spends \$3,000,000 a year more than we spend on defence.

Argentina, with 8,000,000 people, about two-thirds our trade, and less than one-quarter our tonnage, spends more than six times what we spend on defence.

Chile, with less than one-half our population, less than one-quarter our trade, and about one-eighth our tonnage, spends \$10,000,000 more than we do on defence.

From the foregoing I submit that if we placed ourselves on the same basis as these independent sovereign nations, we should be obliged to spend on defence alone \$80,000,000 a year, or from three to four times our present annual expenditure under this head.

From these statements it is apparent that Great Britain leads in expenditure for naval defence. We all know that Great Britain is one of the most heavily taxed countries in the world. Our people pride themselves upon their national status, but they refuse to discuss this matter at all. Many of them say that Great Britain has to maintain a navy anyhow and can easily afford to protect us incidentally.

This attitude is fairly well illustrated by a story which is told by a distinguished writer. A man named Jones has an office in the city and lives in the suburbs. He maintains a car to drive to and from business. His wife's brother, named Smith, lives a few doors away, and every morning as Jones drives out of his garage he finds Smith standing at the curb waiting to be driven into town. When Jones starts for home in the evening Smith is on hand to be driven home. Sometimes Smith feels a little mean, but he comforts himself with the reflection, "Well, Jones has to maintain a car anyhow." Jones gets a bit "fed up" with what he regards as imposition on Smith's part, but he does not like to say anything about it for fear of provoking a family row. And so the matter goes on.

Now, what do we think of this parallel? For it is precisely our position in regard to naval defence. I suggest this thought as being worthy of your consideration. Honourable gentlemen are all familiar with the American hotel man's creed, that the guest is always right. Now, amongst the statesmen of the British Empire and her soldiers and sailors of the highest rank it is an axiom that the Dominions are always right. It is a cardinal principle of British policy that there

must not be any quarrel with an overseas Dominion. Honourable gentlemen will remember how Lord Dundonald was treated. He committed the terrible offence of quarrelling with a Dominion Government. What happened to him? He was dropped out of sight by the British Government. Since that incident the principle has been evolved: the Dominions are always right. There must never be any quarrel nor unpleasantness between a servant of the British Government and any member of the administration of an overseas Dominion if it can be possibly avoided. We are always supposed to be right. But some day there will be a family row, some day someone will have to say something about it. I submit we are the proper people to raise the discussion. If we do not, we may find ourselves humiliated by the injection into our affairs of just such a question as this when our people are not prepared to discuss it and are not informed in the premises.

I have tried to make out a case. I have pointed out our enormous trade overseas, the greater part of which consists of agricultural products, and how vitally this country would be affected if that trade were suddenly interrupted. To be prepared for such a contingency, I am merely asking that we substantially increase our naval strength. I want to make it quite clear that I am not suggesting that we contribute a dollar, a man, or a ship to the British Navy. I am merely saying that as a matter of self-respect and common decency we should assume the obligations and duties that go with our increased national status, and that we should build up our naval strength in ships and men. That is not a thing that can be done suddenly; it must be planned, and is a matter of very slow growth. You have to increase your personnel, but you must not increase it faster than your ships; and you must not increase your ships faster than the personnel for them.

I am suggesting that we should have complete standardization with the other parts of the Empire, so that in the end we should have a standardized Empire fleet. As far as we are concerned, we should be building up our own naval defence, increasing our navy to a point where it can afford some real defence to our sea-borne trade generally, and in particular can co-operate with the navies of the other Dominions.

The land strength of the Empire can never be exerted so long as there is the slightest danger that the sea routes are not clear. The military strength of the British Empire at any time is merely potential; it does not exist at all; and its variation from the

potential to the actual is based fundamentally upon the free use of the seas.

In our discussion on admiralty law we learned that the British Navy, in addition to what it is doing for us, is doing a world work in the matter of policing, hydrographic work, the maintenance of sailors' rights, and so forth.

I have tried to point out that we are in an unsound position in relying upon the British Navy for defence; that while we may have been safe in relying upon its protection for the last sixty or seventy years, we are no longer in that position. The British Navy is, as I have said, suffering from lack of expenditure—the result of the treaty, and the great disarmament drive that has been going on. It is in a very bad way. Of course that is being dealt with now by the building in Great Britain of new ships.

That raises the question of the limitations imposed by the London Treaty, which expires in 1936. First there was the Washington Treaty, which limited the heavier ships; then the London Treaty, which limited the lighter ships. As a result we have what is known as the 5-5-3 standard. Japan is giving notice of her intention to demand equality, and anyone who gives the matter any thought has no doubt that the treaty will not be renewed in 1936. In addition to that, by the coming into effect of the Statute of Westminster since the inauguration of the treaty, we were "lumped in" with the British Empire. We must assert ourselves in the future and not be "lumped in" any more. So we are driven not only by the necessities of the case, but by the fact that in 1936 a situation will arise which will make it imperative that something be done.

I have raised the question of our honour and self-respect. Of course we, as a country, have led a sheltered existence; we have been under the protection of a great Empire so long that our people positively dislike even to think about such matters as I am discussing to-day. One who does so is branded as an alarmist, a war monger or a trouble maker. So we stick our heads into the sand and avoid seeing these things. But I am strongly of the opinion that this matter now deserves the attention of the Government, because it is something that must be planned. I shall be told that we are suffering from heavy taxes, that we are heavily in debt, that our present expenditures exceed our revenues, and that therefore the time is not appropriate. That is a perfectly absurd contention and is based on the assumption that the naval defence of our sea-borne trade is some sort of luxury,

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a toy that we may buy to play with, if we happen to have the money in hand, and that we do not need if we have not the money. I assert that this is a matter of such importance that naval defence must be moved up on the scale of the budget, even if other things go short.

As I said a moment ago, defence ought to be the first preoccupation of the Government. We have now become a nation, and as a Canadian I very much object to being placed in the position of associating myself with claims for nationhood, claims expressing our national dignity, legislation dealing with demands for recognition, and so forth, while we are unwilling to pay the price, or, as the honourable senator from Parkdale (Hon. Mr. Murdock) said the other day, while we are unwilling to pay the piper. Our acquiescence in such a situation can only be described as sponging upon people who are not as well off as ourselves.

Our people seem to have an idea that we as a nation, because of our exceptional virtues, our greater civilization, our better manners and so forth, are entitled to have an easier time than other nations. I find no assurance of that in history. The road that lies before us as a nation is no primrose path of dalliance. We cannot hope for perpetual peace, progress and prosperity. No nation in history, no matter how obscure, has lived its life without struggle and adversity. No nation has grown to greatness and remained great without struggle and sacrifice and adversity and war. Show me a nation anywhere to-day, or anywhere in history, of whom this may not be said.

How can we hope to escape what all other nations have experienced? Egypt, Persia, Greece and Rome all fell when their rulers and people, grown lazy and cowardly with wealth and luxury, refused to look facts in the face, refused to fight and die that the nation might live. That is the verdict of history. From it there is no escape.

If you would build up on the northern half of this continent a great and free nation, I tell you that you must be prepared to defend what you have created. You cannot do that by proxy; you cannot rely on others; you must do it yourselves. You must be prepared to adventure your lives and your fortunes, not once, but many times. You cannot stand still; you must go forward; and if through craven fear of being great, you listen to those who deny history and preach the doctrines of pacifism and non-resistance, or who believe, or pretend to believe, that mankind to-day is

not what mankind was yesterday, then it is only a matter of time till this fair heritage to which we have succeeded, and which it is our duty to pass on to those who come after us, will dissolve in ruin and disaster.

Hon. RAOUL DANDURAND: Honourable members of the Senate, we have heard a very interesting statement regarding the defence of Canada's sea-borne trade, and what it would be if we had a real sense of our dignity, or relied upon our own strength alone for the defence of our shores under our own sovereign flag. May I call my honourable friend's attention to the fact that the nations of the world spend for their naval defence what they deem to be necessary for their security. The honourable gentleman would have us stand on our own feet and face the world. To what level would he have us build, and against whom?

Let us look at our nearest neighbour. Would the honourable gentleman suggest that we should compete with our friends to the south? Would he have us build, on both the Atlantic and the Pacific, to such a point that we could feel sure of being able to defend our sea routes? I am quite certain the honourable gentleman will not answer in the affirmative. He will dismiss the United States from the scene.

Then I ask him to look across the Atlantic Ocean. Since the incident of Scapa Flow we have had no enemy to fear on the Atlantic. Why, then, should we take the money of our people, under present conditions, for the purpose of building up a defence against an imaginary enemy or an eventual opponent?

There being nothing to fear on the Atlantic, and nothing to the south, let us look now towards the Orient.

Hon. Mr. McMEANS: What about the north, the Hudson Bay?

Hon. Mr. DANDURAND: Let us look to the Orient. My honourable friend has spoken of the treaties which will expire in 1936. At present Canada is at peace with the Orient, and I cannot imagine any event which would draw Canada into a dispute with Japan or China. While the wind which blows across the Pacific may at times seem dangerous, if there is an ounce of common sense in the United States and Japan, war between those two countries is unthinkable. Japan is on the other side of the Pacific, and for her development looks toward Korea and Manchuria, and as far as the borders of Russia.

A few years ago, after the United States had somewhat curtly or harshly declared that no Japanese should hold title to real estate in California, I remember hearing Japanese representatives in Canada state that Japan had

been hoping to join in Western civilization and expecting to be treated on a fair basis and with the dignity due to a sister nation, but that if she was to be dealt with as she had been in that instance she might decide to alter her policy, and instead of joining with the West and rising to its civilization she might turn in the other direction and lead the Orient. It seems to me that Japan has now reached the point of saying to the world, "We will mind our own affairs in the Orient, and will turn our back upon the West"; and lately she has adopted the Monroe doctrine in regard to China.

I do not know exactly what my honourable friend would like Canada to do on the Pacific. I doubt very much whether he would stand up to-day and declare that we must spend money for the building of a navy to defend our country. If he did, would anyone in this Chamber support him? I remember that in 1911 the Laurier Government thought it proper that we as Canadians should begin the defence of our shores; and when that Government left office in the same year there were on the tables of the Department of Defence, or whatever department it was that had such matters in its charge, plans for the building of ships to defend both our coasts. That was a beginning. Three years later, when Germany was at war with Great Britain and the British Empire as a whole, and German ships were on the Pacific, it was felt that we should have done something, and ships were bought. But I do not know on exactly what pretext we could proceed now to the defence of our shores against the possibility of war with Japan—since we are mentioning names. I cannot imagine such a war.

My honourable friend says we owe it to our dignity to sponge no longer upon others for the defence of Canada. I first noticed that expression in 1911, when it was uttered by Sir Hugh Graham at a London function. He said that Canada was not doing her share in the defence of the British Empire, and was sponging upon Great Britain. The same expression was used in Montreal in 1921 by Lord Lee of Fareham, who had been sitting at the naval conference in Washington. He endeavoured to show, by quoting the same figures my honourable friend has cited, that Canada was not doing its part; and it occurred to me at the time that I would answer the noble Lord—in London, if possible—at the first opportunity that offered. The occasion presented itself in March, 1926, when I was invited by the Canadian Club to a dinner to be given in my honour. I must apologize for quoting my own remarks in

answer to the accusation that Canada was sponging upon others for protection. This is what I said:

I beg leave to touch upon Canada's action in the Imperial and international fields. I desire to give you an insight of Canada's mentality on questions which we do not all see from the same angle.

A few historical facts may easily explain our present mental attitude. You all know that in 1913 and 1914 preparations were going on for the celebration in the United States and Canada of our 100 years of peace. My country had enjoyed phenomenal prosperity during the preceding 15 years. It was developing magnificently. Immigrants were flowing to our shores by hundreds of thousands, and we were then building a third transcontinental railway. We had a very moderate taxation—indirect, therefore unseen by the many and mostly unfelt. We had no income tax and, when we look backwards, we now realize that we enjoyed a real earthly paradise. Our federal income or levy was around 130 millions of dollars, and our expenditure for defence 12 millions.

Then the war came. Our immigration stopped. Two transcontinental railway systems went bankrupt, and the Dominion fell heir to them, with 100 million dollars deficit a year. Our tax levy went up from 130 millions to 350 millions, and our expenditure for defence, war debt service, and pensions jumped up from 12 millions to 144 millions annually.

These figures stare us constantly in the face. They may seem comparatively small were we to consider them in relation to the accumulated wealth of centuries enjoyed by Great Britain, but for a young country like Canada the burden is a heavy one. We now know what income tax is and so many other new taxes which impede our trade, raise our cost of living, and hamper our development.

A little further on I said:

Perhaps, after all, we are still among the happiest people on earth, by comparison, and because we have courage and unbounded faith in our future. But this formidable upheaval, which has so profoundly shaken our economic structure, makes us quite chary in assuming any new obligation which would have for its effect, sooner or later, the possibility of being compelled to return again to Europe.

When we look at our pre-war expenditure for defence or war—12 million dollars—which has grown to 144 millions, we become somewhat impatient at comparisons which are made between our present per capita expenditures and that of other sister nations. The old adage that "interest is the measure of men's actions" is still the rule which governs mankind. Rightly or wrongly, most Canadians have not the feeling that they are threatened. They consent to be taxed heavily for what they conceive to be pressing needs, but do not forget it—they think in terms of peace.

When their Government asked His Majesty the King to delegate a Canadian to sign a treaty affecting Canada alone, at Washington, a London newspaper made this amusing remark—amusing for Canadian ears and eyes—"Canada wants to sign alone her treaties, but she has no army nor navy to defend them."

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The writer was thinking as would a European in terms of force. It never occurred to Canadians that a treaty needed an army behind it. They have been free from fear. They have never felt that they needed protection.

And I dare to repeat here most earnestly that Canadians never have felt they needed protection.

They rather believe that they have been a protecting nation. Their history has created that conviction in their mind. The conflicts of 1775, of 1812, of 1899, and again of 1914 were not of Canadian origin.

It has been well said that Canada is a producer of security, not a consumer.

It was Professor Zimmerman of Oxford who said that Canada was a producer of security while Australia was a consumer of security; that is, Canada needed no help, but Australia needed the help of the British Navy.

Never has Canada raised a finger calling for help. Canadians dislike the coaxing, the manoeuvring, which is constantly going on to draw their country into larger defence expenditure when she has, financially speaking, through her last European adventure, water to her lips.

You will quite realize her state of mind when she is told in the press, in some form or other, that she is sponging on others for defence.

In 1921, when the Washington conference was coming to an end, Lord Lee of Fareham came to Montreal and publicly urged Canada to assume a share of imperial naval defence. The conference had already decided to make an all-round reduction in armaments. If the occasion had offered I would have made bold to discuss with the noble lord the wisdom of his returning to Washington to press for another 50 per cent of all-round reduction in order to further lighten his burden. Other missionaries on the same errand have been heard.

When we are asked, in cold blood, to assume definite obligations, our reason directs our judgment. We are apt to be more responsive when, in times of stress, an appeal is made to our sentiments.

Certain expressions are handed down from decade to decade, from century to century. Such an expression is this: "We must defend the flag." We must defend it against whom and to what extent? Our flag is flown on the sea, but we cannot defend it against the might of first-class powers. There are other small nations of six or ten millions—my honourable friend has mentioned some of them—which attend to the protection of their own coast lines. Their geographical situation may justify their action. But who thinks of attacking them? And when has our own flag ever been insulted? Shall we build a navy in order to fly our colours and to boast that we intend to defend the flag?

As I said in opening, we are at peace with our neighbours to the south and with the whole of the outside world. I do not object to Canada flying its own colours. As we have put Canada on the map, I have no objection to putting Canada on our flag. But I refuse to concur in any suggestion that because of imaginary enemies on the Atlantic or the Pacific we should now start to build up a navy.

Hon. C. C. BALLANTYNE: Honourable senators, I had no intention of taking part in this debate, but after listening to the remarks of my honourable friend opposite (Hon. Mr. Dandurand) I think it might be in order for me to speak briefly. My honourable friend states that Canada has no need of defence, and he asks who is going to attack us. I have never before spoken about the things that I am now going to refer to, because they occurred during the War. We had no naval defence of any kind whatsoever on either the Atlantic or the Pacific coast. Thanks to the extraordinary intelligence of the British Admiralty, our Government received advance and accurate notice of when the huge German submarine Deutschland left the other side, the route it was to take and when it was to arrive on this side. It came not to Canada, but to an American port, but later on German U boats appeared off our Atlantic coast. I had the responsibility of being Minister of Naval Affairs at that time. A very large Canadian ship was sunk at the entrance to Halifax harbour, and several of our fishing boats were attacked and sunk. We appealed to Great Britain to see if she could not send us some cruisers. The reply came back that she was heavily engaged from a naval standpoint and that it was impossible for her to accede to our request. We attempted with our smaller ships, and also the vessels Hoche-laga and Cartier, to drive away these German submarines, but our armed forces were not sufficient to enable us to do so. We then appealed to our neighbours to the south, and they sent us a cruiser—an American cruiser, bear in mind—to guard our Canadian coast during the Great War.

In view of the financial condition of our country I am not in favour of spending at this time one dollar more than we are spending in naval defence, and I suppose every member of this or the other House, and the people

generally, are of the same opinion. I am not one of those who are troubled with autonomy fever. I am not an authority on constitutional law. I do not like the term "Commonwealth of Nations" and I have always been of the opinion that legally the status of Canada within the Empire remains pretty much the same as it was twenty-five or fifty years ago. The honourable gentleman from De Lorimier (Hon. Mr. Dandurand) has referred to the appointment of a former Canadian Minister as Minister Plenipotentiary to sign a treaty with another country. But there was nothing new in that. If my memory is correct, treaties were signed forty and fifty years ago by Canadians, including the late Sir Charles Tupper and the Hon. W. S. Fielding. Under certain conditions we are allowed to sign treaties to-day, but I do not see how that fact gives us any new status or any extraordinary privilege.

Hon. Mr. DANDURAND: I would draw the attention of my honourable friend to the fact that for some years prior to the passing of the Statute of Westminster the Canadian Minister who was empowered to sign a treaty with a foreign country was given his credentials jointly with the British Ambassador to that country. At the time when Mr. Lapointe was delegated alone to Washington there would have been no trouble whatever if Sir Auckland Geddes, the British Ambassador at Washington, had not insisted that he should be joined in the credentials. Then and there Canada decided that our Minister alone was sufficient.

Hon. Mr. CASGRAIN: What harm would have been done if he had joined in? It would not have made the treaty any weaker.

Hon. Mr. BALLANTYNE: Quite so. I was familiar with that situation and knew that our Minister signed alone. Great Britain has always been willing to extend privileges and freedom to any of her overseas Dominions. And I know that to-day treaties can be signed by representatives of overseas Dominions alone.

To revert to conditions that existed during the War, I may say that we received a cablegram to provide immediately flying stations at North Sydney and Dartmouth and equip them with seaplanes and kite balloons. Canada had no flying force, no kite balloons and no seaplanes. I am citing this instance merely

to show the need of a moderate system of defence for our coasts. The Government cabled to England to know what she could do and the reply came back that she could not do anything. Then we applied to the United States, and 200 Americans were sent up. Very few Canadians know that.

Right Hon. Mr. GRAHAM: Were they flying men?

Hon. Mr. BALLANTYNE: The American Government sent us 200 flying men. We provided the groundworks and they supplied us with seaplanes and kite balloons. They took care of all the requirements in this respect at North Sydney and Dartmouth.

Hon. Mr. CASGRAIN: Was that before or after they declared war?

Hon. Mr. BALLANTYNE: After. I think it is only reasonable that Canada should spend more money on her defence, when the time comes that she can afford to do so. I have always believed that we should provide our own naval defence. Before our Naval College was closed the Dominion Government received many compliments about the efficiency of Canadian naval cadets. Honourable senators know that we had a number of cadets with the Imperial Navy for training purposes. They were rated as Canadians and paid by this country.

After the visit of Lord Jellicoe to this country I accompanied my able leader, who was then Prime Minister, to the Imperial Conference of 1921. Many and lengthy interviews were held with the civil lord and also with the sea lords of the Admiralty. Admiral Beatty was at that time the first sea lord. As my honourable friend from Edmonton (Hon. Mr. Griesbach) has stated, England gave us without charge two destroyers. In addition she gave us a modern cruiser, called the *Aurora*, which was launched in 1915 and carried a complement of 318 men, with four-inch and six-inch guns, and also aircraft. A program was arranged by the Government at that time, and had we had the good fortune to be returned to power we should have built, within the limits that the finances of the country permitted, additions to the Canadian Navy. Arrangements were made that our ships and men would engage in training practice with the British West Indies squadron, and it was also arranged that there should be an interchange of officers within the Empire. The Imperial authorities were

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to take eight of our graduates from the Naval College every year.

I do not intend to make a political speech, but I always regret that the Naval College was closed. I regret that the cruiser *Aurora*, presented to us gratuitously by the Imperial authorities, was tied up and the crew disbanded. I regret that our young men who had graduated from the Naval College and made such splendid records in the Imperial Navy were sent adrift. As I have already stated, the Naval College was closed and everything in the nature of local naval defence on either coast was absolutely abandoned.

My honourable friend asks us what we are going to do. Well, we are part of the Empire. To my simple mind all the eloquent orations that we are favoured with from time to time do not change our status within the Empire one iota. We need have no uneasiness about our sea-borne trade. Just as long as we remain a part of the Empire—and we all hope that will be for ever—the British fleet will look after the sea lanes that my honourable friend spoke about. We need spend no vast sums of money on local defence. But I think it is only right and reasonable that when in a financial position to do so Canada should look after her seaboard, so that if ever again we have enemy submarines in our waters we shall have the ships and guns to combat them, and shall not be placed in the humiliating position in which I as Minister of naval forces found myself when I had to go with hat in hand to our neighbours to the south and say, "For God's sake, won't you send up a cruiser to protect Canada's coast?"

We hear a great deal about our new status as a self-governing nation. Very well, let us rise to the occasion. Let us build sufficient ships and equip our naval bases at Halifax and Esquimalt so that we may at least be in a position to protect our own shores, leaving to the Mother Country the patrolling of our sea routes.

On motion of Hon. Mr. McLennan, the debate was adjourned.

PRIVATE BILL

THIRD READING

Bill G2, an Act to amend an Act to incorporate Central Finance Corporation and Amending Acts.—Hon. Mr. Robinson.

INDIAN BILL (CAUGHNAWAGA RESERVE)

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 90, an Act respecting the Caughnawaga Indian Reserve and to amend the Indian Act.

He said: Honourable senators, this Bill is to validate an Order in Council, believed to be valid at the time, respecting the division into sections of the Caughnawaga Indian Reserve in the province of Quebec.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

INQUIRIES BILL

THIRD READING

Bill 84, an Act to amend the Inquiries Act.—Right Hon. Mr. Meighen.

The Senate adjourned until to-morrow at 3 p.m.

THE SENATE

Thursday, June 7, 1934.

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

Prayers and routine proceedings.

INTERNATIONAL LABOUR OFFICE

NOTICE OF INQUIRY

Hon. Mr. CASGRAIN gave notice that on Tuesday next he would call the attention of the Senate to the activity of the International Labour Office at Geneva, and would inquire:

1. The total cost, without interest during construction, of the construction of the Labour Temple erected at Geneva by the International Labour Office.

2. When was that construction work commenced?

3. When was the Temple completed and occupied?

4. Has the Temple been paid for, and if not, how much is outstanding and owing on the building?

Hon. Mr. DANDURAND: I may inform the honourable gentleman that all the doors inside the building were furnished by Canada, as a gift.

COMMITTEE ON TOURIST TRAFFIC

AMENDMENT OF RULE

Right Hon. Mr. MEIGHEN gave notice that on Wednesday next he would move:

That Rule 78 be amended by adding thereto the following:

18. The Committee on Tourist Traffic, composed of not less than nine nor more than fifteen senators.

He said: This is merely for the purpose of establishing a Standing Committee on Tourist Traffic, as requested in the special committee's report which was approved by the House.

Hon. Mr. DANDURAND: I think the right honourable gentleman will hardly be able to proceed without giving notice specially calling the members of the Senate.

Hon. Mr. CASGRAIN: You are creating a new committee, and it is the custom to call the Senate together for that.

Right Hon. Mr. MEIGHEN: I am giving two days' notice of a motion to amend a rule.

AVIATION IN CANADA

INQUIRY AND DISCUSSION

Hon. J. A. McDONALD rose in accordance with the following notice:

That he will call the attention of the Senate to the very unsatisfactory position of aviation in Canada, and will inquire what steps the Government is taking to improve the situation.

He said: Honourable senators, I want first of all to pay my compliments to the efficiency of the Senate stenographers. I had not intended to proceed with this discussion to-day, but this morning I found it would be necessary for me to be away next week and I decided to make my remarks without further delay. Stenographers came to my office this morning, and although I am a very restless and nervous dictator they did a fine job, for which I thank them most heartily. The staff is a very efficient one. If some of the other branches of Government service were as competent, there would be less delay in getting out the work.

Right Hon. Mr. GRAHAM: Hear, hear.

Hon. Mr. McDONALD: I listened yesterday with a great deal of attention to the address of the honourable senator from Edmonton (Hon. Mr. Griesbach), and I agree with him that Canada should as soon as possible commence to provide her own means of defence. I could not quite follow the honourable senator from Alma (Hon. Mr.

Ballantyne) when he said that as Minister of Marine during the War he was a little humiliated because he had to ask Uncle Sam to send some planes and flying men to assist in the defence of our Atlantic seaboard. I think the British navy did considerable for Uncle Sam in convoying American troops across the ocean.

Right Hon. Mr. GRAHAM: Hear, hear. That is a good point.

Hon. Mr. McDONALD: In my opinion you will always find Uncle Sam and John Bull working together in any great crisis, and so long as they do that, civilization will be safe. After all, they come from the same stock. At the present moment the British lion, instead of licking its wounds—and they are many—is trying to restore peace in a troubled world. I remember having read that an eminent American once declared that with the exception of the vicarious atonement, the greatest gift God had given humanity was the British Empire.

I believe that present conditions point to our great need for developing aerial transportation and aviation in general. In my remarks this afternoon I shall try to be frank without giving offence to anyone. On the 19th of April I placed on the Order Paper sixteen questions, which had been suggested by commercial aeroplane companies operating all over Canada. I cannot understand why it took a month to have the answers brought down, for an auditor could have assembled the same information in a couple of days. While I was waiting for these answers I was receiving letters and telegrams from different parts of the country asking what was the cause of the delay, and now I must say that the answers are in most cases inadequate.

As I see aviation in Canada at present, it is like a three-legged stool, or a triangle. We have commercial aviation companies, flying clubs and the Royal Air Force. I intend to deal for the moment not with this last named branch, which is a military arm, but with the other two branches.

During the War Canadian aviators formed part of one of the finest flying corps in the world. After the War was over these men—some of whom had been injured, gassed, or imprisoned in Germany—returned to Canada to take up again the making of a livelihood. Many of them, being unable to obtain their former positions, and not finding other suitable employment, finally decided to take up flying, being more familiar with this than with any other kind of work. They formed commercial aviation companies and succeeded in interest-

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ing many of their friends to the point of investing in the stock of these companies. These companies constituted what might be called a workingman's flying force, since the men who were actively engaged in the business had no other means of livelihood.

I understand that in 1927 the Civil Aviation Branch of the Department of National Defence, which had not much work to do, as there were only five or six flying clubs in Canada, imported from England the idea of the social flying clubs. Some twenty or twenty-five of these clubs were formed across the country, I am told, their membership being composed of very fine young men who could afford to give part of their time to flying as a sport.

I will now deal with the answers that were given to my questions, which were asked with a view to ascertaining whether and to what extent the Government had given assistance to the workingman's force—the commercial aviation companies—and the social flying clubs. I have already said that the answers were inadequate and unsatisfactory. My first question was:

1. What assistance did the Government offer commercial aeroplane operators, if any, in 1933?

The answer to this was:

Assistance was given to the development of civil aviation through the inspection of aircraft, the licensing of personnel, the enactment of air regulations for the safe conduct of civil flying, the provision of air navigation facilities, and training courses for commercial pilots at Camp Borden.

All this work is done through the Civil Aviation Branch of the Department of National Defence, and it does not in any way constitute assistance to the operators. The enforcing of air regulations does not help the commercial companies to carry on flying any more than highway regulations help cartage companies to operate their trucks. The answer means, in other words, that the department assisted the companies by passing certain laws, any infraction of which was punishable.

My second question was:

2. What further assistance, if any, is planned for commercial aeroplane operators in 1934?

Listen to the answer:

In so far as financial conditions will permit, the same assistance will be given as in the year 1933.

In asking the question I meant by "assistance" some definite plan for helping the operators to build up a revenue of such proportions as to enable them to make a live-

lihood. If the operators cannot succeed there certainly is no need for the Civil Aviation Branch to enforce air rules and regulations, inspect aircraft, and so on. Aside from passing laws and providing penalties, the Government gave commercial companies no assistance in 1933, yet the reply to my second question is that in 1934 "the same assistance will be given as in the year 1933."

Right Hon. Mr. MEIGHEN: If financial conditions permit.

Right Hon. Mr. GRAHAM: There is a proviso.

Hon. Mr. McDONALD: Yes. If financial conditions permit, the Government will give the same assistance as in 1933, which was no assistance at all.

This is my third question:

3. What subsidy did the Government give the flying clubs in aeroplanes and cash in 1933?

Now this is the other leg of the stool, the social flying club idea imported from the Old Country.

The answer is:

The following assistance was rendered to twenty-two approved flying clubs in the fiscal year 1933-34:

(a) Grants to clubs in respect of members qualifying for private pilots' certificates, \$10,561.34.

(b) Grants to clubs in respect of members qualifying for commercial pilots' certificates, \$2,789.80.

(c) Used aeroplanes issued from surplus stocks of Department of National Defence, 9.

Honourable members will observe that the Government gave cash subsidies to the flying clubs amounting approximately to \$13,350 and issued to them a total of nine aeroplanes "from surplus stocks." I do not comment on the sentence; I merely call attention to it.

In question 4 I ask:

4. Has this subsidy been increased for 1934? If so, why?

The answer is:

The agreements with the clubs have been extended for the fiscal year ending March 31, 1935, on the same basis as assistance was rendered in the previous fiscal year, with the exception that the grant per flying hour made on account of members of clubs qualifying for commercial pilots' certificates has been increased from \$2 per hour limited to a maximum of fifty hours, to \$4 per hour limited to a maximum of forty hours, per pilot. It was considered that the grant of \$2 per hour was not sufficient to encourage a young pilot to complete his training.

The Department of National Defence has increased the subsidy to encourage the young pilot to complete his training and obtain a commercial licence. I ask honourable members to bear in mind that the department does

not grant a similar subsidy to encourage the young pilot to take his training with a commercial company, nor does it give any consideration to the value of the commercial licence. This prompts me to ask: How can we expect to establish a reserve of young commercial pilots when the Government is giving no direct assistance to the commercial companies?

My fifth question:

5. Do the commercial operators get the same subsidy for the same work done as the flying clubs? If not, why not?

This is the evasive answer:

No. It has not been the policy of the Government to subsidize commercial flying.

Surely if the Government is justified in granting money to one group to accomplish certain work, another group doing the same work should be entitled to the same consideration. Presumably the Government appreciates the necessity for training pupils; otherwise it would not assist the flying clubs in this regard. In effect, the department is encouraging flying clubs to compete with commercial operators. Commercial aviation is the backbone of the industry. Flying clubs should not be allowed to compete with commercial enterprises. These clubs should be reserved exclusively for sportsmen pilots.

Question 6:

6. Are airports in Canada being closed? If so, why?

This is the answer:

There has been no general change in the airport situation. The number of airports licensed on April 1, 1934, was 96. The number of airports licensed on April 1, 1933, was 98.

Question 7:

7. Does the Government give any subsidy to encourage the airport operators?

The answer is:

The provision of municipal airports is the responsibility of the municipalities concerned, and no special subsidies are given to airport operators. One of the terms of the agreement with the flying clubs is that they shall provide a suitable airport and hangar accommodation.

Several municipalities have declined to establish airports, and private interests have provided the necessary accommodation. Is not commercial aviation of sufficient importance to Canada to justify assisting airports so established? The answer suggests a further question: Does the department expect the flying clubs to develop in our cities airports such as those which have been established in practically all the important cities of the world? If so, it is an unreasonable expectation. Small groups of amateur enthusiasts could not undertake the heavy financial outlay which would be necessary.

Question 8:

8. What is the Government doing to encourage the establishment of an inter-city passenger service?

The department answers:

Inter-city passenger services are the business of the operating companies. As the demand for these services develops, and the financial situation permits, consideration will be given to assisting in the organization and development of the air routes and to the provision and installation of the necessary aids to air navigation.

Again the answer is evasive. Why not frankly say "nothing." I am informed that in certain parts of this country there is a definite demand for inter-city passenger service, and that some of the commercial operators are eager to proceed with its development, but cannot do so without first obtaining at least an assurance from the Government that assistance will be granted as soon as business conditions permit. As yet no such assurance has been given.

Question 9:

9. Has the Government any definite policy as to the development of commercial aviation in Canada? If so, what is it?

I ask honourable gentlemen to note the answer:

See answer to No. 1. As regards commercial operations in Northern Canada, these are self-sustaining, and the traffic shows a steady increase.

Work is proceeding on the planning and construction of the ground facilities necessary for the operation of a Trans-Canada air mail service under the program for the relief of unemployment. The situation in regard to the operation of this service, as and when financial conditions permit, and its main truck connections, domestic and foreign, is being carefully considered.

Why does not the Government admit that it has no definite policy for the development of commercial aviation? The department is badly informed when it states that the commercial operations in Northern Canada are self-sustaining. I am advised that some of the companies have been operating at a loss and that one has had to cease operations. It will be observed that the answer has no bearing on the question asked. The Government does not state whether it has any policy or not. It merely tells us of certain facilities for a proposed Trans-Canada Air Mail Service. In my opinion, even if the Government embarked immediately on a definite plan of development, the service could not be in full operation before 1937 or 1938.

Question 10:

10. Is it the policy of the Government to operate air services in Canada as a Government undertaking, or is the Government encouraging private enterprises along this line?

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The answer is pretty short and emphatic:

Answered by No. 9.

Question 11:

11. How much photography, mapping and survey flying was done in 1930, 1931, 1932 and 1933 by the Royal Canadian Air Force, and what was the cost of same?

The answer is fairly complete:

Fiscal year	Flying hours	Operating costs (exclusive of pay of R.C.A.F. personnel)
1930-31.	4,327	\$164,426 00 (estimated)
1931-32.	4,435	168,530 00 (estimated)
1932-33.	429	16,376 08
1933-34.	633	23,959 80

Note:

Information is not available as to the actual operating costs in the fiscal years 1930-31 and 1931-32. The amounts shown for those years have been calculated on the basis of expenditure in the fiscal years 1932-33 and 1933-34.

Question 12:

12. Could this work have been carried out by commercial operators? If so, why were commercial operators not used?

Answer:

With the possible exception of some small areas of vertical photography, the work could not have been carried out by commercial operators without duplicating facilities already available in the Government Service.

The department in its answer to question 11 states that the work was done by the Royal Canadian Air Force at a cost to the Government of approximately \$373,291, but does not say whether this was military or civil work. Surely the Air Force would not carry out commercial work to such an extent, even with some duplication. The Royal Canadian Air Force should be maintained solely as a military unit, and should not participate in commercial operations. This expenditure would have been of great assistance to commercial operators, and it is my opinion that they should have been encouraged to carry out the work.

Question 13:

13. How much air mail flying was carried out by the Royal Canadian Air Force in 1930, 1931, 1932 and 1933 over a regular route, and what was the cost of the same? Why was not this work done by commercial operators?

Answer:

Fiscal year	Flying hours	Operating costs (exclusive of pay of R.C.A.F. personnel)
1930-31.	Nil	.....
1931-32.	Nil	.....
1932-33.	305	\$9,315 56
1933-34.	202	6,914 63

This work was undertaken by the Royal Canadian Air Force as an emergency measure.

Question 14:

14. Would an independent committee made up in part of active commercial operators be of value to the country to investigate the aviation industry as a whole in Canada and bring in a recommendation to the Government?

This is the very indefinite answer:

Commercial operators are encouraged to put forward suggestions at all times. These suggestions and other information are being compiled, consolidated and studied, in connection with any action that may be taken having regard to the funds available and to the necessities of the situation as they develop.

Apparently the Civil Aviation Branch is convinced that it knows all there is to know of the conditions and problems of the commercial operators. The information I have before me is to the contrary. In this instance, too, the department does not answer the question. I suggest to honourable members that much valuable information could be collected by a special committee of this House. It could render the Government substantial service in connection with the aviation industry by securing information from the men who are actually carrying on commercial operations and know what they are talking about.

Question 15:

15. To what extent has the Royal Canadian Corps of Signals taken over the radio service previously maintained by commercial air transport firms in the Northwest Territories?

Answer:

The Royal Canadian Corps of Signals have taken over no radio services or stations previously maintained or operated by commercial air transport firms in the Northwest Territories.

In March, 1932, the offer of The Dominion Explorers Limited to sell to the Government their equipment and apparatus at the following radio stations was accepted: Burnside, Baker Lake, Stony Rapids, Reliance and Hunter Bay. Except at Baker Lake, which station is being operated in co-operation with Revillon Frères, these stations are not being operated. The apparatus and equipment are being used to supplement the equipment at Royal Canadian Corps of Signals stations in the Northwest Territories and the Yukon.

Question 16:

16. Are any extensions of this policy contemplated in the near future?

This is answered, no.

Now, honourable members, I purpose to show how far Canada lags behind all other countries in commercial aviation. Why is Canada so apathetic toward its development? Fifteen years ago we had the finest group of flying men of any country in the world. By intelligent use of the experienced aviators then available we could have kept this coun-

try in the lead in the development of the air industry. No such effort, however, was made, and to-day Canada trails the world. Canadians, especially in the urban districts, do not seem to realize the wonderful strides being made in other countries, where the aeroplane is in regular use as an everyday means of transportation for mail, passengers and express. They still seem to think that aviation is a game for supermen engaged in extraordinary tasks. We have been so busy reading about and applauding the accomplishments of pilots of foreign countries that we have neglected our own pilots and have done little or nothing towards developing a national system of commercial aviation.

The following is a comparative summary of activities in other countries and in Canada.

In England this year internal air services have been inaugurated, at Croydon and Plymouth, connecting with the Spithead and Shoreham air ferries, the Birmingham-Cardiff-Devon service, the Bristol-Cardiff air ferry, the Heston-Ryde and the Liverpool to Dublin services. Imperial Airways are now running a regular daily service from London to Paris, Brussels, Cologne, Basle and Zurich, and have extended a regular weekly service from England to Calcutta, and to Cape Town in Africa. The Indian service takes seven days and the Cape Town service ten. The airport at Croydon, during the month of July, handled 11,693 air passengers, this number representing a tremendous increase over the same month in any other year. That is what England has done for commercial aviation.

France has recently, by agreement, amalgamated its four Government-subsidized companies into one organization to be known as "Air-France." The French Government has entered into an agreement with the new organization, whereby it will pay a direct subsidy of approximately \$6,000,000 a year for the next fourteen years. The subsidy is to be paid on a mileage basis. The lowest rate, 47 cents a mile, is on the London to Paris service; the highest rate, \$1.87, is on the Natal-Santiago-Chile Line. All services are to be continued, and these extend to Africa, Spain, South America, Austria, Bulgaria, Turkey, Belgium and Germany.

Russia, a country which many Canadians consider beyond the pale, is wide awake to the value of air transportation, and has extended its organized air mileage to a distance of approximately 32,000 miles. During this year a Trans-Siberian air route, covering a distance of 5,500 miles, has been put into operation. The Russians are flying this route daily,

using 5-motor air-liners capable of carrying 36 passengers. We in Canada have not in operation one aeroplane which compares in any way with these large Russian air-liners.

In 1918, at the conclusion of the War, not only was Italy practically bankrupt, but its internal organizations and services were badly disorganized; nevertheless in 1933 Italy, with greater daring and confidence than had previously been shown by any country, sent out the Balbo Armada, the success of which astounded the world.

Even Australia has in operation certain definite air routes, and during the past summer imported a large multi-engined air-liner from Great Britain. This year three new Australian services were opened up. Australia also, during the past summer—and this will please the honourable senator from Edmonton (Hon. Mr. Griesbach)—purchased eighteen of the latest type of British air fighters for the Australian Air Force.

It may be hardly fair to compare Canada, which has such a vast area, with England, Germany, France or any of the smaller countries; but I think we should examine intimately into what has been done for commercial aviation in the last few years by the great country to the south of us. Shortly after the War the United States Government experimented with the first air-mail run, using converted British war machines. The first run covered a comparatively short distance and carried only a few pounds of mail. To-day the air transportation system in the United States is the largest in the world in the matter of revenue, route mileage and miles flown per annum. During 1932 the air mail service flew more than 40,000,000 miles, and upon investigation by a Senate committee it was found that the price paid for the transport of air mail could be reduced by twenty-five per cent. This is due to the fact that American companies have developed passenger carrying to a very high degree.

In the spring of 1933 the principal operators in the United States replaced their previous equipment with new high-speed aircraft, cruising at 145, 165 and 185 miles an hour; but in spite of this they were unable to handle the passenger traffic which automatically presented itself. Last summer United Air Lines were running eleven return trips daily from Chicago to New York, and reservations had to be made well in advance. American Airways Incorporated, running from Chicago to New York via Detroit and Buffalo, started in May with one return trip per day, using fifteen passenger planes. In the month of May last they turned down \$2,200 worth of passenger

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business from Buffalo alone. During the summer they increased the frequency of the service as rapidly as they could obtain aircraft, but have not at any time been in a position to take care of the available volume of business. The demand for air transportation is so great in the United States at the moment that to be sure of obtaining transportation a passenger has to make reservation in advance over the complete route which he wishes to traverse, and in a great many cases, even where a passenger is desirous of travelling across the continent, the air transportation companies are unable to accommodate him.

Much of this development has come about as a result of the excellent airport facilities available in the United States. In the immediate vicinity of Toronto, apart from the smaller centres, complete and up-to-date airports are available at Buffalo, Cleveland, Detroit and Chicago. These are modern in every respect and completely equipped with lights, radio and weather forecasting facilities. Chicago is handling thousands of passengers every month; Cleveland has averaged about 400 passengers a day, and Buffalo handled 1,500 air passengers in July last.

All the progress in aviation in other parts of the world has been made possible by Government support. Even Switzerland subsidized its air transportation operations last year to the extent of \$150,000; and the airways in the United States frankly admit that their development has been built up and made possible by the Government air-mail subsidy.

Now we will leave that for the moment, and take up the Canadian situation and see how it compares with the others. A few years ago the Dominion Government laid plans for an air-mail service, and certain routes were put into operation. Mail was flown from steamships at Rimouski to Montreal, from Montreal to Toronto and from Toronto to Detroit. Two international links were established in Eastern Canada, one from Montreal to Albany and one from Toronto to Buffalo. In the West large sums of money were spent, and night flying was organized across the prairies—from Winnipeg to Edmonton—and an international link was put in from Winnipeg to Pembina. Mail was carried by air from Edmonton to Aklavik, in the far north. Certain mining centres received their mail by air. During the winter seasonal services were established on the north shore of the St. Lawrence, from Moncton to the Magdalen Islands, and from Leamington to Pelee Island in Lake Erie. These air-mail

routes formed a foundation for what was hoped would be eventually a trans-Canada air service. Commercial aviation companies came into existence; airports and flying fields were prepared in many towns and cities. The number of commercial operators began to increase. Factories were built. Then suddenly, as an economic measure, air-mail in Canada was practically swept away, with the resultant effect that the tremendous loss of revenue forced all commercial operators to cut down in every way and brought about the unemployment of many men skilled only in different branches of the operation of aircraft. To-day, as a consequence, we have left only an air-mail service to Aklavik, with a few round trips per year, two short international links, Winnipeg to Pembina, and Montreal to Albany, a few air-mail services to certain mining districts, and winter operations along the north shore of the St. Lawrence River and from Leamington to Pelee Island. I am going into some detail in this matter, because I want to place on record the situation as it exists in Canada.

As a result, commercial operators have been forced to explore every possible avenue for additional flying revenue; and aeroplanes, in the last few years particularly, have played a most important part in the development of one of the principal industries of Canada, that of gold mining. New gold fields have been opened up in certain areas across Canada from Quebec to Great Bear Lake, and in every instance the aeroplane has been of great service in their development. Our statesmen tell us that the greatest backlog to Canadian credit is gold; but without the co-operation of the aeroplane and the skill and efficiency of Canadian pilots a number of our present promising gold fields would not have been discovered; in any event they certainly would not have reached their present state of development.

This work on the part of our commercial aircraft operators is of tremendous value to the Canadian nation as a whole. On numerous occasions, while carrying on air operations in northern districts, they have rendered invaluable services to sick and injured people who, without the aid of the aeroplane, would have been able to reach medical assistance only after days of bush travel; and in some cases, had not the air pilot intervened, death would have been the winner.

In the field of aviation Canada occupies an exceptional position. It is a vast country with populous urban centres widely separated, and with heavy passenger travel between these centres. Its people are genuinely interested in flying, as is proved by the success

attending air tours and air pageants held each summer in many parts of the country. Canadians pride themselves on their high standard of living, yet Canada alone among countries of importance made practically no progress in the development of aviation during 1933, and it is the only country of moment whose citizens have not at their disposal the privilege of travel over regularly scheduled air routes. Practically all the flying that is done in Canada is carried on in the remote areas of its new north, where the aeroplane has played an important role in exploration, in mining development and in fire patrol.

In the populated parts of Canada no regular passenger air lines exist. There are no inter-city services. Yet Canada is a country of great distances. The aeroplane along with many other advantages has, in particular, speed to sell. This speed, together with comfort and cleanliness, is being purchased by citizens in the United States and Europe in greater quantities each year. People living in those countries may fly practically anywhere at their convenience, in fast, comfortable aircraft. A resident of London, England, may fly from London to India or to the uttermost limit of Africa; but anyone living in Toronto to-day cannot fly even to Hamilton on any regular air line, although both Toronto and Hamilton have airports. What could be done here? A passenger service operating from Toronto and employing the latest type of multi-motored aircraft could carry passengers, mail and express to Ottawa in an hour and 20 minutes; to Montreal in 2 hours; to Quebec City in 3 hours and 15 minutes; to Windsor in 1 hour and 20 minutes; to Buffalo in 20 minutes, and to New York in 2 hours. Air mail from Toronto to the United States via Buffalo would make air connections through Buffalo to all parts of the United States, and a letter leaving Toronto in the afternoon would be in Miami the next day; and from Miami, through the Pan-American Air Service, could be delivered to any of the principal cities in the West Indies or South America. All this is feasible now with public patronage and Government co-operation. These developments will come, and the aeroplane will very soon play a greater and more valuable part in the everyday life of the Canadian people.

Nowhere else in the world are there two cities of the size and importance of Toronto and Montreal, separated by comparable distance, which are not linked together by air service. Canada is probably the only civilized country in which at the present time there is not one modern, completely equipped passenger-

carrying air-liner; yet Canada, perhaps more than any other country, needs a network of air lines. If a map were displayed, showing the regular air routes of all countries, the only large blank space among the civilized countries shown would be Canada. If Canada is right in neglecting the development of air transportation, the other countries are wrong, even including the small country of Siam.

For the past few years several aviation companies in Canada have been carrying on pioneer operations under great difficulties; and when some definite plan of air development is evolved these companies should be assured of a fair participation in the air routes. The Federal Government has for some time been preparing landing fields across Canada, and it is rumoured that a trans-Canada mail and passenger service will materialize in the near future. Rumour also has it that this service will be operated by one company controlled by Imperial Airways of England. This is a rumour that is disturbing a great many of our commercial air operators in Canada to-day. It may be advisable to carry on such a trans-Canada service under one company; but that company should be a Canadian organization. If it is not, certainly as many feeder lines as possible should be made available to, and should be operated by, Canadian companies in order that a monopoly might not be created.

Surely Canadians have sufficient brains and initiative, and in spite of lack of encouragement they have sufficient experience, to carry on any flying that is needed in Canada. Canadians proved their ability and worth some years ago, and at the end of the War, it is said, sixty per cent of the pilots in the Royal Air Force were from Canada.

Let the leaders of the Government and the heads of Canadian industry get together and launch a progressive programme for the development of commercial aviation in Canada; and let this be done in a sound, businesslike way and not as a public ownership project or an adjunct of the Department of National Defence.

I hope that Canada in the near future may assume her proper place in the air.

I am sorry to have worried the House with so much detail, but as letters and telegrams have been sent to me and I have been approached by men who are vitally interested in this matter throughout the country, I have thought it only fair to make this presentation as definite and clear as possible.

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PRIVATE BILL

THIRD READING

Bill 16, an Act respecting the Canadian Pacific Railway Company.—Hon. Mr. Griesbach.

The Senate adjourned until Tuesday, June 12, at 3 p.m.

THE SENATE

Tuesday, June 12, 1934.

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

Prayers and routine proceedings.

NATURAL PRODUCTS MARKETING BILL

FIRST READING

Bill 51, an Act to improve the methods and practices of marketing of natural products in Canada and in export trade, and to make further provision in connection therewith.—Right Hon. Mr. Meighen.

PRODUCTIVE WORK TO RELIEVE UNEMPLOYMENT

INQUIRY AND DISCUSSION

Hon. E. MICHENER rose in accordance with the following notice:

That he will call the attention of the House to the question of unemployment and will inquire what steps the Government proposes to take to provide adequately for work of a productive character to relieve unemployment occasioned by the mechanization of industry and agriculture, and accentuated by the present prolonged depression.

He said: Honourable senators, recently I was discussing with the Mayor of Winnipeg unemployment conditions in his city. He said to me: "Don't talk about unemployment. We have heard enough about that. Talk about employment." I am inclined to agree with him. We must now think and work for employment.

The employment of the unemployed is the most urgent question before Canada to-day. It offers a challenge, as well as an opportunity to men of vision and courage to overcome the distressing situation in which hundreds of thousands of our people find themselves to-day. Is it not paradoxical that Canada, with its millions of acres of virgin soil and its untold wealth of natural resources, affords to so many Canadians no opportunity for employment?

Through the mechanization of industry and agriculture, a condition has been created in which there is employment for only a fraction of the number of people that were formerly at work. It is a period of readjustment. It is doubtful if private capital could employ anything like the number of people who need employment to-day. This condition is accentuated by the prolonged depression. It would appear to be the duty of the State to provide productive labour for the people until such time as a readjustment is completed.

I do not wish to speak in any political sense. The question of employment is not a political, it is a national question. It is not necessary to inquire whether it is the duty of the municipality or the province or the Dominion to solve the problem; it is the duty of all to co-operate for this purpose. There is no problem that cannot be solved. The Government of the day has done much to encourage the back-to-the-land movement and has undertaken various public works to give relief. This, however, has been of a temporary character. If it is true that private capital can no longer employ the people to a reasonable extent, then it must become the duty of the State to undertake such works of a productive character as will give the people an opportunity to make a living for themselves and their families.

A great many Canadians to-day are discouraged, losing hope and faith in themselves and in the country. Throughout the Dominion, especially in the Western Provinces, the people are turning to radicalism; they are advocating a radical change in our form of government. I am told that in the principal universities a large percentage of the under-graduates are avowedly Socialist and are well organized. Even professional men express the view that if the present capitalistic system fails to provide employment, then all must work for the State. In other words, they declare that if Capitalism fails much longer to cope with depression we must rely on Socialism for relief.

It seems to me that in national employment we have reached a stage similar to that in which a rapidly travelling motorist finds himself when he enters a curve. If he takes his foot off the accelerator, the sudden slowing down, with its resultant sidesway, tends to throw the car into the ditch; but if he accelerates, the increased forward momentum will hold the car to the road. We must take active measures to accelerate employment, and it is my desire to-day to suggest a few ways in which employment can be given to the majority of those requiring work.

I hope a number of honourable members will express their views. We have more time at our disposal than is available in another place to discuss such questions, and if we can make suggestions which will lead the way to better conditions we shall be doing a real service to Canada.

If the problem of unemployment were solved, most of our other troubles would be at an end. I propose to mention four or five constructive and productive ways of providing employment.

The first is that recommended by the honourable member for Rougemont (Hon. Mr. Lemieux). In his resolution he asked that a part of the \$50,000,000 to be granted for public works this year should be devoted to housing schemes in the larger centres of population. He requested me to take this subject up for him, as he would be unable to proceed with it. I, however, suggested that I should prefer to broaden its scope to cover a general discussion on the question of employment.

The National Construction Council's statement before the Macmillan Banking Commission was to the effect that in 1933 there was \$66,000,000 worth of building done in Canada, whereas from 1925 to 1930 there was an average per year of \$430,000,000. Last year building construction in Canada amounted to only 12 per cent of what it was in 1929. Necessarily, therefore, a great many artisans and people connected with the building trades have been out of employment along these lines for three or nearly four years.

At Easter time I had a capable contractor do a few day's work at my home. He was a thrifty Scotchman who had his home paid for, as well as another house, which he rented. He told me that he had had only a few days' work during the last three years, and was beginning to live upon his capital. He did not see much hope for the immediate future, and was losing faith in himself and in the country. This example could be multiplied hundreds of times over. As he still had enough money to keep himself and his family, his case was not one of despair; but very many cases are desperate, for there are to-day hundreds of thousands on relief.

I say again it is paradoxical that men should be in such a position in a new and rich country. In my opinion those in authority ought to be able to provide constructive work to tide over periods of depression or readjustment such as the one through which we are passing.

Hon. Mr. CASGRAIN: Doing what kind of work?

Hon. Mr. MICHENER: Building homes.

Hon. Mr. CASGRAIN: We cannot rent those we already have, and I know it.

Hon. Mr. MICHENER: In Montreal and Toronto, and, I believe, in Winnipeg, the question of doing away with some of the poorer districts and building homes which could be rented to the people at a reasonable rate is being discussed. The building of these homes would provide the people with productive employment which would enable them to pay rent. In England, in the larger centres, in place of the old-time slums we see real homes. The Government there loaned the municipalities money at a low rate of interest in some cases; in other cases subsidies were granted.

If the honourable member from Rougemont (Hon. Mr. Lemieux) had had an opportunity to bring this subject before the House, he would doubtless have presented much more impressive arguments than I can in favour of the Government co-operating with the larger municipalities to carry out the housing scheme. What we need most, of course, is the circulation of money. Once money starts to circulate there will be an acceleration which will give new life and hope and courage to the people of the country.

As I do not wish to speak at too great a length, and intend to refer to three other ways by which people can be employed, I will not dwell further on this phase of employment, but will conclude by stating that it would be a most reasonable way to employ hundreds of thousands of men who have been resting on their oars for more than three years now.

The second suggestion I have to make is that our highways be extended. The report of our Tourist Committee shows that the tourist trade of Canada at times has produced as much as \$300,000,000 per year and there is no reason why that figure should not be increased. Ontario, according to the report, has 75 per cent of the tourist traffic of Canada. This is occasioned not so much by Ontario having so many ports of entry as by the good highways that have been built in that province. I do not know the condition of highways in the Maritimes, but in Western Canada most of our highways are of gravel, and in the summer-time become very dusty. Americans from the centres of population on the Pacific coast drive to Vancouver over a paved highway. From there they have nowhere to go; so they return. If we had a good Canadian national highway through the Rockies, via Banff and Calgary to Coutts, which is a port of entry

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into the United States, we could give American tourists a circuitous route through the Rockies which would offer scenery and wild life unsurpassed along any highway in America. Road construction is a good method of furnishing employment, and in my opinion would pay returns in increased tourist traffic as well as increased facilities to the people of Canada.

The third suggestion I wish to make is that the back-to-the-land movement be encouraged. During the last twenty-five years, through the industrial development in our larger centres, the country has been almost depleted of young men, who were attracted to the cities by the good wages paid and the opportunities of city life. To-day there is too large a proportion of our population in the cities. Even in the best districts of Ontario many homes have been deserted. The land may have been bought by neighbours, but there are not as many people on the farms of the province as there were a generation ago. A back-to-the-land movement is one of Canada's needs, and if successfully carried out would provide a source of employment to many. A few acres of land and some cows and chickens will provide a man with a comfortable living during such times as these. Care should be taken in the selection of those who are to receive government support, and they should be educated to the work. I believe that a large state farm where young fellows from the cities could be trained would be beneficial. When I left Calgary there were 10,500 people on relief. If the younger people could be placed in some line of industry, or on the farm, they would in two or three years become good citizens instead of bums. One of the most unfortunate features of the present situation is that it is not making for that higher citizenship of which this country is worthy; and until we find employment for the unemployed, and thus restore courage and confidence and hope, we shall never have the type of citizens we desire. Human life is far more valuable than gold, and we must do everything we can to preserve the citizenship of this country. The Government is giving some encouragement to the back-to-the-land movement, and as it offers another avenue of escape from relief and unemployment in the cities, the authorities would in my opinion be justified in carrying on an active campaign to accelerate the movement.

The Government has given relief to a great many people in the southern part of Saskatchewan, and some assistance, I believe, in the southern part of Alberta and Manitoba. We have had four successive years of drought.

It is a vexed problem. Some suggest the removal of the unfortunate people who in good years settled upon lands which are now almost arid.

Notwithstanding that southern Alberta is so dry, when you go through the irrigated districts you see fine crops of alfalfa, sugar beet and sweet clover, and the honey bees are busily at work. Everything is prosperous in those sections. I am told by a distinguished engineer, no less an authority than Mr. Magrath, that large areas of southern Saskatchewan and southern Alberta could be redeemed by irrigation. He stated that if, say, ten million acres in the southern part of Saskatchewan and Alberta were irrigated, we could develop a kind of communal life and a farmer could make a sure living on one hundred acres, getting far better returns from a piece of land of that size than it is now possible for him to obtain from a couple of sections. As conditions are at present, after a farmer has sowed a section or two he does not know whether he will get a fair yield, or whether he will get practically nothing at all and in consequence have to be fed by the Government the following winter. I am not sure that this suggested irrigation scheme is feasible, but I am told it is by those who should know. It is at least worthy of investigation.

My fourth suggestion, which in my opinion would be the most productive of employment, is that we should develop our natural resources. In England and other old countries the natural resources are more or less depleted, but this is not so in Canada. It seems to me that until such time as private capital can develop those natural resources to the point where they can supply our national needs, the Government would be justified in supplementing such development.

Alberta has been unsuccessful in its attempt to interest the large industrial centres of eastern Ontario in lignite and bituminous coal, and our Canadian money continues to pour across the border in payment for Pennsylvania anthracite. But along the foothills of Alberta there are large reserves of hard coal with a fixed carbon content of around 80 per cent, which is said to be as good as the Pennsylvania product. My honourable friend from Calgary (Hon. Mr. Burns) and some associates own a property on the Elbow river, about fifty miles from Calgary, on which there is enough hard coal to supply Ontario for a generation. And all that is necessary for the opening up of that area is the construction of a line of railway for about forty miles. My honourable friend from Calgary himself had

started on the construction of that railway before the depression began, but the undertaking was stopped at the request of the Provincial Government, who stated that a hard coal mine would compete with the soft coal industry of Alberta.

The market price of hard coal is such that it seems to me we could afford to pay the freight rates on shipments to the East and sell at a figure at least as low as that which is now being paid to the Americans. Last year our imports of coal totalled \$32,000,000. A great amount of work would be distributed among employees on our railways and mines, not to mention a large number of subsidiary businesses, if that sum were spent in Canada. In view of the obvious benefits that would accrue from such expenditure, it seems to me that the Government would be justified in giving some assistance towards the opening up of those hard coal areas, and even towards the making up of any deficiency in freight receipts on hard coal. But I think that with the prevailing prices there would be no such deficiency.

A similar situation exists with respect to oil. At Ottawa we have a Geological Department, probably as good as any in the world. We spend a considerable amount of money on it and in return we receive some very interesting reports. These reports do not indicate that the supply of oil stops at the international boundary line, and there is every reason to believe that large quantities will be discovered in different parts of Canada. What would be more reasonable than that the department should appropriate a sufficient sum of money to prospect and locate some of these oil areas? A million dollars, for example, would pay for a lot of testings for an oil field. If two or three real crude oil fields were produced, there would be a great increase in the employment of labour in connection with oil fields and subsidiary businesses, and millions of dollars of new wealth would be created.

The argument may be that private capital has not found oil to any extent in Canada. But it is my contention that the country should not leave the development of its resources entirely to private capital. It may or it may not be in the interest of private capital to develop oil fields in Canada, but it is certainly in the interest of the country that we should produce our own oil instead of sending so many millions of dollars abroad. Petroleum Oil Field was one of the first sources of oil supply to be discovered on the American Continent. It was discovered at about the same time that the Pennsylvania fields were located; but from that time on

Canada has not made much progress in oil development. The finding of oil fields, it seems to me, offers a reasonable way in which the Government could find employment for another class of people, and at the same time create millions of new wealth and save our money going out of Canada. Last year we sent \$32,000,000 out of Canada for oil and oil products.

Canada is fortunate in having also a large mineral belt, which spreads from the Atlantic to the Pacific. Some very valuable gold mines are now operating, but everyone believes that so far we have only made a beginning with respect to the vast wealth in the northern part of our country. The output of gold mines has been one of the brightest features that we have experienced during the depression. Because of that output and the ready sale for it, millions of dollars have been distributed among our people. The demand for gold is very strong and it is altogether unlikely that for some years to come there will be any overproduction. I know of several areas in British Columbia where development has shown very rich deposits that have assayed over \$20 a ton in gold alone, not to mention by-products. Because of lack of capital the development has not proceeded more rapidly.

I suggest that nothing would do more to re-establish Canada's credit abroad than the increased production of gold, and I see no reason why the Government should not give some assistance to opening up promising areas and thus helping to increase the gold output, on which we base our currency. I know it is said that private gold mining companies will open up and develop any area that is shown to be worth while. But why should all work of this kind be left to large interests that have already amassed great wealth from our natural resources?

The question may be asked how the country can undertake national enterprises of these different kinds to bring about employment for a majority of our people who are now without an opportunity to work. In many large cities vast municipal enterprises are managed, not by the local legislative body, the council, but by a board of commissioners. In the present national emergency would it not be feasible and reasonable for the municipalities, the provinces and the Dominion to co-operate in selecting from various parts of the country capable business men to form a board of commissioners whose duty it would be to undertake as a national enterprise the providing of work, during this period of readjustment and depression, for those who are at present unemployed?

Hon. Mr. MICHENER.

It may now be asked how such an undertaking could be financed. In reply I would say that if there were a war and it became necessary to defend Canada and the Empire we should raise the money required. Surely it is as imperative to raise money for re-establishing our people who in this period of readjustment find themselves stranded and without work. The Economic Conference at London set twenty-five per cent gold as a basis of sound money. I believe that at the present time Canada has more gold than is necessary for her currency on that basis. If she would issue currency on the surplus gold, such a national undertaking could be financed. For example, suppose that over the next three years we were to take \$25,000,000 of these gold reserves and issue against it \$100,000,000 of extra currency to pay for undertakings specially planned and managed by a capable board of commissioners for the purpose of creating work. What would be the effect? It is said that every dollar in money represents nine dollars in credit. So if we engaged in an expenditure of \$100,000,000 for national endeavour we should be building up throughout the country a credit of \$1,000,000,000. The result would be a revival and expansion of business in every store and factory and in trade generally, and our people would once more be brought back to reasonable prosperity. It seems to me that under present conditions the Government would be perfectly justified in circulating such a sum of money with that object in view. And the co-operation of the Government in this respect would give our people new hope, courage and faith.

We have had many commissions and special committees, but so far there has been no attempt to get right down to business in dealing with the problem of employment. I believe that problem can be solved. I have thought a lot about it, for it has been on my mind and heart for a considerable time, as I have observed the condition of a great many people who are without work and have no means of living except that which they receive from the public treasury or organized charity. I repeat my belief that the employment problem is capable of solution and I feel that its solution would automatically solve most of our other problems. If in the creation of employment we followed these methods which I have suggested, or other methods, Canada could lead the countries of the world back to normalcy.

The thoughts which I have expressed this afternoon are a few of those that have come to me while I have been considering this

question of employment. It seems to me, honourable members, that what we need is a proper vision of the situation. With high courage and faith, if we work together, we can provide the opportunity of employment for all our people. In place of discouragement and lack of hope, we then should have courage and faith. And as more men were employed in these various national undertakings additional currency would be circulated amongst the people, our factories would again become busy, business would be revived, and Canada would once more be on the road to prosperity.

Hon. Mr. CASGRAIN: May I ask the honourable gentleman what freight rate he figured on for the shipment of coal from near Calgary to Toronto? Is he aware that nowhere on earth is coal transported such a long distance by rail?

Hon. Mr. MICHENER: I know that \$7 was the rate mentioned as being necessary to cover the cost, but some people believed that figure was unnecessarily padded. I am also aware that a former Minister of Railways, the late Dr. Reid, who was a member of this Chamber, stated that as a result of his investigations he felt \$5 would be ample to cover the cost of transportation from Alberta to the city of Toronto.

Hon. R. DANDURAND: Honourable senators, I have listened with interest to the suggestions of the honourable gentleman from Red Deer (Hon. Mr. Michener) as to schemes that it might be possible to undertake with a view to hastening our return to prosperity. Of all the proposals he mentioned, I think the stimulation of house building in the larger centres is the most worth while. If this were put into effect it would help to eliminate the slums from our cities and give much needed work to a great many trades that have suffered very badly in recent years. The figures given by the honourable gentleman, showing that the value of construction throughout Canada last year was only \$66,000,000 as compared with an annual average of \$430,000,000 during the years 1925 to 1930, indicate the effect of the depression upon this industry. There is an old saying in French—I suppose its equivalent is to be found in every language—*Quand le batiment va, tout va*; which I would translate freely as meaning, "When construction moves, everything moves." Any building scheme on a fairly large scale would immediately have a beneficial effect throughout the land. When you put up a house you give work not only to carpenters, plumbers and masons, but to miners, lumbermen and employees in many

kinds of factories. It has been said that 80 per cent of the money spent on the average building is for labour. And the use of materials in construction increases the demand for our natural products.

Hon. Mr. CASGRAIN: You cannot rent houses when they are built.

Hon. Mr. DANDURAND: I think my honourable friend is in error. If building were active many thousands of people who are now idle would receive employment, and no doubt some of those Montreal apartments that are at present vacant would be rented. A period of normal construction makes for the circulation of much money and gives a buoyancy to business in general.

I remember that as a child I was shocked, as I suppose most children are, by the statement that Nero fiddled while Rome was burning. I have since learned that at that time most of the buildings in Rome were of wood, and that for purposes of protection there were fire stations and voluntary squads of fire-fighters in various parts of the city. If a conflagration destroyed a considerable section, the rebuilding was done in brick or stone, and it was the following of this policy which made Rome what it was in the third century. I am not suggesting the deliberate burning of any sections of Canadian cities, but I believe that if the Almighty were to touch off some brimstone in the heart of Montreal—I have reference to the section from Bleury to St. Denis streets, and up to Sherbrooke street—and clear out the centre of the slum district there we might be able, within fifty years, to boast of a fine city. We cannot make such a boast so long as there exists that eyesore to which I refer.

The honourable gentleman proposes a back-to-the-land movement. In the development of a country dreams are converted into reality, which sometimes fails to bring about the happy results expected. At about the time when the Canadian Pacific Railway was being completed Sir Charles Tupper dreamed of the day when 460 million bushels of wheat would be grown on our prairies. He did not foresee that other countries would become immense granaries and thus make the production of wheat unprofitable for our growers. One of the most urgent problems facing us to-day is what we are to do with our large overproduction. A few months ago it was stated at the International Institute of Agriculture in Rome that the total carry-over of wheat in all countries was eleven hundred million bushels, to which would be added any unconsumed surplus from this year's crop.

That splendid dream of new wealth was not fulfilled. Had we been able to see fifty years into the future we might have worked along other lines. No doubt the tens of thousands of immigrants to whom we offered a quarter of a section of land apiece would have been very happy to receive title to twenty-five or fifty acres, which they would have developed as mixed farms in the same way as the farmers of Ontario, Quebec and the Maritime Provinces have done. Those immigrants would have been content to live off their farms, instead of engaging in wheat farming exclusively. I may be told by honourable senators from the West that there are millions of acres in the Prairie Provinces which are suitable only for wheat growing. I am not in a position to say whether that is the case or not, for I have yet to hear any authoritative opinion on the subject. However, as honourable members are aware, although we do our best, conditions sometimes get beyond our control and bring about results different from those we had planned.

The back-to-the-land movement, I believe, is one of the schemes we should try to develop. It is already in operation in several of the provinces, and the Federal Government is assisting in placing men on the land. I would warn new-comers to revise their ideas as to the profits to be made out of wheat farming. I would advise them to follow the example set by the farmers in the old provinces. Let them rely on mixed farming, and be content to bring up their families in modest circumstances, happy in the thought that they are masters of their land rather than factory operatives in one of the great industrial centres of the Dominion.

Right Hon. ARTHUR MEIGHEN: Honourable members, there can be no question in the mind of any honourable senator as to the seriousness of unemployment in our country and in the civilized world. It will remain a challenging if not baffling problem over a long period of time, notwithstanding that the alleviation of the depression brings a measure of relief. There is equally no doubt in anyone's mind that the honourable member from Red Deer (Hon. Mr. Michener) is entirely sincere, indeed anxious, in his endeavour to make some suggestions which may be helpful to the Government in improving the situation.

But I fear I cannot follow him in any of the proposals which he advances. I ask honourable members, and especially the honourable member from Red Deer, to keep this in mind: the heart and centre of the world's present difficulties is debt. We appreciate

Hon. Mr. DANDURAND.

this at once, and give assent, but just as soon as we begin to think of something to do in order to make work we forget all about it and we begin one and all to proclaim some idea whose very essence is an addition to this burden of debt.

Let me run over the suggestions of the honourable senator from Red Deer. I accept with becoming modesty the compliment inherent in his speech: right at the base of it is the conviction that the Federal Government has unlimited means and unlimited credit. His first suggestion is to remove slums and build homes in their stead. Every step of this task is an addition to national debt. It is therefore an aggravation of the central cause of the whole world's affliction. It cannot be anything else. The honourable senator says the municipal authorities in Montreal are thinking of slum removal, and that it has been actually accomplished in Britain. There may be something to be said for moving along this line, by Government initiative, even against the valid objection that it adds to national debt, for it may be that in the end there will be profit because of betterment of public health by removal of slum conditions; but unless you can establish this it is impossible to convince anyone who has been close to the practical working of these things that where the individual contractor, with his plant idle and his credit unused, finds he cannot build homes in slum districts and rent them on a paying basis, it is nevertheless profitable for the Government to step in and employ the contractor to build such homes. Let us assume that the initiative of our citizens is just as vigorous as it ever was. Then undoubtedly financial resources are at their disposal if they feel there is something at hand from which they can make a profit. This being so, we know they would be building those homes if there was a profit to be looked for. We know their plant is idle. We know their credit is good. But they do not build the homes. The only conclusion is, they believe they would lose money. Does anyone suggest that where private individuals cannot make a profit the State by its better organization can do so? Could the State justify such a program save on the ground that it would promote some other public interest, such as the public health?

Then the honourable member says: "Let us be more active in a back-to-the-land movement. Let us take our unemployed, buy a large tract of land somewhere in the West, employ instructors to educate them, classify them, specialize with them, and then after a while we shall have good citizens." My first observation is, this adds not only

initially but permanently and increasingly to the mountain of debt on the back of the State—that debt which to-day not only challenges but brings despair to the heart of everybody trying to resolve the problems of the hour.

Next, can we artificially add to rural population? I know it has been the ambition of parties and politicians, and even of that almost extinct class called statesmen, to add to the number of our citizens in the country growing grain and other farm products and raising cattle. There has been a tendency to deplore the undoubted statistical fact that the proportion of those on the land has been diminishing in relation to those in the cities and towns. It seems to be thought that by some system or policy or some special inducement you can reverse that trend and turn Canada back into the old condition where 70 per cent of our population were rural and 30 per cent urban.

Let us inquire and see whether this assumption stands the test of analysis. Undoubtedly there are relatively fewer people farming to-day in Canada than there were, we will say, twenty-five years ago. But just as undoubtedly there is a far larger volume of farm products to-day than there was twenty-five years ago. We cannot reason from this that more people are needed on the land, and certainly we cannot so reason at a time when we are seriously addressing ourselves to the task of curtailing the volume of farm products.

What is the reason for the diminution of our rural population as related to urban? Again I come to the question of machinery. Machinery has made it possible on the farm, just as it has in the factory, for one man to do the work of ten. I do not know whether this agency has been more potent beyond the walls of cities or within those walls, but I will assume it has been equally potent in both spheres—that machinery has displaced as much labour, in relation to the volume of production, in the country as in the town.

If this were the whole truth, then there would be no reason for any disturbance of the proportion of rural as compared with urban population. If the operation of machinery were alike in the country and in the city—and we are presuming it is—then the proportion would probably remain the same. But though it is the truth, it is not the whole truth. There is another enormous factor which comes in—the ever-growing volume and diversity of the needs of mankind. The part always played by the rural population, and played to-day, is to supply mankind with its food products of various

kinds, and in no other function has it yet been able successfully to engage. The function of the city is to produce all other needs of mankind; and this area of production is expanding away beyond the expansion possible in the other area. We do not eat more than we did twenty-five years ago, but there are at least a third more things we need to-day, things we buy and consume, which were not available twenty-five years ago. The inventions of these years have added to the service of mankind a multiplicity of productions our grandfathers and even our fathers never thought of. Therefore the work to be done in cities and towns in producing these things in all their variety and diversity grows at a wonderful pace, whereas the volume of things which have to be produced by the country remains virtually stationary.

This explains the fact that there is a continual diminution of the section of the people on the land as compared with the section in the urban centres. He indeed would be optimistic who could look forward to any early change in this tendency. It is probable that twenty-five or fifty years hence we shall have a still lower proportion of our people in the country as compared with those who reside in our cities, because there will be more work to do, more entertainment to be provided, more services to be performed, by those in urban areas. On the other hand, the function of the country is not likely to extend at all, and the gathering impact of machinery will probably be the same in one section as in the other. Are we in Canada going to try seriously to reverse a movement which seems to be as inevitable as the multiplication table? We cannot do it; not to any appreciable extent. We cannot hope to improve in that way conditions which the honourable gentleman so much deploras.

His next thought is that the Government should start to develop our mineral and oil and coal resources, or, as he puts it more euphoniously, the Government should co-operate and should stimulate and co-ordinate the production of these resources. When one descends from the ethereal regions where those charming words co-operation and stimulation and co-ordination are used, and takes his footing on basic soil and seeks just to do something actual, then realities have a different appearance.

What, for example, is meant by co-operating for the production of oil? The only method I can think of would be to employ some engineers at the Government's expense to look for oil. What is meant by co-operation for the production of gold, or to stimulate the production of this very much needed re-

source, of which there cannot be too much? I presume it would be the employment of our best geologists and mining prospectors at Government expense, to search for gold.

Hon. Mr. CASGRAIN: We have been doing that since Confederation.

Right Hon. Mr. MEIGHEN: It may be. But if we have, I should like to compare the results of any communal efforts made along that line with the results of the efforts of men who have had the objective of personal gain as their incentive to go out into far regions in search for gold.

Hon. Mr. CASGRAIN: Hear, hear.

Right Hon. Mr. MEIGHEN: How is it going to pay the Government to do what it does not pay the individual to do? What pays the individual he is going to do. Suppose the army of prospectors who to-day are searching for gold were all organized and placed under a very able superintendent in the pay of the Government of Canada, and it became their duty to search for gold and get it faster than we have been getting it until now. Does anyone imagine we should succeed half as fast as we are succeeding now? Why, the objective of those men would be to continue their positions. They would not be so eager to get gold as to get their pay at the end of each month. They would have no object in finding a rich vein; they would have an object to serve by prolonging their occupations. In a word, should we subtract from the very incentives which have been the cause of all the multiplication of wealth that has come from the mines of this Dominion?

Looking back over the honourable senator's suggestions one by one, I say they are all an appeal for adding to the debt of this Dominion and thereby aggravating the very problem we are trying to solve. Furthermore, not only are they likely to fail to reach the very goal they seek; they are likely also to impede that orderly and wholesome development which, under the incentive of private gain, is going ahead at this hour.

PRIVATE BILL THIRD READING

Bill 28, an Act to incorporate Ancient Foresters' Mutual Life Insurance Company.—Hon. Mr. Coté.

SOLDIER SETTLEMENT BILL FIRST READING

Bill 94, an Act to amend the Soldier Settlement Act.—Right Hon. Mr. Meighen.

The Senate adjourned until to-morrow at 3 p.m.

Right Hon. Mr. MEIGHEN.

THE SENATE

Wednesday, June 13, 1934.

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. McMEANS, Chairman of the Committee on Divorce, presented the following Bills, which were severally read the first time:

Bill K2, an Act for the relief of Edward Headley Acland.

Bill L2, an Act for the relief of Ella Gertrude Bush Adamson.

Bill M2, an Act for the relief of Helen Cohen Levine.

Bill N2, an Act for the relief of Annie Rosner.

Bill O2, an Act for the relief of Grayse Irene Westlake MacLaren.

Bill P2, an Act for the relief of Naomi Willard Lyman Robertson.

Bill Q2, an Act for the relief of Hyman Stotland.

PRIVATE BILL

FIRST READING

Bill R2, an Act to incorporate Security National Insurance Company.—Hon. Mr. Coté.

COMMITTEE ON TOURIST TRAFFIC

AMENDMENT OF RULE

Right Hon. Mr. MEIGHEN moved:

That Rule 78 be amended by adding thereto the following:—

18. The Committee on Tourist Traffic, composed of not less than nine nor more than fifteen senators.

Hon. JAMES MURDOCK: Honourable senators, without in any way disparaging the careful work of the Special Committee on Tourist Traffic, I must say that I am unable to grasp the real consistency or logic of making such a committee a standing committee of the Senate. I have carefully gone over the list of the seventeen committees of the Senate, and I do not find in it one which contemplates our going into the highways and byways for the purpose of engaging in, or undertaking to engage in, a drumming up of traffic for this, that, or the other particular class of the community.

I realize that the question of tourist traffic is important to Canada, and that what is proposed contemplates the bringing of business

to the railways, a better knowledge of things Canadian to aliens in Canada, and additional revenues through advertising and in other ways to the press of Canada, and the making of larger sales of gasoline for the benefit of the gasoline companies in Canada. Incidentally, I have noticed that these companies are doing a fairly good job just now by reducing the price of gasoline three cents a gallon. One of the reasons for this, I presume, is that they might be called before a committee sitting in another place to explain how much spread or gross profit there is in the business. Another important reason is that in some places general elections are now pending.

The point I want to make is this. I think the appointment of this committee is, in principle, altogether wrong. If the Senate of Canada is going to place upon its list of committees a committee of this kind, I have a large list of committees that might very well be added. And may I say this? We have one important committee, No. 12 on the list, the Committee on Immigration and Labour, which, I am told, has not met for ten years. My information may be incorrect. Immigration and labour are clearly questions for the mature and careful deliberation of the Senate, or of any other law-making body in Canada.

I think, although the special committee did excellent work, it would be a mistake to appoint a standing committee on Tourist Traffic. What purpose would it serve? No other purpose, in my judgment, than to give to those that have. If the matter of tourist traffic requires to be dealt with annually, why not see to it that Committee No. 12 on the list is enthused sufficiently to meet and do business every year? Why not have a committee on Immigration, Tourist Traffic and Labour? I am quite sure that if we had, the persistence and enthusiasm of our honourable and respected friend the senator from Halifax (Hon. Mr. Dennis), and others, would bring about a meeting of the committee at least once every session for the purpose of considering tourist traffic. After all, the tourist traffic is really the immigration into Canada, for a short period, of aliens who come here to spend their money.

Personally, I think some further consideration should be given to this question of setting up a new committee of this House, especially as an important one like the Committee on Immigration and Labour has not met during the last ten years.

Right Hon. Mr. MEIGHEN: Honourable members, I do not quite follow the conclusion at which the honourable gentleman has, I

fancy, too hastily arrived. And I do not appreciate, as I usually do, the reasoning which leads him to his conclusion. The importance of tourist traffic is of course admitted by him as by us all. Indeed this House unanimously adopted the report of the Special Committee on Tourist Traffic, which report recommended the establishment of a standing committee on the same subject. So the decision of the House on the principle involved here has already been arrived at and is a matter of record.

There is no reason why there should not be a Standing Committee on Tourist Traffic, or on any other subject, if there is a sufficient purpose to be served by such a committee. From the proceedings of the special committee and the terms of its report it would seem that there is a purpose to be served. Certainly there is a large objective in seeking to be of assistance to a governmental department, to attract attention to our country and to help along a business that in Canada aggregates hundreds of millions of dollars annually.

The honourable member has conceived the idea that the tourist business benefits but a few, or, as he expresses it, those who have. Even if that view were correct, I think it would be no reason why we should decline to assist in the extension of the trade, so long as it does not unjustly affect those who have not. Certainly it would be difficult to see how the tourist traffic could possibly injure anyone, however humble, in this Dominion. And on closer inspection, is it found to be a business exclusively or even predominately for those who have? I assume the oil companies would benefit substantially by an extension of tourist traffic; but tens of thousands of our people, the majority of whom I fancy are of very moderate means, would share in any benefits. Besides, the oil companies are not all large. There are a multitude of small independent competitors who can be relied upon to give stiff enough competition to anyone engaged in the industry and who certainly have done so to date. Doubtless these small concerns are the cause of the present reduction in price, and at various times in the past have been the cause of other reductions, some of which have gone considerably farther than to invade the profits derivable from the industry.

But the oil companies are not the only, nor perhaps the principal, beneficiaries of the tourist trade. Throughout this Dominion, at every crossroad and along every highway, there are innumerable little boarding houses and tourist resorts. If any section of the

people in our country are without exception of the middle class—perhaps, in point of wealth, below the middle class—they are the proprietors of these very places. These are the people who primarily benefit from the tourist traffic, and who would look with most favour upon any governmental or parliamentary efforts towards its extension. I do not for one moment doubt that the profits accruing to them from such extension would far outweigh those accruing to oil companies.

Indeed, all the merchandising interests, small and great, would profit by any extension of tourist traffic. Small interests are especially likely to gain, because tourists as a rule are to be found not in big cities, but rather in villages and resorts. Tourists deal, in the main, with the small merchant. I do not believe there is any other trade in our country from which the humble individual receives so large a proportion of the total benefits. Surely the apprehensions of the honourable member in this respect are due to a conclusion arrived at too hastily.

It may be that newspapers reap some advantage from the tourist business. But not all newspapers are large, or profitable for their owners.

Hon. Mr. LACASSE: No.

Right Hon. Mr. MEIGHEN: The honourable gentleman says "No." He is more fortunate than I, because his newspaper is still in existence. Mine have collapsed.

I think the honourable gentleman from Parkdale (Hon. Mr. Murdock) will at least agree that it is worth while to do something towards the extension of tourist traffic. There may be more force in the second phase of his contention.

Hon. Mr. MURDOCK: May I ask the right honourable gentleman a question? Can he tell me of a single standing committee, out of the seventeen listed in Rule 78, that presumes to deal with business other than that which is before the House?

Right Hon. Mr. MEIGHEN: Oh, yes.

Hon. Mr. MURDOCK: Will the right honourable gentleman name any such committee?

Right Hon. Mr. MEIGHEN: What about the Committee on Banking and Commerce, of which the honourable senator from Westmorland (Hon. Mr. Black) is Chairman? It deals with matters of finance. And there is the Committee on Commerce and Trade Relations, which has functions other than the mere supervision of bills committed to it by this

Right Hon. Mr. MEIGHEN.

House. And the same is true of the Committee on Agriculture. In fact, that committee has had before it this session special work exactly analogous—

Hon. Mr. MURDOCK: Concerned with marketing and other bills.

Right Hon. Mr. MEIGHEN: That may be so, but it is now engaged in work entirely distinct from any pending legislation. And there is the Committee on Finance.

The honourable gentleman suggests that tourist work might possibly be done best by the Committee on Immigration and Labour. He complains bitterly that that committee has not met for some ten years. I notice that the ninth name in the list of members of that very committee is his own. It should have been within his power to arrange for meetings to be called, for I am sure that any member of a committee can do this. Consequently I feel that the honourable gentleman would have been fairer if he had not directed the force of his criticism in this matter against me and had appropriated at least one-ninth of the blame to himself. I am not a member of the committee.

Tourist traffic has no relation to immigration. A tourist is not an immigrant, even for the length of his stay in our country, and tourist traffic is as distinct from immigration as it is from divorce. And though nothing is wholly separate from labour, tourist traffic is as unrelated to it as anything can be. It is as much a distinct matter for study and inquiry as in any subject with respect to which we have had standing committees for years.

As I stated to the honourable gentleman when he was good enough to speak to me before making his remarks, I have confidence that considerable good will result from the work of this committee. I have this confidence chiefly because of the personnel of the special committee, and emphatically because of the honourable gentleman who was its Chairman. He has already rendered a valuable service, and I know he will not rest upon his laurels. After all, it is men, not organizations, who get results. It is the human unit and not some vague, shadowy entity which is responsible for real achievement.

Hon. H. C. HOCKEN: Honourable senators, I am unable to follow the reasoning of the honourable senator from Parkdale (Hon. Mr. Murdock) in opposing the appointment of a Standing Committee on Tourist Traffic. He stated that some standing committees of this House have not met for a number of years, and in particular he men-

tioned the Committee on Immigration and Labour. I suspect that he is as much to blame as any of us for that situation. I would go so far as to say that the question of labour is of sufficient importance to warrant its being dealt with by a standing committee; but there can be no valid objection to the appointment of the standing committee now proposed. A traffic which at its peak produced a revenue of \$309,000,000 a year, and with a potential return of \$500,000,000 a year, should be given our closest attention. It is very desirable that the Senate should continue to interest itself in this matter. The appointment of the Special Committee on Tourist Traffic and the publication of its proceedings aroused a great deal of interest all over the Dominion. Letters commending its purpose were addressed to the committee from every province. I have no doubt that the formation of a tourist bureau as recommended by the committee would co-ordinate the efforts of the best minds we have in the service upon the development of tourist traffic.

I am not at all in accord with the suggestion of the honourable senator from Parkdale that this work should be divided among Immigration, Labour, Trade and Commerce, and other departments. I think the necessities of the case are such that a particular body should be appointed to study the possibilities and advantages of further developing tourist traffic. Such a body could do much more effective work than has been done so far. To-day you will find men in the Department of Trade and Commerce, the Department of the Interior, and in other branches of the Civil Service, carrying on publicity work to attract tourist traffic. If you could consolidate their efforts in one bureau, and have certain members of the Senate and the Commons study what can best be done, we should very likely obtain much better results than have been possible in the past.

The chairman of the special committee (Hon. Mr. Dennis) devoted a great deal of energy and ability to bringing out the information furnished to the committee. If honourable senators will read the report and the evidence upon which it is based, they will, I think, come to the view that it is very important that a standing committee of the Senate should be appointed to carry on the work. Canada is a country of wonderful tourist possibilities, and yet it is not known to a very large proportion of the 120,000,000 people over the border—many of them potential visitors. Surely there is important and profitable work to be done by a standing committee to concentrate on the

objective set by the Tourist Traffic Committee. A revenue of \$500,000,000 a year is a reasonable objective. This revenue would be derived, not from our natural resources, but from the services rendered to visiting tourists.

The honourable senator from Parkdale has referred to the oil companies. No doubt it would be to the advantage of those companies to have a larger number of tourists enter this country. But I do not know any Canadian industry that employs a larger number of mechanics and attendants. These men are connected with the oil stations located from one end of the country to the other. The oil companies also employ a large staff at their refineries. Why this particular industry should be selected for criticism in this connection I cannot understand, for while no doubt its business is very profitable, I repeat, in proportion to the scope of its operations it employs a larger measure of labour than any other industry in the country.

I urge honourable members to give the most favourable consideration to the appointment of the proposed standing committee.

The motion was agreed to.

APPOINTMENT OF STANDING COMMITTEE

Right Hon. Mr. MEIGHEN, with the leave of the Senate, moved:

That the Standing Committee on Tourist Traffic be composed of Senators Dennis, Buchanan, Parent, Hocken, Green, MacArthur, Horner, Sharpe and Foster.

The motion was agreed to.

QUEBEC SAVINGS BANKS BILL

FIRST READING

Bill 33, an Act to amend the Quebec Savings Banks Act.—Right Hon. Mr. Meighen.

CANADIAN NATIONAL RAILWAYS BILL

FIRST READING

Bill 71, an Act respecting the Canadian National Railways and to authorize the provision of moneys to meet expenditures made and indebtedness incurred during the calendar year 1934, and to provide for the refunding of certain maturing financial obligations.—Right Hon. Mr. Meighen.

EXCISE BILL

FIRST READING

Bill 89, an Act to amend and consolidate the Excise Act.—Right Hon. Mr. Meighen.

BUREAU FOR TRANSLATIONS BILL

THIRD READING

Right Hon. ARTHUR MEIGHEN moved the third reading of Bill 4, an Act respecting the Bureau for Translations.

Hon. JULES EDOUARD PREVOST (Translation): Hon. members of the Senate, I trust that you will bear with me in the few remarks I wish to make with reference to Bill No. 4. I shall endeavour to be very brief and discuss the subject-matter with the moderation and impartiality due to this hon. House.

With an open mind and a genuine desire to enlighten myself and form a just and sound opinion, I read and closely examined this Bill, the object of which is not only co-operation but also centralization of all the translation services of the Government and the Parliament of Canada, under the authority of a Minister of the Crown.

After conscientiously studying this Bill, I arrived at certain conclusions which I desire to submit to this Chamber in plain words and without any effort at oratory, but by going straight to the point.

After examining the Bill from all angles I note, first, that this measure deprives the Senate and the House of Commons of prerogatives and rights which they have always possessed as regards the control and supervision of their employees and service.

This measure, to my mind, has not been nor is it yet justified by sound and convincing arguments, especially on grounds of economy and increased efficiency. It was contended, with reference to economy, that a considerable saving could be realized by this reform. An amount of \$200,000 was mentioned; however, no calculation was made, no statement or proof was furnished in support of such an assertion. Two hundred thousand dollars is a very considerable saving! However, I repeat, the contention is not based on any calculation placed before us. From every viewpoint, we also are entitled to find out whether this reform will furnish a better translation service. We have reasons to doubt it; we equally have reasons to think that the efficiency of that service will not be improved. No arguments were set forth to assure us of any improvement in the various translation services and particularly that of the Senate.

The Secretary of State himself acknowledges that the proposed reform will cause anomalies in the service of the Senate, and he was disposed to make some concessions after a meeting held by our Internal Economy Committee. However, these concessions are simply

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marginal notes—I emphasize the words—to the Bill. In fact, an interview took place between the Secretary of State, the Chairman of our Internal Economy Committee and the Clerk of this House, and in a report submitted to us the Clerk informs us:

The Minister agreed that the Clerk of French Minutes of the Senate would not come under the provisions of the Bill. He said that he would be prepared to assign to the Senate for the duration of a session, including two or three weeks before Parliament assembled, and for such further period after prorogation as may be necessary, the two translators at present employed by the Senate. When the work of the Senate was concluded, holidays for one or two months would be granted. If at the expiration of those holidays the Senate have no work for those officials they would revert to the pool until such time as the Senate may require them.

It is the intention of the Minister to form a sub-pool composed of the law translators of the two Houses, with offices in these buildings—probably in the offices which they now occupy. Those translators would be paid by and become members of the staff of the Secretary of State. Each translator would be transferred at his present salary. Those translators would be under the control of the Minister and the provisions of the Civil Service Act. This would deprive the translators of privileges they now have under clauses 61 and 62 of the Civil Service Act—a privilege to earn and receive during recess pay for services rendered.

The time will come when the Government will restore to the Civil Service the deductions in salary and the statutory increases. When that time comes consideration would be given to those employees who, under the provisions of this Bill, had given up certain rights to additional remuneration.

No steps would be taken to put into force any provisions affecting the Senate without full and complete consultation by the Minister with the Clerk of the Senate, and if any points arise upon which they do not agree the questions in dispute would be referred to the Prime Minister and the Speaker of the Senate.

Under these conditions I am satisfied that the work of the Senate would not be impeded, and I am confident that there will be a material improvement in the translation of the Senate Debates.

That is the report, dated June 7, of the interview between the Secretary of State, the Chairman of our Committee and the Clerk of the Senate.

The following is a letter, dated June 8, addressed by the Secretary of State to the Hon. Senator Sharpe, Chairman of our Internal Economy Committee:

My Dear Senator,—

I understand that the purport of my statements in my interview with you and Mr. Blount, Clerk of the Senate, was as follows:

1. The Secretary of State will not ask that the Clerk of French Minutes of the Senate be transferred to the Bureau of Translations,

except with the consent of the Speaker of the Senate and of the Clerk of the Senate.

2. The Bureau for Translations will take over all other Senate employees who are engaged in translating Senate bills and Senate debates, at their present salaries.

3. The Bureau for Translations, under the direction of the Secretary of State, will provide translators, before, during and after each session of Parliament, for the translation of the Senate bills and debates, and will become responsible to the Speaker and Clerk of the Senate therefor, and will provide for such translators convenient quarters in the Parliament Building.

4. A branch of the Bureau for Translations will be organized, to consist of the law translators of both Houses, who will be located at convenient offices in the Parliament Building and who will be especially assigned for the law translation work of both Houses and for the law translation work of the Government when they are not otherwise employed in the work of either House.

5. The translators will not be transferred to the Translation Bureau during the present session of Parliament. When so transferred, they will be subject to the provisions of the Civil Service Act, but sections 61 and 62 will no longer apply to those employees who are so transferred.

6. The translators who are so transferred to the Bureau for Translations will be placed on the same footing as other officials and employees in the Civil Service of Canada in respect of deductions in salary, restoration of deductions, statutory increases in salary and the like.

7. The officials and employees of the Translation Bureau, who are assigned to the work of the Senate, will be instructed to co-operate fully with and act under the instructions of the Speaker and the Clerk of the Senate in all matters relating to the legislation, debates and other proceedings of the Senate, and a breach of such instructions by them or any of them will be deemed misconduct and breach of duty on the part of them or any of them.

8. The Secretary of State, as the Minister who is responsible for the administration of the Translation Bureau Act, will co-operate with the Speaker and Clerk of the Senate in procuring and maintaining an efficient, expeditious and otherwise satisfactory service of translations for the Senate.

Yours very truly,

(Signed) C. H. Cahan,
Secretary of State.

These concessions, naturally, are better than nothing. However, they seem slight and, as they are not embodied in the Bill itself, we have no assurance that they will be adhered to. The Secretary of State of to-day may not be in office later on—he may be replaced by another Minister. The concessions which his letter conveys are not only slight: we already find some dissimilarity between the pledge signed by the Minister and that submitted to us in the report of the Clerk of the Senate. For instance the report states:

When the work of the Senate was concluded, holidays for one or two months would be granted.

That is the report of June 7. In the letter of the Minister, dated the following day, nothing is to be found in this connection.

Further on, in the report of the interview with the Minister, it is stated:

The time will come when the Government will restore to the Civil Service the deductions in salary and the statutory increases. When that time comes consideration would be given to those employees who, under the provisions of this Bill, had given up certain rights, to additional remuneration.

This concession which appears in the report of June 7, and which we are led to expect, is not confirmed in the letter dated the 8th of June.

We note another dissimilarity in reading the report:

No steps would be taken to put into force any provisions affecting the Senate, without full and complete consultation by the Minister with the Clerk of the Senate, and if any points arise on which they do not agree the questions in dispute would be referred to the Prime Minister and the Speaker of the Senate.

Nothing of the kind is mentioned in the Minister's letter. This leads us to state that the slight concessions which were made to the Senate, as marginal notes to the Bill, are very uncertain.

With reference to the question of efficiency of the service—because I do not wish to wander away from that point—a statement was made to the Internal Economy Committee by the most competent person on the subject, namely the Clerk of the Senate. His statement is as follows:

I do not think it is practicable to have the French version of addresses, bills and resolutions prepared by the pool

—as the Bill suggests.

Officers whose duty it should be to do work of that nature should be available at all hours. Their work would not be a question of translation, but a question of preparing originals. An Address in French, or a Bill in French, is just as much an original as the English copy—both are originals. A French-speaking member may desire to place a Resolution on the Order Paper, and it is his privilege to draft that Resolution in French—it is an original—and in due course when the measure is up for consideration, the vote would in all likelihood be taken upon the English version—equally an original.

He continues:

If the Bill passes in its present form, the Senate will be deprived of the services of any person who could act as interpreter before any of its committees, especially the Divorce Committee, where it frequently occurs that a

French-speaking witness will begin his testimony in English and, on account of temperament, is unable to proceed. Under the present system an interpreter is immediately available—under the proposed scheme the committee would have to adjourn until an interpreter could be obtained from the pool. A thoroughly competent officer should at all times be available to render a translation of any subject before the Senate.

Another feature is in connection with the Law Branch. Competent law translators are scarce. Every day of a session the Senate requires the services of officers thoroughly conversant in the two languages. Messages with respect to Bills must be prepared in both languages for transmission to the House of Commons, and for Returns and Addresses to the Under-Secretary of State. Also amendments made to Bills are engrossed in French and English. All these are original documents and in no manner or form can they be termed "translations," as is the case in the debates and bluebooks.

I therefore conclude, as regards the efficiency of the whole system, that it is not shown that the reforms projected will improve the present situation. And with reference to the Senate, we have every reason to believe that far from offering a prospect of improvement, the new system will mean a step backward.

After closely perusing the Bill, I have come to the conclusion that this measure has not been sufficiently threshed out and was decided upon without a thorough investigation of the present system which it is desired to change. This Bill cannot be the result or the findings of a serious inquiry into the question.

The proposed measure establishes a system which has already been condemned after two investigations in Canada. Not only have we no proof that this scheme will be perfect, but, on two different occasions, commissions which held investigations came to the conclusion that this system was not desirable in Canada.

In 1910 centralization had existed for seventy years. Owing to the disadvantage of the system, Mr. Achille Frechette, a retired translator, was requested by the Board of Internal Economy of the House of Commons to cross over and study the translation organization in Belgium and Switzerland, both bilingual countries. What was the outcome? What conclusion does he arrive at in his report presented in September 1910? After having pointed out that translation is not centralized in Belgium or in Switzerland, Mr. Frechette comments as follows on our system of centralization which then existed:

The present system, established some seventy years ago, may have answered the needs of the time, when the public documents were very far from being as voluminous, as numerous and as

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specialized as they are to-day, and when the greater part of them, being already in French, had not to go through the French office. But now that the publications of the public service deal with so many activities unknown to the primitive country that we were then; now that all the human interests, more and more specialized, find their expression in the papers presented to the Canadian Parliament, a centralized translation office can no longer do justice to so much work that calls for specialists. The experience I have acquired during thirty-six years of service in the Commons has convinced me that in centralization rests the vice of our system.

Mr. Frechette concludes by making the following suggestions:

Therefore, and from my observations in Belgium and Switzerland, where I everywhere found specialization carried as far as possible by the establishment of translation services in the various administrative branches, and where there is thorough satisfaction with the system in existence, I conclude that it is desirable to extend to all the departments in Canada the practice already intelligently introduced in some of them, as, for instance, the Department of Agriculture and quite recently, if I am not mistaken, the Marine and Fisheries Department, and to entrust to the various services thus established the duty of translating the annual reports of their departments, and, among the other documents furnished by them to both Houses, those of which the printing committee might recommend the publication.

The departmental translator, having a narrower field of work, could comparatively soon master the two languages in the specialties dealt with every year in the documents issued by his department. He could do his work much more quickly and much better, all other things being equal. His direct responsibility for the French version of the departmental publications would also naturally have a tendency to secure his best efforts.

It was after this report that the system of centralization was replaced by the present one, which it is now desired to replace by centralization. That was Mr. Frechette's conclusion in 1910.

Since then, another report has come to us, a much more recent one, that of 1933, presented by the Sellar Commission. In the course of the year 1932, the deputy ministers of the various departments, questioned on the desirability of centralizing translations, declared unanimously in favour of maintaining the status quo. They invoked against centralization the necessity, for each department, of a speedy translation, without the risk of any indiscretion, of correspondence or documents of a confidential nature. To these arguments may be added various reasons of an administrative order.

In December of the same year a commission composed of high officials of the various departments was formed in order to

keep a close control over the expenditure of the administration, its object being retrenchment. The commission, as appears from a statement filed by the Secretary of State, parliamentary document 27, dated February 6, 1934, was composed of Mr. Watson Sellar, Comptroller of the Treasury, as chairman and Messrs. B. J. Roberts, of the Finance Department; Fred Cook, of the Printing Bureau; P. T. Coolican, of the Post Office Department; Earl Chamberlain, of the Trade and Commerce Department; L. L. Bolton, of the Mines Department; F. C. C. Lynch, of the Interior Department; L. Beaudry, of the External Affairs Department; Dr. A. T. Charron, of the Agriculture Department; C. H. Bland of the Civil Service Commission, and Fred James, of the Immigration Department.

The commission presented its report in March, 1933. With reference to translations, Mr. Sellar and his colleagues arrived at the following conclusion:

No complaints as to the quality of the translated texts were made to the Committee. It was found that throughout the departments a general policy of decentralization is in effect. The adoption of such policy was the result of the question being explored in 1910, after a report was made by Mr. Achille Fréchette, who, under instructions from the Board of Internal Economy of the House of Commons, visited Belgium and Switzerland to observe the practice in effect in those countries. From the information before the Committee, the general consensus of opinion in the departments is in favour of the status quo.

The Bill, therefore, submitted for our approval, as one may judge, goes entirely counter to the experience of other bilingual countries, such as Belgium and Switzerland.

The system which it is proposed to introduce had existed for seventy years prior to 1910 and was then abandoned owing to its inconvenience.

This Bill, moreover—and this is an important point—comes into conflict with the Civil Service Act, sections 21, 50, 61 and 62.

This measure, finally, gives rise to an injustice to a notable part of the staff of Parliament. The Senate refused to sanction a similar injustice when it considered Bill 84 of the House of Commons, an Act to amend the Judges Act, at the 1932-33 session.

Sections 61 and 62 of the Civil Service Act read as follows:

61. The provisions of this Act relating to appointment, transfer, promotion, salaries, increases thereof, classification, political partisanship and payment of gratuity on death shall apply to the permanent officers, clerks and employees of both Houses of Parliament and of the Library of Parliament, and wherever any action is authorized or directed to be

taken by the Governor in Council or by order in Council, such action, with respect to the officers, clerks and employees of the Senate or the House of Commons, shall be taken by the Senate or the House of Commons, as the case may be, by resolution.

62. Nothing in this Act shall be held to curtail the privileges enjoyed by the officers, clerks and employees of the Senate, House of Commons or Library of Parliament with respect to rank and precedence, attendance, office hours, or leave of absence, or with respect to engaging in such employment during parliamentary recess as may entitle them to receive extra salary or remuneration.

From now on, according to this Bill, a large number of the staff of Parliament who enjoy rights and privileges by virtue of the Civil Service Act will be dispossessed of such rights and privileges. From that angle, I wish to submit facts which will show the injustice which will be suffered by a large number of parliamentary employees, both in the House of Commons and the Senate. The following is a list of officials who have a guarantee of parliamentary privileges:

Civil Servants Who Enjoy Parliamentary Privileges	
The Senate	
Committees and Journals Branch.. . . .	6
Debates Branch (reporters)..	4
	<hr/> 10
House of Commons	
Law Branch..	3
Journals Branch..	4
Parliamentary Papers Branch..	2
Committees and Private Legislation Branch	7
Debates Reporting Branch..	15
Members' stenographers—	
Branch (Chief)..	1
Chief of Pages..	1
	<hr/> 33
Total:	
Senate..	10
House of Commons..	33
	<hr/> 43

Civil Servants Who Enjoy Partial But Wide Privileges

The Senate	
First Clerk Assistant..	1
Mace Bearer..	1
Chief Messenger	1
Assistant Chief Messenger..	1
Commons	
Stationery Branch..	2
	<hr/> 6
Grand Total..	49
Parliamentary Translators With The Same Privileges	
The Senate	
Translators..	2

House of Commons	
Law translators..	3
Journals translators..	2
Debates translators..	16
	21
Total:	
Senate..	2
House of Commons..	21
	23

The list shows that the translators employed by the Senate and the House of Commons will be deprived of their holidays during recess which are guaranteed to them by section 62 of the Civil Service Act and which, during the last 50 years, have been embodied in their contract, while about 50 other parliamentary officials will continue to enjoy the same rights and privileges. This is a flagrant injustice to a minority of employees of Parliament.

As to hours of work, the following is the situation, to which I would call the attention of the Senate in the name of justice and equity:

Civil Servants' Actual Working Hours	
Day:	Hours
9 a.m. to 12.30 p.m.	3½
2 p.m. to 5.00 p.m.	3
	6½
Week:	
5 days at 6½ hours.	32½
Saturday (9 a.m. to 1.00 p.m.)	4
	36½
Month.	146
Winter:	
8 months.	1,168
Summer:	
Offices close at 4.00 p.m., 5 days a week, so the working hours are:	
Day.	5½
Week.	31½
Month.	126
3 months.	378
	1,546
(Allowance of 1 month for 3 weeks statutory leave and for statutory holidays, such as Christmas, etc.)	
Debates: Translators—Actual Working Hours	
Day:	Hours
(According to Mr. Gerin's testimony)	
Average.	12
Session:	
106 working days (average for last five sessions, according to Mr. Fraser, Clerk of Committees)	1,272
Difference, working hours.	274
	days 42
Or 1 month, of 26 working days, and 16 days.	
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These 42 days of extra holidays are not excessive, if it is admitted that 1,272 hours of work at high pressure, done in 106 days, are far more laborious than 1,546 hours in 11 months. In this matter the same principle applies as in industry, where double pay is given for overtime.

Note.—The above statement, established by the Clerk of the House of Commons Special Committee on the Civil Service Act, Mr. A. A. Fraser, shows that the work performed by the Debates translators during the session is about equivalent to the work performed by civil servants in the several departments during the whole year. This demonstrates that the work of translation for six or seven months during the year justifies the period of recess, as provided by section 62 of the Civil Service Act.

However, I am disposed to give fair trial to this measure, provided that is it amended in the way I now propose. I move that section 4 be amended by striking out immediately after the word "service" in the third line, the words "including all employees of the Senate and House of Commons of Canada," and further by striking out immediately after the word "documents" in the sixth line, the words "debates, bills, Acts, proceedings," and further by striking out immediately after the word "correspondence" in the seventh line thereof, the words "including the translation into either the English or French language of the debates and proceedings of the Senate and House of Commons".

Section 4 of the Bill reads as follows:

All officers and employees who are employed in the public service or in any department or branch of the public service, including all employees of the Senate and House of Commons of Canada, . . .

The following words are struck out: "including all employees of the Senate and the House of Commons."

The section continues:

. . . who are chiefly engaged as translators or in the work of translating departmental and other reports, documents . . .

I strike out the words: "debates, bills, Acts, proceedings and correspondence, including the translation into either the English or French language of the debates and proceedings of the Senate and House of Commons"—

. . . may be transferred to the bureau as herein provided, and such officers and employees thereafter be subject to the provisions of the Civil Service Act.

Briefly, in keeping with the remarks I made at the outset and the comments with reference to the principle of the Bill, we desire that this Chamber and the House of Commons should preserve the right to control and supervise their own employees who translate the statutes, etc. The remainder of section 4,

which places all the other services in the Bureau for Translations, is not affected. We simply request that the House of Commons and the Senate be excluded from this centralized bureau and that they should retain the prerogatives which they have always possessed in this respect.

Hon. G. LACASSE: Honourable members, in rising to support the stand taken by my honourable friend from Mille Isles (Hon. Mr. Prévost) my purpose is not to offer any deliberate opposition to the Bill. I do fear this measure, though, because of its possible effects not only on the solemn agreements entered into by the Government of Canada with its employees, but also on the freedom and independence of this honourable House. Therefore I consider it my duty as well as my right and privilege to put myself on record accordingly.

My honourable friend who has just resumed his seat proposed an amendment and gave his reasons therefor in French. For the enlightenment of my honourable colleagues who do not understand that language, but listened so courteously and sympathetically to his remarks, I shall endeavour to give briefly their purport.

My honourable friend advanced these reasons, amongst others, to justify his opposition to the Bill: (a) it is not at all evident that such legislation will bring about greater economy and efficiency; (b) the Bill is not based on a sufficient study of the merits of the present system; (c) similar proposals have been put to the test in the past and found wanting; (d) the system suggested has been discarded by other bilingual countries, namely Switzerland and Belgium.

I fully endorse those reasons.

I know it is against the rules of this House to attack a member of the other branch of Parliament, and I should be the last one to say anything disrespectful of a Minister of the Crown. However, so many contradictions, inconsistencies, and incomplete assertions are to be found in the many statements made by the sponsor of this Bill in another place, that one is justified in concluding that the honourable gentleman is not as fully conversant with the situation as he claims to be. Let me mention two or three instances.

Honourable members who attended the sittings of the Standing Committee on Internal Economy will recall that the Hon. Secretary of State complained about the great trouble he had to secure a capable man to translate official documents, particularly documents sent by his department to foreign governments. He complained, too, that between the sessions of Parliament he could not secure

sufficiently competent help for the translation of parliamentary papers. I would remind honourable senators that never has a complaint been made with respect to the translation of Bills. I would also direct attention to the fact that the Trade-marks, Patents and Copyrights Branch, which is under the direct control of the Secretary of State, has a competent translator, Mr. Lucien Hudon. The honourable Minister has also a translator attached to his private office in the person of Mr. Van Veen. This gentleman is available all the year round, and the Secretary of State has declared him to be "very competent to translate into French or English."

Honourable members are also aware that a great deal of so-called unnecessary expense was mentioned by a high official of the Civil Service Commission, if not by the Secretary of State himself. To show that I do not draw upon my imagination I will name the gentleman—Mr. Bland. He mentioned that \$78,000 was spent unnecessarily every year to cover the cost of the excessive number of corrections that had to be made in the copy because of faulty French translation. Ultimately it was elicited from the same gentleman that the exact amount was not \$78,000, but \$58,805.25. Some honourable members were curious to know how this exact amount had been arrived at, and they were told that it applied as much to corrections in the English as in the French translation. This important detail had not been stated when the figures were first presented to the committee. I shall return to this aspect of the question, for I consider it very important. At no time could the committee secure the specific items making up the exact total of \$58,805.25. No, sir! Question after question was asked, but never answered. There is a reason for this reticence on the part of those in the department who produced the figures, and I ask honourable senators whether they are satisfied with such incomplete information. I for one am not.

Honourable members will also recall that when certain photostats of corrections in French translation were submitted to the committee I asked the Secretary of State to produce photostats showing corrections in English translation, but none were available. Apparently somebody was determined to place all the blame for faulty translation on the French translators. I am vigorously opposed to such unfair tactics.

I cite these few instances, not because I am inspired by any antagonism to the Bill, but in order that honourable members may be seized of the facts.

Hon. Mr. SHARPE: May I ask my honourable friend a question?

Hon. Mr. LACASSE: Yes.

Hon. Mr. SHARPE: Do not the same men translate from French to English as from English to French?

Hon. Mr. LACASSE: I am not familiar with the work of the translators.

Hon. Mr. SHARPE: That is the way the work is done. The honourable gentleman is complaining that an attempt has been made to throw all the blame on faulty French translation.

Hon. Mr. CASGRAIN: The translation from French into English does not represent five per cent of the work.

Hon. Mr. SHARPE: I am not talking of percentages. I say the same men do all the work of translation.

Hon. Mr. CASGRAIN: No.

Hon. Mr. SHARPE: Yes.

Hon. Mr. LACASSE: No sufficient reason was given for the failure on the part of the Secretary of State to produce photostats showing corrections in the English translation. That is the point I am directing attention to now. The personnel of the translation staff does not enter into the question at all.

At the outset of my remarks I stated that inherent in the Bill is a threat against the solemn engagements into which the country has entered with certain civil servants. In order to buttress my argument, I shall quote certain authorities which I consider entirely relevant to this case. I do not expect they will be challenged, for these authorities happen to be in the ranks of those who support the Bill.

Last session my honourable friend from Parkdale (Hon. Mr. Murdock) introduced a motion to lower the pensions of officials of the Canadian National Railways. The right honourable leader of this House (Right Hon. Mr. Meighen), referring to the respect we should have for solemn undertakings and agreements, is reported at page 217 of Senate Hansard of 1932-33 as follows:

As the resolution reads, it would really be a demand upon Parliament to fall away from definite contracts of honour.

My next authority is the honourable gentleman from Edmonton (Hon. Mr. Griebach). He is reported at the same page of Hansard in these words:

Any man who has entered the Civil Service in the last few years comes under the Superannuation Act, and he has a contract. He is

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entitled to look forward to the implementing of that contract at the end of his service, but the resolution introduced by my honourable friend, if passed, would affect many such men. I say that we ought not to pass this resolution. I submit that to endeavour to interfere with the terms of the contract embodied in an Act of Parliament would be unworthy of any government and of this House.

Hon. Mr. GRIESBACH: Hear, hear.

Hon. Mr. LACASSE: That is the emphatic and authoritative statement made by my honourable friend from Edmonton. I have another statement made by my right honourable friend in the same debate. It will be found at page 220 of the same Hansard:

But the honourable member asks us to vote that the law be changed, when we know that if it were changed in accordance with the resolution the grossest kind of injustice and breach of contract would result.

How solemn and how authoritative!

Hon. Mr. HARDY: Does my honourable friend claim that, regardless of circumstances, certain civil servants have an absolutely vested right in their positions?

Hon. Mr. LACASSE: As much as the judges had a year ago.

Hon. Mr. HARDY: I am speaking of civil servants—a different class.

Hon. Mr. LACASSE: This is the only difference: the civil servants are still in the service of the country; the judges are honourable "has-beens."

Right Hon. Mr. MEIGHEN: The honourable gentleman has not answered the question.

Hon. Mr. LACASSE: I am not dealing with judges at present. However, if we raise our voices in protest when a proposal is made in this House to lower the pensions of retired railroad men, we should be just as insistent to respect the contracts made with men who are still in the service of the country.

Right Hon. Mr. MEIGHEN: Who wants to do otherwise?

Hon. Mr. LACASSE: Please compare section 61 of the Civil Service Act with section 4 of this Bill.

Right Hon. Mr. MEIGHEN: Nobody wants to do otherwise.

Hon. Mr. LACASSE: I disagree with my right honourable friend. By this Bill we ignore the contracts entered into with those men.

Right Hon. Mr. MEIGHEN: No; we do not dismiss anybody; but even if we did, it would not be a breach of contract.

Hon. Mr. LACASSE: Where is it stated in the Bill that nobody is to be dismissed? It may be mentioned in a statement—

Right Hon. Mr. MEIGHEN: Will the honourable member listen to the question? Does the dismissal of a public servant constitute a breach of a sacred contract with the Government of Canada?

Right Hon. Mr. GRAHAM: It would be if it were without cause.

Right Hon. Mr. MEIGHEN: Certainly, unless it were under the terms of the law by which he may be dismissed. But this does not call for the dismissal of anybody.

Hon. Mr. CASGRAIN: They are engaged only during pleasure.

Right Hon. Mr. MEIGHEN: Yes. Of course they would have to receive reasonable notice, or dismissal would be unfair. It is no breach of contract.

Hon. Mr. LACASSE: The clauses in the contract do not refer only to dismissal by the minister in charge; they refer also to the conditions under which employees work, the salaries they receive, and many other things.

Right Hon. Mr. MEIGHEN: Does the honourable gentleman suggest that Parliament cannot change the conditions under which the employees work? What is Parliament for?

Hon. Mr. LACASSE: I used the right honourable gentleman as my authority to stress that a while ago.

Right Hon. Mr. MEIGHEN: That is an entirely different thing.

Hon. Mr. LACASSE: I leave it to the House to judge. It is not pleasant to have our own statements used against us, and I have every sympathy for my right honourable friend.

Now I come to my last point, not because I am scared off, but just because I do not want to impose upon the House a speech that is too long. I have tried to make my remarks as emphatic and as brief as possible, because the length of a speech is not always the measure of its worth. I am now coming to the independence of this House. Now and then, in the course of the last few years particularly, we have noticed repeated endeavours on the part of another branch of Parliament to encroach upon the rights and prerogatives of this honourable body—this so-called independent House. I claim that this measure simply goes one step further in the same direction, and dispossesses the Canadian Senate of some of its legitimate rights and prized prerogatives by removing

from its exclusive control a certain number of its employees, including some of the most important members of its staff. Am I right or am I wrong? I do not say that the number of these employees is very large; but among them are some of the most important ones.

We all heard in this very Chamber, not long ago, very eloquent speeches and beautiful discourses emphasizing the importance of the Senate as a necessary adjunct to the Parliament of Canada, as a body which performs its solemn duty in a serene atmosphere of unimpaired independence, as a Supreme Court of Justice, so to speak, where all issues of a contentious nature are solved in the unbiased light of wisdom and fair play—

Hon. Mr. McMEANS: Hear, hear.

Hon. Mr. LACASSE:—and where suffering minorities find—particularly in the person of my honourable friend from Winnipeg (Hon. Mr. McMeans)—their most constant and strongest protectors. Just imagine, honourable members, this magnificent parliamentary body, free in its decisions—

Hon. Mr. TANNER: Hear, hear.

Hon. Mr. LACASSE: I am glad I am speaking loud enough to enable my honourable friend from Pictou (Hon. Mr. Tanner) to understand me. Just imagine this magnificent parliamentary body, free in its decisions, sovereign in its rulings, with shackles around its feet and a Damocletian sword hanging over its head. That is the picture which gradual encroachments, and repeated intimidations in the form of bills such as the one before us to-day, are preparing; that is the unavoidable fate which is in store for the Senate of Canada unless we refuse one of these days to be a mere rubber stamp in the hands of the powers that be.

In view of these facts, and for all these reasons, I intend to support the amendment of the honourable senator from Mille Isles (Hon. Mr. Prévost).

Right Hon. ARTHUR MEIGHEN: Honourable members, it may be that the honourable senator who has just taken his seat included me, by implication, in his reference to those who had not sat through the entire speech of the mover of the present amendment. I was absent for possibly five or ten minutes, no more, because of the necessity of cancelling another appointment in order that I might be present during the speech of my honourable friend.

Hon. Mr. LACASSE: It is very kind of you.

Right Hon. Mr. MEIGHEN: I am disappointed that the honourable gentlemen who moved and seconded this amendment should have introduced it into the discussion. After the plea of honourable members opposite, as well as of one or two or more on this side, being acceded to—namely a plea that the Bill be referred to a standing committee of the House, notwithstanding that it had been before a committee of the other House and had received most careful and somewhat prolonged review, having regard to the extent of the measure—I had hoped there would be no necessity for an amendment now, much less for any substantial division of opinion as to the merits of the Bill itself. But we are faced with an amendment which, if passed by the House, will have the effect of stripping the measure of a great proportion of its value. The amendment in effect removes from the scope of the Bill all those engaged in the actual work of translation in either the House of Commons or the Senate. This would of necessity mean a very large proportion of the ninety-one employees paid by the treasury of Canada for performing this service. It would represent an even larger proportion of the \$252,000 odd paid annually by way of remuneration.

The contention, so far as I have been able to grasp it, and I followed the honourable senator as well as I could, arises not from a fear that any injustice will be done the French language, but rather out of consideration for certain alleged vested rights held by certain people who have been doing translation work; and further, with special reference to the speech of the honourable senator who has just sat down (Hon. Mr. Lacasse), from the standpoint of the autonomous and coequal powers and prerogatives of the Senate of Canada. I am glad the measure is not seriously attacked—in fact I am not certain that it is attacked at all—with the argument that it will not conform to the plenary rights of the French language as established by the British North America Act. No one who studies the Bill carefully can have the least suspicion that it could assail what is undoubtedly a completely established right. There is no honourable member of the Senate,—and I hope I can say the same of the other House,—who wants to curtail, abbreviate or impair the full rights of that language as established by the British North America Act. That these rights are coequal with those of the English language in the Parliament of Canada everyone agrees; nor would any member of this House be a party to any legislation which mortgaged or shackled those definitely conceded and fully recognized rights.

Hon. Mr. LACASSE.

French is not a secondary language. In the matter of the records of this House—as of the other House—in the matter of translations of debates, bills and other documents, it stands coequal with English. The purpose of the measure—as I think is really recognized by all; I know it is by the vast majority—is to live up to the standard set by the Constitution of our country with respect to the French language, not less efficiently, but more efficiently; to have the work we are bound to do, and glad to do, done not ill but well; to overcome defects which undoubtedly have prevailed in years gone by, and to establish the service on a well organized and effective basis.

What has been the basis in the past? Herein I confine myself mainly to that area of the work of translation which the honourable member seeks to exclude. Those doing the work of the Senate have not been under any department of Government, or in any way subject to any minister; in fact, they have had no head of any kind. They have been under the supervision of the Senate—as others, doing the work for the House of Commons, have been under the supervision of that House—but for seven months of the year, on an average, the Senate is not sitting, and during that period they are at large, without control or command, servants of themselves, but paid out of the treasury of the Dominion. Now, I ask honourable members, is that a rational, businesslike method of conducting the public service? That is the situation which has existed for some time; but does its existence establish on the part of those who have enjoyed it anything in the way of a vested right? Are we, if we seek to improve, breaking solemn contracts entered into by the State?

Hon. Mr. LACASSE: The expression is that of the right honourable gentleman.

Right Hon. Mr. MEIGHEN: I know it is, and I am not derogating from it or trying to flee from it. There is no member on either side of the House who wants to break a contract with a civil servant. Our contracts with our servants are just as sacred as the contracts of a private employer, or more so. But who is seeking to violate such a contract? In the first place, contractual service is terminable, provided it is terminated according to law. There is no vested life interest in a civil service position. Secondly, no one is seeking to terminate it. The purpose of the Bill is to secure better work by means of better organization.

The honourable gentleman quotes against me a principle I ventured to express, that the

contractual rights of those who had earned them should be held sacred by Parliament. I am glad it is not seriously alleged that there is any invasion of the rights of the French language. There is none whatever. The honourable gentleman did seek to establish that there was an evasion of some contractual right of employees of the Government, but I think I have shown there is not. The onus is on him to show that there is. What is the contract, and where is the violation?

Now let us pass to the argument that we, because of our legislative powers, ought to have charge of our own service, and that nobody else should have such charge. I ask honourable gentlemen to recall that in the early days of this Parliament the Senate of Canada exercised this same sort of direct jurisdiction and command over other features of our work. We once had control of our grounds; we had control of the purchase of our furniture; we had control of every servant of this House. Those days have passed.

Hon. Mr. CASGRAIN: They should have.

Right Hon. Mr. MEIGHEN: And they should have passed, because of the necessity of getting things done in the best way. The Senate is not in a position to act as, nor entitled to get the benefit of, an employer who pays out of his own purse. The features I mention have passed to certain departments of the Government. Has the Senate suffered? Have our coequal legislative rights been abbreviated? Has our dignity been impaired? If so, I have not felt the force of the impairment.

Hon. Mr. LACASSE: We have joint committees.

Right Hon. Mr. MEIGHEN: We have joint committees in respect of the library and the restaurant, but not in respect of the service of this House or in respect of the grounds.

Hon. Mr. LACASSE: What is the use, then, of joint committees?

Right Hon. Mr. MEIGHEN: Where the service is common the supervision, as exercised by joint committees, is necessarily common too. I am not sure that it would not be better to go further and transfer other departments so that there might be better organization than there can be even under joint committees.

Does anybody seriously feel that the work of translation is not going to be done well in future, especially after hearing the letter of the Secretary of State? The honourable member suggests that that is not law. That

is true. I do not know that the letter is very important in any event. But I am quite certain it will be lived up to. What the letter says is that there will be conferences with the officers of this House with respect to the service of this House. What more could be expected, or what else could be demanded?

The argument has been advanced that the officer who is specially engaged in preparing records and documents in French is no more a translator than is the corresponding officer who does the work of preparing the English documents. That may be. At least it is true that the French document is as much an original as is the English. Similarly the French debates are as much originals as are the English. In this respect the two versions are coequal. But translation work has to be done, occasionally from French into English and often from English into French. We ought to see that this work is performed in the most effective way and under the most efficient organization. This, no more and no less, is the purpose of the Bill. I hope honourable members will realize that there is in this measure no design against anyone, but there is a design to get an essential and very important part of the work of both Houses of Parliament and of the whole federal service done better. There is no intention to be unjust to a single employee of this Government, but it is contemplated that special privileges heretofore existing because of a bad system shall be done away with under a good system.

Hon. Mr. CASGRAIN: The right honourable gentleman says that the two versions are coequal. I am informed that in the province of Quebec if there is any doubt on account of the translation the French version prevails. I do not know whether there is a similar rule here.

Right Hon. Mr. MEIGHEN: No. Here the two are absolutely equal. And I am inclined to think that they are so in Quebec.

Hon. Mr. DANDURAND: My honourable friend from De Lanaudière (Hon. Mr. Casgrain) appears to be in error. I think the last part of the Civil Code of the province of Quebec declares that, while the two texts are valid, the one nearer to what was the old law prevails.

Right Hon. Mr. MEIGHEN: Then the two languages are absolutely equal.

I ought also to point out to honourable members that an appeal was made to this House to have the Bill sent to a standing committee, on the ground that certain officials who would be affected had a right to be

heard. The Bill was committed and the standing committee met several times, but not one of the officials concerned came and asked to be heard. This would indicate that they were not able to show the measure contemplated any injustice, and that they did not consider any real right was being invaded.

Hon. R. DANDURAND: Honourable members, on the motion for second reading of this Bill I stated that I had always felt the combining of the debates translation staffs of both Houses would work to the great advantage of the translation service in our own Chamber. I am still of that opinion. I favoured the proposal to send the measure to a select committee because I thought such a committee would examine into the question of rights to which our translation staff is entitled under the terms of engagement, so that we might know whether there was to be any invasion of their privileges. The terms of engagement are governed by the Civil Service Act, Chapter 22 of the Revised Statutes of Canada, 1927. Sections 61 and 62 of that Act provide:

61. The provisions of this Act relating to appointment, transfer, promotion, salaries, increases thereof, classification, political partisanship and payment of gratuity on death shall apply to the permanent officers, clerks and employees of both Houses of Parliament and of the Library of Parliament, and wherever any action is authorized or directed to be taken by the Governor in Council or by order in council, such action, with respect to the officers, clerks and employees of the Senate or the House of Commons, shall be taken by the Senate or the House of Commons, as the case may be, by resolution.

62. Nothing in this Act shall be held to curtail the privileges enjoyed by the officers, clerks and employees of the Senate, House of Commons or Library of Parliament with respect to rank and precedence, attendance, office hours, or leave of absence, or with respect to engaging in such employment during parliamentary recess as may entitle them to receive extra salary or remuneration.

I do not know whether the Internal Economy Committee studied the Bill with a view to making sure that none of the clauses would work an injustice to any member of our staff.

It is a question whether the translation work, which has hitherto been performed under the direction of our Clerk, and, I believe, to his satisfaction, will be as well done when the translators are removed from his control. I was present when the Clerk was asked how he felt towards the measure, and he declared he was quite dissatisfied with it because it meant he would no longer have charge over his translation staff, whom he required to have under his authority through-

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out each session, as well as for some time before and after the session.

I dislike one feature of the way in which this Bill was presented in the other House, namely, that it was brought down without any conference with the Senate. Yet it contained a provision that a certain number of our staff would be taken from under our control and merged into a bureau. During my membership in this Chamber we have more than once had occasion to hold joint conferences with the other House for the purpose of examining into the possibility of combining certain services. I think that is the proper procedure when anything of the kind is contemplated. We have two Houses of Parliament, equal in standing. Yet the Government of the day saw fit to introduce, without consulting the Senate, legislation having to do with part of the Senate's staff.

This Bill has been passed by the House of Commons, which has thereby decided to abandon control over a number of its employees in favour of a new bureau. The Senate is now asked to do likewise. I confess that I am not entirely satisfied with the amendment proposed by my honourable friend from Mille Isles (Hon. Mr. Prévost), because it goes further than I think it should go. I do not believe the amendment would simply make sure that the privileges granted to our translators at the time of their engagement would be respected. In declining to vote for the amendment I hesitate because a certain official, who is one of our most efficient translators of bills and other documents with which he is called upon to deal, became a member of the staff after I had told him that the position carried certain privileges, and that if he accepted it he would be free to do as he pleased in the period between sessions, when the Clerk declared his services were not required. I feel a certain personal responsibility in the matter. Yet I cannot vote for the amendment, because it would have the effect of precluding the union of the debates translation staffs of the two Houses. So my position is not a happy one.

There is no question that the Bill has some virtue. I do not know that it will result in an increase of efficiency, but I am sure it will lead to an improvement in connection with the translation of Senate debates. It is not so certain that the work of the various departments will be done as well when they no longer have their technical translators under their own control. Yet I recognize that such translators will be at the disposal of the departments. It will be for the Superintendent of the Bureau to study the situa-

tion and see to it that the specialized service continues to be available as required.

On the whole, I may say that my difficulty is in facing a state of things which I helped to create and which is disturbed by the present measure.

The proposed amendment of honourable Mr. Prévost was negatived.

Hon. Mr. PREVOST: Honourable members, I move that clause 4 be amended by adding the following—

Hon. Mr. GILLIS: Can the honourable gentleman move another amendment to the Bill?

The Hon. the SPEAKER: According to the Rules the honourable gentleman cannot propose another amendment.

Hon. Mr. TOBIN: Honourable senators, I move that clause 4 be amended by adding the following at the end thereof as sub-clause 3:

Provided that the translators of the Senate and of the House of Commons enjoying the rights and privileges to which they are entitled as specified and defined in sections 61 and 62 of the Civil Service Act, shall continue to possess same as in the past and on the same basis as all the other officers, clerks and employees of both Houses of Parliament.

Right Hon. Mr. MEIGHEN: The honourable gentleman will find it difficult to show that the translators will not continue to have any privileges which the law gives them. Nothing is taken away from them by this Bill.

The proposed amendment of Hon. Mr. Tobin was negatived.

The motion of Right Hon. Mr. Meighen was agreed to, and the Bill was read the third time, and passed.

NATURAL PRODUCTS MARKETING BILL

MOTION FOR SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 51, an Act to improve the methods and practices of marketing of natural products in Canada and in export trade, and to make further provision in connection therewith.

He said: Honourable senators, this is an important Bill. While I hope the House will not delay too long its decision as to second reading, I think I should take a little time in outlining the purposes of the measure. I doubt not that most honourable members have read its various provisions. In any event, because of the discussions that have

taken place in the other Chamber, and comments that have appeared in the press, all honourable members have of course a fairly adequate conception of the principal objective. The scope of the proposed legislation is confined to the marketing and distribution of natural products.

The Bill provides, in the first place, that the Governor in Council may establish a board to be known as the Dominion Marketing Board. A representative number of persons engaged in the production or marketing of any natural product may petition the Governor in Council to approve a scheme for regulating the marketing of that natural product by a local board under the supervision of the Dominion Board. If the petitioners are deemed to be sufficiently representative, the scheme will be referred to the Dominion Board with a request for a report. Then if the Dominion Board recommends the approval of the scheme, and if the Minister also is in favour of it, the Governor in Council may appoint such a local board, give approval to the scheme, and fix the date when it shall become effective.

The Dominion Marketing Board works in association with the local board situated in and operating from the area where the goods are produced and from which the marketing is to be done.

The Bill provides a definition for the "regulated product." It may be any natural product produced anywhere in the Dominion, or in any province, or in any section of any province. The area is to be defined in the scheme to be presented to the Government as preliminary to the appointment of the marketing board. There must, of course, be jurisdiction in regard to the operation of the statute, and consequently the statute is made to apply to any regulated product with respect to which there is interprovincial or export trade.

The Bill also provides that in the case of provincial legislation empowering a provincial board to function with respect to any natural product, that provincial board may become a local board under the Dominion Marketing Board; but of course, being a provincial creation, it is subject to the overriding power of the Provincial Government, though under the Bill it may be vested with certain powers which are federal.

Hon. Mr. DANDURAND: Even though it is to control provincial trade only.

Right Hon. Mr. MEIGHEN: Yes. The provincial legislation would vest it with powers with respect to provincial trade. The

federal legislation then, if invoked, may vest it with powers with respect to interprovincial or export trade.

An Hon. SENATOR: They can co-operate.

Right Hon. Mr. MEIGHEN: Yes. The same board may act under provincial and under federal powers.

The Bill further provides that such board, if created, may make assessments with respect to the marketing of the regulated product, defined and limited as I have previously explained, and that from its funds the Marketing Board may, under certain clearly defined conditions, compensate producers or marketers for losses incurred by reason of the supervision exercised for the benefit of all, but not for such losses as result from the closing of foreign markets to the products, or from inferiority in quality of the goods sought to be marketed.

Hon. Mr. DANDURAND: Does the assessment go beyond the parties who have asked for the local board?

Right Hon. Mr. MEIGHEN: Oh, yes. The assessment would be applied to the whole regulated product, though the parties who invoke the Act may be representative of only a portion of the industry. It would obviously be impossible to have everybody invoke the Act with respect to a specially regulated product. Consequently, when it is felt there is such a preponderating demand as to warrant the establishment of the board, all must conform.

Hon. Mr. DANDURAND: Whether they wish to or not?

Right Hon. Mr. MEIGHEN: Yes; otherwise the Act of course would be utterly ineffective.

Then the funds, which may be raised by assessment or may be granted by vote of Parliament, may be used for other purposes, but those purposes are not of such importance as to demand recital. They are clearly set out in the measure.

The Bill also provides that on being convinced of the necessity, the Governor in Council may in the general interest establish a board in respect of any natural product sought to be regulated. These provisions are analogous to certain provisions in the Combines Investigation Act.

The Bill further provides that the board may withhold goods from market because of quality, and may acquire goods or real estate for the purposes of the working of the measure, and that goods may be stored and improved even by processing. In general, the marketers

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and the producers will in respect of the regulated product be under the supervision and subject to the control of this board to the extent of the powers of the Parliament of Canada; and also to the extent of the powers of the Provincial Parliament, if such Provincial Parliament exercises those powers which are peculiarly its own.

Hon. Mr. GILLIS: Do I understand that if the producers do not organize the Government may step in?

Right Hon. Mr. MEIGHEN: Yes, the Government may take the initiative and establish the board by virtue of the powers granted it by section 9 of the Bill.

Now, I have sketched very briefly the purpose of the first part of the Bill.

Hon. Mr. DANDURAND: Before the right honourable gentleman passes to the second part, can he give an explanation as to what constitutes an area? For instance, if a group in a county of New Brunswick asked that potatoes be regulated, and their request were granted, would that regulation cover the one county, or the whole of New Brunswick, or the whole of Canada?

Right Hon. Mr. MEIGHEN: If those engaged in the potato industry in a county of New Brunswick decided to have the potato industry placed under the provisions of this measure, they could give the information which the Act specifically requires with respect to the scheme. They of course would make out their scheme for the area of their own county. The scheme does not have to be accepted, and obviously it would be utterly futile to seek to treat as a regulated product the potatoes of one county of the province of New Brunswick. But if the potato growers, say, of the Maritime Provinces sought to make their potatoes a regulated product, the Governor in Council conceivably might say, "Well, if we make the potatoes grown in that area a regulated product, the scheme may possibly work." But Council might not come to that conclusion. They might say, "You will have to take in the potatoes of the whole Dominion." A representative number of the potato growers would have to ask that potatoes be a regulated product before the scheme would be practicable.

Hon. Mr. DANDURAND: So if a neighbouring province does not join it remains outside the scheme?

Right Hon. Mr. MEIGHEN: Yes. If the potato growers of the neighbouring province do not join in the scheme, they cannot be included in the area. Of course, there would

have to be such a number of growers representative of the area they seek to include in the scheme as to warrant the creation of a board. Certainly such a board never would be created unless those petitioning were fully representative of the producers and marketers within the area they seek to have controlled.

Hon. Mr. LITTLE: Could the board bring the three Maritime Provinces into one area without the specific consent of the respective provincial governments or of any existing provincial boards?

Right Hon. Mr. MEIGHEN: They could with respect to interprovincial or to export business. But it is utterly inconceivable they would do so unless it was the preponderant wish of those engaged in the industry of that whole area.

Hon. Mr. MURDOCK: What, if any, consideration has been given in Part I of this Bill to the rights of the consumer?

Right Hon. Mr. MEIGHEN: Canada has an enormous yield of natural products. Our paramount interest is in the producers of those products, because we have a surplus for sale. I as a consumer should certainly be delighted if the producer of natural products could get better prices. The main object is to establish such conditions of production and marketing as will get the best price that world conditions permit under the circumstances.

Hon. Mr. MURDOCK: And the consumer will have to pay that price?

Right Hon. Mr. MEIGHEN: Where the goods are under our supervision the consumer is the export consumer. Certainly he will pay that price, and he will be delighted to pay it, because if we improve the conditions of the producer of natural products in this country, the indirect benefit to the consumer will vastly outweigh any extra price he may have to pay. I only hope the general benefit will be such that there will be some extra price. Then both the consumer and the producer will rejoice.

Hon. Mr. CASGRAIN: Supposing a potato grower is hard up and wants to sell his crop, will he have to sell at the big price?

Right Hon. Mr. MEIGHEN: I only hope the vision which the senator has of a big price will be realized—in part, anyway. No; this Bill cannot affect the local marketing, it being beyond our jurisdiction. It may be the province would come in and say, "In order to make this plan effective generally we shall have to make it apply locally." But until the province does that the producer will be free to market locally.

Now, while there is provision for the creation of the board, there is also provision for its discontinuance. There is provision for the polling of those engaged in the producing of the regulated product to see if they really want the legislation invoked. If the Act goes into effect in relation to the product, then a poll has to be taken before the application of the Act can be discontinued.

There is also provision for uniting local boards and for extension of their powers in order that the objective sought by the measure may be attained.

Hon. Mr. HARDY: In reading the debate on this Bill in another place, I have wondered how we are to prevent the formation of a multiplicity of boards to deal with a number of different products. Is there to be a separate board for each product, or can one board deal with several products? Will the right honourable gentleman tell us briefly how this is to be carried out?

Right Hon. Mr. MEIGHEN: Certainly the Governor in Council can insist that in any area the same board deal with several natural products. Several boards may be united in the interest of economy. Amalgamations of course would also reduce the number. Anyone reading the Bill might think five hundred boards might be formed in almost no time, but I do not think this is at all likely, for the reason that there will be a tendency on the part of those engaged in the producing and marketing of one product to let the other fellow try it out—to let the dog have a little dose to see how it works. If they think the scheme can be made a success they are likely to come in. That probably would be the disposition of most of those engaged in the production and marketing of the products.

The second part of the Bill has to do with investigations. The Minister is given power, similar to that conferred by the Inquiries Act, to make investigations as to price spreads, high cost of conditioning, commissions, profits accrued by virtue of processing or manufacturing to a degree—in short, as to all the various charges that come in between producer and consumer. Under the Act it is a criminal offence to make charges that are unreasonable or constitute a hindrance to trade and commerce. Having made a preliminary investigation, the Government can appoint a committee with power to extend the inquiry and to make recommendations for the curing of any evils of the nature of in-

defensible or extortionate spreads, or such other evils as are contemplated by the measure.

This, in brief, is the purpose of the Bill. I know it will strike some honourable members as radical, if not revolutionary, but I do not think it will turn out to be either. I fancy we shall have the experience we very often have: we shall not witness to the full any of the terrible retributions that we look for from measures that seem radical; and possibly we shall not witness to the full the harvest of benefits that some of us would like to accrue to both producer and consumer.

Hon. Mr. DANDURAND: Is the House to sit this evening?

Right Hon. Mr. MEIGHEN: If it is the wish of honourable members, there is no reason why the House should not sit. Unfortunately I have an engagement—of an entirely non-political character—that takes me fifty miles away.

Hon. Mr. MURDOCK: This is Wednesday.

Right Hon. Mr. MEIGHEN: I am in the hands of the House as to whether we sit or not.

Hon. Mr. MURDOCK: I think it would be a mistake for the House to meet with the right honourable leader absent.

Hon. Mr. BLACK: As the leader of the House is better posted on this Bill than any other member, it seems probable that we should make little progress by sitting tonight.

Right Hon. Mr. MEIGHEN: Then I shall move the adjournment of the House.

Hon. Mr. DANDURAND: In that event I would move the adjournment of the debate.

On motion of Hon. Mr. Dandurand, the debate was adjourned.

BANK BILL FIRST READING

Bill 18, an Act respecting Banks and Banking.—Right Hon. Mr. Meighen.

The Senate adjourned until to-morrow at 3 p.m.

THE SENATE

Thursday June 14, 1934.

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

Prayers and routine proceedings.

Right Hon. Mr. MEIGHEN.

COMPANIES BILL

REPORT OF COMMITTEE

Hon. F. B. BLACK presented the report of the Standing Committee on Banking and Commerce on Bill 64, an Act respecting Dominion Companies.

He said: Honourable members, this Bill has been before the Banking and Commerce Committee for some time and has been given very careful consideration. The committee made some sixty odd amendments, which were largely corrections in verbiage, punctuation and terminology, and which do not materially affect the Bill. The object of the measure was explained by the right honourable leader of the House at the time of introduction, and it is not necessary for me as Chairman of the committee to say anything in this respect. But I would point out that the regulations in connection with interlocking directorates and the responsibility of directorates are more stringent than any laws we have hitherto had in this country relative to these matters.

Hon. Mr. DANDURAND: I doubt that honourable members would gain very much from the reading of these amendments at the Table.

Right Hon. Mr. MEIGHEN: Nothing whatever.

The Hon. the SPEAKER: When shall the amendments be taken into consideration?

Right Hon. Mr. MEIGHEN: I think we should take them into consideration now. I should like the Senate to understand that there is no desire whatever to rush the adoption of these amendments, or the Bill itself, and that every opportunity will be given to honourable members who have suggestions to make or who wish to investigate the provisions of any part of the measure. In the main, the sixty odd amendments made by the committee are of the nature of improvements to clarify the meaning. It would not be quite right to say that they do not modify the measure, for in certain phases they do, but, as the Chairman of the committee has pointed out, there is no serious modification. And it can be said of them that they all have the approval of the Secretary of State, the author of the Bill, who attended all the sittings of the committee over a protracted period. Not all the amendments were initiated by him. A certain number were, and for the most part they were adopted by the committee after careful consideration. The committee on its part inserted other amendments which were thought to improve

the Bill, and, as I have stated, they all were approved by the proponent of the measure. I would not attempt to explain the amendments one by one, but there will not be the least objection to going into Committee of the Whole, if the House desires to take that step.

Hon. Mr. BLACK moved concurrence in the proposed amendments.

Hon. Mr. DANDURAND: Honourable members may rest assured that the amendments made by the committee do not in the least weaken the stringent regulations that the Bill contained when it came to us from the other House.

Right Hon. Mr. MEIGHEN: They are not emasculated in any way.

Hon. Mr. CASGRAIN: Perhaps the right honourable leader can tell us whether any of the amendments are very important.

Right Hon. Mr. MEIGHEN: I suggest that the Chairman of the committee tell us about them.

Hon. Mr. BLACK: There is an amendment to page 13 which refers to violation of certain provisions. Do you want me to go into it fully?

Hon. Mr. CASGRAIN: No.

Hon. Mr. BLACK: That amendment is important. I will read it:

If any loan is made by the company in violation of the foregoing provisions—

It is necessary to have read the preceding section to understand this.

—all directors and officers of the company making the same or assenting thereto, shall, until repayment of the said loan, be jointly and severally liable to the company and to its creditors for the debts of the company then existing or thereafter contracted; provided that such liability shall be limited to the amount of said loan with interest.

That does not change the intention of the Bill, but, I think, clarifies it and makes the obligation more definite.

On page 16 there are certain changes recommended in section 24, but these are of the kind referred to by the right honourable leader, and I do not think it is worth while to read them. They are not—

Hon. Mr. CASGRAIN: Not important.

Hon. Mr. BLACK: Well, they are important in that they make the Bill more workable. Passing over a number of such amendments, I want to call attention to a somewhat more important one on page 97. This incorporates

into our legislation certain conditions and provisions which are in the British Companies Act, and which have to do with the actions of a director who has done the best he could in the distribution or investment of a company's moneys, or in regard to differences of exchange. If such actions should result in a loss to the company, in the event of court proceedings the judge may find that the director used his best judgment and is to be held not liable. I will read those provisions, if honourable members so desire.

Hon. Mr. DANDURAND: No.

Hon. Mr. BLACK: I have mentioned, not by any means all the important changes, but perhaps the outstanding ones. We have also suggested that section 17 be amended to read:

Every one who, being a director, manager, or officer of a company or acting on its behalf, commits any act contrary to the provisions of this Part, or fails or neglects to comply with any such provisions, shall, if no penalty for such act, failure or neglect is expressly provided by this Part, be liable, on summary conviction, to a penalty of not more than one thousand dollars, or to imprisonment for not more than one year, or to both such penalty and imprisonment: Provided no proceedings shall be taken under this section without the consent in writing of the Secretary of State.

Those are the four most important amendments.

Right Hon. Mr. MEIGHEN: Possibly the House would like to know the important features in respect of which the law is changed. It must be kept in mind—for honourable members will probably be hearing criticism of the Act later on—that in regard to company law the line of demarcation between provincial and federal powers is a very important one. I think it can be said that it is now pretty clearly established.

A company created under the authority of this Act or of any corresponding federal Act in the past can be endowed with such capacity for business and hemmed around with such restrictions of its operations in the sale of its securities as the federal power may choose. But once the securities pass from the company and become the actual property of some other concern, the jurisdiction of this Parliament ceases and that of the provincial legislatures begins. Consequently the Bill seeks to safeguard the public to the utmost of the federal power so long as the company is within our domain; that is until the securities become the property of some other company.

Also in relation to companies created by this Parliament, we can say how the directors are to be liable, what kind of prospectus they

must issue, who must be responsible for every word in it, and whether a director can vote in relation to a special contract. In a word, we can impose just such responsibilities as we like upon the directors so long as it is a federal company.

The Bill contains the most stringent provisions ever known in Canada with respect to securities. The prospectus must include a long list of data, covering several pages, and be signed by all the directors and filed with the department, and any sale or marketing of the securities must be done within a certain time of filing, or a new prospectus must be filed. We take care that before a purchaser becomes liable he must be shown to have received a prospectus. We cannot make him read it, but if he has not received a prospectus he can escape responsibility. We provide further—and it is all we can do—that no one selling securities for the company shall canvass from house to house or make calls except to see a man in his office. There is a corresponding section in the British Act. Severe penalties are imposed if the clauses are violated.

After the securities are sold we impose upon the directors and officers new and more serious liabilities and responsibilities. No longer will a director be able to vote in relation to a contract with another company in which, directly or indirectly, he has any interest; and in the event of anything of that character being before the board, he must reveal his interest and refrain from voting. He is under very heavy penalties if he fails to conform to this new law.

Not only are loans to shareholders or directors forbidden, but directors who vote for them are made liable for the amount so voted; liable not merely to the company, but also to the company's creditors to the extent of the amount, until it is repaid. If dividends which impair the capital of the company are voted, however innocently, the directors are liable. But no longer are they liable for all the debts of the company, as they were under an irrational and grotesque provision of the old law. They are liable individually to the extent of the money which they have voted and should not have voted, and, however innocent, they may escape the consequence only by definite action within a week after they become aware of what has been done.

I have reviewed some of the salient features of the Bill. I think it can be said that its constitutionality is not seriously challenged in any respect. Undoubtedly the Bill goes further than any measure ever before attempted in this country to correct what are

Right Hon. Mr. MEIGHEN.

believed to be the evils of the interlocking directorate system. It goes further to make a director a real director—if that can be done. Many fear it goes so far that we shall find companies more and more in the hands of straw directors. Some feel that it goes so far that hereafter the provinces, and not the Dominion, will issue most of the charters.

Of course, it must be recalled that the provinces are moving in the same direction. Ontario and Quebec and one or two of the Western Provinces have gone to some length. In thinking of the position of the public when the securities are no longer within the prerogative of the originating company, but have become the property of another company, honourable members should bear in mind that the sale immediately comes under what are known as the blue sky laws of the various provinces: the licensing and limiting legislation of those provinces immediately comes into play. I think it can be affirmed that there are now such provisions in all the provinces, and Parliament is going as far as it can go to protect the public against itself.

Hon. Mr. COPP: Do the provisions of this Bill apply to a company already organized?

Right Hon. Mr. MEIGHEN: To a federal company, yes.

The motion was agreed to.

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

STOTLAND DIVORCE CASE

QUESTION OF PRIVILEGE

Before the Orders of the Day:

Hon. A. C. HARDY: Honourable senators, before the Orders of the Day are called, I rise to a question of privilege. It may be that the matter which I wish to bring before the Senate will come up a little later in the day, but in view of the long list of orders before us I desire to bring it up now. If I should stray outside the strict rules of the House in touching upon the matter of privilege, I beg that honourable senators will bear with me, and perhaps, when they hear what I have to say, they will grant me a little indulgence.

For some considerable time there has been a good deal of talk about the corridors of this House, about the lobbies of hotels, and in some clubs, concerning a premeditated

and apparently prearranged solicitation of members of the Divorce Committee in connection with one or more cases which have come before them. I am going to refer to the one case which I know of—the Stotland case—the report upon which has been issued by the committee within the last few days.

I am not interested in this case, and I know nothing about it except what I have learned from the report that has been presented to us. In fact, I did not even know the name of the case about which I heard all this talk until the report came into my hands. But I am interested in the honour of this House and of honourable senators who form the Divorce Committee.

There has been in connection with this particular divorce one of the most vicious lobbies, I think, that have ever taken place in the Senate, and I want to protest against it. This lobby has been carried on by certain parties directly and deliberately soliciting the assistance of various members of the committee. It has been carried on, I am sorry to say, by some honourable members; not many. I know of two, whose names I am not going to mention. Fortunately, there is one of them on each side of the House; so it cannot be said that this is a political matter. These gentlemen have deliberately undertaken to solicit several, if not all, of the members of the committee. Further, I am astounded to learn, the Chairman of the committee has been approached and directly solicited by eminent counsel from Montreal who have not heretofore appeared in the case.

I may be straying beyond the rule of privilege if I ask this House what a judge would say if, when he was about to try a case, counsel came and endeavoured to enlist his sympathy one way or the other. I think that the whole situation is rapidly becoming a scandal, and that it should be brought to light before the Senate with a view to preventing a recurrence of any such thing in the future.

I am not complaining of applications made to various senators for their sympathy, nor of conversations between senators, because, after all, one of the evils of the present system of divorce is that divorces are granted in the Senate by private bills, and I suppose honourable members have the same right to discuss divorce bills as bills of any other kind. But members of the Divorce Committee are in a position very different from that occupied by members of ordinary business committees of the Senate. Their duties involve a consideration of rights that are very sacred and

personal. They are not merely members of a committee, but members of a judicial committee.

What has taken place is, I think, an encroachment upon the privilege of this House, and I desire to draw the attention of honourable members to it.

Hon. L. McMEANS: Honourable members, as Chairman of the Divorce Committee I endorse every word that has been uttered by the honourable gentleman. As he says, the way in which members of the Senate, and sometimes members of the Committee on Divorce, are approached by individuals from outside who have some special interest in influencing their verdict, is fast becoming a scandal.

I am sure it is well known to every honourable member of this House that even before the evidence was taken a letter relating to the case in question was written by a person in a high position to a member of the Senate. I cannot divulge the contents of the letter, because it is private. It is evident from the nature of it, however, that it was written for one purpose, and one only, namely, to influence a member of this House. That member broached the subject to the members of the committee and told them exactly what information he had received.

I regret to say that even this afternoon a very prominent lawyer from Montreal approached me in my office with a view to discussing this case after it had been tried. That gentleman, for whom I have the highest respect, took out a sheaf of papers and asked if I would read them. I said, "What are they?" He replied, "A history of the family." I said, "Why should I read them? They are not in evidence." "Well," he said, "shall I leave them with you?" I said, "No; I would not look at them."

To have so many stories floating around in reference to a case makes the position of every member of the committee very difficult. In the case the honourable gentleman has referred to three prominent lawyers appeared for each side, and they occupied the time of the committee for three days. Notwithstanding that the hearing has been completed and the report of the committee presented to the House, these influences continue at work. If there is any way of putting a stop to them, I should like to see it done.

If a man approached a jury with the idea of influencing the verdict of a court of law, he would be committing a grievous offence; or if he wrote to a judge who was trying a case, with the intention of influencing him

in his decision, he would place himself in a very awkward position.

It is unfortunate that under the law of the province of Quebec divorce cases arising in that province cannot be tried there, but must be dealt with by the Senate.

I heartily endorse every word the honourable gentleman has uttered.

SOLDIER SETTLEMENT BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 94, an Act to amend the Soldier Settlement Act.

He said: Honourable gentlemen, the main purpose of this Bill is to render all soldier settlement lands liable to taxation by municipalities. These lands, as I apprehend the position, have been for some time in the name of the Director of Soldier Settlement, but the Director has been held to have title in the lands for and on behalf of the Crown, and not as a body corporate and politic. Therefore the lands have been exempt from taxation. For many years it was contended—in fact, I so contended myself—that they should be exempt. The Government, however, has recommended to Parliament, and by the adoption of this measure the other House has concurred in the recommendation, that this exemption should no longer apply. The Bill declares that although the Director holds for the Crown, he shall be considered to hold as a body corporate, and that the land shall be liable to taxation.

Hon. Mr. DANDURAND: Does this simply cover lands that have been returned to the Crown, or does it relate to lands that are held for a soldier who is tilling them and has not yet obtained title?

Right Hon. Mr. MEIGHEN: Lands held by the soldier have all along been liable to taxation, on the theory that the soldier's interest is taxable. On the same principle, homestead lands which were the property of the Crown, and held in the name of the Crown, have always been taxed. The municipalities affirmed that they were taxing the soldier's interest and not the interest of the Crown. The incidence of this Bill is on lands held by the Director, the soldier not being there and not being the proprietor. I have no doubt that if anything more is needed to render the land liable to taxation while the soldier is on it, the Bill makes this provision.

Hon. Mr. DANDURAND: We have been obliged from time to time to come to the rescue of these settlers in a most substantial

Hon. Mr. McMEANS.

manner. If we were to look at the balance sheet we should probably find that half the advances made by the country, maybe more, had fallen into the profit and loss account—and I emphasize the word loss. Nevertheless, I feel that we can do nothing but accept this legislation, which is in the nature of relief to the returned soldiers whom we have tried to establish on the land.

Right Hon. Mr. GRAHAM: Who will pay the taxes?

Right Hon. Mr. MEIGHEN: The Crown will have to pay them where the Crown is the absolute owner.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

DIVORCE BILLS

SECOND READINGS

On motion of Hon. Mr. McMeans, Chairman of the Committee on Divorce, the following bills were read the second time:

Bill K2, an Act for the relief of Edward Headley Aeland.

Bill L2, an Act for the relief of Ella Gertrude Bush Adamson.

Bill M2, an Act for the relief of Helen Cohen Levine.

Bill N2, an Act for the relief of Annie Rosner.

Bill O2, an Act for the relief of Grayse Irene Westlake MacLaren.

Bill P2, an Act for the relief of Naomi Willard Lyman Robertson.

STOTLAND DIVORCE BILL

SECOND READING

Hon. Mr. McMEANS moved the second reading of Bill Q2, an Act for the relief of Hyman Stotland.

He said: Honourable senators, my reason for moving separately for the second reading of this Bill is that while the other actions were undefended, this application was opposed.

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

PRIVATE BILL

SECOND READING

Hon. Mr. COTE moved the second reading of Bill R2, an Act to incorporate Security National Insurance Company.

Right Hon. Mr. GRAHAM: What is it about?

Hon. Mr. COTE: Honourable members, the object of this Bill is the incorporation of the Security National Insurance Company, a straight line fire insurance company. The Bill is well drafted, I think, and contains no unusual provisions. Its form follows that prescribed by the Canadian and British Insurance Companies Act, which is the governing legislation in matters of this kind. My instructions are that the Bill has been examined by the Superintendent of Insurance and found to be quite in order.

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

EXCISE BILL SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 89, an Act to amend and consolidate the Excise Act.

Right Hon. Mr. GRAHAM: What is this about?

Right Hon. Mr. MEIGHEN: Honourable members, as will be gathered from the folder in my hand, this is a very extensive measure. I think it should go to the Committee on Banking and Commerce. In the main it is a consolidation of the present Act. The last re-enactment of the law relating to excise took place in 1883. In the regular revisions made since that time the excise statutes, in common with all others, have been consolidated, but there has been no general review and re-enactment of the law.

The greater part of this Bill is made up of a compilation of existing statutes, which have been rearranged and abbreviated, as statutes can always be when re-enacted. There are only three other important features. I do not know that they can be called very important, but they are new. The first is the abolition of the gallonage tax on beer, and in place thereof an increase in the excise duty. Likewise, the special tax on malt is abolished and the excise duty increased. Finally, there is appended to the Bill a schedule of tariffs and duties, so that all persons interested may readily see exactly what is the excise tax in respect of any article. This does not change the law, but there has not been such a schedule before.

Hon. Mr. DANDURAND: Whatever is to be said about this Bill can be said in the Committee on Banking and Commerce?

Right Hon. Mr. MEIGHEN: That is right.

Hon. Mr. DANDURAND: We shall then examine the various changes.

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

CANADIAN NATIONAL RAILWAYS BILL SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 71, an Act respecting the Canadian National Railways and to authorize the provision of moneys to meet expenditures made and indebtedness incurred during the calendar year 1934, and to provide for the refunding of certain maturing financial obligations.

He said: Honourable members, this is another Bill which is perennial. Its purpose is the provision of money to take care of the Canadian National Railways during the calendar year 1934. As everyone knows, the fiscal year of the National Railways is not the same as that of the Dominion Government.

The Bill has two parts. The first makes provision with respect to maturing obligations, construction and betterments, and deficits. The amount required for maturities is \$12,185,828; for construction and betterments, \$4,202,007; and for estimated deficits, \$48,840,298; an aggregate of slightly more than \$65,000,000 covered by the first part. The apportionment of the \$12,185,828 is set out in paragraph a of section 2, which specifically describes the obligations as equipment principal payments, sinking funds, miscellaneous maturing or matured notes and other obligations not mentioned in the schedule. As to the estimated deficits, it does not follow that the actual figure will be so large. I am hopeful that it will be smaller.

The second part has to do entirely with old indebtedness. It enables the Administration to take care of the following obligations: \$17,060,333.33 maturing on the 1st of September, 1934; \$3,510,250 maturing on the 1st of October, 1934; and exactly \$17,000,000 maturing on the 15th of February next year. It is thought wise to include this last item because of uncertainty as to when the next session will be held and whether at that session the item could be attended to in time. The total of the maturing securities covered by Part II is \$37,570,583.33. Within the limit of this sum the Government will be empowered to guarantee the issue by the company of new securities, or to make loans to the company. The refunding of these old debts will probably diminish the annual charges against the lines, but of course the capital will not be affected in any way.

Hon. Mr. DANDURAND: We should be grateful that the expenditure on capital account is not to go beyond the figure asked for here, which is a considerable reduction as compared with amounts voted for this purpose in the past. But we are still facing the probability of a heavy deficit, the estimate for the year being nearly \$50,000,000.

I do not know what improvements are likely to be made in the operation of the system. Some emotion was created in various parts of the country, and perhaps nearer to this Chamber than I should mention, over the declaration by the President of the National Railways that some hundreds of miles of lines would have to be scrapped with a view to the saving of money. A great difficulty in the way of improving the company's balance sheet lies in the fact that although the management may clearly recognize that a certain line should be discontinued, because it is unprofitable and the territory is adequately served by another line, any attempt at discontinuance is met with the protest, in which members of Parliament for the ridings concerned are asked to join, that private interests would be seriously injured by the move. Some two years ago it was stated in an inquiry, before one of our committees or a royal commission, that when it was found necessary to scrap a certain line in the United States a mill owner and a few settlers who were situated near the line were given compensation. I believe the time will come when we in this Chamber shall find it necessary to refer a bill such as the present one to a standing committee, in order that we may ascertain how the two companies are working out the problem of discontinuing lines that are absolutely unprofitable. Such an inquiry could probably be made here to the satisfaction of the country at large, since the Senate is not amenable to direct pressure from local interests. If next year we face another deficit of \$50,000,000, it may well become this House to inquire into the whole railway problem to see if we cannot suggest means by which economies may best be effected in the operation of the National System.

Hon. Mr. CASGRAIN: Honourable members, so far as I can see, the object of this Bill is to authorize the payment of certain securities, \$17,060,333.33 maturing on September 1, \$3,510,250 maturing on October 1, and \$17,000,000 maturing on February 15 next year, a total of \$37,570,583.33.

Right Hon. Mr. MEIGHEN: That is the object of the second part. The first part has to do with three other things. There is

Right Hon. Mr. MEIGHEN.

the matter of meeting obligations totalling \$12,185,828 in respect of equipment notes and so on. The next item is \$4,202,007 for construction and betterments—new capital. It was to this my honourable friend opposite (Hon. Mr. Dandurand) referred as representing a very great reduction in comparison with the amount required in previous years. Of course, no road can get along without some new capital each year. And the third item is the estimated deficit of \$48,840,298 for 1934. I fancy this estimate was made before there was evidence of the brighter prospects which have been brought about by nature within the past few weeks. The record of improvement this year causes me to hope that we shall not be as close as these figures would indicate to last year's deficit, which I think was about \$58,000,000. That may be a little high.

Right Hon. Mr. GRAHAM: If I remember rightly, it was about \$56,000,000.

Right Hon. Mr. MEIGHEN: While the present estimate is a reduction, it is somewhat of a disappointment to me. I am very hopeful that the deficit this year will not run to \$48,000,000.

Hon. Mr. CASGRAIN: Honourable members, we are paid to busy ourselves in matters that we think are in the interest of the public, and I have been giving some study to the railway situation. The trustees of the Canadian National, of whom Judge Fullerton is one, have no machinery to compel the Canadian Pacific to do anything.

Right Hon. Mr. MEIGHEN: Of course they have.

Hon. Mr. CASGRAIN: The only way they can force action is to go before the Railway Board, and they dislike to start a lawsuit that may drag on for a long time and perhaps be submitted to the Supreme Court and the Privy Council. The Canadian Pacific Company do not want to use Canadian National rails; they say they would lose prestige by doing so. Well, I do not think they have much prestige to lose just now. In order to meet their bond obligations they had to borrow \$60,000,000 without interest, I am told. I am absolutely serious. I pay a lot of attention to these matters, and I think we all should do so. The Canadian Pacific will not use the other company's tracks. I could point to a case which I mentioned in this House on a previous occasion, but I do not want to take up too much time at present. Surely the Canadian Pacific executive officials could be told, unofficially if you like, that if they refuse to act they will have to go to the Railway Commission.

Hon. Mr. BALLANTYNE: To the arbitral tribunal.

Hon. Mr. CASGRAIN: That is the only way to compel action; but it is a roundabout way.

It is two years and a half since Parliament passed legislation to bring about co-operation between the two railways. The executives of the two systems say, "We are studying this and that." But not very much is being done. True, there are pool trains in operation between Montreal and Toronto, Toronto and Ottawa, and Montreal and Quebec. This, however, is passenger business, which represents only a small percentage of railway earnings. Take some of our small towns served by two lines. One railway is a necessity, but two are a luxury. Why not use one line? I told some of the trustees that I would bring this matter before the House. I do not believe the executives of the two systems are coming together as they should do in the public interest.

Right Hon. Mr. MEIGHEN: The honourable gentleman has not quite correctly described the machinery which Parliament provided, not two years ago, but last session. In pursuance of the legislation the Board of Trustees of the Canadian National Railways was appointed early in the fall. The machinery is not complicated; it is simple. The trustees are in a position at any time to insist on the Canadian Pacific going to a tribunal on any matter of the kind referred to. I think it is fairer to assume that the trustees are exhausting every effort to bring about joint economies without resort to the tribunal. I have no reason to assume otherwise. I have confidence in the trustees, especially the chairman, whom I have known for so long. If these methods fail, I believe he will not hesitate to use the machinery which the Act provides. I quite concur with my honourable friend that there has not been as much progress towards co-operation as we should like to see, but, having in mind the fact that the trustees during the few months they have been in office have accomplished a good deal, and that it is a gigantic entity which they have to examine, analyze and master, I think it is too soon to complain.

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

THIRD READING

Right Hon. Mr. MEIGHEN: Shall the Bill be referred to the Committee on Railways, Telegraphs and Harbours?

Right Hon. Mr. GRAHAM: The right honourable gentleman asks if we desire to refer this Bill to the Railway Committee. I think it unnecessary, for this is really a financial measure. We can criticize these expenditures, but it would be suicidal to refuse to vote the money required to carry out a project authorized by legislation we passed just a year ago. Whatever discussion is desired might well take place in Committee of the Whole.

I was pleased to read the other day that the head of the Board of Trustees of the Canadian National Railways is somewhat optimistic as to the future of the system. If he can be optimistic, we should not be so pessimistic; for he knows the worst. It is easy for us to suggest that because this or that line is not paying it should be abandoned. We have been hearing a good deal about contracts. Well, there is certainly an implied contract with settlers in the West, who were induced to settle in certain districts by the promise of railway facilities. What would become of those communities if we said: "This railway line is not paying; therefore we will take up the rails"? They would be absolutely stranded. It is all very well for persons travelling between Toronto or Ottawa and Montreal to say that non-paying lines should be abandoned; but those who are being served by a branch line would be very seriously inconvenienced if we deprived them of their railway facilities, and any saving effected would be more than offset by the harm done to the public interest.

I have great sympathy with the head of the Board of Trustees and with the president of the Canadian Pacific Railway in their discussions of what lines may be abandoned, for it is one of the most difficult problems to handle. There is not a member of this House who would not rise up and object most strenuously to the abandonment of a railway line running close to his home, even though it did not pay the cost of operation.

We must not be in too great a hurry to bring about further co-operation. It is difficult to effect economies when there is not much left to economize. The depression seems to be leaving us gradually, and five or ten years hence, as we look back, we may realize that we were panicky in what we proposed for the improvement of the railway situation.

We should stand by the two railways and give them a chance to make what economies can be made without injuring the people as a whole. It is not desirable that a section of the country should be materially injured

in order that a comparatively small operating cost might be saved. We should not sacrifice the interest of the country as a whole for the sake of effecting railway economies, though we must proceed as rapidly as possible to get the railways on an even keel.

As the right honourable gentleman has said, the Railway Act of last session was not brought into force until a few months ago. This was not the fault of the railway companies. I have talked freely with the executives of the two systems. They would rather go as far as they possibly can without compulsion. We must not forget that the chairman of the trustee board is accountable to Parliament. He has to be careful not to resort to compulsion if he can accomplish as much, or nearly as much, by voluntary means. The president of the Canadian Pacific is responsible to his directors and naturally he is doing the best he can for the shareholders who have put their money into that great undertaking.

I agree with the right honourable leader of the Government. We should not criticize too severely the apparently slow progress that is being made. The executives of the two railways know more about the actual condition of affairs than we do, and we should give them a reasonable opportunity to bring about further co-operation. Probably they will attain their objective more quickly and more surely by reaching an amicable arrangement than if they adopt the plan, as suggested in certain quarters, of rushing into the realm of compulsion.

Right Hon. Mr. MEIGHEN, with the leave of the Senate, moved the third reading of the Bill.

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

BANK BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 18, an Act respecting Banks and Banking.

He said: I do not think anything in the way of explanation of this measure is necessary, save to say that it is the regular decennial revision of the Bank Act. Honourable members know as well as I that it received at the hands of the other House an exceedingly great amount of attention and review in committee, and that experts and alleged experts from the ends of the earth appeared before the committee and gave evidence. It is my intention as soon as the motion is passed to move that the Bill be referred to the Standing Committee on Banking and Commerce.

Right Hon. Mr. GRAHAM.

Hon. Mr. MURDOCK: I desire to ask a question based on rule 53:

No senator is entitled to vote upon any question in which he has any pecuniary interest whatsoever, not held in common with the rest of the Canadian subjects of the Crown; and the vote of any senator so interested will be disallowed.

My question is: If there are any senators holding bank stock, are they entitled to deal with or vote upon this Bill?

Hon. Mr. GILLIS: I think this very important Bill should be dealt with by Committee of the Whole, so that every honourable senator may have an opportunity to discuss it. If we attend the meetings of the standing committee we are not entitled to vote on any question that may arise. I repeat, the proper place to consider this very important measure is on the floor of the House.

Hon. Mr. MURDOCK: Is not my right honourable friend a little in error in saying that this is the regular decennial revision of the Bank Act? I am sure he knows this is an entirely different revision, since it contemplates the creation of a Central Bank.

Right Hon. Mr. MEIGHEN: That is a separate measure.

Hon. Mr. MURDOCK: I thought this was it.

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

REFERRED TO COMMITTEE

Right Hon. Mr. MEIGHEN: I am quite ready to accede to the suggestion that the Bill be referred to Committee of the Whole. It has already been before the Banking and Commerce Committee of the other House, which made a very careful study of the measure. It is true that in respect to the Companies Act some of us had doubts whether it should go to a standing committee, because it had been before a special committee of lawyers of the other House, who made a very close study of it. It certainly was a wise course to send it to our Standing Committee on Banking and Commerce, for it received at the hands of that committee attention of a character that it could not possibly receive in Committee of the Whole. I am not sure that this Bill would not stand a similar review; in fact I am inclined to think it would. But I do not want to shut out any honourable senators who are not members of the Standing Committee on Banking and Commerce. My own opinion—if it is of any value to the House—is that the Bill will get a better review in

the standing committee than it can get in Committee of the Whole.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. BALLANTYNE: If the Bill is referred to the Standing Committee on Banking and Commerce no honourable senator is shut out. My honourable friend would be at liberty to speak, but not to vote.

Hon. Mr. DANDURAND: I have often suggested that when an important Bill is before a standing committee and expert evidence is being adduced every senator not engaged on any other committee should attend in order to have first-hand information.

Hon. Mr. MURDOCK: Am I to get an answer to my question about members of the Senate holding bank stock having the right to pass judgment on this Bill, either in the Banking and Commerce Committee or in this House?

Right Hon. Mr. MEIGHEN: I did not know the honourable gentleman had addressed the question to me, for, despite the multiplicity of my offices, I am not legal adviser to the Senate. All I can say is, the answer will not affect me in the slightest: I am still a virgin innocent; I have no bank stock.

The Hon. the SPEAKER: I may advise the honourable senator from Parkdale that so long as there is no division rule 53 cannot be invoked.

Hon. Mr. BLACK: Would not the question put by the honourable senator from Parkdale (Hon. Mr. Murdock) apply also to a senator being disqualified from voting on the Companies Bill because he happened to be a member of a federally organized company? If there were any virtue in the honourable gentleman's question, then scarcely any member of this House could vote on any public measure.

Hon. Mr. DONNELLY: This is a public bill and rule 53 does not apply. If it were a private bill relating, we will say, to the Bank of Montreal, then the vote of any honourable gentleman interested in the bank might properly be challenged.

On motion of Right Hon. Mr. Meighen, the Bill was referred to the Standing Committee on Banking and Commerce.

CANADA'S NEUTRALITY INQUIRY AND DISCUSSION

Hon. W. A. GRIESBACH rose in accordance with the following notice:

That he will call the attention of the Senate to the necessity for adequate provision of necessary forces to maintain the neutrality of Canada in certain situations, and will inquire of the Government what steps the Government proposes to take to provide itself with the means of maintaining neutrality.

He said: Honourable gentlemen, on the 6th of the month I drew the attention of the House to the matter of the defence of our sea-borne trade; to-day I propose to introduce the question of the maintenance of neutrality. These two questions are not exactly analogous, but they lead to the same conclusion.

First, I should discuss the history of the law of neutrality. It is a branch of international law, and is of comparatively recent growth, though international law itself is an old science. The Romans, for instance, knew nothing of neutrality in time of war. Neutrality is defined as the condition of those states which in time of war take no part in the contest, but continue pacific intercourse with the belligerents. The laws of neutrality are designed to make war difficult and neutrality easy and to maintain peace. International law stands between nations as a barrier to the barbarism that preceded it. Every civilized nation, therefore, must make its proper contribution to the maintenance of international law. The discharge of all obligations imposed by international law, particularly the maintenance of neutrality, is such a contribution.

Now, the law with respect to neutrality, as laid down by the writers on the subject, is qualified by three possibilities. The first is legislation passed by given countries, which sets out their conception of neutrality, the rights which they claim and the obligations they propose to live up to and impose. Second, there is adherence to the Hague Convention of 1907, which purports to be a code of law with respect to neutrality. Finally, there are the precedents established, which are particularly binding upon the countries establishing them, and which may or may not be acceptable to other nations of the world. That, briefly, is the history of the law.

The points of law which are of particular interest to us, and to which I propose to draw attention, are as follows. I am reading now from certain sections in the Hague Convention. Belligerents are forbidden to use neutral ports or waters as a base of naval operations against their adversaries, and in particular to erect wireless or telegraphy stations, or any apparatus intended to serve as a means of communication with the belligerent forces on land or sea.

It is scarcely necessary to say now that I am referring to the position in which our own country will find itself in the event of war between two other countries, and I am discussing the law commonly accepted, which is binding upon us.

Articles 15 and 16 outline the police powers that must be exercised in the matter. A belligerent warship may not leave a neutral port or roadstead until twenty-four hours after the departure of a merchant ship which flies the flag of its adversaries. Similarly, twenty-four hours must elapse between the departures of belligerent warships. In both these cases there is a duty laid upon the neutral state to enforce neutrality, treating the two belligerents fairly, and exercising certain police powers compelling these belligerents to observe neutrality and international law.

When the belligerents are in our coastal waters, or within our ports, they are in all cases in armed ships, and we are required to police them and compel them to observe the law. Failure to enforce neutrality is a breach of neutrality. If you permit one of the belligerents to enter one of your harbours and remain indefinitely, you are guilty of a breach of neutrality.

Another rule is:

A neutral power must similarly release a prize brought into one of its ports under circumstances other than those referred to in Article 21.

And that refers to the capture of ships within territorial waters. There again the neutral state must, by force, compel observance of the law.

When the forces of a belligerent unlawfully enter neutral territory and the neutral government does not or cannot expel them, the other belligerent is justified in entering the neutral territory for the purpose of preventing the violation from operating to his disadvantage. I am quoting now from international law, and not from the Hague Convention. There you have some suggestion of the consequences which will follow your failure to maintain neutrality. You are likely to have a battle staged by the belligerents right in your own neutral waters. Take the case of a belligerent country's vessel which is threatened by another belligerent in a neutral harbour. I am now quoting Lord Birkenhead, and he is quoting Westlake:

The threatened vessel must give the neutral, if possible, an opportunity of doing his duty, either by force or by peaceful means. If there is no time for this, or the neutral disregards the appeal, it is hardly reasonable to expect the threatened vessel to submit quietly to capture.

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Where a belligerent ship takes refuge in the territorial waters of a neutral power, the other belligerent, appearing on the scene, has a right to demand that the first ship shall be expelled within twenty-four hours or else interned. If it is not expelled or interned, the second belligerent enters the harbour and proceeds to deal with it, in which case the belligerent who entered first may defend itself. It is the old story. You may have a battle in your harbour or roadstead because of the first breach.

If you are guilty of a breach of neutrality, or of any neglect to enforce international law, and another nation suffers thereby, you are liable in damages.

I am quoting the law in order to bring home to members of the House what our duties really are. There is, of course, a whole body of law. I think I mentioned that a belligerent ship coming into a neutral harbour must leave within twenty-four hours, must be expelled within twenty-four hours, or, if not, must be interned, the crew being taken on shore. There is provision that a ship which comes in owing to stress of weather may effect repairs which will make her seaworthy, but not war-worthy. A ship which comes into a neutral port is entitled to fuel, food and water sufficient to carry her to her nearest home port.

I have outlined briefly the law of neutrality. Before dealing with the obligation resting upon all independent nations to maintain neutrality, let me draw attention to an aspect of the matter which is seldom discussed, but which is in the minds of those particularly charged with the duty of maintaining neutrality. While you have the law clearly before you, bear this in mind, that naval and military commanders gain merit in their own country when they "get away"—to use a common expression—with an incident in connection with the maintenance of neutrality. For example, the commander of a force of ten thousand men moves into a neutral country. The law is that he shall be immediately interned. But suppose the neutral is unable to prevent him from marching back to his own country. He has violated the other country's neutrality, but if he can succeed in bringing his command back to his own country he will gain merit and his country will stand behind him. Similarly, naval officers gain merit when they violate the neutrality of other countries and "get away" with it.

I am not discussing land neutrality, or the entirely new feature of air neutrality, upon which writers are speculating, but upon which

they have come to no definite conclusion except the belief that, in the main, air neutrality will follow sea neutrality.

The obligation to maintain neutrality is threefold. In the first place, the country which maintains neutrality supports international law and the comity of nations. It takes its place as a full-grown nation able to play its part. Capacity and willingness to maintain neutrality are a practical contribution to the maintenance of peace and public order. Finally, the maintenance of neutrality is the supreme duty of a sovereign state; it is the test of sovereignty.

The best instance of that in modern times is the situation which confronted the Government of Belgium in 1914. Belgium, a very small country, it is true, was quite unable to stand up to Germany; nevertheless, when confronted with the proposal from the German Government to permit the Germans to march through to attack France, they to compensate Belgium for all damage, the Belgians, knowing that the fate of their nation was at stake, knowing that their position as a sovereign and independent nation was involved, gave the reply with which we are all familiar, and, as a cartoon in *Punch* put it, Belgium "saved her soul alive." They knew they must maintain their neutrality. There is not a shadow of doubt that had they acquiesced in the proposal of Germany, in the peace subsequently made Belgium would have been partitioned and branded as a country unfit to have a national life of its own, and as a menace to the world. Belgium has learned her lesson, and to-day is the most heavily armed country in Europe, having regard to her size and resources.

Sovereign states which cannot and will not defend their neutrality are a menace to the peace of the world, and are faithless to the civilization in which they live.

I desire to stress the fact that sovereign nations owe it to their neighbours and to the nations of the civilization in which they live, to maintain their neutrality as a balancing factor between nations.

We shall come presently to the question of how our neutrality is to be maintained. Here again I am frequently met with the statement that we may count upon Great Britain to assist us in the maintenance of our neutrality. I combat that assertion. The policy of maintaining neutrality is a mere extension of national policy. It is the duty and obligation of our Government. It is a policy which our Government must decide and our country must carry out. We have no right to ask the British people to assist

us in carrying out the policy of our Government. It is not dignified and not reasonable, and I venture the opinion that Great Britain will be strongly disinclined to assist us, for the reason that the various Dominions have their own contacts and problems, and that they must all preserve their own neutrality, and by so doing reduce the friction which in time of war is most productive of trouble.

Hon. Mr. BALLANTYNE: I do not like to interrupt my honourable friend, but surely he is not arguing that when England is at war all her Dominions and the rest of the Empire could possibly remain neutral. I do not think that is open for argument.

Hon. Mr. GRIESBACH: I am not discussing that. I am speaking of a war between two other countries, the British Empire remaining neutral in all its parts. I am discussing the question whether or not we have any right to expect assistance from Great Britain in the maintenance of our neutrality, the policy of our Government as announced by proclamation at the outbreak of the war. We are a sovereign state now. We claim the rights of sovereignty. At the outbreak of a war our Government will issue a proclamation of neutrality. I submit that our Government must maintain that neutrality by its own resources; that we have no right to ask any other country to assist us. To ask Great Britain for help would be an attempt to make her responsible for our neglect and unwillingness to assume the full responsibilities and implications of sovereignty.

I want to draw the attention of the House for a moment to what would be the consequences of our failure to maintain neutrality. Various books on the subject contain interesting information. According to Birkenhead's *International Law*, page 325, as already cited, when belligerent ships unlawfully enter neutral territory and the neutral government does not or cannot expel them, the other belligerent is justified in entering the neutral territory for the purpose of preventing the violation from operating to his disadvantage. In other words, he may enter only on clear grounds of self-defence and self-preservation.

Lawrence, in his *Principles of International Law*, says at page 651 that when a belligerent suffers through the failure of a neutral from ill-will or remissness to fulfil the obligations laid on it by international law, a valid claim for satisfaction, or redress, arises.

Everyone is familiar with the famous case of the *Alabama*, which was permitted to escape from Great Britain and did a certain amount of damage to American trade. As a result of an arbitration, Great Britain was

mulcted in damages to the extent of over \$15,000,000. One of the risks involved in the failure to maintain neutrality is that the country may have to pay heavy damages.

Right Hon. Mr. MEIGHEN: In the Alabama case the real loss was not fifteen million cents.

Hon. Mr. GRIESBACH: No. As a matter of fact, all the money has not been paid out yet, because claimants have never come forward for some of it.

Lawrence points out that in very extreme cases when the feebleness and folly of a neutral government make its neutrality little better than a farce, a belligerent may be justified, if all other means fail, in acting as if the neutrality did not exist.

Whenever a nation has failed to carry out the obligations laid upon it by international law in relation to any situation or condition involving neutrality, that nation invites force as a solution of the difficulties that arise.

I come now to a discussion of some actual cases of inability or failure of a country to maintain neutrality as between belligerents. In the Russo-Japanese War of 1905, after the battle of Port Arthur, a Russian destroyer took refuge in a Chinese port. Under international law she should have been expelled or interned within twenty-four hours. At the expiration of that time the Chinese had taken neither course, and thereupon the Japanese entered the harbour and destroyed the Russian warship.

Hon. Mr. CASGRAIN: They gave them coal and fresh water.

Hon. Mr. GRIESBACH: I think they did. Here is another case. After the battle of the Falkland Islands the German cruiser Dresden escaped. British warships sought for her along the west coast of South America for the following three months, and on the 14th of March, 1915, located her in Cumberland Bay, at Juan Fernandez Island, in Chilean territory. The Chilean Government lacked the force to intern the Dresden or to compel her to put to sea. The British warship Kent immediately opened fire on the German ship. Fire was returned by the Dresden, which hauled down her flag and despatched a boat to H.M.S. Glasgow, the German captain seeking to open negotiations. The British captain refused to negotiate and demanded unconditional surrender. Thereupon the German captain, having put his crew ashore, blew up the Dresden. The British Government apologized to the Government of Chile for the breach of neutrality; and the captains of the British ships were credited with having

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behaved, under the circumstances, in a very proper manner in the interest of their country. The Chilean Government was unable to preserve the law of neutrality. As I said before, belligerent governments will always support a naval officer who gets away with a violation of the law.

I will cite another instance. In 1863 an American man-of-war found and captured the Confederate vessel Chesapeake off Sambro, a harbour of Nova Scotia. The legality of the act was not seriously maintained, and the Americans, in reply to the English complaint, could find no better plea in law than that the captain had acted "under the influence of a patriotic and commendable zeal" to bring to punishment outlaws who had offended against the peace and dignity of both countries.

Here is the outstanding instance to be found in international law of what happens to a country which is unable to take a clear course in the maintenance of neutrality. In 1807, when Great Britain was at war with Napoleon, the Danes had a very good fleet. It was believed that Napoleon, who was then in Holland, was about to seize Denmark and acquire that fleet. The British Government therefore called upon the Danes to surrender the fleet. But the Danes could not make up their minds, for the British Government was some distance away and Napoleon was very near, and while they were still meditating the British navy, under Nelson, entered the harbour of Copenhagen and after a bloody battle captured the whole of the Danish fleet and destroyed it.

I have drawn this matter to the attention of the House because on our Pacific coast we have a condition which invites trouble. While the honourable leader on the other side (Hon. Mr. Dandurand) assured us the other day that a war between the United States and Japan is unthinkable, I can scarcely accept his assurance, nor do I think that this country would be well advised to make its arrangements upon that assurance. It is on the cards that the great conflict of the future will take place in the Pacific. It is to be hoped that when it comes we shall be a neutral state, and that we shall be able to preserve our neutrality. We have a coast-line there which extends about 750 miles south, in a straight line, from the panhandle of Alaska, but on account of the many indentations the actual coast-line is about three times that length. Then there are Vancouver Island and Queen Charlotte Island. On various parts of the coast are innumerable indentations which are never visited, where enemy submarines and other ships could

harbour with safety. It is probably one of the most difficult seacoasts in the whole world to defend or police.

It is commonly recognized that in the event of a conflict between the United States and Japan both belligerents would for obvious reasons seek to use that coast-line. Whether they did so or not, it is clear to those who have given any study to the Spanish-American War and the reaction of the American press and politicians to conditions then prevailing, that throughout the United States it would be alleged that our Pacific coast was being used against them for enemy purposes. If we refuse to provide the means to maintain our neutrality we are likely to find ourselves in that situation, confronted by public opinion in the United States which might compel the American Government to take action. That Government might say to us, in effect: "You have made and are making no reasonable provision to maintain neutrality, and our enemy is using your coasts for his purposes. We are going to treat your neutrality as though it did not exist. We will enter your harbours and ports and ourselves establish the naval forces necessary to maintain neutrality."

In conclusion I will mention the means that we have for maintaining neutrality. I had occasion to refer to these the other day when dealing with the matter of naval defence. We have on each of our coasts two modern destroyers, which are warships of the smallest type, two obsolete destroyers, and four or five lightly armed trawlers. Let it be assumed for the sake of argument that all these are combined on the Pacific coast. Honourable members can imagine how inadequate this combined force would be. Our wireless equipment is negligible; we have no submarines and no hydroplanes, indeed very few aircraft of any kind. In any attempt to enforce neutrality, the equipment at our disposal would at once be seen to be absolutely inadequate. I may be told that the Government has plans with respect to the matter, but I am positive that no person who has any knowledge of the problem will for a moment say that the means at our disposal are at all equal to the task.

My only object at this time is to place on record my views on this situation. As a sovereign state we should be made aware of the importance of our sovereignty and our claim to independence and the obligations which these entail, and I urge that we should without further delay proceed to put ourselves in a position to maintain neutrality. This is Canada's first and most important duty, not only to herself and to the rest of the Empire,

but to the whole comity of nations, that we should be able, of ourselves and by our own strength, to maintain our neutrality and our dignity as a sovereign power.

Hon. RAOUL DANDURAND: Honourable members, I desire to say a few words on this subject. I am indebted to the honourable gentleman from Edmonton (Hon. Mr. Griesbach) for the very informative statement he has given on the laws of neutrality. I am not in a position to controvert any of his statements, but I wish to tell him that in 1909 I supported in this Chamber a bill to establish a Canadian navy. That bill was carried, plans were prepared for two units on the Atlantic and the Pacific, and I think that tenders were called for and received.

Hon. Mr. GRIESBACH: But nothing more than that was done.

Hon. Mr. DANDURAND: Because the political friends of the honourable gentleman joined the Nationalist movement in the province of Quebec and aroused prejudices against a Canadian navy, on the ground that it might be required to take part in defensive actions beyond our borders. The province of Quebec was divided and the famous naval policy of Sir Wilfrid Laurier was defeated because of the activities of the Nationalist party, headed by Mr. Bourassa and supported by Mr. Monk, which party was in turn supported by the money of the Conservative party, headed by Sir Robert Borden; and for that affirmation I have the written statement of Sir Hugh Graham, who himself furnished the money, or part of it. The Nationalists won the day. In the House of Commons, at the following session of Parliament—I do not know whether my right honourable friend (Right Hon. Mr. Meighen) was there—Sir George Eulas Foster asked who really won. The Nationalist party had in fact been merged with the Conservative party.

That is why the naval policy was not carried out. Now my honourable friend urges the strengthening of our naval defences. I draw his attention to the fact that when a party has gone down to defeat on a certain policy it is consoling to find itself vindicated by subsequent events. I am sure that no one would dare rise in this Chamber to claim that the program of Sir Wilfrid Laurier's Government for a Canadian navy was not fully justified in 1914, when both our coasts were in danger and the Borden Government rushed to purchase submarines. It was stated that those submarines had been constructed for a South American nation and could dive

satisfactorily, but were unable to come back to the surface. I will not discuss that feature, for my purpose at this point is merely to show that the Laurier Government's plans of 1909 were vindicated by the events of 1914.

I suggest to my honourable friend from Edmonton that it may possibly become necessary to revive Sir Wilfrid Laurier's naval policy, although the present situation differs from that of 1909. In those days the European horizon was darkened with war clouds, which in the meantime have disappeared. It may be said that the German navy also has disappeared. My honourable friend warns us that war may at some time break out on the Pacific. That is possible. But I wonder whether, in view of the present financial situation, the Government of the day would declare its readiness to formulate a naval policy similar to that of 1909, which was justified in 1914, but which may not be necessary in 1934.

Hon. Mr. GRIESBACH: My honourable friend has spoken for his Government. I should like to learn his own views,—what he thinks about the question himself.

Hon. Mr. DANDURAND: But the honourable gentleman's question on the Order Paper is addressed to the Government. Perhaps the right honourable leader of the House will give an answer.

NATURAL PRODUCTS MARKETING BILL

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion for the second reading of Bill 51, an Act to improve the methods and practices of marketing of natural products in Canada and in export trade, and to make further provision in connection therewith.

Hon. R. DANDURAND: Honourable members, I read carefully the proceedings on this measure in the other Chamber, and I may say at once that the principle underlying the measure is repugnant to the Liberal school of thought in economics. The basic and essential principle of that school of thought is freedom for every individual to dispose of the product of his labour as he deems fit. The governments that have directed the affairs of this country since 1867 have in various ways constantly endeavoured to improve the lot of the farmer by initiating legislation with respect to the inspection and grading of various exportable products, by establishing experimental farms, and by providing transportation facilities. The consumer has also been protected by legislation against combines and

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price fixing, in an effort to maintain competition throughout the land. Up to the present time the producer's sole guide has been the market price for his product. It has been his barometer for expansion and contraction. The provincial governments have also passed legislation to promote better marketing of products by encouraging cooperative societies. But in all the legislation, federal and provincial, I do not think you can point to anything savouring of coercion.

By this Bill an effort is made to substitute the principle of compulsion for the principle of competition—the absolute freedom of the individual to dispose of the product of his labour. This is the most radical legislation ever submitted to Parliament, and tends to the socialization of industry. To my utter surprise, it is sponsored by a Conservative Government.

I have been trying to divine the genesis of this Bill. It may be said that the Imperial Parliament has recently passed similar legislation. But I recall that the Minister of Agriculture and the Prime Minister are both from the West, and I am forced to the conclusion that the Bill is inspired by the Western Provinces.

Right Hon. Mr. MEIGHEN: The Leader of the Opposition also comes from the West.

Hon. Mr. DANDURAND: Yes, but he did not migrate to the West so long ago as the right honourable Prime Minister.

Right Hon. Mr. MEIGHEN: He just transplanted himself.

Hon. Mr. DANDURAND: He may to some extent have imbibed the ideas of the West, but not to the extent of absolutely blurring his principles.

Why do I say that this Bill probably originated in the West? Because the West produces few natural products compared with the number produced by the Eastern Provinces. I see prominently in the foreground the wheat pools. I speak subject to correction, but I understand that to-day the wheat pools do not control more than forty per cent of the wheat growers. Is there behind this Bill a desire on the part of the directors of the wheat pools to regulate wheat? We know that already it is being regulated in various ways. Of course, the farmers of the West raise a great many cattle, but I wonder if this instrument is not intended to bring about a unified movement in the Prairie Provinces in order that wheat may be marketed under a single organization.

I am under the impression that this proposed legislation will be inapplicable to the

Eastern Provinces, where the farms are comparatively small and production is very much diversified. It may be due to my inexperience of conditions on the farm, but I cannot see how this measure can be reasonably expected to function in the East. What the reaction of the Eastern Provinces will be if an attempt is made to apply it, I do not know.

I am curious to see what will be the reaction in this Chamber. The measure runs counter to both Liberal and Conservative economic principles. It being repugnant to Liberal economic principles, I am quite naturally forced to the conclusion that it must be still more repugnant to Conservative economic principles. Although the Conservative party is strongly protectionist, so far I have not heard any of its members express the opinion that compulsion should replace freedom in the disposal of the product of one's labour.

I have spoken of Liberal and Conservative economic principles. In the present instance I appreciate the responsibility of the Conservative party in supporting the Bill in this Chamber. The majority rule, and my right honourable friend has a large majority behind him. To what extent will his supporters accept this new policy, so radical and so socialistic? The responsibility is with them.

I am quite sure that Conservatives throughout the country have not readily accepted this new doctrine. I might cite the opinions of several newspapers favourable to the Government, but I shall content myself with a citation from the Montreal Gazette. In its issue of May 10, under the heading "Socializing Business," it quotes the opinion of Mr. Francis W. Hirst, author of a number of works on economics and at one time editor of *The Economist*, who, after referring to Mr. Walter Elliot's quota policy, states:

Large instalments of protection and Socialism have been introduced and put into effect by orders in council. The Labour party, through Sir Stafford Cripps, has received these various legislative projects with enthusiasm and has declared that the party, when in office, will go still farther on the same road and will endeavour to use the procedure followed under the Import Duties Act for just such measures as the transference of the national wealth from one lot of people to another. The propertied classes who support the National Government because it is supported and controlled by the Conservative party under Mr. Baldwin, may find before long that they have weakened, if not destroyed, the constitutional safeguards on which they have hitherto relied for security against confiscation and revolution. This is the penalty for carrying selfish and unfair legislation by unparliamentary devices.

The Gazette adds:

There is a warning here for the Canadian public and for their elected representatives in the federal and some provincial legislatures, those of Alberta and British Columbia among the number. Canadians were assured some months ago, officially and in unequivocal terms, that United States recovery methods would not be copied in this country.

The Montreal Gazette of June 11 contains another editorial, under the title "The Puzzle Deepens." After citing figures to show that conditions are improving in this country the writer continues:

What is so puzzling to the Canadian public, and to some extent dampens their enthusiasm over the proclaimed evidences of improvement is the change of policy which is apparently now taking place. They cannot understand why the Dominion, having weathered the storm so successfully without the use of radical economic programs, should now turn to the adoption of legislative expedients similar in principle to those devised and used elsewhere. The same public were assured, some time ago, that this would never happen, and the assurance was reiterated; and yet, with the battle won and the victory in hand, various socialistic legislative devices are being put through the Federal Parliament and sundry of the provincial legislatures.

These are opinions expressed by the organ of the Conservative party in the province of Quebec.

Similar views are expressed by the Montreal Board of Trade in a letter addressed to the right honourable Prime Minister under date of May 2, 1934:

Sir,

After a careful and thorough study of Bill No. 51, "The Natural Products Marketing Act, 1934," the Council of the Montreal Board of Trade begs to submit the following comments thereon for your consideration.

The prosperity of the Dominion as a whole depends so largely on the production of new wealth by primary producers of natural products, that not only the interests of every business man, but of every citizen are involved in the problem of assuring adequate remuneration to these primary producers. It goes without saying, therefore, that any practical method of adding to the monetary return of farmers, fruit growers, fishermen, lumbermen and others, which does not involve undue cost to the consumer, and which pays due regard to its eventual effect on the interests of such producers, should be heartily supported. There is, however, so much justifiable doubt as to the effect of many provisions of the Bill in question that it should be subjected to the closest study from the point of view of every interest involved.

The Council of the Board of Trade recognizes that the methods of grading and packing of natural products, both for home and overseas and foreign markets, are legitimate subjects for legislation, but at the same time the Council wishes to point out that this field of legislative activity is already adequately

covered in so far as many products are concerned, and the gaps could be filled in easily by supplementary legislation.

It seems to the Council that there are two main principles applied in Bill No. 51. First, the granting to a "reasonable number" of those interested in a particular commodity in a special district, the right to coerce the remainder of those so interested. The rights of individuals to control and dispose of their own property, and the rights of minorities, have always been jealously guarded under our political and legal systems. The Agricultural Marketing Act of Great Britain, which is said to have served as a model for Bill No. 51, recognizes and respects these two classes of rights. The British Act requires not only that the Minister of the Department satisfy himself as to the reasonableness of any "development" scheme put forward by an interested group, but the whole scheme, together with the evidence upon which the Minister has based his judgment, must be laid before both Houses of Parliament. The most complete publicity is also provided for with regard to these schemes, and in certain cases a system of arbitration is provided for those aggrieved by the acts of the Development Boards.

Right Hon. Mr. MEIGHEN: I missed one point. Does that emanation from the Board of Trade allege the compulsory feature is not in the British Act?

Hon. Mr. DANDURAND: No. It states the safeguards that are to be found in the British Act. I will cite them in a moment.

Right Hon. Mr. MEIGHEN: Any that are not in this Bill?

Hon. Mr. DANDURAND: Some that are not in the present Bill.

I will repeat the last few lines of the quotation:

The Agricultural Marketing Act of Great Britain, which is said to have served as a model for Bill No. 51, recognizes and respects these two classes of rights. The British Act requires not only that the Minister of the Department satisfy himself as to the reasonableness of any "development" scheme put forward by an interested group, but the whole scheme, together with the evidence upon which the Minister has based his judgment, must be laid before both Houses of Parliament.

Which is not in this Bill.

Right Hon. Mr. MEIGHEN: Of course it is. Under this Bill everything done has to be laid before Parliament. But neither under the British Act nor under this Bill has it to be laid before and approved by Parliament prior to the scheme being adopted.

Hon. Mr. DANDURAND: The British Act provides that the schemes must be approved by the British Parliament.

Right Hon. Mr. MEIGHEN: Individually approved?

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Hon. Mr. DANDURAND: They must be laid before the Houses of Parliament.

Right Hon. Mr. MEIGHEN: After they are approved.

Hon. Mr. DANDURAND: But before they have gone into effect.

The most complete publicity is also provided for with regard to these schemes, and in certain cases a system of arbitration is provided for those aggrieved by the acts of the Development Boards. It is respectfully urged by the Council of the Board of Trade that the rights of minorities and of individuals be accorded the same protection under Bill No. 51 as they receive in the British Agricultural Marketing Act.

The second principle underlying Bill No. 51 is the securing of compensation to those who suffer loss by any action of the proposed Marketing Boards. This compensation, in the opinion of the Council, should be a charge upon all those engaged in the particular trade in which the compensation is awarded. Under no circumstances should the funds of the Dominion be used to provide compensation to special interests, or to meet the expenses involved in the operation of the Act other than those of administration and the necessary expenses of the Dominion Marketing Board. Each trade, this Council believes, should stand on its own feet in the matter of costs involved and in the assistance extended to it.

The Council believes that it is highly objectionable for the Dominion, either directly or through the Marketing Board to use public funds for the provision of facilities for preserving, storing or conditioning of regulated products. Such facilities, when necessary, should be provided by private enterprise, and the revenues of the country should not be burdened by grants or loans, or by direct investment in such matters.

There is a serious possibility, too, that the Dominion of Canada may, as a result of this legislation, be drawn into actual dealing and trading in products and commodities through the Marketing Board. This Council is very definitely of the opinion that under no circumstances should the country, directly or indirectly, engage in the purchase and sale on its own account of any product or commodity. This prohibition would not preclude the Government from assisting the trading community generally by gathering and disseminating information with regard to markets and conditions abroad, a field in which the Government has already rendered excellent service.

In view of the increased control by Governments throughout the world of the importation and sale of natural products by the establishment of quotas and other machinery, it may be necessary for your Government to take some measure of supervision over the marketing of such products by Canadians. It is, however, the strong conviction of the Council of the Montreal Board of Trade that such drastic provisions as those contemplated by Bill No. 51 are quite unnecessary and would not promote the interests of the producers or of the country as a whole.

This Council adheres to the view that regulation of production is not a proper subject for legislation, although valuable assistance may be rendered by governmental agencies in the market-

ing of natural and other products. The Council considers that the principle of governmental intervention in industry and commerce, which would be extended by the legislation under consideration, is one that should not be lightly admitted.

The interests of domestic consumers have not, in the Council's opinion, received sufficient consideration in Bill No. 51. The British Agricultural Marketing Act pays much more attention to this feature, and this fact is respectfully urged upon your consideration. Consumers of our products abroad, resenting any Government control, which may affect prices, will undoubtedly take steps to protect their own interests, to the detriment of Canadian producers and exporters.

In making these suggestions and criticisms, the Council wishes to assure you, sir, that it has been motivated by a spirit of helpfulness and not one of mere criticism.

I have the honour to be, sir,

Your obedient servant,

J. Stanley Cook,
Secretary.

Then I come to the question put by the *Montreal Gazette*: If Canada appears to be on the up grade, why this new legislation, which is of formidable consequence and purely experimental? As the right honourable gentleman said yesterday, its purpose is to raise and stabilize prices—to increase the price of the product which will be regulated. I call the attention of this Chamber to the experience of our neighbours to the south. Under the N.R.A. four hundred codes, and more, govern twenty-one million people; prices are fixed, and an attempt is made to stabilize them. But we have an official statement from Washington that the N.R.A. has been a failure. Why? Because rules and codes have been disregarded. So codes are abandoned and renounced, even including those which provide that no sale shall be made below cost. This shows that the experiment on the other side of the line fell far short of success.

I applauded the Prime Minister when, more than once, on his return from Europe, he declared against the policies which were being promulgated by the President of the United States, thus leading us to conclude that he did not deem it wise to take any step in that direction until the American experiment had succeeded. Yet, just when that experiment is officially recognized as a failure, the present measure is introduced into this Chamber. Again I put the question: Why is this legislation brought forward at this stage, and under these circumstances?

I need not stress the fact that where freedom disappears tyranny is often enthroned on the morrow.

The British Act, which in some respects has been copied in this Act, provides for boards of arbitrators to whom producers or consum-

ers may appeal. Our Prime Minister stated that there must be interference on behalf of those who, unless they speak collectively, cannot speak at all. But, I ask honourable gentlemen, what about the consumer? Although the whole of our population is composed of consumers, the consumer is not mentioned in this Bill.

Right Hon. Mr. MEIGHEN: Oh, yes; in the second part.

Hon. Mr. DANDURAND: But not so clearly or so definitely as in the British Act. Although our whole population is made up of consumers, yet the consumer is confronted, as my right honourable friend recognized yesterday, by an attempt to raise prices; and price raising naturally means the raising of prices against the consumer. I recognize the importance of the producer receiving a living wage, or a fair return for whatever he produces, but in the past he has been the sole judge of what and how much he should produce, and in what market he should dispose of it.

Like President Hoover, who during his term of office raised the tariff to new heights, and declared when he was going to the people, and afterwards, that he stood for high salaries, and like President Roosevelt, who under his N.R.A. scheme insisted upon shorter hours of labour and higher wages, the present Government of Canada raised its tariff sky-high. But neither the Hoover administration, nor the Roosevelt administration, nor the present Government of this country has attained the desired end. Our exports and imports have continued to dwindle. It is interesting to note how they have shrunk since 1930. Yet, when President Roosevelt abandons his policy of price fixing, our Government enters the field. Again I put the question: Why do this if conditions are improving?

I cite Mr. Hirst's article, which appeared in the *Contemporary Review* of March, and part of which is reproduced in the *Montreal Gazette*. That article says:

Star chamber devices have lately obtained in Great Britain; large instalments of protection and Socialism have been introduced and put into effect by Orders in Council.

Some of the features of such a star chamber policy are to be found in the present Bill, for it is sought to delegate to the Governor in Council powers which will allow him, in lieu of Parliament, to legislate on questions of economics, questions of imports and exports, and questions of tariff.

The first duty of Parliament is to legislate, and to control legislation, on matters of economy which affect the whole financial fabric of the country. It is the essence of

the power of Parliament to vote supply, to levy taxes, to devise ways and means. All these questions of finance are involved in this Bill; and by it very many of Parliament's powers are transferred to the Governor in Council. I say this is unorthodox. It smacks of Fascism, for Parliament is no longer master of its financial laws, its tariff laws, or its customs laws. They are delegated to the Governor in Council. It is dangerous, because, this being star chamber legislation, there will be a natural tendency to answer sectional appeals. When such appeals come before Parliament the whole country is made aware of what is going on. On this side of the House—and, I am quite sure, on the other side as well—voluntary association and co-operation among the producers of natural products are welcome, but the principle of compulsion involved in this Bill is not.

Can the provisions of this Bill be applied throughout the country? As I have said, I doubt very much that they can be applied in the East. Also, I doubt very much that they can be applied in the West. I am told that the Western farmer would resent coercion. I see the trouble the Bill will create, and I am fearful of the result.

I opened my remarks by stating that Liberalism is opposed to such autocratic power and such authority being given to local boards. I had thought this measure probably originated in the West; yet the Minister of Agriculture stated that in his opinion this regulation of products, especially of wheat, would not enhance prices for the producer. Local boards may spring up in many districts to dictate to the farmer how and when he may dispose of his products. This is more than advanced Socialism. Under clause 4 the Bill before us gives the Board definite powers. I suppose that every member of this Chamber has read that clause, but I want each of them to ask himself how it will be received by the people in his community.

At 6 p.m. the Senate took recess.

The Senate resumed at 8 o'clock.

Hon. Mr. DANDURAND: This is what the Board will be empowered to do, under section 4:

(a) to regulate the time and place at which, and to designate the agency through which the regulated product shall be marketed, to determine the manner of distribution, the quantity and quality, grade or class of the regulated product that shall be marketed by any person at any time, and to prohibit the marketing of any of the regulated product of any grade, quality or class;

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(b) to exempt from any determination or order any person or class of persons engaged in the production or marketing of the regulated product or any class, variety or grade of such product;

(c) to conduct a pool for the equalization of returns received from the sale of the regulated product; to compensate any person for loss sustained by withholding from the market or forwarding to a specified market any regulated product pursuant to an order of the Board; provided that no compensation shall be paid in respect of a regulated product that may be withheld from a particular market because the grade of such product is deemed by the Board to be unsuitable for such market, or because of restrictions imposed by the Government or other competent authority of any other country upon the importation of any regulated product into that country;

(d) to compensate any person in respect of any shipment made pursuant to any determination or order of the Board to a country whose currency is depreciated, in relation to Canadian currency, for loss due to such depreciation;

(e) to assist by grant or loan the construction or operation of facilities for preserving, processing, storing, or conditioning the regulated product and to assist research work relating to the marketing of such product.

That paragraph e causes me to wonder to what extent the federal authorities will be going into business and replacing banks, which are organized for financing the construction and operation of facilities such as are referred to here. I have known of many instances where institutions that assisted by grant or loan the construction or operation of such facilities were obliged later on to take possession of the facilities in order to save moneys that had been advanced. The question occurs to me whether the Government, after having made certain grants or loans, will not find it necessary to become the owners of businesses which they have helped to create.

The section goes on to state these further powers of the Board:

(f) to require any or all persons engaged in the production or marketing of the regulated product to register their names, addresses and occupations with the Board, or to obtain a licence from the Board, and such licence shall be subject to cancellation by the Board for violation of any provision of this Act or regulation made thereunder;

(g) to require full information relating to the production and marketing of the natural product from all persons engaged therein and to require periodic returns to be made by such persons, and to inspect the books and premises of such persons.

Subsection 2 of the same section reads:

(2) Whenever a scheme for regulation by a local board has been approved, the Board may authorize the local board to exercise such of the powers of the Board as are outlined in this section and as may be necessary for the proper enforcement of the scheme of regulation, and may at any time withdraw from the local board authority to exercise any of its powers.

And subsections 4 to 8 provide:

(4) The Board, whether exercising the powers conferred by this Act or by provincial legislation, may establish a separate fund in connection with any scheme of regulation and for the purposes of such scheme may impose charges and tolls in respect of the marketing of the whole or any part of the regulated product, which charges and tolls shall be payable by such persons engaged in the production or marketing of the regulated product as the Board decides.

(5) Whenever a local board has been authorized to exercise any of the powers of the Board, the Board may authorize such local board to act as its agent to collect and disburse the charges or tolls imposed.

(6) Whenever the Board or a local board co-operates or acts conjointly with any board or agency established under the law of any province to regulate the marketing of any natural product, the Board may similarly impose charges or tolls in respect of the marketing of the whole or any part of the product marketed under the direction of such board or agency, and may authorize such board or agency to act as the agent of the Board in collecting and disbursing such charges or tolls.

(7) A fund created by charges or tolls imposed in connection with a scheme of regulation may be utilized by the Board or by the local board if so authorized by the Board, for the purposes of such scheme including the creating of reserves, and in the case of charges or tolls imposed in respect of the marketing of any product under the direction of any board or agency established under the law of any province to regulate the marketing of any natural product, the Board may direct that the charges or tolls be utilized by and for the purposes of such board or agency.

(8) Any charge or toll imposed by the Board pursuant to this section shall be a debt due to the Board, recoverable by legal action, and a certificate under the hand of a chief executive officer of the Board or of the local board, or board or agency established under the law of any province to regulate the marketing of any natural product, as the case may be, acting as agent of the Board as herein provided, shall be prima facie evidence that the amount stated therein is due.

I have read most of section 4 in order that we may visualize what will be the state of mind of the thousands of people who do not join in the request for a local board and who will be drawn against their will into this scheme, forced to take out a licence, dictated to in the matters of time and place of marketing, distribution, quantity and quality, and obliged to pay a tax for the operations of such local board and the regulation of their products. I wonder whether the Government will seriously consider imposing such limitations on the right of a man to dispose as he pleases of his own goods, the product of his own labour, and compelling him to join in a pool which will receive the money for his goods and assess him with certain charges.

Frankly I doubt that section 4 will meet with the approval of any farming community. It may be satisfactory to persons who are

desirous of joining a co-operative organization, but I think that all others will feel their freedom has gone and that they have been placed under a tyrannical system from which they must try to liberate themselves at the first opportunity. Therefore I wonder whether this legislation is not window dressing, which looks attractive to those who do not examine it carefully. It may be that all the producers and marketers of a few classes of goods will be agreeable to coming under such a scheme, but I doubt not that in my province and in Ontario and the Maritimes great numbers of people will claim that this legislation has deprived them of their freedom.

The right honourable leader was not sure that in Great Britain it is necessary that any such scheme must obtain the sanction of Parliament before coming into operation. I would direct his attention to subsection 8 of section 1 of the Agricultural Marketing Act, 1931, which reads:

(8) If the Minister, after making such modifications (if any) as aforesaid, is satisfied that the scheme will conduce to the more efficient production and marketing of the regulated product, he may, after consultation with the Board of Trade, lay before each House of Parliament a draft of the scheme, and if each House resolves that the scheme shall be approved, the Minister shall make an order approving the scheme in terms of the draft, and the scheme shall (subject to the provisions of the Act) come into force on such date after the date of the passing of the last of such resolutions of approval as may be specified in the order, and the making of the order shall be conclusive evidence that the requirements of this Act have been complied with and that the order and the scheme approved thereby have been duly made and approved and are within the powers conferred by this Act.

My right honourable friend has drawn my attention to the fact that the interest of the consumer is taken care of in Part II, under the title of Investigations. I find the following sections:

17. (1) The Minister may, at the request of the Board or upon his own initiative, authorize an investigation into the cost of production, wages, prices, spread, trade practices, methods of financing, management policies, grading, transportation and other matters in relation to the production and marketing, adaptation for sale, processing or conversion of any natural or regulated product.

(2) The Minister may also require persons engaged in the production or marketing, adaptation for sale, processing or conversion of any natural or regulated product to submit at regular intervals or at any stated time, information demanded by the Minister in connection with the matters referred to in subsection one hereof.

18. (1) Whenever as a result of any such investigation the Minister shall have reason to believe that such a situation exists as requires further inquiry he may at the request of the

Board or on his own initiative appoint a committee to inquire into the spread in connection with the marketing, adaptation for sale, processing or conversion of a natural or regulated product.

Then a committee is appointed.

19. (1) A committee shall have power to investigate all operations occurring in connection with or in the course of marketing...

(2) For the purposes of any such investigation or inquiry the Minister or such person as he may authorize to act on his behalf and the committee shall have the powers of a commissioner appointed under the Inquiries Act.

20. A committee may after investigation as hereinbefore provided report to the Minister in connection with any operation occurring in the course of marketing, adaptation for sale, processing or conversion of the natural or regulated product, whether, in its opinion, the spread received is detrimental to or against the interest of the public in that it is excessive or results in undue enhancement of prices or otherwise restrains or injures trade or commerce in the natural or regulated product.

Then the report is published. Section 22 provides that

Every person who, to the detriment or against the interest of the public, charges, receives or attempts to receive any spread which is excessive or results in undue enhancement of prices or otherwise restrains or injures trade or commerce in the natural or regulated product, shall be guilty of an indictable offence and liable to a penalty not exceeding five thousand dollars or to two years' imprisonment, or, if a corporation, to a penalty not exceeding ten thousand dollars.

Section 23 provides:

(1) Whenever in the opinion of a committee an offence has been committed against this Part, the Minister shall remit to the Attorney-General of any province within which such alleged offence shall have been committed, for such action as such Attorney-General may be pleased to institute, the evidence taken on any investigation by a committee and the report of the committee.

(2) If within three months after remission aforesaid, or within such shorter period as the Governor in Council shall decide, no such action shall have been taken by or at the instance of the Attorney-General of the province as to the Governor in Council the case seems in the public interest to require, the Attorney-General of Canada may permit an information to be laid against such person or persons as in the opinion of the Attorney-General shall have been guilty of an offence against this Part.

Nowhere do I see that the consumer has an opportunity to protest, except by petitioning his member of Parliament or the Minister himself. This, to my mind, is far removed from the safeguards that are to be found in the British Agricultural Marketing Act of 1931. By subsection 1 of section 9 of that Act it is provided:

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The Minister shall appoint two committees (hereinafter in this Act referred to as "a consumers' committee" and "a committee of investigation") for Great Britain, England and Scotland respectively.

Subsection 2 provides that a consumers' committee shall:

(a) consist of a chairman and of not less than six other members, who shall be such persons as appear to the Minister, after consultation with the Board of Trade and, as to one member, with the Co-operative Union, to represent the interests of the consumers of all the products the marketing of which is for the time being regulated by schemes approved by the Minister; and

(b) be charged with the duty of considering and reporting to the Minister on—

(i) the effect of any scheme approved by the Minister, which is for the time being in force, on consumers of the regulated product; and

(ii) any complaints made to the committee as to the effect of any such scheme on consumers of the regulated product.

Subsection 3 provides that a committee of investigation shall:

(a) consist of a chairman and four other members; and

(b) be charged with the duty, if the Minister in any case so directs, of considering, and reporting to the Minister on, any report made by a consumers' committee and any complaint made to the Minister as to the operation of any scheme which, in the opinion of the Minister, could not be considered by a consumers' committee under the last foregoing subsection.

Subsection 5 provides:

If a committee of investigation reports to the Minister that any provision of a scheme or any act or omission of a board administering a scheme is contrary to the interest of consumers of the regulated product, or is contrary to the interest of any persons affected by the scheme and is not in the public interest, the Minister, if he thinks fit so to do after considering the report and consulting the Board of Trade—

(a) may by order make such amendments in the scheme as he considers necessary or expedient for the purpose of rectifying the matter;

(b) may by order revoke the scheme.

Then subsection 6:

In considering for the purpose of this Act whether any person represents the interest of consumers of any product, or whether any provision of a scheme or any act or omission of the board administering a scheme is contrary to the interests of consumers of any product, regard shall be had to the interests of persons who purchase the product, or commodities produced wholly or partly therefrom, for their own consumption or use and not to the interests of persons who purchase the product, or such commodities as aforesaid, for the purpose of any trade or industry carried on by them.

I find also that by the Imperial Statute of 1933, Chapter 31, 23 and 24 George V, power

is given to regulate the importation of agricultural products and sales of home-produced agricultural products. The statute also gives the Government the right to regulate the importation of these products. I quote subsection 3 of section 1:

In deciding whether to make an order under this section, and in settling the terms of any such order, the Board of Trade shall, among other considerations, have regard to the interest of consumers of the product to which the order relates (including persons who purchase that product for the purpose of subjecting it to any treatment or process of manufacture) and to the effect which the regulation of the importation of that product into the United Kingdom is likely to have upon commercial relations between the United Kingdom and other countries; and the Board shall not make such an order unless they are satisfied that it is not at variance with any treaty, convention or agreement for the time being in force between His Majesty and any foreign Power or between His Majesty's Government in the United Kingdom and the government of any other country.

These provisions contained in the Imperial statutes of 1931 and 1933 show what consideration was given to the interests of consumers, and how they may submit their grievances to a committee appointed for their protection, called the Consumers' Committee. There is nothing in this Bill to indicate how the consumer may approach the authorities to lay his grievance before the central board or a local board. I submit that the provisions in the British statutes for the reception of grievances from consumers should have been incorporated, since these statutes were before the Government when the Bill was prepared.

It seems to me that the whole scheme needs considerable revision in order to eliminate all provisions coercive of the farming community. I submit further that the powers given to the Governor in Council should remain in the hands of Parliament.

Hon. A. B. GILLIS: Honourable senators, it would be presumption on my part to attempt to reply to the honourable leader on the other side (Hon. Mr. Dandurand). He stated more than once that the Bill had its genesis in the Western Provinces. I do not think it will be possible to find within the four corners of the proposed legislation anything to justify such a conclusion. It is true that we in Western Canada hope to benefit largely when the Bill goes into effect. A similar hope is entertained in other sections of the Dominion. Therefore this is not in any sense legislation for the exclusive benefit of the Western Provinces.

I have been for many years interested in farming operations in Western Canada. For

this reason I feel I should discuss the proposed legislation, which I consider of great importance, not only to the Prairie Provinces, but to the whole Dominion.

For several weeks this Bill was before the Commons and an attempt was made by certain critics to tear it almost to shreds, but only a few minor changes were actually made, and these do not affect its principle.

The support given the Bill in the Commons was outstanding. My honourable friend opposite says it is to a large extent a Western measure. It is true that although the party with which he is affiliated opposed the Bill, one of its members representing a constituency in Western Canada voted in its favour.

It has been said that the Bill endangers the Constitution and usurps the functions of Parliament. This old story has always been brought forward when no legitimate arguments could be advanced. We have heard it on more than one occasion, but our Constitution and the powers of Parliament remain intact. Somewhat similar objections were raised when the Government sought the so-called blank cheque to extend relief to distressed people throughout the Dominion. Much time was wasted, but in the end the Bill was passed and relief was extended to those who so sorely needed it. The Constitution was not disturbed, neither were the functions of Parliament impaired.

All these fears about the impairment of the Constitution and the rights of Parliament are without foundation. What does the farmer care about argument on constitutional rights while his products are worth next to nothing? He knows that the Constitution is safe, and is in no way prejudiced by the Bill; but he does hope it may prove a measure of relief and enable him to secure a more equitable return for his commodities.

There is no way by which one country can compel another to buy its products. Sale can be effected only when the producing country has products which another country wants, and which are purchasable at fair prices. Since the War the export trade has been subjected to changed conditions almost the world over. Nearly every nation of any consequence has gone on the defensive, adopting the policy of increasing its own production and preventing competitors from unduly invading its home market. That policy of restriction is becoming almost universal, and in consequence producers have been finding it harder and harder to dispose of their surplus production. Neighbouring countries do not want those surpluses. Their objective to-day is to supply themselves as far as they possibly can.

England, where for well-nigh a century what is called free trade was a religion, is to-day an outstanding example of what I have just referred to. An entire change of heart has taken place in regard to trade competition and protection of home interests. But England sees the tremendous possibilities of expansion of mutual trading within the nations of the Empire, and is gladly joining hands with the Dominions.

The producers in the Western Provinces of Canada have had to learn a bitter lesson. In the good old days in the West very few people gave thought to the morrow of grain restriction. Every one was planning on enlargement of crop. No one could see any reason for fearing that the world market would ever be over-supplied. Our people went on and on increasing the areas of production, rejoicing in added millions of bushels of wheat year after year. And this ambition, as honourable members know, was tremendously stimulated by the Great War. But after the War came the days of trouble. We of the West have learned that other countries can grow large quantities of grain. We have learned that they can sell that grain in the markets of the world as well as we can, that they are selling it, and that inasmuch as there is more grain than the world needs, some people have to suffer. Every country cannot sell as much grain as it would like to sell. Canadian grain growers find themselves confronted with that relentless fact. They have the grain, but people do not want it; therefore, instead of being shipped to the once open markets at good prices, it is either sold at losing prices or not at all.

As to the marketing of grain, we have the Grain Commission, which handles our product very well and looks after the interests of the grain growers generally, without causing any particular trouble. In addition we have a gentleman looking after the interests of the Grain Pool, Mr. McFarland, who is regarded as one of the ablest men connected with the grain trade of this country. I would not for a moment suggest deleting grain marketing from the Bill, but so far as grain is concerned the operation of the Bill may not be necessary to any great extent.

I repeat the simple truth that I mentioned at the beginning. There is no way by which we can compel other people to buy our products. This is true of every nation in the world. We have next door to us neighbours who pride themselves upon being a self-contained nation. They have rigidly maintained a closed door against products which might compete against their own home

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production. We, as Canadians, were always willing to make fair trade agreements with our neighbours to the south; but it is our experience that our neighbours will not make an agreement unless they are satisfied that the balance of profit is sure to be on their side. On more than one occasion the Government of Canada was desirous of making a trade agreement with our neighbours, but found that unless they had a positive advantage there could be no agreement.

Consequently, in 1930, the King Government turned their back on our neighbours and fixed their hopes on Empire countries. They raised their tariff against the United States and proclaimed that for an expansion of Canadian trade they intended to look to the markets of the Empire. Why they should in these latter days belittle that wise policy, I confess I am unable to understand.

The advent to power of the present Government in 1930 was followed by an epochal Empire event, the holding of an Empire trade conference in the city of Ottawa, and the making of trade agreements between the United Kingdom and the Dominions of the Commonwealth. Under those agreements the channels of Empire trade have been dug wide and deep, and they give us warranty of permanency, stability and expansion of trade with the Empire countries. Already we see the fruits of those agreements. We are selling greatly increased quantities of our products to Empire countries, and at the same time we are increasing substantially our sales of products to foreign markets. In the last twelve months we have increased our sales to twenty-two Empire countries to the extent of fifty-five million dollars, and during the same period we have increased our sales to fifty-six foreign countries to the extent of forty-nine million dollars.

After the Empire trade agreements were made further conferences of the nations of the world were held in London, and the Prime Minister of Canada took the lead in bringing the grain producing nations to an agreement under which this country is assured of a market for a fair percentage of the world's requirements. If it were not for that grain conference and the resultant agreement, Canada's grain growers would be left to take their chances in the cut-throat competition which is certain to prevail in the grain markets of the world. Canada's grain growers owe a great debt of gratitude to Mr. Bennett.

Now the Government of the day are making another step forward. They see that the producers of natural products are at grave disadvantage in marketing those products, and in a spirit of helpfulness have placed before

Parliament the Marketing Bill which is now under consideration by this House. It may not be a perfect measure, but it is a well intended effort to help producers. That something should be attempted is universally conceded. The Government, therefore, are not holding back. They are displaying the courage needed in existing conditions for the breaking in of new ground and the pioneer work of opening up new avenues of administration and co-operation.

The foundation principle of the Marketing Bill is the co-operation of producers. The Bill declares that wherever and whenever the producers of natural products desire the co-operation of Government it will be available. It also provides for co-operation between the Government of the Dominion and the governments of the respective provinces; and, I believe, enabling and supporting legislation has been passed by nearly all the provincial legislatures. This fact indicates beyond question that the people at large look with favour on the Marketing Bill and are eager to give it a trial, because they feel the need of such legislation.

While our world trade has been making progress that is encouraging, we have to realize that a good deal remains that might be done to assist the producers of natural products. Quality, quantity and orderly distribution play a large part in the marketing of such products. It is believed that much can be done to help the producers by co-ordination and co-operation, and that the wasteful practices of unhealthy competition can be materially lessened. The Marketing Bill is directed towards the regulation of production and against disorderly distribution, the consequent flooding of markets, and the depression of prices. It is a call to producers to go into counsel with one another and by the development of a sane spirit of co-operation to regulate their business in such a way that there may be opportunity and advantage to all who are interested in the production of the respective classes of natural products.

I note the fact that it is not intended to lump all natural products into one administrative class. Each class of products will be dealt with separately; if the Bill becomes operative, and the producers of each class will be given the opportunity, if they so desire, of invoking the aid of the system which the Bill will set up. In other words, it will be open to the people interested in the respective classes of natural products to invite the Marketing Board to consider the prudence of applying the law to their products. The Bill further provides that while the Marketing Board may insist on applying the law, the

initiative is with the producers, and they will be consulted. The Marketing Board will not be likely to apply the law unless there are urgent reasons for such action.

When the producers in their respective lines agree, there will be wholesome regulation of production and distribution of products, and this will prevent, or at least moderate, the conditions which have prevailed in distribution and marketing, and thereby producers will be helped to obtain better returns for what they have to sell. This Bill, it is hoped, will be of great value to all the people engaged in grain growing or in other farming pursuits.

The people in Eastern Canada are more fortunately situated than those in the West, because they are closer to the industrial centres of the country. Those centres help to provide a market for their products. In Western Canada, of course, we all engage in agriculture; consequently there are no industries of any account in that part of the country, and our markets are somewhat limited. For several years the farmers of the prairies have been working under great difficulties. In recent years prices offered for their products at home and abroad have been so low that it has been hardly worth while taking them to market. Of course conditions are somewhat better to-day than they have been, owing to the change that has taken place in the value of products. Such products as butter and eggs have at times been sold to cold storage plants, and held by them for several months until markets improved. This gave the cold storage plants some advantage, but did not enable the producers to realize any increase in value or return.

I feel assured that under this Bill, provided the producers get together and co-operate with one another and with the governments, and fairly carry out the conditions which the Bill enacts, there will be substantial advantage to them all. The producers must be willing to help themselves. If they do that the governments will back them up. I stress the fact, which is outstanding, that the policy embodied in this Bill is a practical effort on the part of the Government to give support and tangible assistance to the farming industry of this country.

It is almost universally agreed that the time is ripe for opening up new avenues of administrative activity. This is not a time to stand still or to be fearful about the breaking in of new ground in governmental administration. It is time for reasoned advancement along well-considered lines which may benefit the producers of our natural products.

The Bill has been examined and viewed from every possible angle in another place. As it is something new in administrative life, naturally some people are suspicious of it. But I am satisfied that the great majority of Canadian producers are favourably impressed by the possibilities of national benefits coming out of the Bill. And when it is observed that nearly all provincial governments are expressing willingness to co-operate with the Dominion Government and the producers, it is open to one to conclude that the people of the country generally want a trial of the principles embodied in the proposed legislation.

Upon analysing the objections which have been made to the Bill, it will be seen that they resolve themselves into nothing more than alarm by reason of the fact the Bill breaks new ground. The need of some constructive action is freely conceded by those who criticize and object to the Bill. But, having criticized and objected, they stop short; not one of them is prepared to suggest an alternative measure.

It is very interesting to observe the newborn zeal of the Montreal Board of Trade, its fear that public money may be used to help the farmers of the country in their present distressful condition, and its demand that private enterprise shall be the only fountain of assistance for those farmers. In this connection I want to quote a paragraph of a circular letter read this afternoon by the leader of the opposition, issued by the Montreal Board of Trade to honourable members of the Senate, and, I assume, to honourable members of the House of Commons. This letter indicates that the Board of Trade is opposed to the Marketing Bill. The paragraph to which I refer is this:

The Council believes that it is highly objectionable for the Dominion, either directly or through the Marketing Board, to use public funds for the provision of facilities for preserving, storing or conditioning of regulated products. Such facilities, when necessary, should be provided by private enterprise, and the revenues of the country should not be burdened by grants or loans, or by direct investment in such matters.

It has not always been thus with the Montreal Board of Trade. Where was that organization when the stupendous load of debt was assumed for unnecessary railways—a load under which the taxpayers are now staggering? What was their attitude then? Did they object to these extraordinary expenditures? I understand that they actually encouraged the Government of the day in this regard. Montreal is the last place where one would expect

to find opposition to the expenditure of money on a scheme that is expected to help the farmers of Canada. I do not think that any part of the country has been dealt with more generously than that city in the matter of public expenditure.

In this connection I would refer honourable members to a return that was laid on the Table of this House a few days ago. It shows that millions upon millions of dollars were spent in connection with Montreal harbour. I am not going to cite the figures here. They are open for inspection.

In moving for the return I omitted to ask for particulars relating to the Montreal terminals. It will be remembered by many members of this Chamber that when the scheme was first considered, the National Railways—no doubt backed by the Montreal Board of Trade—sent to Parliament a miniature outline of the proposed new terminals, showing the properties that had to be acquired—stations, freight-sheds and approaches from various directions. It was a marvellous project. Very likely another hotel was to be built, because that was a time when the building of hotels with public money was very much in vogue. It was estimated that the cost of the proposed new terminals would be in the neighbourhood of \$50,000,000. Properties were purchased and a considerable excavation was made. Up to the end of 1933 the cost of this undertaking to the taxpayers of Canada amounted to \$16,381,000. What is there now to show for this huge outlay? Nothing but a hole in the ground, which mars the beauty of a section of the city. Fortunately, the present Government put an end to the scheme, and nothing has been done for several years, nor is anything likely to be done for generations to come. Montreal is sufficiently well equipped with railway terminals for its requirements. Did the Montreal Board of Trade object to this expenditure? There is no record of their uttering one word in opposition to this tremendous outlay, yet they object very strenuously, as indicated from the letter which I have quoted, to the expenditure of any money in aid of the basic industry of Canada.

More than fifty per cent of the entire population of Canada is engaged in agriculture. Surely the Montreal Board of Trade or any other organization of importance in this country, including Parliament, will not seriously oppose the giving of assistance to such a representative industry. Selfishness is an unworthy characteristic. I do not begrudge any legitimate public expenditure in Montreal. We are all proud of that great

Hon. Mr. GILLIS.

commercial city and should like to see it flourish, but I protest against the selfishness that attempts to get the benefit of hundreds of millions of dollars and then raises an outcry of opposition to the possible expenditure of a few thousands that may be necessary for the assistance of our farming industry. If our agriculture is successful, other industries will succeed.

The honourable leader on the other side (Hon. Mr. Dandurand) claims that this legislation has some compulsory effects. That is true to a limited extent. The Minister may decide as to what proportion of the producers or growers within a certain area may form themselves into a board. In other instances the forming of a board is to be done at the request of a majority of representative petitioners. That is all outlined in the Bill. I am going to cite one or two examples of compulsory legislation. In the Prairie Provinces when a number of families, among whom are children of school age, have settled in a locality, application may be made to the Government for the establishment of a school district. The Government must take a vote to ascertain whether or not the majority of the people in that area are in favour of the establishment of a school district. There always are people in opposition to such a scheme, but if a majority are in favour of it the rest have to fall into line. That is compulsion. Another instance is to be found in connection with the organization of rural telephone companies in Saskatchewan. An application may be made to the Provincial Government for the establishment of one of these companies in a certain area. Some people within the area may oppose the application, but if the telephone line is erected and comes near their land they will be taxed whether they make use of the telephones or not. The honourable senator from Salteoats (Hon. Mr. Calder) will confirm what I have said about the school districts and the rural telephone system, because he very ably administered both of these matters for many years. I submit that these are instances of the same kind of compulsion that is provided for in this Bill. It is simply compulsion at the request of the majority, which under our system always rules.

Every industrial concern or every profession is thoroughly organized, but agriculture, our most important industry, has no organization of any consequence. The object of this legislation is to provide a scheme under which our agricultural interests can be placed on a sound basis, and the producers enabled to receive a fair remuneration for their products.

As I have already pointed out, this is new legislation of a kind that has not been tried out. It may be found deficient in many respects, but the only way we can ascertain whether it is or not is to give it a trial. I feel that this House would be warranted in endorsing the Government's proposed policy of making a sincere and constructive effort to assist the producers of natural products in this country by co-operating with them and the provincial governments in the manner set out in the Bill before us. I think that a year or two after the legislation comes into effect the scheme will be considered one of the best ever devised for the farmers of Canada.

Hon. JAMES MURDOCK: Honourable senators, we are here considering "an Act to improve the methods and practices of marketing of natural products in Canada and in export trade, and to make further provision in connection therewith." This particular subject is one to which I, with my limited capacity, have given much consideration for many years. At one time I accepted money from the Canadian Government for considering questions such as are involved here. I should be delighted if after the experience I have had and with whatever powers of judgment I possess I could follow the thoughts, the claims and the hopes of my honourable friend who has just spoken (Hon. Mr. Gillis). But I think he is mistaken.

First, last and all the time I am in favour of what is alleged to be the intention of this measure. I am in favour of helping to relieve the producers—and also the consumers, who have been overlooked in this Bill—from the graft and exploitation from which, in my judgment, they have suffered in years gone by. I think that the producers and the consumers of Canada have been subjected to robberies far greater than any that Jesse James or Dillinger ever executed. If I thought that the measure would in any way tend to alleviate the improper conditions that have existed for these many years, I would heartily favour it and boost for it. But in my judgment it is a wooden gun. I say it is absolutely unworkable. It is aimed at the wrong parties if the intention is to relieve producers and consumers from the exploitation to which they have been subjected. In my judgment it was never intended to work. That is a rather broad statement, but I ask honourable senators to please bear with me and tell me in the coming months and years whether I am right or wrong.

I am going to try to prove now, before I sit down, that I am right in the assumption that there never was any intention to put into effect a Bill of this kind. It will be remembered how last session we struggled with the Railway Bill, and how finally it was passed in its various phases—not to the satisfaction of all, but against the opposition, expressed or otherwise, of some. For several months after the passing of that measure, to which we devoted such earnest consideration, we waited to see the law implemented. The right honourable leader of the House referred this afternoon to the length of time taken to appoint the Board of Trustees. As a matter of fact, I think the appointments were not made until late in November—

Hon. Mr. DANDURAND: The 1st of January of this year.

Hon. Mr. MURDOCK: Yes. I ask honourable senators on both sides to please understand that I am not trying unduly or improperly to raise political questions. I admire the intestinal fortitude that has been exercised in some respects in the past few years. I may be chided for saying that, but it is a fact. And I do not doubt that the honourable gentlemen who have sponsored the measure now before us really believe that it may be the cure-all for the ills that have been affecting producers and consumers in Canada.

I pause to think of the wonderful changes that time brings to us all. In fancy I go back less than fifteen years to a conference I attended. I think it was the first time I met the distinguished leader of this House. On that particular day I learned that a high-salaried official of the Federal Government had been sent with the necessary Order in Council to Fort Frances, Ontario, for the purpose of spiking down switch rails and preventing carloads of newsprint paper from being shipped out of the Fort Frances mill to the United States. In that country the prevailing market rate was \$165 a ton, whereas we had said to the producer in Canada that \$80 was the only price that should be paid. A few days later I sat in an office and saw a gentleman from Waterbury, Connecticut, pleading almost with tears in his eyes for an opportunity to buy newsprint paper at the price of \$165 a ton. And he was told: "No; we are sorry, but the price is \$80 a ton, and all the paper is earmarked and allocated; so you cannot have any of it."

I go back to another occasion of almost fifteen years ago, and I find certain views expressed by my right honourable friend

Hon. Mr. MURDOCK.

(Right Hon. Mr. Meighen). On the 4th day of July, 1919, he said:

It is questionable if the fixing of prices as carried on is not criminal under the code. But this—

He was speaking in another place on the Combines and Fair Prices Bill.

—is designed to divide the sheep from the goats,—to ascertain where a fixed price is unfair and where it is not, and to leave alone the men who are all right, and go after the others.

I am absolutely in accord with that opinion of the right honourable gentleman, and I presume that is still his opinion. But will this Bill now before us permit of anything of that kind being done? I doubt it. With deference to my honourable leader (Hon. Mr. Dandurand), I want to refer briefly to a few portions of the Bill to try to prove to honourable members, as I have proved to myself, that the measure is not intended to be worked, will not be worked, and is absolutely unworkable. For the benefit of my honourable friend from Saskatchewan (Hon. Mr. Gillis) I shall quote later something with which he surely will not disagree, although he found fault with the representations made by the Montreal Board of Trade and Montreal papers. I do not know whether it has occurred to my honourable friend that those representations of the Montreal Board of Trade may have been merely a smoke screen. I read that communication and at once formed the opinion, which I still hold, that the representations were merely a smoke screen to divert the attention of the Government from the proper source. A little later on I shall indicate what I mean by the proper source, and who they are who have exploited the producers and consumers in this Canada of ours.

Let us briefly analyse certain portions of this Bill to see if it is at all workable. I will deal first with section 3. The caption at the head of this section is "Dominion Marketing Board." Subsection 1 provides:

The Governor in Council may establish a board to be known as the Dominion Marketing Board to regulate the marketing of natural products as hereinafter provided.

I presume it is fair to infer that the word "marketing" as used there is intended to mean the marketing or sale, and that the purpose is to regulate the marketing or sale of natural products. The section goes on to provide how the board shall be formed, who may be members, and other necessary items.

Then we come to the powers of the board, in section 4. I quote section 4:

(1) The Board shall, subject to the provisions of this Act, have power

(a) to regulate the time and place at which, and to designate the agency through which the regulated product shall be marketed, to determine the manner of distribution, the quantity and quality, grade or class of the regulated product that shall be marketed by any person at any time, and to prohibit the marketing of any of the regulated product of any grade, quality or class.

Omitting the intervening paragraphs, I come to:

(f) to require any or all persons engaged in the production or marketing of the regulated product to register their names, addresses and occupations with the Board, or to obtain a licence from the Board, and such licence shall be subject to cancellation by the Board for violation of any provision of this Act or regulation made thereunder.

If I understand the English language this means that Bill Jones, a switchman at Truro, N. S., who has a couple of dozen hills of potatoes—potatoes are one of the regulated products in Nova Scotia—must register his name, address and occupation with the board to obtain a licence. Oh, I am quite sure someone will say, "That is not what is intended." I reply, that is the wording of the Bill: "to require any or all persons engaged in the production or marketing"—not production for marketing—"of the regulated product."

A very important part of the Bill deals with marketing schemes. Last night, answering the right honourable senator from Eganville (Right Hon. Mr. Graham), the right honourable leader said:

Certainly the Governor in Council can insist that in any area the same board deal with several natural products. Several boards may be united in the interest of economy. Amalgamations of course would also reduce the number. I submit that no such authority is given. Under the section I am about to quote only those directly interested in the production or marketing of the one stated product can set up a local board under the supervision of the Dominion board.

Right Hon. Mr. MEIGHEN: Would the honourable gentleman look at section 8, subsection c?

Hon. Mr. MURDOCK: That does not affect my argument at all. I concede at once that this language appears to imply that one local board could be set up for potatoes, others for sugar beets, maple syrup, carrots, fish, and so on. But that is not what my right honourable friend said last night. These are his words: "Certainly the Governor in Council can insist that in any area the same board deal with several natural products." The Bill does not say so. I am referring to the sections under

the heading of Marketing Schemes. I cite section 5:

(1) A representative number of persons engaged in the production and marketing or the production or marketing of a natural product may petition the Governor in Council to approve a scheme for the regulation of the marketing of such natural product by a local board under the supervision of the Board.

(2) The petition shall be filed with the Minister and if he considers that the persons engaged in the production or marketing of the natural product are sufficiently represented by the petitioners, the scheme shall be referred to the Board with a request for a report on the expediency thereof.

I submit this merely implies that potato producers will deal with potatoes, maple syrup producers with maple syrup, and so on.

Right Hon. Mr. MEIGHEN: Suppose there is a board for maple syrup producers and a board for potato producers, and the Governor in Council under section 8 provides for their amalgamation. Is not that doing precisely what I told the right honourable senator from Eganville could be done? How could you amalgamate unless there were two or three or four boards, each dealing with separate natural products?

Hon. Mr. MURDOCK: But under subsections 1 and 2 of section 5, which I have just read, no man would be eligible to serve on a board of that kind unless he was a producer of the commodity that was being handled under the scheme.

Right Hon. Mr. MEIGHEN: But what takes effect on the amalgamation?

Hon. Mr. MURDOCK: Well, if the potato man is going to scratch the back of the sugar man, or vice versa, it will make the proposal all the more unworkable and objectionable.

Right Hon. Mr. MEIGHEN: If it concerned potatoes and carrots it would not be so bad.

Hon. Mr. MURDOCK: No. That would be a closer relation. They would be just red-headed potatoes.

Now I come to section 6:

(1) When a scheme has been approved by the Governor in Council, the Minister shall give public notice thereof in the Canada Gazette.

(2) The provisions of the scheme as approved shall have the force of law, and the local board shall, from the date of the publication of the said notice of approval, be a body corporate.

The other day I read a Canadian Press despatch stating that a professor in Russia was unable to bury his dear old mother for two or three days because he could not deliver to the authorities her ration card.

I have never been sympathetic to Russian ideas, and to my mind—though I may be wrong—this Bill contemplates the same control over the under dog that Russia exercises over the upper and the under dog. In my judgment the only improvement in the Russian scheme is that everyone, high or low, no matter whence he comes or what he does, is compelled to knuckle down to the same regulations. The Canadian Press despatch to which I have referred stated that the professor had to take his oath that his dear old mother did not have a ration card, before he could get permission to bury her. This Bill will put the producers and the consumers—yes, and the consumers; I shall deal with that feature at greater length—in the regulated class, the held down, the controlled, the dominated class, while about 10 or 12 per cent of our citizens who have been exploiting the producer and the consumer these many years escape scot free and uncontrolled. That is why I say that in my judgment this Bill is aimed at the wrong parties. I am not a lawyer, but I think I could prepare a bill of about four or five paragraphs that would give the producer and the consumer a square deal. I know I could draft a bill that would at least stop some of the things I am going to refer to in a few moments.

Hon. Mr. SHARPE: Why did not the honourable gentleman prepare that bill when he was a Minister and put it into effect?

Hon. Mr. MURDOCK: To tell you the truth, I was rather busy at that time trying to take care of my own business. I am not giving away any secret when I say that I had it on my mind. We were then trying, with the machinery available, to do what we could to get after the grafters. Out in British Columbia we were able to go after some of the grafters. They are on the job to-day, as they have been for many years, exploiting the producer and the consumer. At that time we secured convictions against eight of them and they were fined \$25,000 apiece, or a total of \$200,000. But that did not mean anything to them. The consumer paid the money a little later on. He had paid it before, and he is paying it at this minute. As I see it, this measure will not tend to stop such abuses.

If there is a real desire to do anything to help the producer and the consumer, it can be done; but it cannot be done by jumping on the fellow lower down. You all know the reason why the fellow higher up has not been jumped on and is not being controlled. He is too affluent. In many cases he has a title, he is a big fellow, he is a power in the community, and he must not be meddled with.

Hon. Mr. MURDOCK.

It is preferable to bear down upon a hundred, yes, or ten thousand consumers or producers rather than disturb him. That is the reason why this Government, yes, and previous governments, have not had the intestinal fortitude to venture to do the things that they all know in their hearts can be done if they will start in the proper way.

Now I come to consider that part of the Bill dealing with restriction of imports and exports. This is where our friends the favoured few get their guarantee. This is where the Montreal Board of Trade gets its guarantee that all is well with the world and it will not be unduly interfered with. Section 12 provides:

The Governor in Council may by order or regulation, notice whereof shall be published forthwith in the Canada Gazette,—

(a) regulate or restrict the importation into Canada of any natural product which enters Canada in competition with a regulated product.

Right Hon. Mr. MEIGHEN: Will the honourable gentleman now show just how the restriction on the importation of a natural product would help the Montreal Board of Trade?

Hon. Mr. MURDOCK: The principle involved in the proposal that the Governor in Council may by order or regulation restrict the importation of any one thing or another—

Right Hon. Mr. MEIGHEN: Any natural product.

Hon. Mr. MURDOCK: Any particular product.

Right Hon. Mr. MEIGHEN: No; there is a great difference between the two.

Hon. Mr. MURDOCK: There is a great difference, but the whole principle is tied up in the authority that is given from time to time to restrict this, that or the other thing. On behalf of whom? Not usually of the producers, nor of the consumers, as I have observed; maybe in certain cases, but not usually.

Right Hon. Mr. MEIGHEN: Is the Montreal Board of Trade producing potatoes?

Hon. Mr. MURDOCK: No.

Right Hon. Mr. MEIGHEN: What natural product is it producing?

Hon. Mr. MURDOCK: Maybe the Montreal Board of Trade is very much interested in the production of natural products; in other words, it is holding the sinews of war, the money necessary to carry on the business

in natural products—timber, pulp, paper, and a hundred and one other commodities. My right honourable friend knows that as well as I do.

Right Hon. Mr. MEIGHEN: It would help the Montreal Board of Trade if we prohibited the importation of pulp and paper, I suppose? The honourable gentleman is away from the facts.

Hon. Mr. MURDOCK: I know my right honourable friend does not like to hear this. I think the principle of the Bill is absolutely wrong. That is why the Montreal Board of Trade put out its smoke screen to hide the necessity of conceding to the Governor in Council the right to prohibit or restrict as far as possible this, that or the other thing.

Now I come to what appears to me the most peculiar part of the Bill. In years gone by it was generally regarded as essential to ascertain the facts before rendering a decision on any subject in dispute. But in the Bill—which my honourable friend across the aisle (Hon. Mr. Gillis) endorses—we find that Part I deals with everything that is held to be necessary to protect the interests of the producer, and no investigation is required. In Part II I find the only reference in the Bill to the rights of the consumer. Section 18, in part, reads:

(1) Whenever as a result of any such investigation the Minister shall have reason to believe that such a situation exists as requires further inquiry he may at the request of the Board or on his own initiative appoint a committee to inquire into the spread in connection with the marketing, adaptation for sale, processing or conversion of a natural or regulated product.

(2) Such committee shall be composed of such number of representatives of producers and persons engaged in marketing, adaptation for sale, processing or conversion, and consumers, as the Minister shall decide, and there shall be a representative of the Minister who shall act as chairman.

That sounds delightful. If that particular provision had been placed in Part I of the Bill it would have appeared to me that there was some intention of dealing fairly with the public; but Part I, covering practically everything that is to be done for the producer or the distributor, makes no provision for investigation.

Now then, does the consumer need any protection under a Bill of this kind? In my judgment he does. In my opinion the consumer has at times been exploited almost as much as the producer, though, speaking generally, I think the producer has been exploited more than the consumer. The consumer has been exploited to a great extent.

May I, to prove this, read from the report of a certain important inquiry that for many weeks has been going on in another place? I do not think I shall be going outside the rules of this House in reading from the printed record of what took place, in order to prove my point that the consumer has been and is being seriously exploited, and that it is not the producer nor the consumer that should be regulated, but all too often the fellows in high places—

Hon. Mr. TANNER: No!

Hon. Mr. MURDOCK:—some of whom have been exalted to such an extent that they have been given titles. The result is that by millions of Canadians titles are a byword and are treated with contempt. I want to read some of the reasons which show the necessity of protecting, in a measure of this kind, the consuming public.

Right Hon. Mr. MEIGHEN: What is the honourable gentleman reading from?

Hon. Mr. MURDOCK: I am reading from issue No. 47 of the report of the investigation conducted by the Special Committee on Price Spreads and Mass Buying, of Wednesday, June 6, 1934.

Right Hon. Mr. MEIGHEN: The honourable gentleman knows just as well as I do that he is not permitted to refer to the proceedings of a committee of either House while that committee is still sitting, and before it has reported. He knows also how grossly unfair it would be to do so.

Hon. Mr. MURDOCK: I know that my right honourable friend does not intend to say that I know something that I do not know. I did not know.

Right Hon. Mr. MEIGHEN: The honourable gentleman cannot refer to it.

Hon. Mr. MURDOCK: I did not know that. I take my right honourable friend's word for it, and say this: that what we want in this Canada of ours is a bill that will reach, not the producer or the consumer, but the grafters. I use the word advisedly, because any man who cleans up his business with a \$5,000,000 rake-off and then soaks the public on the sale of stock for that amount is, in my judgment, nothing but a grafter. In my judgment the individual who indulges in practices of that kind is no less a grafter because he has a handle to his name, or because—and incidentally my right honourable friend will recall this, I am sure—he is the same individual who a few years ago influenced the

right honourable gentleman to say the Grand Trunk strikers were not entitled to their pensions. I know my right honourable friend in his heart did not believe that.

Right Hon. Mr. MEIGHEN: Is the honourable gentleman referring to me as being influenced by some individual to say that?

Hon. Mr. MURDOCK: The right honourable gentleman was influenced to this extent, that the president of the then Grand Trunk Railway said they could not get fair—

Right Hon. Mr. MEIGHEN: The honourable gentleman should not state who influenced me. If he wants to quote any statement that I have made, and to refute it, let him do so; but he should not be so unmanly—

Hon. Mr. MURDOCK: I am sorry if I have hurt the right honourable gentleman's feelings. I can go home and get the letter over his own signature, and produce it.

Right Hon. Mr. MEIGHEN: Better go home and stay.

Hon. Mr. MURDOCK: I am not going to do anything of the kind. I am referring to the gentleman who, according to the record, has been exploiting consumers to the extent, in one year, of \$5,000,000, which he secured from the public; and I am saying he is the same gentleman who gave the right honourable gentleman the advice that the Grand Trunk strikers were not entitled to their pension. They got their pension, though, regardless of the judgment of the gentleman I have mentioned.

Now, I said that in my opinion it was never intended to put this Bill into effect.

Hon. Mr. GILLIS: What are you kicking about, then?

Hon. Mr. MURDOCK: I think we should deal with camouflage or four-flushing or pre-election buncombe when we meet it. That is what I think about this Bill. I think this is only a measure, to use the words of Kipling, "to set a trap for fools."

Again I want to say that I do not wish to play politics—

Some Hon. SENATORS: Oh, oh!

Hon. Mr. MURDOCK: I say that, and I mean it whether you groan or do otherwise.

Some Hon. SENATORS: Oh, oh!

Hon. Mr. MURDOCK: I mean it. But I am compelled to do it to some extent to draw your attention.

Hon. Mr. MURDOCK.

My honourable friend (Hon. Mr. Gillis) a little while ago objected to references to the Montreal papers and the circular of the Montreal Board of Trade. Surely he will not repudiate an official document from the Liberal-Conservative Association of Ontario, which appears in Monday's issue of the Ottawa Journal. This is captioned in large black letters: "Do you wish to be a Kulak?" Please correct me if my pronunciation is wrong. "A message to the farmers of Ontario." Listen to the two first paragraphs. This is a repudiation pure and simple of the Dominion Government, which proposes to bring down this Marketing Bill, and serves notice on all and sundry that the farmers of Ontario want none of it. Let me read the language that appears:

You have read of Russia. You know what farming in the land of the Soviet has become.

State collectivization, with industrialization the supreme goal, has made the farmer little better than the beasts of the field, the hewer of wood and the drawer of water to the more favoured classes, those to whom Communism looks for the ultimate success of its state industrialization experiment.

The second paragraph bears a large black caption: "Farmers must be free." It goes on to say:

Ontario wants no "swing to the left." Its farmers must be left free. The men who, in 1932, produced \$226,446,000 of this province's wealth, cannot be made the stepping stone for some radical experiment in state industrialization.

Farmer though he is, Ontario's Liberal leader is prepared to sacrifice his own friends, to betray his fellow workers in the fields in a frantic bid for control of Ontario's vast natural wealth.

The point is, "farmers must be free." If I understand the English language, they want no part in this Bill which proposes to put them under quotas and regulations whereby they will have to obtain an identification card and a permit to grow potatoes, or tap a maple tree for sap, or do certain other things, while the real culprits are sitting in offices in Montreal, Toronto, and elsewhere, laughing at the lame and inane efforts that are being made to give the under dog a square deal. They know the pickings may not be quite as good as they have been, but they know at least they will be good enough for years to come, no matter what is done in the matter of controlling the purchaser, the distributor and the consumer.

So I say, honourable gentlemen, that in my judgment this Bill is simply an imposition upon the intelligence of the Canadian people; and I have the audacity to say that in spite of the fact that my right honourable friend told me to go home and stay home.

I think I know something about the necessities of the producer and the consumer, and how they have been exploited. Although in some respects I would not set up my honest-to-goodness judgment against that of the right honourable leader of the House, I would express the view that I am just as sincere as he in a desire to do something for the under dogs, for many years exploited in this Canada of ours.

I sympathize fully with the hope of my honourable friend (Hon. Mr. Gillis) that this Bill will do something to protect and benefit the farmers and others in Western Canada. They should be protected and benefited, as should those engaged in the fishing industry of the East, and in the lumbering industry and the pulp industry of Canada. But it cannot be accomplished in this way. You have to reach the few, and not make a big, broad pretense, as this Bill does, of reaching out and controlling many. If, in spite of anything that may appear or may be said, honourable gentlemen opposite are bound to put this Bill through—and they are sufficiently numerous to do that—all I ask is that in the months and years to come they will analyse its results and see how it has worked out. Many think that what has been done in the past with respect to dealing with Canada's wheat crop can be done again, but it is all buncombe to suggest that the potato crop of British Columbia, the sugar beet crop of Alberta, and of Kent and Essex counties, and the fishing industry of the Maritimes and of the Pacific, can be controlled in the same way. It is all wrong and improper. The approach is from an entirely wrong angle. The fellow who ought to be controlled is the one who is dealing with the producer and selling to the consumer.

I have just one last word. I hope that if honourable gentlemen, who are sufficient in numbers to put this Bill through, insist upon doing so, they will at least make one friendly gesture to the consumer by agreeing to name him as one of the possible members of one of the innumerable boards contemplated for the purpose of dealing with things of vital concern and interest to him.

Hon. J. J. DONNELLY: Honourable members of the Senate, at this late hour perhaps the first thing I should do is to assure honourable members that I have no prepared speech, and rise merely for the purpose of giving expression to some thoughts that have entered my mind during the discussion.

The honourable member for Parkdale (Hon. Mr. Murdock) dwelt at great length on subsections 1 and 2 of section 5 of the Bill, under which he maintained it would be necessary to

establish a great many boards. I have read these subsections rather carefully, and while they do limit the establishment of the board to people engaged in the production of natural products which are to be regulated, I do not find anything which in any way defines the occupation of any man who shall be appointed to the board.

Hon. Mr. MURDOCK: No?

Hon. Mr. DONNELLY: There is nothing in any part of the Bill which limits that.

Hon. Mr. MURDOCK: Does it not say, "engaged in the production and marketing"?

Hon. Mr. DONNELLY: That refers to those who may make application; not those who will constitute the board. So in that respect I think the honourable gentleman is in error.

The honourable gentleman has very properly shown some solicitude for the consumer. I sympathize with him in that, but in my judgment, and I think in the judgment of most people in this country, the condition of the consumer—and I suppose we are largely interested in the labour element as consumers—will only be permanently improved when those engaged in the production of natural products are placed in such a financial position that their purchasing power is brought back to a point in keeping with the purchasing power of some five or six years ago. I do not think the labouring classes will ever assume their proper place until such a condition is brought about.

The honourable leader on the other side (Hon. Mr. Dandurand) is apparently much concerned about the restrictive parts of the Bill, and he argued for the freedom of the individual to dispose of his own products as he sees fit. We should all be very pleased if we were not obliged to conform to certain regulations. However, as we go through life we find that we are restricted in numerous ways for the good of our fellow men. Under the Government of which my honourable friend was a prominent member we had restrictive legislation in regard to the marketing of products of the farm. Many farmers in this country are engaged in the raising of seed, such as red clover seed, alfalfa seed, alsike clover seed, and other varieties. A man may thresh one hundred bushels on his farm, and the crop may appear to be very clean, but before he can send any of the seed over to his neighbour he must have it certified by an official of the Dominion Government. In so far as this Bill seeks to regulate the sale of agricultural products it is not new; it is only an extension of a practice that has been in operation for many years.

I gather that the honourable leader on the other side and the honourable gentleman from Parkdale (Hon. Mr. Murdock) are of the impression that this Bill regulates all marketing, but as I read the measure its provisions apply only to interprovincial and export trade. Trade within any province is wholly under the control of provincial authorities, and I think this Bill makes no attempt to interfere with it.

What objection can there be to the enactment of legislation which would prevent a cattle dealer from shipping to the Old Country a load of scrub cattle, half finished, and spoiling our reputation for live stock on the British market? Such prevention is one of the purposes of this Bill. We recently had before the Standing Committee on Agriculture and Forestry a witness who displayed an intimate knowledge of live stock marketing conditions in Great Britain. Honourable members on both sides of the House who were present at that meeting will remember he impressed upon us the necessity for prohibiting the shipment of poor cattle to England. He also stressed the point that we should take certain steps in order to retain our share of the market. He stated that other countries, our chief competitors, always have in Britain representatives who keep their governments informed of market conditions. We were told that those representatives do not advertise their presence in England. In fact, the witness said that they are so solicitous to keep their activities from being noticed that at times they walk backwards so that they may not be tracked.

There is another feature of this Bill to which I think attention should be drawn. The honourable senator from Parkdale has great faith in labour and trade unions of all kinds. I have no objection to them. But it has been contended for a generation or more that the agricultural population of this country should be organized somewhat along the lines adopted by workers in other industries.

Hon. Mr. MURDOCK: Hear, hear.

Hon. Mr. DONNELLY: As I understand it, one of the objects of this Bill is to assist in such organization, to help place the farmers in a position similar to that occupied by other classes, where they can look after their own interests.

The Bill is the brain child of the Department of Agriculture, and more particularly of the Minister of that department. I know that there are clauses which if not properly administered could cause hardship, but it is not reasonable to suppose the Minister or the de-

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partment will use the provisions of the law to impose unnecessary burdens upon consumers and producers. These officials have their ears to the ground and are influenced by public opinion. They would have no ulterior motive in causing this Bill to work any hardships.

It has already been stated that the measure is an experiment. I think it is an endeavour along honest, earnest and well-thought-out lines to give the producers of natural products an opportunity to improve their conditions. I therefore think we should pass the Bill and enable the Government to demonstrate what can be done.

Hon. Mr. MURDOCK: May I ask the honourable gentleman a question? Is it a fact that the farmers in Ontario wanted to be left free?

Hon. Mr. DONNELLY: I have no reason to believe so.

Hon. D. E. RILEY: Honourable members, it is not my intention to take up much of the time of the House in my remarks on this Bill. These remarks will be confined to the effect it will have on the live stock industry, more particularly the commercial cattle end of it.

Last session I pointed out to this Chamber the importance to Canada of the cattle industry, the sad plight it was in, owing to low prices, and the absolute necessity of some change in our system of marketing. As a result of the discussion on the motion to which I spoke at that time, our Standing Committee on Agriculture and Forestry, of which the honourable senator from South Bruce (Hon. Mr. Donnelly), is Chairman, was authorized to inquire into the conditions of the export trade in cattle, and the cattle industry generally. We held several sittings, but owing to the short time between the beginning of the investigation and prorogation, it was decided to carry the work over to the present session. As the Special Committee of the House of Commons on Price Spreads and Mass Buying was taking up the same line of inquiry, and because of evidently wider powers might go more thoroughly into the matter than our committee could, we decided to postpone our proceedings for the time being at least, so as to avoid duplication and unnecessary expense.

The present Bill comes, in my opinion, in response to a concerted demand made upon the Government by the live stock interests of Canada in the last few months for the appointment of a National Live Stock Marketing Board in the four Western Provinces at least,

and, I understand, in two others. Conditions had become so intolerable, owing to low prices, that the people in their extremity decided to appeal to the Federal Government for some means of relief. All parties interested in the industry were called together to consider what might be done, not merely to assist, but to save it, and resolutions were passed and forwarded to this Government asking for the appointment of a board. In the province of Alberta the Government called a conference in the city of Edmonton on January 12 of this year to discuss problems associated with the marketing of live stock and live stock products. This conference was representative of all interested in the marketing of live stock products—consumers, packers, stockyard officials, live stock commission men, and others. The following resolution was passed and forwarded to the Government:

Whereas the live stock industry of Canada, particularly that of the Western Provinces—There has been some discussion this evening as to whether this Bill is in response to demands from the West. I think the agitation began in the West.

—is at present in a most deplorable state due to the decline of prices to a level at which the producers of live stock are receiving returns very much below the actual cost of production;

And whereas it is imperative that definite and immediate action be taken to place the industry on a sound and economic basis;

And whereas the economic prosperity of the entire country depends upon profitable prices to primary producers;

Therefore be it resolved that this conference, representative of all interests concerned in the various branches of the live stock industry in the province of Alberta, is unanimously in favour of requesting the Federal Government to establish a National Marketing Board, or Boards, vested with wide powers, chief amongst its functions to be the stabilizing of prices of live stock and live stock products on a basis that will provide an adequate return to the producer.

Similar conferences were called in the other three Western Provinces and similar resolutions were passed, all calling on the Government for the establishment of a national marketing board for the purpose of raising prices to the producer. The Bill before this Chamber to-day is the reply of the Government to this nation-wide demand.

In my own mind the principal function of such a board would be to take the price-setting power out of the hands of those in whom it rests at the present time. That power should be exercised by an independent board which would have some regard for the three principal parties interested, namely, producers, consumers and the trade. Such a

board would make it possible for the old law of supply and demand to function again. It is not functioning now, and later on I shall point out the reason for this.

As all honourable members know, the only outlet for our surplus cattle since 1930 has been the British market. In 1883, the first year we exported cattle from the Western ranges, the United States tariff on cattle was 20 per cent. In 1890 this was changed to \$10 per head for cattle over one year old, and \$2 each for cattle under one year. In 1897 the duty on all cattle under one year was \$2 each; on others valued under \$14, it was \$3.75 each, and where the value exceeded \$14 the rate was 27½ per cent. In 1913 all duty was thrown off and our cattle went in free. This condition lasted until 1921, or for eight years, and those were prosperous years for our cattle men. In 1919 we exported to the United States over half a million cattle. In 1921 a tariff of 30 per cent was put into force, and the following year this was raised to two cents a pound on cattle valued over \$10.50 and to one and one-half cents a pound where the valuation was less than \$10.50.

From 1913 to 1921 all our surplus cattle went to the United States, and even after the Fordney-McCumber tariff came into effect we continued to go over that wall and sold in American markets. The Hawley-Smoot tariff, however, shut us out entirely. Then we looked to the Old Country market, which at the present time is our only outlet. Of course we are thankful for that outlet. Since 1930 our exports to Great Britain have increased, and last year we shipped about 60,000 head.

I should like, however, to point out that the British market was never a profitable one, especially for the Western cattle producer. It never can be profitable for us to ship to Great Britain. That is an emergency market, and we have gone there only when we could not trade with our neighbours to the south. Since it takes about half the price received for a steer in England to pay transportation and other expenses, it seems improbable that beef will ever be high enough in that market to return to the Western producer his cost of production. However, that is our only outlet and we must, for the present at least, make the best of it.

There is a feature in our marketing situation that I could never understand. We export about 2 per cent of our pork, mutton and lamb. Canada consumes over 1,500,000 head of cattle each year. In the last three years we have exported annually from 17,000 to 52,000 head, or only about 2 per cent, yet the price received for that 2 per cent, less the

cost of transportation, sets the price for the other 98 per cent. The theory that the export price determines the price on the domestic market has been quoted and preached to us in season and out of season until it has become an axiom or an established principle. In my opinion it is a fallacy that has been accepted by an undiscerning people.

We are told the law of supply and demand controls prices. But that mere 2 per cent which is exported absolutely nullifies that law. The injustice of such a situation is more striking when we consider that the Old Country market is a low priced market and is always bound to remain so.

As soon as we produce more than one per cent in excess of our domestic requirements the law of supply and demand ceases to function, and prices in Canada are governed by low export prices, less the cost of transportation. The trade has some means of offsetting this situation. It would have paid us to dump the 2 per cent surplus in the ocean and allow the law of supply and demand to function. Our home market is our best and practically our only market, and something must be done to protect it from the ruthless exploitation to which it has been subjected in the last few years.

It is a ridiculous theory that because our farmers produce one or two per cent more than the domestic market consumes they should be placed at such a serious disadvantage as has been the case. There is no element of fairness or justice in this. There is neither rhyme nor reason in our present system of marketing. I am speaking from my own experience in the raising and marketing of cattle, particularly in the last four years, since the big interests have combined. They may not be a combine in a legal sense, but they act and operate as such. From the evidence adduced by the Stevens Committee I think the term "racket" would be more appropriate.

In the Old Country market a rearrangement of quotas on Canadian cattle becomes effective on June 30, when the present agreement expires. The honourable senator from South Bruce (Hon. Mr. Donnelly) made some reference to this. On very reliable authority I learn that Canada's greatest competitor in that market has had representatives preparing the ground in advance, in its own interest, for the time when this new arrangement will take place. I think—and others who are closely in touch with trade conditions in Great Britain have expressed the same opinion to me—that there is an imperative necessity for Canada to send a delegation to that country

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at once, so that our position may be fairly placed before the British Government, and the efforts of those who oppose a further increase in our quotas may be offset. I do not think this should be left to the last day. It is not the small number of cattle we export that counts, but our home market, which will be vitally affected by what happens at that time. I think our Government would be well advised in the interest of the cattle industry to take this step.

In regard to the American market, I hope to live long enough to see the barriers of trade, to some extent at least, removed and our cattle again going to our logical market. I have no doubt the Government is closely watching the situation and in the interest of the live stock industry will take advantage of the first opening that occurs. Now that the President has power to deal with other countries in the matter of trade, conditions look brighter for the cattle man.

How this Bill will be received by the old-time cattle men of the West, I am somewhat uncertain. About all they have left is their initiative and some small part of their independence. The Bill in its operation will take this away. They will become part of a standardized machine, and if they fail to synchronize, they will be ground up and obliterated. They will accept it out of necessity, but I shall be surprised if it will be in a kindly spirit.

I sent an inquiry to the Secretary of the Western Stock Growers as to the reaction of the Marketing Board on the members of our association, and received the following reply: "Common impression is that Marketing Bill not acceptable to ranchers."

I am unable to see in the operation of this Bill how the price will be increased to the producer. And price is the vital point in the whole situation. If he cannot get the cost of production for his stuff, bankruptcy is inevitable.

At the present time there are two grades of beef, and I know that the system is working out to the satisfaction of every one except the producer. The object of this grading system was to encourage the production of a higher grade of beef animal, and naturally to raise the price. So far as I can see, the only one benefiting from this system to-day is the trade, or the middleman. There should be at least two or three more grades, and a minimum price set in those grades under the marketing system. In no other way do I see that the producer can get any protection. And if the price to the producer is not raised to a

parity with the retail price of beef, what good is the Act?

Notwithstanding the many difficulties I see in the operation of this measure, I would not vote against it. At its worst it cannot be worse than what we have to-day. I am hopeful that out of the many complicated phases of the Bill something practical and beneficial may be worked out.

Hon. J. E. SINCLAIR: Honourable senators, my remarks will be directed more to the way in which the Bill may apply to that part of Canada from which I come, than to its general application, though to some extent I shall deal with this phase also.

I was rather amused by the speech of the honourable member from Saskatchewan (Hon. Mr. Gillis). He objected to the honourable leader on this side (Hon. Mr. Dandurand) characterizing the proposed measure as a Western Bill, but shortly afterwards he suggested very mildly that it would be well to exclude the main natural product of the Prairie Provinces, grain, from the operation of the Bill.

I shall not go so far with respect to the natural products of Eastern Canada. I think it is generally conceded by those who have followed the debates on the Bill from the time of its introduction in the Commons that something is needed to help the farmer, the producer and the labourer in this trying period through which Canada is passing. Whether the Bill will do all that is hoped for by those who are most in favour of it is a matter of conjecture, but I think it is only fair that we should analyse the measure and do our best to improve it.

One general feature I do not like. The Bill confers very wide powers on a board to be appointed by the Government. It is admitted by its warmest supporters that Parliament has never yet granted the Government such extensive powers. I think we have already gone too far in this direction. Particularly in recent years, there has been a tendency to confer wide discretion on ministers of the Crown and officers of the departments. Now it is proposed to confer powers which even the right honourable leader of this House has said he does not think any board would attempt to exercise.

The grave danger of granting wide discretionary powers to departmental officials is illustrated by an enactment of this session known as the Fruit and Honey Act, 1934. Honourable members will recall that I raised some objection to the Bill. I happened to be away when the amended Bill was returned to this House with an intimation of non-

concurrence in our amendments. Had I been present I should have stated my position. I take the opportunity to do so now, in accordance with the understanding arrived at with the leader of the House at the time.

Members of the Agricultural Committee will recollect that that Bill empowered the Minister to license dealers, brokers, commission agents, and so forth. I do not deem it necessary to read the section. When we asked for an explanation the Fruit Commissioner assured us that only a nominal licence fee would be charged, and he mentioned \$30 as the maximum. Some members of the Committee thought the fee was rather high. Since the Bill has become law the officials of the department have sent out copies of proposed regulations for the approval of those interested in the Act. I am surprised, as I know are others, to find that it is proposed by these regulations to license all dealers and traders, as well as every person who maintains one or more branches. A separate licence must be obtained for each branch. The regulation reads:

A licence issued under these provisions shall remain valid and effective until the 31st day of March following the date of issue, unless it is suspended or revoked. Such licence shall be renewable but shall automatically terminate unless the renewal fee is paid within 30 days after notice has been mailed by the Commissioner that payment is due.

Each application for a licence shall be accompanied by the licence fee of \$50 in the form of a money order, bank draft or certified cheque, payable to the Receiver General for Canada.

The annual renewal fee shall be \$50 and shall be remitted in the same manner.

Since the regulations were sent out on May 17, within two weeks from the time the Bill became law, the dealers of Prince Edward Island—I have no information with regard to the other provinces—have protested most strongly against such a licence fee being required of small dealers throughout the province. I should explain that in sections 30, 31, 32 and 33 of the Act the word "vegetable" is used where reference is made to the licensing of interprovincial traders. The insertion of this word after the word "fruit" extended the licensing regulations to the Root Vegetables Act, which covers almost all vegetables traded in, particularly in Eastern Canada. Under this Act the small country merchant who buys from three to ten carloads of potatoes or turnips each year and ships them outside the province is required by the regulations to take out a licence at an annual cost of \$50.

Hon. Mr. DANDURAND: For sending the goods over to Halifax?

Hon. Mr. SINCLAIR: For interprovincial trade. I cite that as an illustration of the unwisdom of conferring wide powers on departmental officers or even on ministers. I am quite sure that if these draft regulations had been inserted in the Bill Parliament would have refused to consider it.

I understand the object of the department in requiring such a high licence fee is to control traders. I submit that control could be exercised just as effectively by requiring them to take out a licence at a nominal fee of \$3 or \$5. To require a fee of \$50 is utterly unreasonable.

In the Bill now before the House there is a provision for licensing producers, traders and dealers and also importers and exporters of natural products. The fee is not stated. I think this information should be inserted in the Bill. This can be discussed in Committee of the Whole.

There is another phase of the Fruit and Honey Act which I should like to discuss now. Section 34 provides that the Minister may from time to time require the licensee to furnish a bond upon such conditions as may be deemed necessary for the performance of his obligations, and so on. In the draft regulations to which I have already referred I find the following:

Upon notice to the applicant for licence of his application being acceptable and that a bond is required, he shall forward forthwith to the Commissioner security for an amount thereat prescribed, which shall be not more than \$10,000 and not less than \$5,000 in the case of a commission agent.

Such security may be given by the deposit of Dominion of Canada bonds or bonds guaranteed by the Dominion of Canada or by the deposit of bonds of any Province of the Dominion, the interest premiums to accrue to the licensee as they fall due, or by the bond of a guaranty company whose bond is acceptable for other purposes by the Dominion of Canada.

This is a most unreasonable requirement and will tend to drive the small dealers out of the business and leave it in the hands of the larger dealers, who, I think, are the greatest sinners in increasing the cost of distribution. I submit that these regulations should have been before us when we were considering the Bill.

I do not wish to refer further to the Fruit and Honey Act. I cite these regulations to show the difficulties that may arise with respect to the licensing provisions of the present Bill, and the necessity for having the fees and the conditions surrounding the licences specified in the Bill rather than leaving them to the central or to the local board.

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It is not at all clear to me who has the power to fix the fee or the tolls which may be charged on any regulated product. A local board may collect those tolls, but it is not clear whether the local or the central board has authority to fix the tolls, or to what extent tolls may be collected with a view to meeting expenses that may be incurred by the board. I think the powers given to the board, in allowing it to surround itself with an organization and provide ways and means of paying that organization, and of compensating traders who through obeying the orders of the board have incurred a loss, are entirely too wide.

Now, honourable members, may I refer more directly to the conditions relating to the trade in potatoes? While mixed farming and dairying are carried on in the Maritime Provinces, potatoes are our main cash crop, particularly in New Brunswick and Prince Edward Island. We produce two distinct grades—certified seed potatoes, and table stock—and they come under different regulations so far as inspection is concerned.

I do not know how this measure will apply to the potato trade. I can see that it might be of benefit to the trade in certified seed potatoes. As you know, our potatoes are certified by Government inspectors, and the certification of seed potatoes means that there have been two inspections of the growing crop and then there is an inspection of the tuber when ready for shipment, at which time the certificate of the inspector is attached.

That product finds a market in the United States, eighty per cent, I should say, of our certified seed potatoes being sold in the territory east of the Mississippi and south of the Potomac. Some of it has a market in the New England States. I can see that in the case of a specialized product such as that, control would be of real benefit, in that the product would all be sold through one organization. During the year just past we had some difficulty among the producers of and dealers in certified seed potatoes in Prince Edward Island, and the Legislature a few weeks ago instituted an inquiry into the methods of the dealers and the Co-operative Growers' Association. It was brought out most distinctly that the competition in selling, by the dealers in our own province, had resulted in our people taking twenty to twenty-five cents a bushel less than they would have received had they organized and marketed through one body. From that point of view I think that where there is a specialized product and the market is a distinct market outside of our own country the method proposed in this Bill would be of benefit.

Our market for table stock potatoes, however, is very limited, and as time goes on it becomes more and more limited. Five or six years ago we were able to sell a good many of these potatoes in the Cuban market, but that market has been practically lost to us. We can sell some high-class table stock potatoes in New England when the price is high, but when the crop south of the line is large and the price is low we do not find much market there. The only other market left to us is Central Canada, and when there is a good crop of potatoes in Ontario and Quebec we get hardly enough to pay for the growing of the crop and the freight. So I do not see that any benefit would accrue to the table stock potato business; in fact, I can see where difficulty might arise.

Those who have read the debates on this Bill will remember that an illustration was given of what might be done should the apple growers of Canada, for instance, find when the season opened that a large shipment from British Columbia was going to Great Britain through the Panama Canal at the same time that the growers of Nova Scotia were preparing to ship. It would then be within the power of the board to order the Nova Scotia shippers to hold off, in order that too many apples might not be thrown on the market at one time. Then, if the Nova Scotia shippers found that they had to take a loss, it would be the duty of the board to make up that loss by a toll on the export of the product generally.

If that principle is applied to interprovincial trade, it looks as though we might find ourselves in this position. It would be open to the producers in Ontario and Quebec, who wished to get as good a price as they could, to petition the board to prevent the potatoes of the Maritime Provinces from coming to the Central Canada market in the early part of the season, when they themselves have plenty of potatoes which they can ship, and intend to ship. If the board were to attempt to enforce the power given to it in this regard, and to control interprovincial trade by requiring the producers of the Maritime Provinces to hold back their product until the Central Canada crop was marketed, the board would be in the position of having to make good any losses Eastern Canada might sustain by reason of the board's order. It seems to me that to give such a power to the board is rather dangerous, and that it will make for disruption, or will set one part of Canada against another in a way that is not desirable or conducive to the good of the country generally.

Then there is another feature. It seems to me that the board is given very wide powers in regard to prohibiting, restricting or controlling exports or imports of natural products. I think that is something that should at least come before Parliament for ratification before it is put into effect. Public opinion is a great tester of any such action as that; and to give this board power to impose quotas, under a trade agreement, if it wishes—for that is what section 12 amounts to—is, I think, going entirely too far; and I would strongly recommend to the right honourable the leader of the House that he should consider a limitation of that clause so that it may not have such a wide application. From this you will see, honourable gentlemen, that while I admit that some features of this Bill might be helpful, there are others which I think are working in the wrong direction.

I was pleased to hear the right honourable the leader of the House say yesterday, in speaking to the motion of the honourable senator from Red Deer (Hon. Mr. Michener), that the primary cause of the period through which we are passing was debts—debts international, national, provincial, municipal and personal. I agree with him in that. I think he struck the nail on the head. In view of that condition, are we doing in this Bill what we should do to relieve the producer and the labourer from the burden which they are carrying? I know the farmers, the labourers and others are finding it very difficult to get along and are asking most seriously if everything that can be done to meet the situation, or at least to equalize the load of debt that is upon us, is being done. It is not necessary to go into the details in these matters, because every honourable member knows them as well as I do. As against that debt we have the earning power of the people; but that earning power is at a very low point—almost as low as it was at any time during the depression—and it is that low earning power that makes it hard for the farmers, producers and artisans to meet their liabilities.

I know the people are thinking of this. They may not be saying very much, but I feel strongly enough about it to mention it at this time, in connection with a Bill of such wide application as the one before us. It is considered that something should be done to deal with the monetary situation and to raise price levels so that our common people would be able by increased earning power—inflation, if you will—to meet the debt, which stands just as high to-day as when it was contracted. When we approach our people with regulations such as those contained in this Bill, or provi-

sions for arranging credits for the farmer who cannot carry on, they simply scorn the idea, because they believe that something should be done to relieve them in another direction. That is why I say our people are not in any frame of mind to be satisfied when we try to pacify them with such legislation as this. They know we are not grappling with the difficulty from the angle of the monetary situation. I think the time has come when members of the Government, and members of Parliament generally, should know that this is the situation which must be faced, and faced in such a way that the people of the country will be given courage to carry on.

There has been a little talk about the consumer not benefiting under this Bill. I do not entirely agree with what has been said on either side in this regard. All legislation passed to provide for the grading of farm products, or manufactured products sold to the farmer, such as fertilizer, or to provide for raising the standard of quality, helps the farmer, for it prohibits the marketing of a product not worth sending to market. Under that legislation the consumer enjoys the benefit of knowing that when he buys he is getting value for his money. Nothing has helped the housewives throughout Canada more than the grading that has been put into force through the federal Department of Agriculture during the last ten or fifteen years. Under the legislation with reference to the grading of eggs, for instance, a farmer in the organized territory of the East must not sell an egg that is not good. If he does, it is charged back to him. The same is true of potatoes, butter and cheese. There is a thorough system of grading by Government graders, and in the case of many products the cost of the grading is charged to the product. All that work enures equally to the benefit of the consumer and of the producer. Under the clauses of this Bill relating to processing, storage and transportation, the consumer is assured that the product will reach him in proper shape, and that he is getting what he pays for.

Let me tell you what has happened in Prince Edward Island during the past few years. About ten years ago the grading of table stock potatoes was started. Within one or two years it was made compulsory, so that no person could ship potatoes without a grade certificate attached. The result is that since 1927 or 1928—I am not sure of the date—those potatoes have been commanding a premium of from ten to fifteen cents per ninety-pound bag in the markets of Montreal, Ottawa, Toronto, and the intervening small

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towns. The reason is that the dealers know that no potatoes can come out of Prince Edward Island with the certificate attached unless they have first been inspected by a Government inspector. The premium that is paid on the market is willingly paid by the consumer.

I do not wish to prolong the debate, honourable gentlemen. Anything further that I have to say can be said when the Bill is considered in committee.

The Hon. the SPEAKER: The question is on the second reading of the Bill. Is it your pleasure to adopt the motion?

Hon. Mr. DANDURAND: On division.

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

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Ballantyne, the Senate went into Committee on the Bill.

Hon. Mr. Black in the Chair.

Hon. Mr. BALLANTYNE: Honourable members, I move that the Committee rise, report progress and ask leave to sit again.

Hon. Mr. DANDURAND: I desire to draw attention to the fact that honourable members who come to this Chamber from another place are apt to be under the impression that our procedure is similar to that adopted there. I have noticed that such a step as we have just taken is in accordance with the practice which follows the reading of a public measure in the other House. Here the order is simply put down for our going into Committee of the Whole at the next sitting after the day on which second reading has been given.

Progress was reported.

The Senate adjourned until to-morrow at 3 p.m.

THE SENATE

Friday, June 15, 1934.

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

Prayers and routine proceedings.

THE LATE SENATOR RANKIN

TRIBUTE TO HIS MEMORY

Before the Orders of the Day:

Right Hon. ARTHUR MEIGHEN: Honourable members, we were all saddened this morning by the news of the death of one of our number, the senator from Perth, Dr.

Rankin. It is a little more than two weeks since he was stricken within the walls of this Chamber, and from that time up to the hour of his death all his friends have been concerned as to whether he could recover.

It is a matter of surprise to most of us to learn that he had reached the age of 79 years. His comparatively young and vigorous appearance testified to the life he led. No one who, like myself, was raised in the district from which Dr. Rankin came could fail to be aware of the high regard in which he was held professionally, as well as personally, throughout a large area in Western Ontario. From early life Dr. Rankin devoted his energies chiefly to the medical profession, and even up to the time of his being stricken it continued to be his first concern and his main preoccupation. Throughout the county of Perth the name of Dr. Rankin was a household word. When released from his duties here he was constantly passing to and fro in the service of his fellows, and I know that, very largely without reward, he brought comfort and mercy to a multitude of people.

In 1908, after passing middle life, he entered the House of Commons, remaining there three years. He returned to the Commons in 1921. For the past nine years he has served among us. His quiet, unobstructive demeanour was such that he did not become at all prominent in the controversies of this House, but that same demeanour, associated with a natural intelligence, impartiality and fairness of view on all subjects, endeared him to us all.

I am sure I express the feeling of every honourable senator in saying that we lament sincerely and deeply Dr. Rankin's loss, and in asking that this expression of our sympathy be transmitted to his surviving daughters.

Hon. RAOUL DANDURAND: Honourable senators, we witness to-day the departure of one who represented ideal health and vigour. Dr. Rankin towered over us, and his splendid physique gave promise of his remaining with us a long time. Yet suddenly he has passed away. We are reminded that the Psalmist was not far astray when he placed the span of human life at three score years and ten. More and more do I realize that men who have passed the age of seventy are living days of grace.

We enjoyed the presence of Dr. Rankin because of his qualities of mind, his amiability and good fellowship. He had poise, judgment, a kind heart, and we could well understand why those among whom he lived and practised his profession sent him to Parliament.

I am glad that my right honourable friend has been able to testify as to the late sena-

tor's standing in the community from which the right honourable gentleman himself comes.

May I supplement this eulogy by a statement handed to me by Dr. Rankin's bereaved personal friend, Senator Lewis, who before he left for Stratford this afternoon asked me to present it to this Chamber. It is as follows:

"It would be unbecoming for me to dwell on the grief which has overtaken me in the loss of my roommate and intimate friend for nearly nine years; nor am I qualified to speak adequately of Dr. Rankin's chief claim to the esteem and affection of his fellow citizens, which lies outside the field of public affairs.

"It is true that his public career has been long and honourable. He was public spirited, a lover of his country, staunchly Canadian and staunchly British, Liberal in the broad sense, with a firm hold on Liberal principles, frank in his expression of them, a good fighter and a fair one. But to obtain a true idea of his life-work, one would require to hear the testimony of the people of Stratford and its vicinity, to whom he ministered for so many years as a skilled physician and a faithful and considerate friend. He was a type of the family physician of the old school. His work was not of a character to win publicity or fame or great pecuniary gains. He found his reward in the service itself, and in the comfort which he brought to thousands of homes. To those who have personal knowledge of his life-work, his death is in the truest and deepest sense a bereavement."

CANADIAN NATIONAL RAILWAYS BILL

PRESS REPORT OF SENATE DEBATE

Before the Orders of the Day:

Hon. Mr. DANDURAND: I desire to call to the attention, perhaps not of this Chamber, but of the press representatives, the headlines in this morning's papers, stating that I shared in the emotion created by the declaration of the chairman of the Board of Trustees of the Canadian National Railways that several hundred miles of railway would have to be scrapped. The text of my remarks on the Bill before the House yesterday shows that I support absolutely the chairman and the Board of Trustees in whatever they may decide to be proper for the purpose of restoring equilibrium to the finances of the system.

DIVORCE BILLS

THIRD READINGS

On motion of Hon. Mr. McMeans, Chairman of the Committee on Divorce, the following Bills were read the third time, and passed:

Bill K2, an Act for the relief of Edward Headley Acland.

Bill L2, an Act for the relief of Ella Gertrude Bush Adamson.

Bill M2, an Act for the relief of Helen Cohen Levine.

Bill N2, an Act for the relief of Annie Rosner.

Bill O2, an Act for the relief of Grayse Irene Westlake MacLaren.

Bill P2, an Act for the relief of Naomi Willard Lyman Robertson.

STOTLAND DIVORCE BILL

THIRD READING

Hon. Mr. McMEANS, Chairman of the Committee on Divorce, moved the third reading of Bill Q2, an Act for the relief of Hyman Stotland.

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

NATURAL PRODUCTS MARKETING BILL

FURTHER CONSIDERED IN COMMITTEE

The Senate again went into Committee on Bill 51, an Act to improve the methods and practices of marketing of natural products in Canada and in export trade, and to make further provision in connection therewith.—Right Hon. Mr. Meighen.

Hon. Mr. Black in the Chair.

Section 1 was agreed to.

The CHAIRMAN: Is it the desire of this Committee that as we go through the Bill every section be read in its entirety?

Hon. Mr. DANDURAND: Honourable members, before we proceed to consider the various clauses of this Bill, I desire to make this statement. I had thought of preparing a certain number of amendments which, if adopted, would carry into the Bill the principles I laid before this House yesterday, but I find that the whole economy of the Bill would be thereby considerably disturbed, and I have decided, for myself, to deal only with the kernel of the difference between the views expressed by me and the principles underlying this whole scheme. I do not speak for other senators, for all have the right to move amendments.

I feel that the absorption by the Governor in Council of certain powers that rightly belong to Parliament is contrary to the principles of popular representation. I have an amendment, however, which I believe would

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help to a very large extent to cure this and all the other blemishes that I see in the Bill. If my amendment were agreed to, it would in my opinion provide all the safeguards required to satisfy the country at large, or that part of the country which believes that Parliament should not relinquish its authority.

Under section 5, Marketing Schemes, after a petition has been sent to the Governor in Council by a certain number of persons engaged in the production and marketing of a natural product, and this petition has been referred to and approved by the board, it is provided by subclause 3:

Upon receipt of a report from the Board recommending the approval of the scheme as submitted or as amended by the Board, the Minister may recommend the approval thereof, or may require that a poll be taken and state the necessary percentage of voters favouring the scheme to warrant its further consideration; upon the recommendation of approval by the Minister, the Governor in Council may approve the scheme—

Then, instead of continuing with the phrase "and fix the date when the same shall become effective," I shall move, when we come to clause 5, to add the following:

—and may then lay before Parliament that scheme, and if Parliament resolves that the scheme shall be approved, the Governor in Council may fix the date when the same shall become effective.

This is on all fours with the Agricultural Marketing Act of Great Britain, which I cited yesterday, and which provides, in subsection 8 of section 1:

(8) If the Minister, after making such modifications (if any) as aforesaid, is satisfied that the scheme will conduce to the more efficient production and marketing of the regulated product, he may, after consultation with the Board of Trade, lay before each House of Parliament a draft of the scheme, and if each House resolves that the scheme shall be approved, the Minister shall make an order approving the scheme ...

This is the extent of the modification that has seemed wise to me after my reading of the Bill. We must remember that we are starting on a new venture, an absolutely untried experiment, which will affect the habits of all our people. I can readily see how extensively the scheme may disturb thousands of farmers throughout Canada, by being contrary to their sense of freedom. They will have imposed upon them a system which they do not respect, under which they will be forced to obtain a licence, to make reports and submit to having their hands tied in the administration of what they consider to be their own affairs. No one will deny that this proposed legislation is somewhat radical.

Following the experiment, also a new one, which is being tried out in Great Britain, the Government of our country is ready to take action along similar lines. A system that works well in one country may prove unsatisfactory in another. Our general economic system is one that has stood the test of experience for many years, though it has been somewhat disturbed by the recent depression. The scheme proposed here cannot be organized and put into operation in a day. Some time will be necessary for its development, to bring people to the point of asking the Governor in Council for a board, to have the necessary poll taken, and so on. So there is no absolute necessity of proceeding hastily with the application of this measure. Once we decide to start upon the venture we should accept the principle adopted in Great Britain that parliamentary approval and ratification are necessary before the scheme can be applied in any instance. Both branches of Parliament, after being presented with the facts of a concrete case, might in the exercise of their sovereign power decide that the proposal was a good one, though there were objectors to it. The matter would have been subjected to the limelight of publicity and the will of the people would have been expressed by their representatives. Extraordinary powers are to be granted to the Government in the application of this proposed scheme, but I believe our people would take no objection to its application in any instance wherein a majority of their parliamentary representatives had expressed approval.

I will move only the one amendment, because I believe it goes to the kernel of the difference between the two schools of economic thought, one favouring freedom of the people and competition, and the other, controlled economy. We are now moving rapidly towards a system of controlled economy which seemed to be abhorrent to Conservatives and Liberals alike not very many months ago. I desire to test the will of the House on this amendment. If it is rejected the responsibility will rest on those who vote against it.

On section 2—interpretation:

Paragraphs a, b, c and d were agreed to.

On paragraph e—natural products:

Hon. Mr. MOLLOY: I move that the words "other than wheat" be inserted after the word "grains" in the second line of this paragraph, and that the words "(with the exception of wheat)" be added after the words "natural products of agriculture" in the fifth

line. My amendment is seconded by the honourable senator from High River (Hon. Mr. Riley).

Hon. Mr. DANDURAND: How would the paragraph read with that amendment?

The CHAIRMAN: It would read as follows:

(e) "natural product" includes animals, meats, eggs, wool, dairy products, grains other than wheat, seeds, fruit and fruit products, vegetables and vegetable products, maple products, honey, tobacco, lumber, and such other natural products of agriculture (with the exception of wheat) and of the forest, sea, lake or river, and any article of food or drink wholly or partly manufactured or derived from any such product that may be designated by the Governor in Council, in accordance with the provisions of this Act.

Hon. Mr. DANDURAND: Will the honourable gentleman explain the reasons for his amendment?

Hon. Mr. MOLLOY: The reasons are simple. Wheat is the principal product exported by the Canadian people. It is now regulated, guarded and graded by the Grain Commissioners of Canada, who act under a specific statute of this Parliament. We believe that wheat should be excepted from the provisions of the Bill. Wheat is a separate commodity and does not interfere with other natural products. To my mind the Bill contains the power of making it compulsory upon every wheat grower to join a pool.

Hon. Mr. McMEANS: Oh, no.

Right Hon. Mr. GRAHAM: A condition might arise where that would happen.

Hon. Mr. MOLLOY: I take it that the scheme will no doubt work out very well, but as wheat is a primary product and our largest export, I think that wheat growers should not be included within this measure.

Hon. Mr. McMEANS: May I ask the honourable gentleman why he mentions only wheat, and not barley and oats, which are very heavy crops throughout the Dominion? If wheat is excepted, surely barley and oats should be.

Hon. Mr. MOLLOY: So far as I am concerned, the honourable member may include barley and oats in the amendment, but we are asking only that wheat be excepted, since it is the chief export product of Western Canada. Oats and barley are largely consumed in this country, but our wheat is sold on the markets of the world. Manitoba wheat is the best obtainable anywhere, and I think there is no necessity for including it in legislation of this kind.

Hon. Mr. DANDURAND: The amendment of the honourable gentlemen from Provencher (Hon. Mr. Molloy) and High River (Hon. Mr. Riley) is in accord with the view expressed last evening by the honourable gentleman from Saskatchewan (Hon. Mr. Gillis), that wheat should be excluded from the operations of this measure. I wonder whether representatives of other parts of the country will agree with what has been said by the three honourable gentlemen from the West.

Right Hon. Mr. MEIGHEN: Honourable senators, it is not difficult to grasp the viewpoint of the honourable gentleman from Provencher in this matter. His position, as I understand it, is that the grain trade—including not only wheat, but barley and oats to some extent—has been subject to parliamentary regulation for a long period of years, the Grain Act having stood in approximately its present form since the early part of this century. It will be recalled that the late Senator Douglas was much interested in that legislation and took a leading part in the framing of it. Parliament has continuously supervised the marketing of grain from that time to this. Under the authority of the Grain Act, the Grain Commission has complete control over the grading of grain and the methods by which grain passes from the producer to the ultimate market. It does not actually do any marketing, but superintends the grading, in itself a colossal task, and its control is exercised whether the shipper is a humble individual, a big company or a pool. I assume the view of the honourable gentleman from Provencher to be that the Bill in its present form would give power to the Government to wipe out at one fell stroke the fruit of long years of experience under existing legislation, and to adopt some new and entirely different system of control over the marketing of wheat.

Speaking for the Government, may I say that as far as I know there is no thought of bringing grain under the operations of this Bill. That statement may be too broad, but I think it is correct. I should think the Government would hesitate very long before scrapping legislation that has been in effect for decades, and bringing a product of such tremendous importance as wheat under an untried system.

As to barley and oats, though they are grown in immense quantities in the West and the East, they are consumed for the most part in Canada, and therefore the measure would apply to them only to a small extent. Wheat is Canada's primary export. Inasmuch as this proposed legislation deals

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with natural products, it was thought well to include grains of all kinds. It is conceivable that after some experience has been gained in the application of the measure to other products, it might be thought well to include grains within the scope of its actual application. Consequently it is the desire of the Government that the Bill be not curtailed in this respect. Should the amendment be rejected, I do not know to what extent, if any, the Bill might impede the operations of the Grain Commission, casting as it were a shadow over that body, but I know that the Government does wish to have the legislation passed in the form now before us.

Hon. Mr. SHARPE: Honourable members, if the Government has no intention of including wheat within the scope of the Bill, why not provide the exception asked for by the honourable gentleman from Provencher (Hon. Mr. Molloy)? In the West we have had considerable experience with the Wheat Pool. It not only went bankrupt itself, but lost \$25,000,000 of the people's money and almost broke the three Prairie Provinces. So far as I am concerned, I should like to see wheat exempted from this Bill.

Right Hon. Mr. GRAHAM: Honourable members, some of the remarks made yesterday gave me a new point of view on this Bill. If half of the people are not going to come within the scope of its operations, that half will be neither benefited nor injured by it. I certainly agree with what has just been said by the honourable senator from Manitou (Hon. Mr. Sharpe). Those engaged in the trade, and particularly the producers of farm products, are in an anxious frame of mind. They are willing to accept any aid, but they do not want their progress hindered.

Reference has been made to the Grain Act. There was strong opposition to it at first, but it is now accepted as a very satisfactory piece of legislation. Even the slightest threat of interference with that Act would have a dampening effect on trade in its present condition. In my judgment what we need as much as anything is to revive the spirits of the people, inspire them with the hope that things are improving and will continue to improve. Instead of holding out a threat that wheat may come within the scope of the Bill, the Government would be well advised to accept the amendment, as the Western people seem to be in favour of excluding wheat. If in the view of Parliament it becomes essential to include it, there will be no trouble about placing wheat under the operation of the Bill.

Hon. Mr. SHARPE: Hear, hear.

Right Hon. Mr. GRAHAM: But I think it would be unwise to include wheat when nobody seems to favour its coming under the provisions of the Bill.

Hon. Mr. RILEY: I am firmly of opinion that it would be a great mistake to scrap the present legislation governing the handling of wheat for something we know nothing about. The Grain Act took a lifetime to perfect, and the farmers of Western Canada consider that it is one of the best pieces of legislation on the Statute Book. Under the Act the farmer can haul a load of oats, we will say, to the elevator and sell it at the world's market price; similarly, he can store a carload of grain in the elevator and on the day he completes hauling it there he can sell it at the world's market price. He has the further advantage of being able to ship his grain and en route sell it at the world's market price. No other legislation protects the farmer as thoroughly as does the Grain Act, and, I repeat, it would be a great mistake to scrap it in favour of something that we know very little about.

Hon. Mr. MOLLOY: I should like to know how the amendment would bring about the scrapping of the grain legislation. I have not asked that the Grain Act be scrapped. The Grain Commission would continue to act as they have always acted.

Right Hon. Mr. MEIGHEN: The honourable member misunderstood me. I said, supposing his amendment does not carry, and wheat is included within the purview of the Bill, that to my mind would mean scrapping the Grain Act.

The amendment of Hon. Mr. Molloy was agreed to: contents, 14; non-contents, 11.

Paragraph e, as amended, was agreed to.

Hon. Mr. LITTLE: I have a letter which might well be submitted at this point. Unfortunately the honourable senator from Lethbridge (Hon. Mr. Buchanan) had to leave the city last night. He asked me to bring this matter to the attention of the House and request an answer from the right honourable leader. The letter is from the Colonization Manager of the Lethbridge Northern Irrigation District, and is addressed to Hon. Senator Buchanan under date of April 27, 1934:

Dear Senator Buchanan:

Since writing you last I have received a copy of the Marketing Bill, which you kindly sent me.

I agree that it is clear that sugar could be brought under the provisions of this Act.

What is not clear in my mind, however, is just how the Act will operate, and whether sugar could be brought under the Act if the present sugar refiners object. I have no doubt that beet growers by petition could be brought under the provisions of the Act, but would this also apply to beet sugar?

Another point, as regards paragraph "e" of Section 4, you will note that provision is made to assist by grant or loan the construction or operation of facilities for preserving, storing or conditioning the regulated product. Do you think the word "conditioning" can be interpreted to cover processing? It seems to me that this is a very important point, and one which should be made definitely clear.

Hon. Mr. DANDURAND: I would direct the attention of my honourable friend to the fact that the word "processing" has been inserted in paragraph e.

Right Hon. Mr. MEIGHEN: Paragraph e of section 2 defines natural products in these words:

"natural product" includes animals, meats, eggs, wool, dairy products, grains—

The amendment just passed adds the words "other than wheat."

—seeds, fruit and fruit products, vegetables and vegetable products, maple products, honey, tobacco, lumber, and such other natural products of agriculture (with the exception of wheat) and of the forest, sea, lake or river, and any article of food or drink wholly or partly manufactured or derived from any such product that may be designated by the Governor in Council, in accordance with the provisions of this Act.

As far as I know, sugar can be wholly developed from a natural product such as defined, the natural product being beets. Consequently it would be possible to include beet sugar in the Bill. But, speaking again with a measure of reservation, I do not think it is the intention of the Administration that anything of the character of a manufactured product such as sugar should come within the provisions of the Bill. If it did, of course the Governor in Council would be able to restrict importation, and so forth. My thought is that the definition had to be extended in paragraph e in order to include such articles as cheese and butter—things that are altogether made from a natural product.

Answering the latter part of the letter, I do not think conditioning can be interpreted to include processing.

Hon. Mr. LITTLE: But processing has been added since the printing of the Bill.

Paragraphs f and g were agreed to.

Section 2, as amended, was agreed to.

On section 3—Dominion Marketing Board: Subsections 1 to 4, inclusive, were agreed to.

On subsection 5—technical and other officers and employees:

Hon. Mr. SINCLAIR: Does this subsection empower the board to engage outside assistance?

Right Hon. Mr. MEIGHEN: Yes. But I want the Committee to understand that the spirit and framework of the Bill are based on the local board. The central board, termed throughout the Bill the Board, is a small supervising general board, and it may delegate certain of its powers to the local board. Therefore I should think appointments would be, to an almost overwhelming extent, under the local board. It would be responsible for the handling of the scheme. The scheme itself is approved by the central board for the purpose of bringing about uniformity and giving the local board the benefit of its experience. I do not think the staff of the central board would be very large.

The CHAIRMAN: It was stated in another place that the central board would be made up of officials now in the employ of the Department of Agriculture.

Hon. Mr. SINCLAIR: This subsection refers entirely to the central board, not to the local board?

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. SINCLAIR: I understand that the staff employed by the local board will be paid out of moneys voted by Parliament.

Right Hon. Mr. MEIGHEN: No. My impression is that the expenses incurred by appointments would be met out of the charges made by the local board.

Hon. Mr. MOLLOY: Could there be many local boards within a province, or does the term apply to an area?

Right Hon. Mr. MEIGHEN: It might apply to the whole province or to the whole Dominion.

Hon. Mr. MOLLOY: In respect of one or two products?

Right Hon. Mr. MEIGHEN: In respect of one product. If the product were barley or oats, I fancy the local board would represent the Dominion. Let me illustrate by a simple case. Fruit growing in British Columbia is an industry in itself. I do not know of any single industry that would be more the apple of the eye of this proposed legislation, for attempts have been made already by provincial legislation to give some form of stabilization to the industry. We will

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assume the apple growers of British Columbia decide to come under this Bill. A number of them—and it must be such a number that the Minister will consider them representative of the whole industry—work out a plan, in which they define the area to be covered, probably the whole of British Columbia. They state also the basis or principle upon which the members of the local board shall be selected, and whether or not the local board is to have control of apples sent for consumption to the other provinces, as well as of apples exported. All particulars have to be set out in the scheme, and anything further is to be included that comes within the meaning of section 5. On receipt of the scheme the Minister considers, first, whether it is representative of the industry in British Columbia. If it is, and sufficient details have been given to fulfil the requirements of section 5, he submits these to his central board. This board, no doubt after a conference with the local body which desires the scheme, will make such modifications in it as may be considered desirable. If, on the Minister's recommendation, the scheme is adopted by the Governor in Council, then it becomes law, and the powers to carry it out are vested in the central board. The central board in turn, with the authority of the Governor in Council, can vest in the local board the whole or part of its powers as set out in section 4. The local board then goes ahead. The idea is to insure orderly marketing on the most favourable terms, and to maintain the high reputation of British Columbia apples. It will decide what is to be done with the product, and will see that provision is made for meeting the demand consistently, so that a market once obtained may not be lost because there are no goods to supply it. This, in a few words, is the explanation of the real purpose of the measure.

Hon. Mr. SINCLAIR: Mr. Chairman, will the right honourable gentleman explain subsection 3, which provides for a poll?

The CHAIRMAN: Subsection 3 of what section?

Hon. Mr. SINCLAIR: Subsection 3 of section 5. I understood section 5 to be what the right honourable gentleman was explaining.

Right Hon. Mr. MEIGHEN: It was.

The CHAIRMAN: We have not come to that; we are considering subsection 5 of section 3. Shall subsection 5 carry?

Subsection 5 was agreed to.

Subsection 6 was agreed to.

On subsection 7—head office:

Right Hon. Mr. GRAHAM: Does this Board have any other office?

Right Hon. Mr. MEIGHEN: I should not think so.

The CHAIRMAN: It says the head office shall be in Ottawa.

Right Hon. Mr. GRAHAM: That is the head office; but is there any other?

Right Hon. Mr. MEIGHEN: It just has headquarters, no hindquarters.

Right Hon. Mr. GRAHAM: It looks as though it had subsidiaries.

The CHAIRMAN: The same term is used in all similar bills that come before Parliament.

Hon. Mr. DANDURAND: But that is when there are branches.

Right Hon. Mr. MEIGHEN: Not always.

Right Hon. Mr. GRAHAM: I do not think this will do any harm, but it implies that there are branches. The local boards will not thank anybody to call them branches.

The CHAIRMAN: Possibly. I do not see that this necessarily implies a branch office.

Subsection 7 was agreed to.

Subsection 8 was agreed to.

On subsection 9—payments authorized:

Hon. Mr. SINCLAIR: This brings up the point that I raised a moment ago about the organization of local boards. It says:

—to defray the operating expenses of the Board incurred by it directly and any expenditure incurred or authorized by the Board under the authority of section nine hereof.

Does that refer to the cost of organizing local boards?

Right Hon. Mr. MEIGHEN: Yes. The Board can apply some of its moneys to that purpose.

Hon. Mr. SINCLAIR: Then the local board would not be a charge on the tolls?

Right Hon. Mr. MEIGHEN: I would not say that. Later on you will find that the money is pooled; but before it goes to the pool reserves can be created, and so on. I should think that if the organization and completion of a local board cost some money

the charges could later on be set off against the moneys payable. I do not say they are going to be, but I should think it only right they should be, and that each board should stand on its own feet.

Subsection 9 of section 3 was agreed to.

On section 4, subsection 1—powers of Board: Paragraphs a, b and c were agreed to.

On paragraph d—compensation for depreciated currency:

Hon. Mr. DANDURAND: Would you allow me, Mr. Chairman, to ask an explanation of paragraph b? It says:

—to exempt from any determination or order any person or class of persons engaged in the production or marketing of the regulated product or any class, variety or grade of such product.

I take it for granted that that exemption covers any person or class of persons within the area where the article is regulated.

Right Hon. Mr. MEIGHEN: Oh, yes.

Hon. Mr. DANDURAND: Because if they are not within the areas they do not come within the regulation.

Right Hon. Mr. MEIGHEN: No.

I wish the honourable senator from Parkdale (Hon. Mr. Murdock) had read this before he spoke yesterday, because it shows that there is ample power to exclude those whom it is not necessary to include, even though within the area. It is fantastic to suggest that some fellow with potatoes in his back yard comes within this Bill. I should assume that only those would be included whose production amounted to quantity sufficient to indicate that they might be exporting, or delivering beyond their own province. Consequently the little fellow, unless he exported a small quantity, would not come in at all. Then also it might be wise, in some out-of-the-way place in British Columbia, for instance, where the quantity does not really matter, to exempt the locality altogether. Even though there is considerable product, it might be that there was not sufficient to affect the situation, and the result would be that that quantity, to a greater extent than before, would be consumed within the province. The Bill is made to apply to the larger areas.

Hon. Mr. MURDOCK: The right honourable gentleman, as is his custom, describes as fantastic something that originates in a source that he does not altogether appreciate. But here is the English language, and with all due respect to his superior intelligence, I submit

that I can read, and that the interpretation of language according to its plain and obvious meaning is not fantastic, regardless of what the right honourable gentleman may say because he does not feel just nice.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. MURDOCK: Paragraph f says:—to require any or all persons engaged in the production or marketing of the regulated product to register their names, addresses and occupations with the Board.

That means that if potatoes are a regulated product in New Brunswick, Bill Jones must register his name, address and occupation with the Board if he produces two dozen hills.

Right Hon. Mr. MEIGHEN: What is the effect of the language?

Hon. Mr. MURDOCK: That is what it says:

—to require any or all persons engaged in the production or marketing—

That language means, not in production and marketing, but in either production or marketing, if it means anything. Therefore the interpretation is not altogether so fantastic, even though the right honourable gentleman, with his usual desire to have the last word and the final knowledge on anything—

The CHAIRMAN: We are discussing section d.

Hon. Mr. MURDOCK: Yes, and I am replying to what the right honourable gentleman said when he referred to me a little while ago. Last night he had the audacity to tell me to go home and stay home—

The CHAIRMAN: Order!

Hon. Mr. MURDOCK: —but I was not doing anything of the kind; and I am not letting him get away with any of his uncalled for sarcastic allusions for the benefit of his protected friends.

The CHAIRMAN: Order!

Hon. Mr. MURDOCK: Keep the right honourable gentleman in order, and I will stay in order.

The CHAIRMAN: Order!

Right Hon. Mr. MEIGHEN: If sound were convincing, I am sure I should cut a very sorry figure in a contest with my honourable friend. What I said was that paragraph b gave power to exempt from the operation of the Act, in respect of any regulated product, any individual or any class of people engaged in its production; and inasmuch as there was such a power it was fantastic to

Hon. Mr. MURDOCK.

conclude that because a man had some potatoes in his back yard he was going to be brought under the Act. Such an idea is fantastic unless it is based on the belief that the members of any administration are either children or lunatics.

Subclause f is in no way in conflict with subclause b, which sets out the power to exempt. Subclause f says:

The Board shall, subject to the provisions of this Act, have power to require any or all—

Consequently the small fellow need never be included at all. If it is found that those have been included who do not need to be, they can be exempted under subclause b.

I ask if it ever occurred to anybody else in this House that the issuing of a licence to a man who had a few hills of potatoes in his yard was contemplated under this Bill. I mean anybody other than the honourable gentleman from Parkdale.

Hon. Mr. MURDOCK: Unquestionably Jones, who raises a few hills of potatoes, can be exempted. But that has nothing to do with f, which deliberately implies that because he has done so, Jones will be required to give his name, address and occupation. Of course common sense would suggest that under b he would be exempted.

Right Hon. Mr. MEIGHEN: He does not need to be exempted at all.

Paragraph d was agreed to.

On paragraph e—assistance by grant or loan:

Hon. Mr. RILEY: I should like to ask just how far they can go by grant or loan in assisting the construction or operation of facilities for preserving, processing, storing or conditioning the regulated product. Could they go to the extent of putting up packing plants?

Right Hon. Mr. MEIGHEN: I have not read the debate in the other House to see just what was intended in regard to this. Of course, as far as the law is concerned, they could go to almost any length, I presume, because the slaughtering and the cutting and everything else that goes on in a packing plant are part of the processing, preserving and conditioning. It is needless to say, however, that nothing like that is intended. I do not know how this could be worded to shut out what it is intended to shut out, and still leave room for what is necessary. Suppose the apple growers of British Columbia, for instance, find the need of a conditioning plant in order to carry out orderly marketing; they may be able to get a certain amount of

assistance from some concern, or they may find it necessary to establish the plant themselves. I have no doubt the Minister has found from experience that something like that may have to be done; therefore he has put in a clause wide enough to cover it. Of course, the erection of a packing plant would cost a fortune.

Right Hon. Mr. GRAHAM: Who will meet the loss on depreciated currency—the Board, the local board, or the Government?

Right Hon. Mr. MEIGHEN: That bothered me. Australia, and I think New Zealand, did something of this kind, and the money came from the Government, as far as I know.

Hon. Mr. MURPHY: It is implied in the governing clauses at the beginning of the section.

Right Hon. Mr. MEIGHEN: Yes. Having regard to the Board's powers to create reserves and the like, I presume this would come out of the Board's money, and that ultimately it would come from those who receive the benefit.

Hon. Mr. DANDURAND: And it receives votes from Parliament.

Right Hon. Mr. MEIGHEN: There will certainly be votes by Parliament to the extent of the expenses of the Board. I do not think it is intended that they shall be assessed against those who come under the Act.

Hon. Mr. SINCLAIR: That would be a very small proportion of the expense incurred under this Act.

Right Hon. Mr. MEIGHEN: Oh, yes, a very small part. That is intended to come out of the Consolidated Revenue Fund.

Right Hon. Mr. GRAHAM: The reason I mention this is that it seems to me that the two principles on which our trade must depend are these: first the low cost of production, and second the superiority of the product. If this Board is going to collect money in order to create reserves and assist those who lose by reason of depreciated currency, the cost of production is going to be increased. If the money is coming out of the Consolidated Revenue Fund—and I would not advocate that; I am not wedded to it at all—it would not so directly affect the cost of production. But we must remember that every avenue that we open to these boards for the expenditure of money that must be taken from the producers will cause a disadvantage to our producers in the markets of the world by increasing the cost of production.

Hon. Mr. SINCLAIR: In view of the statement that very little comes out of the Consolidated Fund to defray the expenses of the Act, I would point out that in paragraph e the Board is given power:

To assist by grant or loan the construction or operation of facilities for preserving, processing, storing or conditioning the regulated product and to assist research work relating to the marketing of such product.

It would seem to me that if the expense of research work is to be provided out of tolls and money collected from the regulated product—

Right Hon. Mr. MEIGHEN: That may be; but initially, I should think, there would have to be a vote.

Hon. Mr. SINCLAIR: I think it should be made clear that the research work is to be carried on with moneys provided out of the Consolidated Revenue Fund. After all, we have a Research Council, research laboratories, and facilities for carrying on any line of research work, particularly in relation to agriculture, and our existing facilities could without difficulty be made available to the Board. I do think that when we are giving the Board power to make collections by tolls on the product, we should not include research work among the things that are payable for out of those tolls.

Right Hon. Mr. MEIGHEN: I think Parliament may safely leave this section as it is for the time being. Later on we shall see by whatever system of accounting is adopted just how matters are working out. Simply interpreting the language here, I should say that the moneys appropriated by Parliament for the Board could be used for the purposes specified in paragraph d; also that the Board would have power, which the honourable gentleman thinks it should not have, to assess against the regulated product costs for assisting in the activities mentioned in paragraph e, including research. I do not see how any research could be required other than that already provided by the existing organization. We all know that the organization of the Research Council is sufficiently elaborate and pretty expensive, and I think there is no thought of setting up a competing organization under this Board. I suppose any special research work done by the Council is charged against the department in whose interest it is done.

Hon. Mr. SINCLAIR: In connection with agriculture, extensive research facilities are provided at the experimental farms and carried on under direct grants to the department.

Right Hon. Mr. MEIGHEN: With regard to rust, for example?

Hon. Mr. SINCLAIR: No. I think the research on that is carried on jointly by the Council and the Cereals Division of the Experimental Farms Branch. A great deal of research work is proceeding all the time at the experimental farms. I do not see why any research work should have to be done by the Marketing Board, and in my opinion it should not be empowered to take part of the tolls to pay for any researching.

Right Hon. Mr. MEIGHEN: Of course the research provided for here would relate only to marketing.

Hon. Mr. SINCLAIR: That would include the handling of products by rail, for instance, would it not? The Research Council carries on investigations into that kind of thing now by following products from the producer to the ultimate consumer. Investigations are made into the methods of packing, handling, and so on, with a view to eliminating any improper methods.

Paragraph e was agreed to.

On paragraph f—registration or licence:

Hon. Mr. SINCLAIR: Has the right honourable leader any information as to what is proposed in regard to licences? Does the Bill give the Board power to charge a fee for such a licence?

Right Hon. Mr. MEIGHEN: I do not think it does. I know of no clause giving such power.

Hon. Mr. SINCLAIR: That is an important point. Section 12 provides for the licensing of importers and exporters, and I think power is given to charge a fee for such licences.

Right Hon. Mr. MEIGHEN: That may be, but I do not know of any power to exact a licence fee from a producer. The honourable gentleman is far more familiar than I am with details of the licensing system now in effect. He will remember the evidence given by Mr. McIntosh before the committee that was dealing with the Fruit and Honey Bill. I presume the intention of this paragraph is to extend the present agricultural licensing system into the field of all natural products, in order to maintain the control which is necessary if the legislation is to be at all operative. It would be necessary to have some method of enforcing the law which is brought into effect at the request of persons engaged in a particular industry, and I do not

Hon. Mr. SINCLAIR,

know any other method than the licensing of those who are made subject to the scheme. Naturally the licences will be required only of persons engaged in the production or marketing of a regulated product.

Hon. Mr. SINCLAIR: I was chiefly interested in the point as to whether the Bill authorized the charging of a fee for the licence.

Right Hon. Mr. MEIGHEN: I do not see any such authority.

Hon. Mr. SINCLAIR: The right honourable gentleman referred to the Fruit and Honey Act. He was not present when I spoke last evening, but he may have heard of what has taken place in connection with the regulations under that Act. I think those regulations are not in keeping with the understanding that the committee had after the interview with the Commissioner.

Right Hon. Mr. MEIGHEN: I was not present when the honourable gentleman made his remarks last evening, but I have been informed of what he said, and on the information now before me I think he had grounds for a rather serious indictment. I do not understand the reason for the action that has been taken, and I shall make it a point to inquire and give the honourable gentleman a statement with respect to it.

Hon. Mr. SINCLAIR: The regulations I refer to are not actually in effect, but are proposed in an official statement sent out by the department to the trade.

Right Hon. Mr. MEIGHEN: That Act gave definite power for the imposition of a fee. I understood from the statement made before the committee by the departmental official that the intention was to charge a fee not exceeding \$30; but now, after this House decided on the urgent application of the officials to leave the regulations to the Minister, instead of the Governor in Council, a fee of \$50 has been imposed.

Right Hon. Mr. GRAHAM: That is the proposed fee.

Hon. Mr. SINCLAIR: The proposed regulations set a fee of \$50.

Right Hon. Mr. MEIGHEN: In respect of fruit and honey?

Hon. Mr. SINCLAIR: Fruit and honey and vegetables.

Right Hon. Mr. MEIGHEN: The honourable gentleman is entitled to an explanation, and I shall try to get one at as early a date

as possible. In the present instance I do not see any power given for the imposition of a licence fee.

Hon. Mr. DANDURAND: We have passed paragraph e, but I should like to ask the right honourable leader whether the grants or loans that may be given for the construction or operation of facilities for preserving, processing, storing or conditioning of regulated products may not in some instances represent very large amounts, and whether the Board would be entitled to make those grants or loans without getting a vote from Parliament.

Right Hon. Mr. MEIGHEN: Oh, no; the money would have to be voted.

Right Hon. Mr. GRAHAM: With regard to the question of licences, I fully agree that if control is to be exercised there must be some means of recognition of the persons or companies that are to be controlled, and the best means is a licence. But if there is a licence fee, it should be graded according to the business done, or in any event it ought to be very small and taken only for the purpose of providing some recognition to the licensed party. My honourable friend from Queen's (Hon. Mr. Sinclair) stated to me in private conversation that a fee of \$50 would be almost ruinous to some of the smaller dealers and producers. It was not the intention of the Fruit and Honey Act that any such fee should be charged, the purpose of the licence being merely to show that the person holding it is engaged in a trade that is subject to governmental control.

Paragraph f was agreed to.

Paragraphs g, h and i were agreed to.

On subsection 2—Board may authorize local board to exercise powers:

Hon. Mr. SINCLAIR: I wanted to ask a question in regard to the delegation of powers to the local board. I am not sure whether that matter is covered by this subsection. My question is this. Will the Board have power to delegate to the local board the right to make whatever assessment is deemed necessary on a regulated product, or will the local board have only the power to collect the toll after the Board has set the assessment? I think it is important to have that point cleared up.

Right Hon. Mr. MEIGHEN: These questions necessitate a close study of the Bill. The honourable member will appreciate that I am not in the same position as if I had been engaged in the preparation of the

measure. From a careful reading of the sections I should say that the making of the assessment can be done only by the Board. I shall correct myself later if I find that I am wrong in this matter. My understanding is that the local board cannot of itself make an assessment.

Right Hon. Mr. GRAHAM: Can the central board give the local board power to do so?

Right Hon. Mr. MEIGHEN: I do not think so. The central board has to approve of the assessment before it can be charged against the industry. If that is not the case, it seems to me it should be.

The CHAIRMAN: Subsection 4 provides:

The Board, whether exercising the powers conferred by this Act or by provincial legislation, may establish a separate fund in connection with any scheme of regulation and for the purposes of such scheme may impose charges and tolls in respect of the marketing of the whole or any part of the regulated product, which charges and tolls shall be payable by such persons engaged in the production or marketing of the regulated product as the Board decides.

Right Hon. Mr. MEIGHEN: So far as I know, the local board itself has no such power.

The CHAIRMAN: Subsection 5 provides that the Board may authorize the local board to collect the tolls.

Right Hon. Mr. MEIGHEN: Yes.

The CHAIRMAN: It seems to me that subsections 4 and 5 answer the question asked by the honourable senator from Queen's (Hon. Mr. Sinclair).

Subsection 2 was agreed to.

Subsections 3 to 6, inclusive, were agreed to.

On subsection 7—application of proceeds:

Hon. Mr. SINCLAIR: Has the right honourable gentleman any information as to what is meant by the creating of reserves or tolls? The application in that respect may be very wide. What is the object of creating a reserve, and what limit is set to the reserve that may be created by tolls imposed on a regulated product?

Right Hon. Mr. MEIGHEN: I do not know that I can give a correct answer. My idea is that these clauses contemplate dealing with grain, but I may be wrong in this assumption. I think the reserves would be for the purpose of taking care of losses that certain persons engaged in the regulated industry had to suffer in order that the general and overriding purpose of the scheme might

be carried out. Such losses may arise, not immediately, but at a future date, and the reserves would be only sufficient to take care of them on a proper accounting basis. It seems to me there would not be any great need for reserves with respect to other products than grain. One can readily see that when the Board is authorized to take care of losses that are incurred only because of the operations of the legislation—not losses related to poor quality, for instance—it is necessary to make provision for the creation of reserves.

Subsection 7 was agreed to.

Subsection 8 was agreed to.

On section 5—marketing schemes:

Subsections 1 and 2 were agreed to.

On subsection 3—Minister may recommend approval:

Hon. Mr. DANDURAND: This is the subsection to which I wish to move an amendment. I will not repeat the reasons I have given for the amendment, but I desire to add one further argument. This experiment may have a far-reaching effect. It is, I believe, at the outset, when the first attempts at regulation are being made, that Parliament should be especially careful not to abandon its control. Parliament will be particularly interested in the early development of the scheme and the activities of the boards that are appointed shortly after the legislation becomes effective. If we wish to provide every possible chance of success for this experiment, we should make sure that it starts off with the blessing of Parliament as a whole. We all know that the membership of the House of Commons changes at each general election. If my amendment were accepted the people would, I believe, feel reassured by the knowledge that their elected representatives would be able to pass upon any scheme and modify it, if modification were deemed advisable. Therefore I move the following amendment to subsection 3 of section 5:

Add after the word "and" in the thirty-fourth line the following words: "may then lay before Parliament that scheme, and if Parliament resolves that the scheme shall be approved, the Governor in Council may."

The latter part of the subsection will then read:

upon the recommendation of approval by the Minister, the Governor in Council may approve the scheme and may then lay before Parliament that scheme, and if Parliament resolves that the scheme shall be approved, the Governor in Council may fix the date when the same shall become effective.

Right Hon. Mr. MEIGHEN.

Right Hon. Mr. MEIGHEN: Yesterday the honourable senator opposite (Hon. Mr. Dandurand) intimated that the British Act contained a provision of this character. I admit quite frankly I was surprised. It did not seem to me quite in accord with the principles of legislation and administration that after Parliament had approved of a general plan details of its application should require legislative approval, on the assumption that Parliament was a better judge than would be those charged with the administration of the Act. However, I accept my honourable friend's citation.

What I want to emphasize now is that the positions of the two countries are radically different. England is a tight little island, and agricultural conditions there are practically uniform throughout the whole country.

Even if conditions here were the same as in Great Britain, this would not in my opinion be good legislation. I do not see how the members of Parliament could be as well qualified or in as good a position to judge of the merits and workability of a scheme for a particular industry as are the Minister and the officials of the department, who are living with the industry all the time. How could Parliament, representing the whole Dominion, pass intelligently on the merits of a plan for marketing the apples of British Columbia or the potatoes of Prince Edward Island? Would we seriously compare the value of our conclusion with the value of the conclusion of men who are familiar with the industry? We could not reach as intelligent a decision. The conditions of one industry in one territory differ so much from those of the same industry in a territory three thousand miles away that it would seem to me to be by no means wise or prudent legislation to require the imprimatur of Parliament on the details of an individual case in order to give effect to the legislation.

There is still another contrast. In Great Britain Parliament sits virtually the year round; there is only a short recess. But on the average we sit five months in each year, usually less. So there would be an interval of seven months when everything would be tied up. Nothing could be done, because of the necessity of submitting to the senators from Ontario some question about the apples of the Annapolis Valley or the potatoes of Prince Edward Island.

I do not think the honourable senator will on reflection insist on his amendment. On the suggestion he advanced last night I made no remarks, hoping that *locus poenitentiae* would be of value to the honourable senator.

Hon. Mr. DANDURAND: I draw my right honourable friend's attention to this feature. The people of the old provinces of Canada and the Maritimes have for two centuries and more been developing along well defined individualistic lines. Every man has been master of his domain. We are now passing to a system of compulsory co-operation. I fear the result of the assumption by the Government of responsibility for imposing the proposed legislation upon an unwilling minority. I believe that while the scheme is being gradually developed the full authority of Parliament is needed. If the principle of the Bill can be applied satisfactorily, Parliament will gradually relax its control. Since it is admitted, even by those who have sponsored the Bill, that it is largely an experiment, it seems to me that the authority of Parliament should be invoked while the scheme is being developed, in order that the people may be assured that their representatives have approved the details of each specific case.

Right Hon. Mr. MEIGHEN: The honourable gentleman is quite right; Parliament must give its approval. The measure is an experiment and contains certain features that are somewhat unusual. For myself, I do not think the proposed legislation will bring about a new heaven and a new earth, nor do I think it is going to be injurious in operation. I should like to see it tried. I do believe there is a very substantial demand for it in relation to cattle, fruit and some dairy products. But my honourable friend says Parliament should pass on the details of each specific case and by resolution implement those details if thought advisable. Does he realize what would be the result? Suppose that in July some modification is necessary: those administering the Act are tied hand and foot, they cannot do anything, until Parliament has assented to the modification. It seems to me this is impracticable.

Right Hon. Mr. GRAHAM: The best way would be to do what was done with wheat this afternoon. If we had not amended the section in a way that I believe will receive the commendation of those most interested, this measure would have contained something that might have been very injurious to the West. I point this out to show that the approval of Parliament is a pretty good safeguard. Parliament is composed of men from every section of the Dominion. It is not as if a few Ontario senators could tinker with a scheme set up by British Columbia. That province is well represented in the House of

Commons and in this Chamber, and indeed in any Government. It does seem to me that, particularly in the initial stages of what is admitted to be a doubtful experiment, the people would be better satisfied if they knew their representatives in Parliament had an opportunity to examine any scheme that a few persons in a community might desire to set up.

Hon. Mr. GRIESBACH: Would that not have the effect of preventing any progress from being made? Every scheme put forward would have to wait until the next session of Parliament before it could be approved and put into operation.

Hon. Mr. DANDURAND: I think my honourable friend will find that the central board will scarcely have been organized and set in motion before next winter's snow appears. It is highly improbable that the putting into operation of any single scheme would be delayed before next session. We sit for five months. We have been living under the present system for a century or more, and there is no need for hasty action. Time will show whether the scheme will succeed. I believe the father, the Parliament of Canada, should watch over the birth of the first child.

The amendment of Hon. Mr. Dandurand was negatived.

Hon. Mr. DANDURAND: I shall submit it again on third reading.

Subsection 3 of section 5 was agreed to.

Subsections 4 and 5 were agreed to.

Hon. Mr. SINCLAIR: Reverting to subsection 3 of section 5, am I correct in understanding that a poll is not necessary unless the Minister so orders?

Right Hon. Mr. MEIGHEN: I so read the subsection. Undoubtedly if there is any substantial objection to the plan the Minister will call for a poll, because that will be his defence. He fixes the percentage, and I should think he would be disposed to place it pretty high.

Hon. Mr. SINCLAIR: And if a scheme is established by poll it must be abolished by poll?

Right Hon. Mr. MEIGHEN: Yes.

The CHAIRMAN: Is there any further comment on section 5? Then we will proceed.

Sections 6 and 7 were agreed to.

On section 8—approval of proposals for extension, amalgamation, and new local boards:

Right Hon. Mr. MEIGHEN: Under this clause there can be, and doubtless will be, if it succeeds, a simplification of the whole plan, reducing greatly the number of boards.

Hon. Mr. SINCLAIR: That of course applies to the amalgamation of boards already established.

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. SINCLAIR: Is it within the power of the Board to amalgamate two or three different boards situated in different provinces?

Right Hon. Mr. MEIGHEN: Oh, yes.

Hon. Mr. SINCLAIR: Suppose we have a board established by the Dominion in each of the Maritime Provinces, for the handling of one crop, say potatoes: is there any provision in the Bill under which the boards can be amalgamated into one board for that district?

Right Hon. Mr. MEIGHEN: For the whole of the provinces.

Hon. Mr. SINCLAIR: Would that require the consent of each of the governments which have constituted the local boards?

Hon. Mr. DANDURAND: The joint board?

Hon. Mr. SINCLAIR: The local boards are named under enabling legislation of the provinces. Must it be provided in that legislation that they may be amalgamated?

Right Hon. Mr. MEIGHEN: The local governments do not come in under this clause. The Governor in Council has to be satisfied—

—on the recommendation of the Minister, that a majority of the persons engaged in the production or marketing of a natural product so require.

You will notice this does not say “regulated product.” If it did, it would not be practicable, because such a product is regulated by a specific scheme. If the Governor in Council is satisfied, he may approve of a proposal for—

(a) the extension of the geographical limits of any part of Canada to which an existing scheme relates;

(b) the extension of the powers of any local board;

(c) the amalgamation of two or more local boards;

(d) the creation of a new local board to regulate the marketing of a product already subject to regulation by one or more existing local boards....

The Hon. the CHAIRMAN.

That is to say, if the production of potatoes in Nova Scotia and New Brunswick is regulated, and if the Governor in Council is of the opinion that the potato growers would rather have complete regulation, he can establish a board for Prince Edward Island. That is what is meant by the clause, as I read it. That would be necessary, would it not? Much advantage in handling the potato exports of two of those provinces might be lost if one province were to stay out. It is not likely that any of them would want to do so. There is no reference to local governments, because this does not regulate anything under the purview of the local governments; it regulates only the export.

Hon. Mr. SINCLAIR: I understand that in the enabling legislation already passed one of the Maritime Provinces has gone so far as to name the board. Now, if it be found necessary to amalgamate three boards handling the same product, has the central board power to say that the named board, the provincial board, shall function with the boards in the neighbouring provinces, and that there shall be one board?

Right Hon. Mr. MEIGHEN: The honourable member does think out some posers. I see his point exactly. Say that New Brunswick, for instance, has already named a board in respect of potatoes, and has given it such powers as it can give—powers that do not go to the matter of export at all—and another board is created in Nova Scotia under this Act, and has no provincial powers at all—

Hon. Mr. SINCLAIR: It would have to have them.

Right Hon. Mr. MEIGHEN: Very well; even if it has; what the honourable member wants to know is whether the Governor in Council under this clause 8 can force amalgamation on the two boards created by the two provinces. Yes. But it is to be remembered that the creation of these boards by the two provinces does not make them boards under this Act. We will presume, then, that steps are taken to make them local boards under this Act. The amalgamation would affect only the powers given by the federal statute. They could do only what this Act empowers them to do.

Hon. Mr. SINCLAIR: As a matter of fact, do not the federal authorities name their board as well?

Right Hon. Mr. MEIGHEN: Yes, they do, and they would probably select the board named by the local government. But suppose they did not: the Federal Government could refuse to have duplicate boards.

Hon. Mr. SINCLAIR: In every case?

Right Hon. Mr. MEIGHEN: In every case. In any event, I think you will find the Governor in Council has power to name the board, and that he will say this applies only to the board already created.

Hon. Mr. MURPHY: Section 10 covers that.

Right Hon. Mr. MEIGHEN: That is the clause I refer to.

Whenever a scheme of regulation relates to an area of production which is confined within the limits of a province, the Governor in Council may authorize any marketing board or agency established under the law of the said province to be, and to exercise the functions of, a local board with reference to the said scheme.

Hon. Mr. SINCLAIR: Yes. I understand that.

The CHAIRMAN: What section 8 means is that, provided the Governor in Council is satisfied that a majority of the producers of potatoes, say, in the Maritime Provinces, desire a central board, the three boards may be amalgamated. But, whether they were amalgamated or not, if the provinces did not agree the federal authority would have power to appoint a central board, provided a majority wanted it.

Right Hon. Mr. MEIGHEN: But that central board could exercise powers only in relation to this Act.

Section 8 was agreed to.

Sections 9, 10 and 11 were agreed to.

On section 12—restriction of imports and exports:

Hon. Mr. MURPHY: This is the N.R.A.

Right Hon. Mr. MEIGHEN: It is not contrary to the principles of Liberalism, is it?

Hon. Mr. DANDURAND: I stated that I intended to move but one amendment—

Right Hon. Mr. GRAHAM: Have you changed your mind?

Hon. Mr. DANDURAND: I have not changed my mind, but in my opinion clause 12 goes to great lengths in dispossessing Parliament of control of the import and export policy of this country.

Right Hon. Mr. MEIGHEN: Paragraph a refers only to imports.

Hon. Mr. DANDURAND: Yes.

Hon. Mr. MURPHY: Paragraph b deals with exports.

Right Hon. Mr. GRAHAM: Imports, exports and reports—there are three classes.

Hon. Mr. DANDURAND: This is a clause which I think vests the executive of Parliament with powers that should remain in Parliament.

Right Hon. Mr. MEIGHEN: Of course the whole purpose of the Bill is to regulate export in natural products. If the honourable gentleman is right in what he says, the Bill should be defeated.

It may be necessary at times to regulate importation. This deals only with natural products, and for the life of me I cannot see who is going to benefit by a restriction of the import of natural products unless it is the producer of natural products, and we are not likely to prevent him from receiving benefits. If there is one class that needs all the benefits available, it is the producers of natural products.

Hon. Mr. DANDURAND: The right honourable gentleman claims that the right may well be given to the Governor in Council.

Right Hon. Mr. MEIGHEN: You could not have this Bill without control of exportation. For example, the idea is to prevent the flooding of the British market with apples, or cheese, at the wrong time, and to prevent the wrong cheese or the wrong apples from getting to that market. That means control of exportation. Will the honourable gentleman tell us what would be gained if, after these boards have been created, we were to say to the people standing in wait for this measure: "Even though you and the officials most closely associated with you have approved of this scheme, you must come back to Parliament next year to see what will be done"?

Hon. Mr. DANDURAND: You are confronting the whole external commerce of Canada.

Right Hon. Mr. MEIGHEN: Only in natural products.

Hon. Mr. DANDURAND: But you may stop the flow of a product to a certain country in order to divert it to another country.

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. DANDURAND: The exercise of that power is a serious matter.

Right Hon. Mr. MEIGHEN: It is not as expensive an economy as I have heard cried for by someone very well known to my honourable friend. When he was telling us about the collapse of the N.R.A. my mind harked back to a speech by the Hon. James Malcolm on that great Liberal, Franklin Roosevelt.

Hon. Mr. SINCLAIR: Am I right that this gives the Government power to impose quotas on the export of cattle, for instance? We reached our quota for the present six-months period some weeks ago. Are we giving power to the Government to prevent the export of cattle when the quota is reached?

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. SINCLAIR: The power contained in this Bill is the only power it would have to do that.

Right Hon. Mr. MEIGHEN: I do not know of any other power myself. Does the honourable gentleman say that under this Bill the Government could do more in relation to the export of cattle, say, than limit it to the quota?

Hon. Mr. SINCLAIR: Yes.

Right Hon. Mr. MEIGHEN: Oh, quite so. It could if it wished. But naturally the Government wants our producers to sell all the cattle possible. The purpose of the regulation is not to limit the aggregate sales, but to secure the best results from them.

Hon. Mr. SINCLAIR: But the power contained in this Bill may apply to trade agreements made with another country this year or next year.

Right Hon. Mr. MEIGHEN: The power would have to be exercised in conformity with those agreements.

Hon. Mr. SINCLAIR: But it sets up the machinery.

Right Hon. Mr. MEIGHEN: Yes, it has that advantage too.

Hon. Mr. SINCLAIR: This also gives power to fix the forms of licences for exporting, and the terms upon which they may be lunacy.

Right Hon. Mr. MEIGHEN: That is only for exporting and importing. It does not apply to the small producer.

Hon. Mr. SINCLAIR: It would apply to our co-operative associations in the Maritime
Hon. Mr. DANDURAND.

Provinces, which export large shipments of potatoes to the United States; and smaller dealers who ship, say, eight or ten carloads in a season would have to take out a licence.

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. SINCLAIR: What licence fee is going to be charged? Is it a nominal fee, or a large one that will drive the business into the hands of the big fellows?

Right Hon. Mr. MEIGHEN: I could not even hint at what it may be. We have not had an officer of the department before us.

Hon. Mr. DANDURAND: And the hint might be misleading.

Right Hon. Mr. MEIGHEN: Maybe it would. I do not know.

As the honourable member (Hon. Mr. Sinclair) knows, for he has read the Bill very carefully, the scheme will have to set out the amount of the licence fee. Would not that be part of the scheme?

Hon. Mr. SINCLAIR: No. It is the Governor in Council who does so.

Right Hon. Mr. MEIGHEN: It is the Governor in Council who gives validity to it; but is not the amount of the licence fee part of the scheme?

Hon. Mr. SINCLAIR: I am referring to paragraph d of section 12.

Right Hon. Mr. MEIGHEN: I know. What the honourable member fears is that the licence fee for importers and exporters may be too heavy.

Hon. Mr. SINCLAIR: We should know what is contemplated. If it were stated in Parliament that the fee was to be a nominal one, I should be satisfied.

Right Hon. Mr. MEIGHEN: I should not like to take the responsibility of saying, because I do not know. Probably I can do so on the third reading.

The CHAIRMAN: There is no doubt that the imposition of any substantial fee on the export of natural products from the Maritime Provinces would create a condition of very great hardship among many small exporters.

Right Hon. Mr. MEIGHEN: It would be lunacy.

Section 12 was agreed to.

Sections 13 to 16, inclusive, were agreed to.

On section 17—power to authorize investigations:

Right Hon. Mr. MEIGHEN: This pretty much follows the Combines Investigation Act. There is a preliminary investigation, and if that shows need of an inquiry, the investigating body is given all the powers of the Investigation Act.

Section 17 was agreed to.

Sections 18 to 26, inclusive, were agreed to. The preamble and the title were agreed to. The Bill was reported, as amended.

CONCURRENCE IN AMENDMENT

The Hon. the SPEAKER: When shall this amendment be taken into consideration?

Right Hon. Mr. MEIGHEN: I have no objection to consideration being given now. No doubt the amendment will be approved. But I wish it to be understood that by not voting against it now I am not precluded from endeavouring to take action later if I find there is any hope of success in replacing grain within the purview of the measure.

The amendment was concurred in.

DEFENCE OF CANADA'S SEA-BORNE TRADE

INQUIRY—DISCUSSION CONTINUED

On the Order:

Resuming the adjourned debate on the question proposed by Hon. Mr. Griesbach:

To call the attention of the Government to the question of the defence of the sea-borne trade of Canada, and to inquire of the Government what steps it proposes to take to provide adequately for the defence of the sea-borne trade of Canada.—Hon. Mr. McLennan.

Right Hon. Mr. MEIGHEN: Would the honourable senator from Sydney (Hon. Mr. McLennan) object if we moved the adjournment of the House now? My reason for making this suggestion is that the Banking and Commerce Committee, which is considering the Excise Act, is to meet immediately at the close of this sitting. It is nearly 6 o'clock now, and as a member of the Committee I should like to have something done on that measure to-day.

Hon. J. S. McLENNAN: I am not likely to take up more than five minutes.

Right Hon. Mr. MEIGHEN: There is of course no objection to continuing the debate now.

Hon. Mr. McLENNAN: I have been considering this matter since it was brought to the attention of the House by the honourable

senator from Edmonton (Hon. Mr. Griesbach). The defence of sea-borne trade is one of the most serious problems that can face this or any other country. It has to do with our national safety and development, and the retaining of one of the most precious assets that any nation can possess, namely, its sovereignty. The problem is complicated because, in the first place, it deals with intricate points which are tied up with events that reach far back into the history of our national life, and, in the second place, it is necessarily concerned with future events.

The future of any country is uncertain, for existing conditions may be changed in a most extraordinary way over a period of years. The people of any nation may make a wrong guess when deciding to take a specific course upon a matter having to do with years to come. And I think that evil is sometimes done by the consideration of affairs which the passage of time proves to have been absolutely unimportant. Such questions as the one now before us, which have no basis in current events, and so lack reality, are apt to make trouble by creating wrong impressions.

We are under obligation to the honourable gentleman from Edmonton for directing our attention to the great value and effect of our overseas commerce. And we are indebted to the honourable gentleman from Alma (Hon. Mr. Ballantyne) for the interesting information he gave us as to events we may have imagined to happen, but as to which we had no definite knowledge.

I wish to advert to the thoroughness with which the military mind goes into any matter that it places under consideration. If the military aim is security, that means absolute security. But there is no condition in life with respect to which absolute security can be provided. If you want to make the streets of a city absolutely safe for pedestrian traffic, every wheel must stop turning. We must take chances. Bernard Shaw, not I, first put it in that way.

At the outbreak of the Great War there were near Sydney Harbour and along the adjacent coast two steel works that had been producing every year several hundred thousand tons of steel; and stretching along the adjacent shore were a group of collieries whose annual output of coal totalled millions of tons. Within a time that might be counted in weeks, the Nova Scotia Steel Company, as it then was called, proved to the British military authorities that the steel it made was as satisfactory for war purposes as was that which the Imperial Government had been able to

import in only limited quantities and at an exorbitantly high price. The gentleman who established that proof was Colonel Cantley, who is now a member of the other House. And the late J. H. Plummer, the then President of the Dominion Iron and Steel Company, demonstrated to the authorities that his concern could produce toluol, the essential element of T.N.T., which is the basis of high explosives. Within a few weeks one of these Nova Scotia plants was producing the basic steel which was used in the manufacture of millions of shells, and the other had a creditable output of toluol.

If a German cruiser had come through the chops of the channel, even though she sacrificed herself, she could have first destroyed, from a deep water position where she would have been perfectly safe, those steel works and the range of collieries which were supplying coal to them and to our ships. No such daring raid was made, but honourable members can easily imagine the serious effect that might have been brought about at the time.

I entirely dissent from the suggestion by the honourable gentleman from Edmonton that Canada is treading the primrose path. I admit that the primrose path is dangerous and enervating, but the fact is that since the first white man settled on the shores of the St. Lawrence, or in Nova Scotia, the course followed by Canada has never been an easy one. In every decade she has found it necessary to make brave decisions and carry out difficult tasks, and so far she has never failed to acquit herself proudly.

I submit, honourable members, that in discussing a question of this kind we should make no reference to what one party or another has done, or whether one industry or another would have been benefited by a certain course. Our object should be to consider the interests of the country at large, and to meet existing problems in the same spirit as that which has enabled Canada to carry on so successfully in the past.

QUEBEC SAVINGS BANKS BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 33, an Act to amend the Quebec Savings Banks Act.

He said: Honourable members, I understand this measure provides for the decennial renewal of the charters of savings banks in Quebec. The honourable senator opposite (Hon. Mr. Dandurand) knows far more about the matter than I do.

Hon. Mr. McLENNAN.

Hon. Mr. DANDURAND: This relates to the general Act under which savings banks in Quebec operate. It comes up for review every ten years, as does the Bank Act, under which the commercial banks receive their charters. Formerly there were a number of savings banks throughout the province, but gradually some have been absorbed by other banks or by the Post Office, and to-day there remain but two, one in the city of Montreal and the other in the city of Quebec. I suppose this Bill will be sent on to the Committee on Banking and Commerce.

Right Hon. Mr. MEIGHEN: I understand that any changes in the Bank Act are reflected in this measure.

Hon. Mr. DANDURAND: Yes.

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

The Senate adjourned until Tuesday, June 19, at 8 p.m.

THE SENATE

Tuesday, June 19, 1934.

The Senate met at 8 p.m., the Speaker in the Chair.

Prayers and routine proceedings.

EXCISE BILL

REPORT OF COMMITTEE

Hon. F. B. BLACK presented the report of the Standing Committee on Banking and Commerce on Bill 89, an Act to amend and consolidate the Excise Act, and moved concurrence therein.

Hon. Mr. DANDURAND: Is there only one amendment?

Right Hon. Mr. MEIGHEN: Yes. According to the officers of the department, the words "seized as," inserted in line 45 before the word "forfeited," form the correct phrase, "seized as forfeited," used elsewhere in the Bill. These words fit into the new section 169A, giving the innocent party claiming to have an interest, aside from that of the offender, in the property seized as forfeited, an opportunity to prove his case.

Hon. Mr. DANDURAND: I am in sympathy with the amendment. I heard the discussion before the standing committee and felt that in simple justice something should be done to relieve the innocent victim of the seizure.

I see subsection 2 provides:

If, after such notice to the Commissioner as the judge may require, it is made to appear to the satisfaction of such judge,

(a) that the claimant is innocent of any complicity in the offence resulting in such seizure or of any collusion with the offender in relation thereto and

(b) that he exercised all reasonable care in the choice of the person permitted to obtain the possession of such horses, vehicles, vessels or other appliances to satisfy himself that they were not likely to be used contrary to the provisions of this Act or, if a mortgagee or lien-holder, that the vendor to the mortgagor or lien-giver exercised such care; he shall be entitled to an order that his interest be not affected by such seizure.

Could the right honourable gentleman tell the House what he would deem to be the "reasonable care" that should be exercised by the person selling or having a lien on the property?

Right Hon. Mr. MEIGHEN: In order that this may be understandable to honourable members who were not on the committee, perhaps I had better lay a foundation. Section 169 originally provided that anyone who had in his possession, or who removed from any distillery, bonded warehouse or bonded manufactory, spirits or liquors upon which duty or excise had not been paid, was guilty of an offence and liable to punishment according to the provisions of the section. It further provided that all horses, vehicles, vessels or other appliances used in the removal of such liquors should be forfeited to the Crown. It was felt, however, that this probably referred only to removal from distilleries, bonded warehouses and bonded manufactories; so the section was amended in the House of Commons to include vehicles and so forth used in the transport of such liquor to any place, maybe weeks afterwards, or purely by accident.

In that form the section met with the criticism—which I take the responsibility of having initiated—that frequently persons other than the alleged offender were interested in the vehicle used. The vehicle mainly used now is the automobile. It may be that a man lends his car to some person who lends it to someone else; or it is possible that, quite honestly, he hires it out. Nevertheless, entirely aside from his guilt or innocence, the car would be forfeited to the Crown. Further it was pointed out that very often automobiles are sold on what is called the instalment system; that automobile manufacturers make use of finance companies for the collection of instalments, and that such companies purchase the instalment papers and become the

mortgagees of the property. The practice has been to forfeit that property to the Crown, irrespective of the interest of the pledgee, and regardless of the fact that he is innocent of any offence.

It was urged before the committee on behalf of the department that the law had to be very stringent and severe, even to the extent of confiscating property of people in no way participating in the offence. Because of the difficulty of enforcing the Act there grew up a doctrine of applying the wording of the Act to the automobile. In fact, the statement appears in the judgment of one of the judges of a higher court that the law contemplates the guilt of the machine, and consequently its forfeiture. I presume that doctrine had to be deduced in order to describe the conduct of Parliament in imposing forfeiture and punishment on people who were obeying the law, and in fact doing everything that good citizens are called upon to do.

It was recognized in the committee that in order to enable the officers of the law to enforce this very difficult statute we ought to go as far as possible without making it absolutely necessary that property of people innocent of any offence should be seized as forfeited to the Crown. Consequently this amendment was adopted. It provides that any person other than the offender is entitled to protection if he claims to be the owner, pledgee, mortgagee, or lien-holder, and can furnish proof that he is innocent of any complicity in the offence or of collusion with the offender, and also—and this is a very unusual onus to put on a man who is merely seeking to regain his own property—that he took reasonable care to make certain that the permission given by him for the use of his vehicle was not illegal; or that the vendor whose lien he has purchased exercised such care. If the man who claims the return of his property discharges that onus he is entitled to the property.

Hon. Mr. CASGRAIN: I do not see why an automobile should be seized any more than a house in which contraband liquor is found.

Right Hon. Mr. MEIGHEN: I admit that in point of logic there is no distinction.

Hon. Mr. DANDURAND: Under the present Act a railway train could be seized.

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. HUGHES: Honourable members, the remarks of the right honourable leader of the House bring us to the consideration of

the fact that this law is very difficult to enforce, that the attempt to enforce it is costing a great deal of money, and that the illegal traffic in intoxicating liquors is very detrimental to the character of our people and works a great deal of injury. According to my view, the only way to meet this great evil—and it is a growing evil—is to reduce customs and excise duties to such a degree that the incentive to break the law will very largely be removed.

We have in Canada at the present time—I have mentioned this before, but I shall repeat it—a small army of men on land and sea who are trying, unavailingly, to enforce the law and protect the customs duties. Opposed to them is an army of lawbreakers, who, unfortunately, have the sympathy of the majority of the people. This is particularly true of the Maritime Provinces and certain other provinces where facilities for breaking the law exist. The result is that the people are demoralized. I have made the suggestion—it is too late to adopt it now—that a committee of this House, with the assistance of the preventive officers of the Crown, should investigate the costs to the country of trying to enforce this legislation, and see how far it is enforced, and get all the facts available in connection with the matter for the use of the Government, in order to decide whether it would be advisable to take some action towards a reduction in the duties. Prior to the enormous increase made in the duties during the War, which increase was justifiable as a war measure, we had no such thing as smuggling or bootlegging to any appreciable extent. But now these things have become industries of our country; many people traffic in them. If we could get back to pre-war duties the revenues would be increased and the character of our people improved. I intend, if Providence permits me to come back here next year, to take up this matter early in the session and commend to the good judgment of this House what I think should be done.

I know very well that many officers of the law, at all events, are trying to do their duty. But it is said that even some magistrates are tampered with. It is alleged, and I think correctly so, that if the smugglers can get one cargo out of three or four past the custom-house they make big money. That is a significant statement. And it is declared that they have money for attempting to bribe magistrates and police officers who are trying to enforce the law. I say again that a large majority of the people are in sympathy with

Hon. Mr. HUGHES.

the lawbreakers and with this illicit traffic that is going on. That state of affairs is deplorable, but none the less it exists.

The motion was agreed to.

THIRD READING

The Hon. the SPEAKER: When shall this Bill be read a third time?

Right Hon. Mr. MEIGHEN: If the House is agreeable, I should like it read a third time to-night, so that the amendment may reach the other House in time for careful consideration. I move, with the leave of the House, that the Bill be read a third time now.

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

MEAT AND CANNED FOODS BILL

FIRST READING

A message was received from the House of Commons with Bill 6, an Act to amend the Meat and Canned Foods Act.

The Bill was read the first time.

The Hon. the SPEAKER: When shall this Bill be read a second time?

Right Hon. Mr. MEIGHEN: Now, if the House is agreeable.

At present false or dishonest labelling of canned fish cannot be interfered with until the goods are offered for sale in a retail way, and, of course, interference is impossible if the retailing is not done here. This Bill provides a penalty for false or misleading marking if the goods are exported.

The Hon. the SPEAKER: A number of bills have come over from the other House. Are they all to be given a second reading to-night?

Right Hon. Mr. MEIGHEN: I can give an explanation of all these bills if it is the desire of honourable members to proceed with second readings this evening. I do not think there would be any advantage in letting the bills stand for second reading until to-morrow, and in that way losing one day. Of course, none of the bills would be proceeded with in committee to-night.

Hon. Mr. DANDURAND: I would suggest that this Bill and the others be put down for second reading to-morrow, in order that we may have time to read them and may then be ready to express our views.

Right Hon. Mr. MEIGHEN: That is satisfactory.

CANADA GRAIN BILL

FIRST READING

A message was received from the House of Commons with Bill 53, an Act to amend the Canada Grain Act.

The Bill was read the first time.

Right Hon. Mr. MEIGHEN: This Bill amends the Grain Act to provide for the grading of Garnet wheat, and also for adjustment of eastern terminal elevator receipts in accordance with modern practice.

FOOD AND DRUGS BILL

FIRST READING

A message was received from the House of Commons with Bill 70, an Act to amend the Food and Drugs Act.

The Bill was read the first time.

Right Hon. Mr. MEIGHEN: The purpose of this Bill is to make the list of prohibited articles in the Food and Drugs Act correspond with the list in the Proprietary and Patent Medicines Act.

ROYAL CANADIAN MOUNTED POLICE BILL

FIRST READING

A message was received from the House of Commons with Bill 95, an Act to amend the Royal Canadian Mounted Police Act.

The Bill was read the first time.

Right Hon. Mr. MEIGHEN: The Royal Canadian Mounted Police Act is amended by this Bill so as to bring constables under the pensions provisions. The amendment involves no charge on the Treasury, as the contribution to the pension fund takes care of the expense.

SPECIAL WAR REVENUE BILL

FIRST READING

A message was received from the House of Commons with Bill 97, an Act to amend the Special War Revenue Act.

The Bill was read the first time.

Right Hon. Mr. MEIGHEN: This Bill is to carry out the budget provisions with respect to the War Revenue Act.

CUSTOMS TARIFF BILL

FIRST READING

A message was received from the House of Commons with Bill 98, an Act to amend the Customs Tariff.

The Bill was read the first time.

Right Hon. Mr. MEIGHEN: This Bill amends schedule A, customs duties, and schedule B, drawbacks.

Hon. Mr. DANDURAND: Were these amendments comprised in the budget speech?

Right Hon. Mr. MEIGHEN: Of course.

COMMITTEE ON TOURIST TRAFFIC

Right Hon. Mr. MEIGHEN, with the leave of the Senate, moved:

That the name of Hon. Senator Spence be added to the list of members composing the Standing Committee on Tourist Traffic.

The motion was agreed to.

NATURAL PRODUCTS MARKETING BILL

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of Bill 51, an Act to improve the methods and practices of marketing of natural products in Canada and in export trade, and to make further provisions in connection therewith, as amended.

Hon. O. TURGEON: Honourable senators, this Bill contains some useful provisions, but I cannot approve of those in reference to certain of our natural products.

Fishing is one of the most important industries on the Atlantic as well as on the Pacific Coast.

In paragraph e of section 2, defining "natural products," I find these words: and such other natural products of agriculture and of the forest, sea, lake or river.

In my view this will affect the fishermen on the Atlantic Coast and the Gulf of St. Lawrence. It is instinctive with our men of the Maritime Provinces to gather the harvest of the sea in order to gain a livelihood for their families. They build their boats and run all the risks of their calling, which entails frequent loss of life and property. In my view they are a class deserving of special consideration. They are not careless about the quality of their product, and neglect nothing to make it acceptable not only in the domestic but also in the export market, where it is accepted as superior to the fish of other countries.

In Halifax the fishermen support an educational institute, which is conducted by men of experience and scientific achievement. In Gloucester county and other places will be found co-operative schools where young fishermen receive instruction in fish preservation.

I submit that it would be unjust to take away from these patriotic and intelligent men

the marketing of their product. A special board could not improve on present methods of marketing; indeed it would tend to raise various difficulties and undermine the independent spirit of our noble fishermen.

What the Maritime Provinces need is the restoration of the open market of the United States. This market was closed in 1921 by the Fordney Tariff Bill, after the persistent refusal of the Canadian people to accept reciprocity. Since the advent of the "God-elected Roosevelt," as he has been called by the highest authorities of his country, a change of mind has been noticeable on both sides of the international boundary. The Right Hon. Mr. Bennett has told our people that he is working to bring about a reciprocity treaty with the United States. President Roosevelt has declared that he is eager to improve commercial relations with all countries. I wish our Prime Minister success. If he is able to bring about better trade relations with our neighbours to the south he will receive heartiest congratulations from the fishermen of the Maritime Provinces. Certainly they do not desire to have their business controlled by a local board.

I now move, seconded by the honourable senator from Queen's (Hon. Mr. Sinclair):

That the said Bill be amended by inserting in line 21 of section 2, after the word "river," the following words: "except the products of the sea of Nova Scotia, New Brunswick and Prince Edward Island."

Hon. Mr. McCORMICK: What body of fishermen made the representations to the honourable gentleman on which he bases his amendment?

Hon. Mr. TURGEON: The fishermen of Gloucester and the neighbouring counties.

Right Hon. Mr. MEIGHEN: Honourable senators, my first comment on the amendment is this. I do not think you can define the sea of Nova Scotia, New Brunswick, or Prince Edward Island. We know what constitute our territorial waters within the three-mile limit, but there is no limit to the sea coast of a province. What is the sea of New Brunswick as distinguished from the sea of Quebec? I do not think there is a line of demarcation. We speak of the sea of a country, not of a province. But that is more or less technical, though it is important.

The honourable gentleman supports his amendment by a brief on the merits and good citizenship of the fishermen of the Maritime Provinces. I quite concede it would be a terrible thing to take from them any rights that they lawfully exercise. But, if the honourable gentleman will reflect, I think he will

Hon. Mr. TURGEON.

agree that the apple growers of the Annapolis Valley are also good citizens. They have used their natural resources for the benefit of their province and the Dominion as a whole. They have developed a great industry and have shown themselves to be a very important section of our community.

The honourable gentleman apparently has some idea that this is a visitation of legislative providence on offenders; that it is in the nature of penal legislation. This legislation is intended not to injure anybody, but to offer help to those engaged in the production and marketing of natural products, and to offer it on the basis of their expressed desire.

The honourable senator from Provencher (Hon. Mr. Molloy) moved an amendment excepting grain. Perhaps that has set in train a number of other ideas. As he said, we already have an Act which takes care of the marketing of grain, an Act built up on forty years of experience, and amended from year to year for four decades—one of the most completely developed pieces of legislation on the Statute Book. Why, then, give the Government the right virtually to repeal that law and bring the grain trade under some other law? There is no such special legislation having to do with marketing of fish.

Hon. Mr. SINCLAIR: Does the Grain Act give the Grain Commission power to sell?

Right Hon. Mr. MEIGHEN: Oh, no. It provides the machinery, the system of grading and marketing, and the channels of sale.

Hon. Mr. SINCLAIR: But the Grain Commission do not buy nor sell?

Right Hon. Mr. MEIGHEN: No. There was at least that ground for the motion of the honourable member from Provencher (Hon. Mr. Molloy); but I do not see any similar ground in relation to fish. It is hardly conceivable that the Government would bring the fish of the Maritime Provinces or any natural product under the provisions of this Bill except at the request of the producers. This Bill gives those people the opportunity to have their product handled in a certain way if they think it will bring about better results. Why deny the fishermen that right? If they do not want it they will not get it. Why say to them, "Here is machinery which others may take advantage of, but you cannot benefit by"? I do not think the honourable gentleman would want that section of the population to be treated in such a manner under the law.

Further, I understand that fish were not at first included, but were brought into this

legislation at the special request of the people of the Maritime Provinces, the idea being that at least they had a right to decide whether or not to present to the Minister a scheme which they thought would come within the requirements of the Act and be to their benefit. I should not want this House to deny them that right by the proposed amendment.

Hon. Mr. TANNER: I want to say, honourable gentlemen, that I do not think the honourable member from Gloucester (Hon. Mr. Turgeon) has any warrant whatever for asking that the fishermen of Nova Scotia be denied the privileges of this Bill. If he wants to have the fishermen of New Brunswick denied those privileges, well and good; but he should keep his hands off Nova Scotia.

Hon. Mr. McCORMICK: Before this House entertains any proposal affecting an important industry like the fishing industry of the Maritime Provinces, it should have the opinion of the people of the Maritime Provinces generally. So far as my own province is concerned, I say that the people should be consulted. We should have an expression of their views before we do anything of the kind proposed.

Hon. Mr. CASGRAIN: The honourable gentleman (Hon. Mr. Turgeon) has said the people asked for it.

Hon. Mr. McCORMICK: They have not asked for it. Only one county in the province of New Brunswick has asked for it.

Hon. Mr. DANDURAND: The honourable senator from Provencher (Hon. Mr. Molloy) asked that wheat be excluded from the operation of this Bill because the wheat growers of the Western Provinces did not want to come under it. Now a motion is made to exclude the fish of the Maritime Provinces. Is it the general opinion of the representatives of the three Maritime Provinces that fish should not be included under the Bill? The right honourable the leader of the Government says that fish were included because of the insistence of the members—

Right Hon. Mr. MEIGHEN: The people of the Maritime Provinces.

Hon. Mr. DANDURAND: Because of Maritime opinion as expressed in the other House. Of course I must take the statement of my right honourable friend; but nothing has come to us which indicates the wishes of the people of the Maritime Provinces. We have a member here, though, who states that he would not want the Bill to apply to the fisheries of his county and the neighbouring

counties. We have members from the three Maritime Provinces, and I should like to know whether there is really a feeling that the fisheries should be excluded from the operation of the Bill.

Right Hon. Mr. MEIGHEN: I have not said that the Bill did not include fish when it was introduced into the other House, but I am informed that when it was first prepared it did not deal with fish or lumber, and that the industries dealing with those commodities were added at their own request.

Hon. Mr. DENNIS: The request to have the fisheries brought in under this Bill was made by the member from Lunenburg county, the most important fishing county in the Maritime Provinces. With all due respect to the honourable senator from Gloucester (Hon. Mr. Turgeon), I wish to say that unless some marketing system is organized the fishing industry of the Maritime Provinces, especially of Nova Scotia, will soon be a thing of the past. Ten years ago more than one hundred vessels, with crews ranging from twenty-five to thirty men, sailed out of the port of Lunenburg; last year twenty-two ships sailed out of that port. The shore fishermen, especially in the province of Nova Scotia, are looking with hope to this new legislation, and in view of the fact that an investigation is being carried on now on behalf of the Committee on Price Spreads and Mass Buying, I think it would be most unfortunate, and possibly disastrous to the fishing industry in Nova Scotia, to exclude that industry from the Bill. There are 16,000 fishermen in the province of Nova Scotia. Last year many of them earned less than \$300, and in the little harbours along the coast hundreds of families were kept alive during the winter by public relief. To-day, because of the disastrous storms of last winter, many of them are without vessels or gear, and the situation this year is not too bright. As a matter of fact, a campaign is now being conducted in Nova Scotia to fix a minimum price for fish in that province. I hope, therefore, this honourable body will not pass this amendment, especially with respect to the province of Nova Scotia.

The amendment of Hon. Mr. Turgeon was negatived.

Hon. Mr. HUGHES: Honourable members, I wish to call the attention of the House to section 8 of the Bill. I do not clearly understand it, nor do I understand the explanation given by the right honourable the leader of this House, whose explanations are usually very clear.

When the Bill was in Committee of the Whole the Chairman gave an explanation which appears on page 553 of Hansard of June 15, and which reads as follows:

What section 8 means is that, provided the Governor in Council is satisfied that a majority of the producers of potatoes, say, in the Maritime Provinces, desire a central board, the three boards may be amalgamated. But, whether they were amalgamated or not, if the provinces did not agree the federal authority would have power to appoint a central board, provided a majority wanted it.

I wish to make the following observations. The soil and climate of Prince Edward Island appear to be very well adapted to the production of potatoes, and by reason of careful attention to seed, to cultivation and to grading, that province now produces, and has produced for some years past, a very superior article which commands a premium in the markets of Canada and the United States. What bothers me is this. If one board had jurisdiction over the marketing of potatoes of the Maritime Provinces, would there be a danger that we of Prince Edward Island might lose the excellent position we have achieved after some years of effort?

Right Hon. Mr. MEIGHEN: I am aware of the seed potato business, as I think it is called, in Prince Edward Island—

Hon. Mr. HUGHES: Seed and table stock.

Right Hon. Mr. MEIGHEN—and the excellent prices obtained because of the superiority of the article. Were the operation of this Bill to deny the higher price to the high-quality article, it would be unjust and indefensible; but I cannot see any danger of that in clause 8. That clause says:

Whenever the Governor in Council is satisfied, on the recommendation of the Minister, that a majority of the persons engaged in the production or marketing of a natural product so require, he may approve of a proposal.

A proposal has to be made. If there is evidence that it is the wish of the majority of the producers or marketers, a proposal may be adopted for the purpose of "the extension of the geographical limits of any part of Canada to which an existing scheme relates." If it is proposed, for example, to extend the limits of a scheme of potato production now in operation, by including the whole of New Brunswick, instead of only the lower half—I do not know whether in regard to potatoes there is any distinction between the two or not—it can be done under paragraph a. Paragraph b provides for the extension of the powers of any local board. Some of its powers may not be plenary, and these may be added to. Also,

Hon. Mr. HUGHES

if the Governor in Council is satisfied that the majority desire it, two or more local boards can be amalgamated. If he is satisfied that the majority desire the amalgamation of the two boards of Prince Edward Island and New Brunswick, they can be amalgamated, and the amalgamated board will operate in future and will have full powers, so far as this Act can give them; and probably will have also full local powers as given by the provincial governments. There may be one board for the whole of the Maritime Provinces. But that does not mean that every potato marketed by that board will bring the same price as the rest. The objective of the board is to get the best price obtainable for all grades. Grading would certainly be continued. It is utterly inconceivable that the advantage due to high quality would ever be wiped out. You cannot preserve quality unless you preserve the extra price.

Hon. Mr. HUGHES: That is the point, and it is very important.

Right Hon. Mr. MEIGHEN: It is very important. That is the fact. I do not know that my opinion in regard to potatoes is very valuable—the opinion of the Minister of Agriculture would be vastly more so—but I should think that the essence of this legislation is quality and the maintenance of our reputation in the markets of the world; and the purpose of the board would be to see that this was not impaired or bedevilled by goods being thrown on the market irrespective of quality. I think that unless the board can effect improvement in that respect, this legislation will not be of tremendous advantage. I should think it far more likely to effect improvement in that way than in the way of dickering or orderly marketing. But, of course, I speak as one approaching the question from the outside. In seeing to it that only worthwhile goods go abroad, the board ought to be able to accomplish something, and certainly it ought to be able to do what the honourable senator from King's (Hon. Mr. Hughes) has in mind, namely, to obtain higher prices for higher quality. I do not see any difficulty in this section.

Hon. Mr. HUGHES: I will state what my difficulty is. I could not tell from the remarks of the Chairman whether it was intended that the opinion of the majority of persons engaged in producing that product in each province should prevail, or whether the majority of the producers in the three provinces combined would have the determining voice. I want to make sure, if I can, that the people of

Prince Edward Island engaged in the potato business will themselves decide whether they are to have their own marketing board or go in with a marketing board that operates for the other two provinces.

Hon. Mr. BLACK: I was clear enough in my own mind on that point, and I thought I stated my understanding plainly. In the first place, the people of Prince Edward Island will not have to come under a board at all unless the majority of the potato growers want to do so.

Hon. Mr. HUGHES: In that province?

Hon. Mr. BLACK: There will be a board only if the majority of the people want it. It will be a majority of the potato growers in Prince Edward Island, or New Brunswick, or any other province, who suggest that a board be formed. The suggestion will not come from the Governor in Council.

Hon. Mr. MURDOCK: Does this section contemplate the possibility of amalgamating a potato marketing board in Prince Edward Island with an apple board in Nova Scotia?

Right Hon. Mr. MEIGHEN: I cannot say that the section forbids it, but there is no need that they should be amalgamated, because the products are not at all in the same line, and there is no likelihood that the producers would want an amalgamation.

Hon. Mr. MURDOCK: Do the words "natural product," in the fourth line, govern?

Right Hon. Mr. MEIGHEN: Yes, I should think so. Consequently there could be an amalgamation only of boards dealing with a natural product.

Hon. Mr. MURDOCK: Dealing with any one natural product?

Right Hon. Mr. MEIGHEN: Dealing with any one natural product, I should think. But I do not want to be dogmatic on that, because it is conceivable that one board might deal with several natural products. For instance, in the Okanagan Valley there would not be one board dealing with apples, another with pears and another with peaches. Fruit is a combination of several natural products, and I presume that if there were an apple board it would deal with peaches and pears as well.

Hon. Mr. COPP: The same board could deal with pigs, could it not?

Right Hon. Mr. MEIGHEN: I presume it could, but I think that would not happen. The honourable senator from Parkdale (Hon. Mr. Murdock) is right in suggesting that the

section contemplates that a board handling one natural product may be amalgamated with a board handling another natural product, but I should think that the natural product in each instance might be some kind of fruit. In any event, the producers make the selection.

Hon. Mr. HUGHES: How would the poll of the people engaged in an industry be taken?

Right Hon. Mr. MEIGHEN: The method of taking the poll would be provided by the regulations that are to be promulgated. I presume that everybody producing a certain quantity of goods in any district will be required to register, so that when the registrations have been made the board will know just who are engaged in the various industries. Provision will probably be made for ascertaining the wishes of all those persons who are registered from any district, when it is suggested that a board be formed for that district.

Hon. Mr. HUGHES: It seems to me that so far as Prince Edward Island is concerned it would be much simpler to get an expression of opinion from the Provincial Government, for it represents everybody there. Four-fifths of the people in that province are growing potatoes, in large or small quantities.

Hon. Mr. DANDURAND: May I ask the right honourable gentleman this question? If a local board were organized for the marketing of potatoes in New Brunswick, and a similar board were set up in Prince Edward Island, would each board be supreme in its field, or would the actions of each be controlled by the central board with a view to harmonizing them?

Right Hon. Mr. MEIGHEN: The answer to each part of the honourable gentleman's question is in the affirmative. Each board would be supreme, yet each would be under the governance of the overriding provisions. But those overriding provisions would never prevent either board from getting superior prices for superior quality.

Hon. Mr. HUGHES: Nor from maintaining the identity of the products?

Right Hon. Mr. MEIGHEN: Nor from maintaining the identity. The function of the central board will be to harmonize the work of one board with that of another, but the work of the individual boards will not be destroyed. Furthermore, the benefit of the general experience will be available to each section.

Hon. Mr. DANDURAND: Then each local board will be restricted in its movements as to the time and place at which, and the agency through which, the regulated product shall be marketed, and as to the manner of distribution and the quantity, quality and grade or class of the regulated product. The freedom of action of the local board will be limited by the general ruling of the central board, permitting or prohibiting sales during a certain period, with a view to the best marketing conditions and prices. The boards dealing with the same product in New Brunswick and Prince Edward Island, for instance, would be controlled by the central board, and because of obeying certain general regulations they would function in some respects as though they were one board?

Right Hon. Mr. MEIGHEN: I think that is correct. It must be borne in mind that the Governor in Council is not obliged to take action when the request for a board comes from too small a portion of an industry. My own view is that it would not be common sense to have three boards for the potato industry in the Maritime Provinces. It would seem to me that those three provinces would probably be the smallest possible unit that could possibly operate as one board in relation to that one product. A different arrangement would probably cause difficulty, for friction might arise if one province were asked to withhold sales while the other provinces were selling. It would be the duty of the central board to advise as to whether or not any unit is big enough to function by itself with respect to any product, while other units handling the same product are also functioning nearby. It would seem to me to be the part of wisdom that the handling of any one product in the Maritime Provinces should be done by one board.

Hon. Mr. HUGHES: That is where the danger lies. The potatoes of Prince Edward Island being of superior quality, the demand would perhaps be stronger for them than for those of the other provinces. If we were unable to take advantage of that demand we should be penalized to some extent.

Right Hon. Mr. MEIGHEN: The merging of the boards would not merge the potatoes.

Hon. Mr. HUGHES: I should be satisfied if it were made clear that we shall be free to do the best we can with the product that is peculiar to Prince Edward Island.

Right Hon. Mr. MEIGHEN: Prince Edward Island does not need to go into the scheme at all.

Right Hon. Mr. MEIGHEN.

Hon. Mr. HUGHES: That is an important statement, that we do not need to go in at all.

Hon. Mr. DANDURAND: Honourable members, when we were in Committee I moved an amendment which was rejected, and I stated that I would move it again on third reading. I desire to do so now. Subsection 3 of section 5 reads as follows:

Upon receipt of a report from the Board recommending the approval of the scheme as submitted or as amended by the Board, the Minister may recommend the approval thereof, or may require that a poll be taken and state the necessary percentage of voters favouring the scheme to warrant its further consideration; upon the recommendation of approval by the Minister, the Governor in Council may approve the scheme and fix the date when the same shall become effective.

I move that this be amended by inserting after the word "and" and before the word "fix," in line 34 on page 5 of the Bill, the following:

may then lay before Parliament that scheme, and if Parliament resolves that the scheme shall be approved, the Governor in Council may.

The discussion to which we have just listened strengthens my opinion as to the necessity of such an amendment. As I said on the motion for second reading, this proposed legislation is experimental, and is far in advance of any we have formerly had for the purpose of regulating the marketing of natural products. It seeks to introduce into our statutes a coercive element which is entirely new. The views expressed by honourable members this evening show the differences of opinion that exist as to the working of this Bill, and prove that some people fear they may be deprived of that freedom of action which hitherto they have been able to exercise as they deemed best in their own interest. The honourable gentleman from Gloucester (Hon. Mr. Turgeon) urges that the fishermen from the part of the country which he represents should not be included in such a scheme as the Bill contemplates; and opposition to the Bill has been expressed from the Maritimes.

Radical though the marketing legislation of Great Britain is, I feel we should be well advised to follow more closely the policy adopted in that country. Under that policy no marketing scheme can be put into operation until it has been approved by both Houses of Parliament. I believe the people of our country would be less disturbed over the possibility of an invasion of their right to dispose as they please of the products of their labour, if it were made clear to them

that no marketing scheme would be put into operation until it had been ratified by Parliament. The right honourable leader states that since our sessions last only about five months each year it is not always so easy to obtain the opinion of Parliament in this country as it is in Great Britain, where the sessions are usually of nine or ten months' duration. And he fears that the problems of British Columbia, for instance, might not be understood by people from the East. I submit that we need the support and sanction of Parliament in order to insure the successful operation of this new venture. If in the next few years the law works to the satisfaction of all, including the minorities who at present may be in opposition to it, parliamentary approval may become a perfunctory matter. But I am convinced that more ground will be gained at the outset if we follow the practice adopted under the British Act of 1931, requiring that before any scheme under that Act can become operative it shall be approved by Parliament. My amendment is seconded by the honourable senator from De Lanaudière (Hon. Mr. Casgrain).

Right Hon. Mr. MEIGHEN: As I have already expressed myself on this matter, I will not make any extended remarks at this time. But I do not wish to be discourteous to the honourable gentleman by failing to make any reply to his argument. For reasons already given I consider that the amendment is merely negative and that it would render the whole Bill utterly nugatory and futile.

The amendment of Hon. Mr. Dandurand was negatived.

The Hon. the SPEAKER: The question is now on the third reading of the Bill.

Hon. Mr. SINCLAIR: I desire to point out to the right honourable gentleman that when the Bill was in Committee last Friday he promised the House certain information on two or three matters. I think we are entitled to that information.

Right Hon. Mr. MEIGHEN: I am very glad that the honourable gentleman has mentioned the point. I had it in mind two or three times this evening.

Hon. Mr. SINCLAIR: Before the right honourable gentleman proceeds, may I refer to a statement made last Friday by the Chairman of the Committee, and not noticed by me until I read it in Hansard. He said it had been stated in another place—which I presume meant the other House of Parliament—that the central board would be composed of officials of the Department of

Agriculture. I should like to ask the right honourable leader if he has any information in that connection.

Right Hon. Mr. MEIGHEN: The honourable Chairman of the Committee (Hon. Mr. Black) understood that from the talk he had with the Minister.

Hon. Mr. SINCLAIR: It was not stated in Parliament?

Right Hon. Mr. MEIGHEN: No. I am disposed to think he meant the salaried officials would be the present officers. I do not think he meant there would be nobody else associated with the central board.

Hon. Mr. SINCLAIR: As members of the board?

Right Hon. Mr. MEIGHEN: He may have meant that, but I do not understand so.

Hon. Mr. SINCLAIR: When the right honourable gentleman says "officers," does he mean officials or members?

Right Hon. Mr. MEIGHEN: Officials.

Hon. Mr. MURDOCK: Here is the statement:

The Chairman: It was stated in another place that the central board would be made up of officials now in the employ of the Department of Agriculture.

Hon. Mr. BLACK: I have nothing to add to or retract from that statement. "Another place" does not necessarily mean another Chamber of Parliament. In answer to a question whether it would be necessary to have a large number of officials, the Minister stated that in his opinion there were a sufficient number in the department now to carry on the central board.

Right Hon. Mr. MEIGHEN: I am not sure whether he meant to carry on the work of the board as officials or as members.

Hon. Mr. SINCLAIR: That is a very important point.

Right Hon. Mr. MEIGHEN: It is important in the administration, but it does not really affect the merits of the Bill.

Hon. Mr. SINCLAIR: It affects the cost of administration.

Hon. Mr. CASGRAIN: But not the principle of the Bill—which is no good.

Right Hon. Mr. MEIGHEN: I hope they will be able to carry on with the present officials, but I cannot give an undertaking to that effect.

While I am on my feet I want to give answers which were promised to questions brought up by the honourable senator from Queen's (Hon. Mr. Sinclair). One had to do with the licence fees to be charged under this Bill. The other related to some understanding or information with respect to the Fruit and Honey Act. This is the memorandum, dated June 18, which I have received from the Deputy Minister of Agriculture:

Licence fees under the Natural Products Marketing Act will have to be determined in the case of each product to which they are intended to apply. It is expected that when provision for licences is a part of a marketing scheme, the amount of fees proposed for such licences will be included in the scheme.

That is, in the scheme proposed to the department by the local people engaged in it.

The proposed fees, as well as other provisions of the scheme, will of course be subject to examination by the Dominion Marketing Board, recommendation by the Minister, and approval by Governor in Council. It is not intended that regulation will be affected by the amount of the fee.

Hon. Mr. SINCLAIR: Does that apply to section 12?

Right Hon. Mr. MEIGHEN: To the whole Act, according to this memorandum.

Such fees should not mean any hardship to those who may require a licence.

The second paragraph has to do with the Fruit and Honey Act:

With reference to licence fees under the Fruit and Honey Act no final decision has yet been made. It is probable that the fees will range from \$5 to \$30, depending upon the character of the business for which the licence is issued. Fifty dollars was proposed in the first draft of the regulations, but these are being revised.

Hon. Mr. SINCLAIR: The right honourable gentleman will remember that information was also to be brought down with regard to the assessment of tolls; whether the power was in the local board, or the central board could delegate it to the local board.

Right Hon. Mr. MEIGHEN: I think tolls are in the same category as licence fees; they would have to carry the judgment of the Marketing Board and as well of the Minister and the Governor in Council.

Hon. Mr. SINCLAIR: That is satisfactory.

The Hon. the SPEAKER: The question is on the third reading of the Bill.

Hon. Mr. DANDURAND: Carried on division.

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

The Senate adjourned until to-morrow at 3 p.m.

Right Hon. Mr. MEIGHEN.

THE SENATE

Wednesday, June 20, 1934.

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

Prayers and routine proceedings.

QUEBEC SAVINGS BANKS BILL

THIRD READING

Bill 33, an Act to amend the Quebec Savings Banks Act.—Right Hon. Mr. Meighen.

PRIVATE BILL

THIRD READING

Bill R2, an Act to incorporate Security National Insurance Company.—Hon. Mr. Coté.

SHIPPING BILL

COMMONS AMENDMENTS REFERRED TO COMMITTEE

The Hon. the SPEAKER: Honourable members, a message has been received from the House of Commons returning Bill E, an Act respecting Shipping, with several amendments to which they desire the concurrence of the Senate. When shall these amendments be taken into consideration?

Right Hon. Mr. MEIGHEN: Honourable members, the House of Commons made twenty-five amendments to this Bill, which is a small number of proposed changes when spread over such an immense measure. Twenty-four of them are purely clerical; they have no effect other than by way of clerical corrections. The other five are of some material importance, and I will refer to them briefly. I presume it will not be necessary for me to quote the numbers of sections that are affected.

The first amendment has to do with the definition of a home trade voyage, and provides that this definition shall include a voyage which takes in Hudson Bay. That is to say, a home trade voyage would not become a foreign voyage merely because the ship went north and into Hudson Bay.

The second amendment deals with the measurement that is made of a vessel for the purpose of deciding whether it shall come within certain exemptions. The Bill provided a system of measurement by horse-power for sailing vessels with auxiliary mechanical power, and declared that a boat with more than four horse-power should not come within the

exemptions. The amendment adopts tonnage instead of horse-power as the standard of measurement for such vessels.

Hon. Mr. CASGRAIN: Quite properly.

Right Hon. Mr. MEIGHEN: The Bill as it left here provided that the certificates of masters, and I think also of mates, should expire in five years, the purpose being to facilitate the work of the department in keeping records up to date as to officers who had died. The amendment abolishes this automatic expiration of the certificates and provides instead that the Minister may cancel any certificate upon cause being shown, after inquiry before a summary court as provided for in the measure. No certificate may be cancelled before the court has reported.

Under the fourth amendment a seaman, on his discharge, may ask for a certificate of character to be endorsed on his discharge paper. If he makes such a request the master is bound to endorse the paper, favourably or otherwise. No doubt a seaman would not ask for an endorsement unless he felt it would be favourable.

The intention of one clause in the Bill is to enable the Minister to make safety regulations, as for instance against the speeding of racing boats at summer resorts. The final amendment of importance provides that the power of the Minister in this respect shall be limited to the making of regulations affecting minor waters only.

Inasmuch as this Bill originated in the Senate and has been the subject of very careful attention, I think it would be proper to submit these amendments to a committee. I therefore move that the amendments be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

FARMERS' CREDITORS ARRANGEMENT BILL

FIRST READING

Bill 92, an Act to facilitate Compromises and Arrangements between Farmers and their Creditors.—Right Hon. Mr. Meighen.

CANADIAN FARM LOAN BILL

FIRST READING

Bill 93, an Act to amend the Canadian Farm Loan Act.—Right Hon. Mr. Meighen.

INTERNATIONAL LABOUR OFFICE

INQUIRY POSTPONED

On the notice of inquiry:

By the Hon. Mr. Casgrain:—

That he will call the attention of the Senate to the activities of the International Labour Office at Geneva, and inquire:—

1. What is the total cost, without interest during construction, of the Labour Temple erected at Geneva by the International Labour Office?

2. When was construction work commenced?

3. When was the Temple completed and occupied?

4. Has the Temple been paid for, and if not, how much is outstanding and owing on the building?

Right Hon. Mr. MEIGHEN: I have the answer here.

Hon. Mr. CASGRAIN: There is a great deal of work to be done in dealing with bills, and I do not want to impede the progress of the House in these matters. I therefore ask that this inquiry stand until next Wednesday, June 27.

The inquiry stands.

CAP ROUGE RIVER VIADUCT

Before the Orders of the Day:

Hon. Mr. PARENT: Honourable members, I noticed in the Ottawa Citizen of this morning that estimates were passed in the House of Commons yesterday providing for a programme of public works, among which I find the following:

Montreal—Application of two protective coats of paint on the steel structure of the harbour bridge, \$60,000.

Recently I passed near Cap Rouge in the company of a man who has considerable knowledge of steel, and he called my attention to the fact that the Cap Rouge river viaduct, which carries the transcontinental railway tracks, is in a rusty condition and badly deteriorated from lack of paint. This structure is very important to the railway and the country, and to allow it to fall into a worse state of repair would be bad policy. Since the Government is going to spend money on painting the harbour bridge in Montreal, I should like to ask the right honourable leader of the House if he would direct the attention of the Government to the necessity for painting the Cap Rouge river viaduct.

Right Hon. Mr. MEIGHEN: I presume the provision for painting the Montreal bridge was included in the Bill that was brought down in the other House last night. I certainly shall call the attention of the Government to the particular case to which the honourable member refers.

MEAT AND CANNED FOODS BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 6, an Act to amend the Meat and Canned Foods Act.

Hon. Mr. DANDURAND: Explain.

Right Hon. Mr. MEIGHEN: I explained the Bill yesterday. After it passes second reading I shall move that it be referred to the Standing Committee on Banking and Commerce.

Hon. Mr. HARDY: May I ask the right honourable gentleman why all bills are referred to the Standing Committee on Banking and Commerce? Surely there are other standing committees to which this and similar bills may be referred. The Banking and Commerce Committee has been very heavily worked this session, and I would suggest that he have this Bill referred to the Committee on Agriculture.

Hon. Mr. DANDURAND: This is a very short Bill, containing one clause. I am inclined to think that if the right honourable gentleman would explain the very slight change to be effected, the Bill might be given third reading.

Right Hon. Mr. MEIGHEN: The honourable gentleman is correct. I explained the Bill yesterday. It provides for the honest labelling of canned goods intended for export. Heretofore the checking has had to be done at the retail stage, and of course this was possible only when the goods were retailed in the domestic market.

I have been impressed, just as has the honourable senator from Leeds (Hon. Mr. Hardy), with the fact that, especially this session, nearly all bills have been referred to the Committee on Banking and Commerce. In times of greater prosperity the Railway Committee was also very busy. When this Bill came to us I thought it might be referred to the Committee on Agriculture, but really it has to do with trade and commerce, and to my mind there is no reason why the Bill should not go to the committee dealing with such matters. Notwithstanding the remarks of the honourable senator opposite (Hon. Mr. Dandurand), I am inclined to think we should refer it to a standing committee to see if it cannot possibly be improved. There are two or three honourable members who take a very keen interest in the subject-matter.

Hon. Mr. SINCLAIR: The Bill might more appropriately be referred to the Committee on Public Health and Inspection of Foods. Fish does not really come under agriculture.

Right Hon. Mr. MEIGHEN: The honourable senator is quite right.

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

Right Hon. Mr. MEIGHEN.

REFERRED TO COMMITTEE

On motion of Right Hon. Mr. Meighen, the Bill was referred to the Standing Committee on Public Health and Inspection of Foods.

CANADA GRAIN BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 53, an Act to amend the Canada Grain Act.

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

REFERRED TO COMMITTEE

Right Hon. Mr. MEIGHEN moved that the Bill be referred to the Standing Committee on Banking and Commerce.

Hon. Mr. DANDURAND: I would suggest to my right honourable friend that the first few clauses are more germane to agriculture than to banking and commerce.

Right Hon. Mr. MEIGHEN: The whole Grain Act is, but all along it has been dealt with by the Standing Committee on Banking and Commerce. The Act is administered by the Department of Trade and Commerce; why I do not know. I think it would be a mistake to change the committee now.

Hon. Mr. DANDURAND: I notice clause 2 provides:

Schedule One of the said Act is amended by striking out the words "Red Spring Wheat of good milling quality" in No. 2 Manitoba Northern under the main heading of "Variety of grain" and substituting therefor the words "Marquis or equal to Marquis."

Right Hon. Mr. MEIGHEN: Yes, the first part is purely agricultural; the second part is not. My only reason for suggesting that the Bill be referred to the Banking and Commerce Committee is that this committee has always dealt with the Grain Act. I am not at all obstinate, and if it is deemed advisable I am quite prepared to have the Bill referred to the Committee on Agriculture. Undoubtedly it is the appropriate committee for the main feature of the Bill.

Hon. Mr. CASGRAIN: Clause 3 deals with non-negotiable receipts of grain for transfer only. That is business.

Right Hon. Mr. MEIGHEN: I know, but farmers are business men now.

On motion of Right Hon. Mr. Meighen, the Bill was referred to the Standing Committee on Agriculture and Forestry.

FOOD AND DRUGS BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 70, an Act to amend the Food and Drugs Act.

The motion was agreed to, and the Bill was read the second time, and referred to the Standing Committee on Public Health and Inspection of Foods.

ROYAL CANADIAN MOUNTED POLICE BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 95, an Act to amend the Royal Canadian Mounted Police Act.

The motion was agreed to, and the Bill was read the second time, and referred to the Standing Committee on Banking and Commerce.

SPECIAL WAR REVENUE BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 97, an Act to amend the Special War Revenue Act.

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

REFERRED TO COMMITTEE

Right Hon. Mr. MEIGHEN moved that the Bill be referred to the Standing Committee on Banking and Commerce.

Hon. Mr. DANDURAND: This is the first time for such a bill to leave this House to go to a standing committee.

Right Hon. Mr. MEIGHEN: It does not leave the House.

Hon. Mr. DANDURAND: It goes to a standing committee.

Right Hon. Mr. MEIGHEN: Well, it contains almost innumerable details. I have very little faith in the thoroughness of the review of such a bill by Committee of the Whole. There would be no objection to the Bill going before Committee of the Whole when it comes back to the House, but it does seem to me that if the standing committee considers it first we shall have a better Bill. If it were a very short bill it might as well be dealt with here, but this is a lengthy one.

The motion was agreed to.

CUSTOMS TARIFF BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 98, an Act to amend the Customs Tariff.

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

CONSIDERED IN COMMITTEE

On motion of Right Hon. Mr. Meighen, the Senate went into Committee on the Bill.

Hon. Mr. Donnelly in the Chair.

Right Hon. Mr. MEIGHEN: This Bill contains only six clauses; but there are many changes. It is a Bill to which very little could be done by a special committee.

Section 1 was agreed to.

On section 2—tea:

Right Hon. Mr. MEIGHEN: This clause provides that in the estimation of ad valorem in respect of tea purchased in bond in the United Kingdom, the present duties on tea entering the United Kingdom shall not be included.

Section 2 was agreed to.

Section 3 was agreed to.

On section 4—schedule B amended:

Hon. Mr. DANDURAND: Before we pass this clause would the right honourable gentleman explain generally what has actuated the Government in making the various changes in schedule A? They are mainly technical. I confess that I can throw no light on the value of the policy of altering that schedule, but there may be a guiding principle behind the proposed changes.

Right Hon. Mr. MEIGHEN: I have studied the debate which took place in the House of Commons, and I must say that I do not see any principle at all inherent in the amendments. There is no change of policy, but merely a correction or readjustment of duty, and, according to my information, it is mainly downward.

Hon. Mr. DANDURAND: Are the changes consequential on the Ottawa agreements?

Right Hon. Mr. MEIGHEN: They would seem to be, because the number of items that are "free" under the British preferential tariff is very great; in fact, the word "free" is all but universal throughout the schedule. I think the multiplied presence of that word would recommend this measure to the most extreme free-trader in the House.

Hon. Mr. DANDURAND: It meets with no objection from this side.

Section 4 was agreed to.

Sections 5 and 6 were agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

MEETINGS OF COMMITTEES

Hon. Mr. DANDURAND: Some of the bills read the second time this afternoon have been referred to standing committees.

Right Hon. Mr. MEIGHEN: Yes; four of them, I think.

Hon. Mr. DANDURAND: I suggest to the right honourable gentleman that he advise the Clerk of Committees to see that the meetings do not clash, but that they are held to-morrow morning.

Right Hon. Mr. MEIGHEN: I shall see Mr. Hinds, the Clerk of Committees, and ask him to arrange that as best he can. I am going to suggest that the Committee on Banking and Commerce meet to-morrow morning at 11.30. I feel that by so doing the committee would have time to do the work that will come before it. I leave it to the Committee on Agriculture and Forestry and the Committee on Public Health and Inspection of Foods to meet earlier, if possible. One of them, at least, should meet earlier; the other may meet in the afternoon.

Hon. Mr. DANDURAND: As the Bill to amend the Royal Canadian Mounted Police Act is somewhat technical, I suppose we could have before the committee that considers it the actuary who supervises this legislation.

Right Hon. Mr. MEIGHEN: I shall see to that.

Hon. Mr. DONNELLY: For the information of the members of the Committee on Agriculture I may say that I have arranged for that committee to meet at 10.30 to-morrow, to consider Bill 53.

Right Hon. Mr. MEIGHEN: I have conferred with the Chairman of the Committee on Public Health and Inspection of Foods, and with his concurrence suggest that that committee be called to meet immediately after the House rises to-morrow afternoon. The usual notices, of course, will go out.

Right Hon. Mr. MEIGHEN.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. COPP, on behalf of the Chairman of the Committee on Divorce, presented the following bills, which were severally read the first time:

Bill S2, an Act for the relief of Eugenie Margaret O'Reilly Stavert.

Bill T2, an Act for the relief of George Harold Allen.

Bill U2, an Act for the relief of Ena Beatrice Duclos Boyd.

Bill V2, an Act for the relief of Paul Herbert Addy.

SECOND READINGS

Hon. Mr. COPP, by leave of the House, moved the second reading of the bills.

The motion was agreed to, and the Bills were read the second time.

THIRD READINGS

Hon. Mr. COPP moved the third reading of the bills.

He said: Honourable senators, as we are nearing the end of the session, I would suggest that if there is no objection these bills be read a third time now.

Right Hon. Mr. MEIGHEN: They are not opposed?

Hon. Mr. COPP: No.

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

The Senate adjourned until to-morrow at 3 p.m.

THE SENATE

Thursday, June 21, 1934.

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

Prayers and routine proceedings.

CANADA GRAIN BILL

THIRD READING

Bill 53, an Act to amend the Canada Grain Act.—Right Hon. Mr. Meighen.

ROYAL CANADIAN MOUNTED POLICE BILL

THIRD READING

Bill 95, an Act to amend the Royal Canadian Mounted Police Act.—Right Hon. Mr. Meighen.

SPECIAL WAR REVENUE BILL

THIRD READING

Bill O7, an Act to amend the Special War Revenue Act.—Right Hon. Mr. Meighen.

BANK BILL

REPORT OF COMMITTEE

Hon. F. B. BLACK presented the report of the Standing Committee on Banking and Commerce on Bill 18, an Act respecting Banks and Banking, and moved concurrence therein.

He said: The Committee has made sixteen amendments to the Bill, three of which may be of particular interest, and the remainder are verbal corrections.

The three major amendments are as follows:

Page 83, line 31. Add the following as sub-clause 4 of clause 160 (1):

"(4) Every bank which neglects to transmit or deliver to the Minister within the time prescribed by the Treasury Board a certified return showing, as to deposits by the public in Canada payable on demand and also deposits payable after notice, the number and aggregate amount of such deposits in each of the classifications by this Act required, at a date to be specified by the Treasury Board, shall incur a penalty of fifty dollars for each and every day during which such neglect continues."

Page 87. In Schedule A. Add immediately after the names of the banks mentioned in the said Schedule A, the following:

"La Banque Provinciale du Canada and Banque Canadienne Nationale hereinbefore named may respectively carry on business pursuant to the provisions of this Act, under the respective names 'The Provincial Bank of Canada' and 'National Canadian Bank.'"

Page 89, line 2 of Schedule D. After "therefrom" insert "(or the fertilizer purchased and the crop grown on the land on which in the same season such fertilizer has been used)."

The motion was agreed to.

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

APPROPRIATION BILL NO. 4

FIRST READING

A message was received from the House of Commons with Bill 109, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1935.

The Bill was read the first time.

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of the Bill.

Hon. Mr. DANDURAND: What is the amount?

Right Hon. Mr. MEIGHEN: By clause 2 of this Bill, which is for the year 1934-35, there is appropriated a sum not exceeding \$128,617,254.36, for the items set forth in schedule A. Certain specific items aggregating a sum not exceeding \$4,479,579.37, the details of which appear in schedule B, are covered by clause 3. By clause 4 there is appropriated a sum aggregating not more than \$2,664,000, as set out in schedule C.

By clause 5 the Governor in Council is empowered to raise by way of loan a sum not exceeding \$200,000,000 for public works and general expenses, and the provisions for charging these amounts are set out.

Right Hon. Mr. GRAHAM: That does not include the Public Works Bill.

Hon. Mr. DANDURAND: It has not been passed by the Commons.

Right Hon. Mr. MEIGHEN: No.

Hon. Mr. DANDURAND: I am of course aware of the limitation of this Chamber with respect to an increase in the vote—something which I do not suppose anyone would rise to ask—and I know we cannot decrease it except by rejecting the whole Bill.

Right Hon. Mr. MEIGHEN: In so far as these estimates are concerned, the process is entirely one of reduction. I do not know how the total will be affected by the Public Works Bill; but it will not be affected sufficiently to meet the aspirations of one or two provincial Prime Ministers.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

FINANCE ACT REPEAL BILL

FIRST READING

A message was received from the House of Commons with Bill 111, an Act to repeal the Finance Act.

The Bill was read the first time.

Right Hon. Mr. MEIGHEN: The Finance Act will be replaced by the Central Bank Act.

Hon. Mr. DANDURAND: I have not the Bill under my hand. When does it come into force?

Right Hon. Mr. MEIGHEN: I have not the Bill either. It has just been brought over from the Commons. It would be proclaimed, I presume, on the coming into force of the Central Bank Act.

Hon. Mr. DANDURAND: The Bill has two clauses, which read as follows:

1. The Finance Act, chapter seventy of the Revised Statutes of Canada, 1927, is hereby repealed.

2. This Act shall come into force on a date to be fixed by proclamation published in the Canada Gazette.

Right Hon. Mr. MEIGHEN: That would be the date of the coming into effect of the Central Bank Act.

DOMINION NOTES REPEAL BILL

FIRST READING

A message was received from the House of Commons with Bill 112, an Act to repeal Chapter 4 of the Statutes of 1915.

Right Hon. Mr. GRAHAM: The title of the Bill does not give much information.

Right Hon. Mr. MEIGHEN: It certainly does not.

The Bill was read the first time.

CANADIAN AND BRITISH INSURANCE COMPANIES BILL

COMMONS AMENDMENTS REFERRED TO COMMITTEE

The Hon. the SPEAKER: Honourable members, a message has been received from the House of Commons returning Bill F, an Act to amend the Canadian and British Insurance Companies Act, 1932, with several amendments to which they desire the concurrence of the Senate. When shall these amendments be taken into consideration?

Right Hon. Mr. MEIGHEN: Honourable members, I understand that the main amendment, and practically the only one of any consequence, has to do with the provisions respecting Lloyd's. I may say, subject to making a correction when I read the exact amendment, that it repeals all the Lloyd's provisions inserted by this House in its initial treatment of the measure. These provisions permitted any member of Lloyd's to enter Canada without making the usual deposit, because of the securities taken under the authority of the British Parliament, and applicable to the entire area of Lloyd's policyholders. They also had to do with certain conditions and stipulations to be agreed to by Lloyd's in respect of service upon them here and the payment of obligations due under policies.

Hon. Mr. DANDURAND:

If the amendment stopped there it would mean that Lloyd's, notwithstanding what they have done in England, would have to comply with the usual practice of making a deposit here. But it is my understanding that the amendment further provides that the whole Bill shall have no application to any member of Lloyd's that has obtained a provincial licence, in so far as it may operate under that licence. That is to say, Lloyd's are left to provincial jurisdiction. If the provisions inserted by this House with respect to this very contentious subject are not to become law—and I have no hesitation in saying they were the best and most equitable provisions all round, although there were very great difficulties thrown in the way—it seems to me this alternative is a wise one. It virtually notifies all concerned that this Dominion is not going to enter into any litigation in order to shut out those who we know can conduct insurance, or in order to establish our jurisdiction in this respect as against a licensee of a province. I believe no concern can enter a just complaint against Lloyd's being left to the provinces, save that it would be better if some plan could be found under which Lloyd's would be supervised federally, as other great insurance organizations are.

Hon. Mr. DANDURAND: I rise simply to make a mild objection to the statement of my right honourable friend that the legislation we passed covering the operations of Lloyd's in Canada was better than what is now submitted to us. I disagree with my right honourable friend, because I think that from the standpoint of pure logic the amendment now before us would improve the Bill, as it would put Lloyd's on an equal footing with other companies. At least it recognizes the right of Lloyd's to operate under a provincial charter. From the standpoint of tactics and opportunism, the position taken by my right honourable friend could perhaps be defended, but on the basis of equal treatment for all companies the amendment is a good one.

Right Hon. Mr. MEIGHEN: No object can be served by carrying the argument further. But there is a glaring lack of logic in saying that in respect of one organization we recognize the authority of the province to license, but with respect to all others we make no such recognition. I should like especially to hear the views of the protagonists of this amendment in support of its alleged logic. However, we have to take facts as they are, and I think the amendment suggests the second best method of procedure in the present instance. It should be borne

in mind, though, that under this method, in the event of loss, the holder of a Lloyd's policy will be faced with great difficulties if there is resistance to recovery, and all the complaints that have been made as to trouble in respect of realization will prove to be well founded. Such difficulties would have been avoided under the Bill as it left this House.

I hope I have not made an error in defining the final effect of this amendment. I understood it to be the principal amendment, but as there are other proposed changes I think it would be well to follow the course that we took with respect to the Shipping Bill. I therefore move that these amendments be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

FARMERS' CREDITORS ARRANGEMENT BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 92, an Act to facilitate compromises and arrangements between farmers and their creditors.

He said: Honourable members, this is one of the most interesting and certainly one of the most important measures that have been before Parliament for some time. A companion measure is Bill 93, an Act to amend the Canadian Farm Loan Act, and I think my explanation will be clearer if it embraces both bills. The object to be served by them is very easily understood. It arises from the unfortunate plight in which a large number of our agriculturists find themselves, owing to the exacting demands of—I almost said the late depression. That object is to alleviate the condition of farmers who are in a situation from which they cannot escape. The means for achieving that end is to be machinery, under our jurisdiction in bankruptcy and insolvency, whereby a farmer may obtain readjustment and funding of his obligations, have his assets set off against his liabilities, and be placed in a position from which he can again move forward.

The jurisdiction in bankruptcy and insolvency is exclusively federal. Ontario, in the early years, under the government of Sir Oliver Mowat, made provision whereby bankrupts could compromise with their creditors and be relieved of that portion of their liabilities which could not be paid. Until that time, in countries where British common law prevailed and had not been modified by legislation, no compromise with creditors was valid unless all had agreed to it and executed the releasing document. In Ontario the

modifying legislation provided that releases could be given by creditors who were in the majority, or to a certain extent in excess of a bare majority; and no doubt a similar course was followed in other provinces. The legislation was contested and went to the Privy Council. There it was upheld, but a reservation was made that as the jurisdiction in bankruptcy and insolvency was federal, the province would have no jurisdiction when a bankruptcy and insolvency law was passed by the Dominion.

We have now, as everyone knows, a federal bankruptcy law. But its provisions are not so simple and accessible as to be suited to the requirements of the rural population. The main object of Bill 92 is to provide means better adapted to those requirements. A board of review is to be established in each province. In Quebec the board will be headed by a judge of the Superior Court, who has bankruptcy jurisdiction, in Ontario by a Supreme Court judge with bankruptcy jurisdiction, and in every one of the other provinces by a member of the judiciary of corresponding rank. The measure sets out how the other members of the boards are to be named. A farmer who has been unable to make a satisfactory arrangement with his creditors may appear before such a board. His creditors will be heard, and the board will determine whether or not he is in a position to be declared bankrupt and to come under the provisions of the measure. If the farmer, because of his assets, is in a solvent position, a decision may be made as to the aggregate of the debt which he is to remain liable for, and undertake to discharge.

Then, by virtue of the authority of the Federal Parliament in relation to interest, machinery is made available to enable the farmer to proceed upon the new basis of his restricted liabilities. If he is obligated under a mortgage bearing a high rate of interest, such as obtained in the days when commodity prices were high, and if the mortgagee refuses to take his money and is not compellable by the contractual terms of the mortgage to take it, the principal and interest, together with three months' further interest, may be tendered to the mortgagee, who is bound to accept it; and from that time on no more than five per cent shall be payable in respect of that mortgage. The Farm Loan Bill is amended to provide that moneys may be lent for the purpose of enabling the farmer to discharge mortgages bearing high interest, and loans may be made to the extent of a higher percentage of the appraised value of the farm property than has hitherto been permitted, the increase being from fifty to sixty per cent.

A farmer who under Bill 92 had his liabilities reduced to the value of his assets would still need what is ordinarily known as working capital, and Bill 93 enables the Farm Loan Board to supply that need, within limited amounts, on the security of a second mortgage, so that he may be able to proceed with such cultivation and seeding as would have to be done before he could get any return at all from his property.

It is difficult to anticipate how important these measures may become, from the standpoint of national obligations. It is obvious to everyone that they will not add to the general aggregate of debt, for the effect of their operation will undoubtedly be to subtract from that general aggregate. They may, and I do not doubt that they will, add to the amount of the State's debt, but on the individual's side there will be a subtraction; and the subtraction will necessarily be much greater than the addition, because of the compounding provision and the compromising of liabilities. Therefore the burden of debt upon the nation and the people, both being considered as a whole, will be diminished.

I do not doubt that the proposed legislation will approach the border line of provincial jurisdiction, but the Government is advised that it does not transgress that line. Even if it did—and I do not want to create even a momentary impression that I think it does—I have no fear that there would be much disposition on the part of any provincial administration to assert to the limit its constitutional rights, if the assertion were clearly recognized as a claim that the province, rather than the Dominion, should lend the money.

Right Hon. Mr. GRAHAM: The provinces do not make any such assertion in relief matters.

Right Hon. Mr. MEIGHEN: No. I think they are not exceedingly scrupulous in constitutional matters when, by not being scrupulous, they run no risk of having to relieve the Dominion of a liability. Consequently, we are not likely to have to fight any battles over these measures.

In view of their purpose, I am sure that every member will approach these measures with sympathy. I fancy they will bring hope to thousands of breasts that have been in despair for a good many years.

I never could see why a farmer should not be in a position to start over again in the same way as anybody else. The only way to get rid of a debt is either to repay it in full or arrange a compromise. The sooner this compromise is effected the better. It is no

Right Hon. Mr. MEIGHEN.

satisfaction to the creditor to imagine he will be repaid in full when he knows there are insufficient assets. And the total liability is only an aggravation to the debtor. It is a burden upon him which impedes his march as he seeks to pay his debts.

I am whole-heartedly in favour of the principle of the Bill, and certainly assume it will pass its second reading. Thereafter I shall move that it go to the Committee on Banking and Commerce. It does seem to be an agricultural measure, but it is so in title only. Its very essence is finance, and therefore I think this is the appropriate committee to which it might be referred.

Hon. Mr. DANDURAND: Honourable members, I have read these two bills with close attention. I recognize they will tend to alleviate the burden upon our farming community. I agree with my right honourable friend (Right Hon. Mr. Meighen) that in most cases there will be a transfer of liability from the shoulders of the individual farmer to the Canadian Farm Loan Board, which, in very many cases, will advance the money to repay the principal to the lender and substitute itself in his place.

Right Hon. Mr. MEIGHEN: No; in the place of the old creditor.

Hon. Mr. DANDURAND: I call him the lender. A certain number of farmers are thus given hope of improving their situation.

It may be said that we are doing violence to the sacredness of contracts when we allow the debtor to repay his loan before the due date, but I think that under present circumstances most lenders or creditors will be happy to accept repayment, not only with interest to date, but, in lieu of notice, with three months' interest into the bargain. The situation is a very difficult one. The purpose of the Bill is to try to retain on the farm men, who, being discouraged, are about to throw up the sponge and abandon everything to their creditors.

My right honourable friend has said that he has never understood why the farmer should not, like any trader, take advantage of the bankruptcy law. I can understand his state of mind. I think if he had not lived a certain number of years away from Ontario he would hesitate to offer to the farmers of the older provinces facilities to free themselves from liabilities by way of proceedings in bankruptcy. It seemed to us in Quebec, and I imagine a similar view was entertained in Ontario, that it would be detrimental to the best interests of our farmers to lead them to feel that they could

borrow money and then, if the load became too heavy, seek statutory relief. We had the healthy state of things in my province—and I am sure it was the same in all the eastern provinces—that our farmers kept constantly in mind their obligation to incur no more debts than they could reasonably expect to repay. Since the Bankruptcy Act came into force there has been a tendency to laxity in this regard. I recall that an effort was made to exclude the farmers of the province of Quebec from its purview. I should be interested to know the number of farmers in the West who have taken advantage of the Bankruptcy Act. I hope their number is fewer than I am led to believe.

This legislation may to a certain extent invade the jurisdiction of the provinces, but I think it will be welcomed by the whole farming community, and I am disposed to support it.

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

CANADIAN FARM LOAN BILL

SECOND READING

Bill 93, an Act to amend the Canadian Farm Loan Act.—Right Hon. Mr. Meighen.

The Senate adjourned until Tuesday, June 26, at 3 p.m.

THE SENATE

Tuesday, June 26, 1934.

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

Prayers and routine proceedings.

PRINTING OF PARLIAMENT

REPORT OF JOINT COMMITTEE

Hon. G. V. WHITE presented the first report of the Joint Committee of both Houses on the printing of Parliament.

The Hon. the SPEAKER: When shall this report be taken into consideration?

Hon. Mr. DANDURAND: At the next sitting. We generally rely upon the committee to recommend what documents shall be printed, as many are of little use and not worth the expense of printing. I ask that this report be taken into consideration to-morrow, in order that in the meantime we may have an opportunity to peruse it.

PUBLIC ACCOUNTS

REPORT OF COMMITTEE

Hon. Mr. ROBINSON, Chairman of the Special Committee on the Public Accounts and Estimates of Canada, presented the third report of the committee.

Hon. Mr. MURDOCK: Will this report be printed for review before the next sitting?

Right Hon. Mr. MEIGHEN: That, I presume, would be a matter for the Printing Committee. I notice the report is very brief. It merely submits the evidence taken and recommends that the work be continued by a special committee next session. Consequently all that could be printed would be the evidence. It would seem to me rather unwise to print the evidence in its present truncated form. If we follow the recommendation contained in the report, and reappoint the committee next session, more evidence will be taken, and it would seem better to have it all together. I do not know what is contemplated by the Chairman or the committee in this respect.

Hon. Mr. MURDOCK: If the report of the evidence is not to be printed, I hope that to-morrow the Chairman or some member of the committee will give us a statement of the high lights developed in the meetings already held. Several honourable senators are interested in this inquiry, and I think we ought to be informed briefly what, if anything, has been discovered by the committee.

Hon. Mr. MacARTHUR: Honourable members, this committee, which was suggested by the honourable member from Moncton (Hon. Mr. Robinson), has ignored all the members of the Finance Committee except one. For nine years I have been a member of the Finance Committee, of which there are twelve or fourteen members, and I am not speaking for myself alone when I say it might very well have functioned and gone into this matter.

Hon. Mr. ROBINSON: Hear, hear.

Hon. Mr. MacARTHUR: Now the mountain has laboured and brought forth a mouse. I think a committee could have been selected which would have functioned to better purpose and brought forth something more tangible than this special committee has produced. The Finance Committee, of which the honourable member from Inkerman (Hon. Smeaton White) is Chairman, has under its purview matters of this kind, but for nine years it has never met. The honourable member from Moncton (Hon. Mr. Robinson),

when moving for the special committee, apologized and said, "I may be treading on the toes of the Finance Committee." He not only trod on their toes, but tramped them into the mire. I think there should be a tangible report.

MEAT AND CANNED FOODS BILL

THIRD READING

Bill 6, an Act to amend the Meat and Canned Foods Act.—Right Hon. Mr. Meighen.

FOOD AND DRUGS BILL

THIRD READING

Hon. Mr. BELAND moved the third reading of Bill 70, an Act to amend the Food and Drugs Act.

Right Hon. Mr. MEIGHEN: Honourable members, I move that this Bill be not now read a third time, but be amended by striking out the words "or company," on page 1, line 16.

Hon. Mr. BELAND: Will the right honourable gentleman state his reasons for suggesting that these words be eliminated?

Right Hon. Mr. MEIGHEN: Clause 2 of the Bill provides:

The said Act is further amended by adding thereto the following section immediately after section six thereof:—

6a. No person or company shall import, offer for sale, or sell any remedy represented by label or by advertisement to the general public as a treatment for any of the diseases, disorders or abnormal physical states named or included in Schedule A to this Act or in any amendment to such Schedule.

According to the Interpretation Act, "person" includes a company, partnership, and so forth. If the words "no person or company" are used together, as they now appear in this clause, the definition of "person" will be limited in its application, because the presence of the words "or company" would seem to indicate the intention of Parliament to refer only to a human being or a company. But if the words "or company" are left out, the meaning of "person" will be broader and will include company, partnership and the other things mentioned in the Interpretation Act.

Hon. Mr. DANDURAND: I understand from this explanation that the use of the expression "no person or company" might result in excluding partnerships from the prohibition intended by this clause.

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. MacARTHUR.

Hon. Mr. DANDURAND: I agree with the amendment.

The amendment was agreed to.

The motion for the third reading was agreed to, and the Bill as amended was read the third time, and passed.

INCOME WAR TAX BILL

FIRST READING

Bill 99, an Act to amend the Income War Tax Act.—Right Hon. Mr. Meighen.

PRIVATE BILL

FIRST READING

Bill 100, an Act respecting the St. Clair Transit Company.—Hon. Mr. Little.

SECOND READING

Hon. Mr. LITTLE, with the leave of the Senate, moved the second reading of the Bill.

Right Hon. Mr. MEIGHEN: Honourable members, I have received a communication with respect to this measure, to the effect that it is destructive of powers given by Act of Parliament last session to a company for the construction of a tunnel at Sarnia. Persons who protest against the Bill insist on being heard before a committee of this House. I have no objection to the second reading, on the understanding that there will be a reference to a committee, and that this committee will not pass upon the measure without giving an opportunity for a hearing to those who have requested it.

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

REFERRED TO COMMITTEE

On motion of Right Hon. Mr. Meighen, the Bill was referred to the Standing Committee on Railways, Telegraphs and Harbours.

INTERNATIONAL JOINT COMMISSION INQUIRY

Hon. Mr. RILEY inquired of the Government:

1. Is the International Joint Commission still in existence?
2. If so, where can one procure a copy of its annual report?
3. Who are the present Canadian commissioners?
4. What emoluments do they receive: (a) as salary—each; (b) travelling expenses—each; (c) for subsistence allowance—each?
5. Where do they hold their meetings, and about how many a year?
6. Are there any entertaining allowances?
7. If so, how much?

8. If there are no yearly reports since the late T. Chase Casgrain has resigned as president, is it the intention to have an annual report to present to Parliament, giving some information as asked above?

Right Hon. Mr. MEIGHEN: Honourable members, this subject is of considerable importance. The answer to the honourable gentleman's inquiry is as follows:

1. Yes.

2. The Commission issues reports on specific cases, not annual reports. The latest report on the Rainy Lake and Upper Boundary Waters reference was presented to the two Governments last week. Copies of this report will, in due course, be available at the office of the secretary of the Canadian section of the Commission.

3. Charles A. Magrath, Chairman; Sir William Hearst; George W. Kyte.

4. (a) \$7,500 annually, less 10 per cent.

(b) Actual travelling expenses.

(c) No subsistence allowance.

5. Under the rules adopted at the inception of the Commission, and which were submitted to the two Governments before being put into operation, provision was made for two fixed meetings, one in April in Washington and the other in October in Ottawa. Other meetings are arranged as the occasion requires. When cases come before the Commission for settlement or investigation public hearings are held on either side of the boundary at places that will best serve the convenience of all the interested parties in both countries. Many of the matters coming before the Commission, and particularly the larger investigations under article 9 of the Treaty of 1909 establishing the Commission, such as those relating to the St. Lawrence Deep Waterway, the pollution of boundary waters and the Trail Smelter, have involved very extensive technical inquiries and conferences between the Commission and technical experts representing the two Governments and other interests. The work of the Commission itself is carried on to a large extent by correspondence between the Ottawa and Washington offices, but executive meetings of the whole Commission are held from time to time either at the Commission's offices in Ottawa or Washington or at other places as may be found convenient.

6. No.

7. Answered by 6.

8. No yearly reports by the Commission have ever been issued. It is true that after the Commission was organized, at the end of its first year, the Canadian secretary submitted a report to the Canadian Commissioners largely for the purpose of having on record the rules of procedure as applied in

actual practice to the first cases coming before the Commission. This was not, it will be observed, a report from either the Commission as a whole or from the Canadian section of the Commission to the Canadian Government. It has never been the practice on either side to make annual reports from the Commission to the respective Governments. Each question coming before the Commission, when finally disposed of, is communicated to the two Governments either in the form of an order, in cases where the Commission has final jurisdiction, or in the form of a report making recommendations to the two Governments. The question of each section making an annual report to its Government was considered in the early years of the Commission, when Mr. Casgrain was Canadian Chairman, and it was concluded that such a practice would be inconsistent with one of the basic principles governing the work of the Commission, which was that the two sections, Canadian and United States, should under no circumstances function separately, but should act as one complete tribunal.

THE SENATE AND MONEY BILLS

DISCUSSION

Before the Orders of the Day:

Hon. J. J. HUGHES: Honourable members, before the Orders of the Day are proceeded with, I wish to call the attention of the House to a matter which probably has been overlooked. Last Thursday, on the motion for second reading of Appropriation Bill No. 4, the honourable leader on this side of the House (Hon. Mr. Dandurand) stated:

I am of course aware of the limitation of this Chamber with respect to an increase in the vote—something which I do not suppose anyone would rise to ask—and I know we cannot decrease it except by rejecting the whole Bill.

In 1918 a special committee, appointed the previous year, reported that the Senate had the power to amend money bills. The chairman of that committee was Hon. Mr. Ross, an eminent jurist and subsequently leader of one of the parties in this Chamber. The report is short, and I should like to read it into Hansard. The committee had the advice of Mr. E. Lafleur, Mr. Aimé Geoffrion, and Mr. John S. Ewart, and the report was in accordance with their opinions.

Hon. Mr. DANDURAND: I would suggest my honourable friend ask that the document be printed in Hansard to refresh the memories of honourable senators who were in the House when the report was adopted, and for the benefit of new members.

I must admit that I stand corrected as to the power of the Senate to amend money bills. I was not clear that we had decided supply bills could be amended. I have a vague recollection that the report to which my honourable friend refers would cover our right to reduce a particular vote in a supply bill, although since 1867 the tradition has been that the Bill should be accepted or rejected in toto. The report, in contradiction of the tradition, affirms that we can amend a supply bill by reducing any item in it.

Hon. Mr. HUGHES: I am entirely in the hands of the House. I should like to place on record the report, and as well the opinions prepared by the eminent counsel whom I have mentioned.

Hon. Mr. DANDURAND: Yes, the whole thing.

Mr. HUGHES: Then I will hand in the report to be incorporated in Hansard.

The Senate,
Committee Room No. 70,
Thursday, May 9, 1918.

The Special Committee appointed to consider the question of determining what are the rights of the Senate in matters of financial legislation, and whether under the provisions of The British North America Act, 1867, it is permissible, and to what extent, or forbidden, for the Senate to amend a Bill embodying financial clauses (Money Bill), have the honour to make their Second Report, as follows:—

Your Committee beg to report that in the latter part of the last Session of Parliament a similar Committee was appointed, but owing to the late date of appointment opportunity was not afforded the Committee for a full consideration of the Order of Reference. During the recess the Honourable W. B. Ross, a member of this Committee, prepared a memorandum dealing with the question, copy hereto attached, which memorandum has been carefully considered and adopted by this Committee. The following summing-up thereof is submitted as the conclusions of your Committee on the rights of the Senate in matters of financial legislation:—

1. That the Senate of Canada has and always had since it was created, the power to amend Bills originating in the Commons appropriating any part of the revenue or imposing a tax by reducing the amounts therein, but has not the right to increase the same without the consent of the Crown.

2. That this power was given as an essential part of the Confederation contract.

3. That the practice of the Imperial Houses of Parliament in respect of Money Bills is no part of the Constitution of the Dominion of Canada.

4. That the Senate in the past has repeatedly amended so-called Money Bills, in some cases without protest from the Commons, while in other cases the Bills were allowed to pass, the Commons protesting or claiming that the Senate could not amend a Money Bill.

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5. That Rule 78 of the House of Commons of Canada claiming for that body powers and privileges in connection with Money Bills identical with those of the Imperial House of Commons is unwarranted under the provisions of The British North America Act, 1867.

6. That the Senate as shown by The British North America Act as well as by the discussion in the Canadian Legislature on the Quebec Resolutions in addition to its general powers and duties is specially empowered to safeguard the rights of the provincial organizations.

7. That besides general legislation, there are questions such as provincial subsidies, public lands in the western provinces and the rights of the provinces in connection with pending railway legislation and the adjustment of the rights of the provinces thereunder likely to arise at any time, and it is important that the powers of the Senate relating thereto be thoroughly understood.

Your Committee are indebted to Messieurs Eugene Lafleur, K.C., Aimé Geoffrion, K.C., and John S. Ewart, K.C., prominent constitutional authorities, of Montreal and Ottawa, who have been good enough to forward their views on the question under consideration by your Committee. These opinions are appended hereto and form part of the Committee's Report.

All which is respectfully submitted.

W. B. Ross,
Chairman.

Memorandum

Re Rights of the Senate in Matters of Financial Legislation

The Constitution and Powers and Practice of the House of Lords and the House of Commons are so well known that it is unnecessary to refer to them except so far as it is required to explain the constitution and functions of the Canadian Senate. This enquiry will be limited to the powers of the Senate in respect of "Money Bills"—Bills appropriating any part of the revenue or imposing a tax.

The House of Lords has at present six hundred and odd members and all of these except about seventy owe their position to birth. The Crown has the prerogative to create an unlimited number of new peerages. This is commonly known as the "swamping power" and has often been described as the safety valve of the British Constitution. From recent legislation it is quite clear that the House of Commons supported by the Crown can impose any terms on the House of Lords. Till then that House had constitutionally co-ordinate powers with the House of Commons in "Money Bills" as in all Bills and had never formally abandoned them except as to originating money Bills. Todd, Vol. 1, p. 813, says.—Lord Derby in 1861 clearly showed that the Lords had never formally abandoned its rights to amend "Money Bills" and that in the opinion of eminent constitutional authorities they would be warranted in such an act should it be necessary to vindicate their freedom of deliberation and to prevent the enacting of a measure which they regarded as objectionable. In 1661 the Commons asserted "that no Bill ought to begin in the Lords House which lays any charge or tax upon any of the Commons."

In 1671 the Commons affirmed that "in all aids given to the King by the Commons the rate or tax ought not to be altered by the Lords."

In 1678 the Commons resolved: "That all aids and supplies and aids to His Majesty in Parliament are the sole gift of the Commons and that all Bills for the granting of any such aids and supplies ought to begin with the Commons and that it is the undoubted and sole right of the Commons to direct, limit and appoint in such Bills the ends, purposes, considerations, conditions, limitations and qualifications of such grants which ought not to be changed or altered by the House of Lords."

The House of Lords protested but this was the practice thereafter. In 1861 the Commons asserted the right to include all financial proposals in the annual Supply Bill, and thus, not having the power to amend, the Lords would have to pass the Bill or reject it as a whole. This was protested against by the Lords but was thereafter the practice. The power of the House of Lords over finance was practically gone from that day. This was the state of the practice concerning finance between the two Imperial Houses when the British North America Act was passed in 1867.

It will be noticed that these powers of the Commons and these disabilities of the Lords are not settled by a law but by practice and custom founded on Resolutions of the Commons backed up by threats to which the Lords yielded under protest. Mr. Asquith's Resolution (1910) "That it is expedient that the House of Lords be disabled by law from rejecting or amending a Money Bill, etc." is an admission of this fact.

Does the practice of the Imperial Parliament as settled in 1867 or as it was asserted to be before the Act just passed limiting the powers of the House of Lords govern the relations of the Senate and House of Commons on "Money Bills"?

Formerly there were many kinds of Colonial constitutions granted by the Crown, but they nearly all ultimately took the form of a constitution consisting of the Crown, a Council appointed by the Crown and an Elective Assembly. The grant was until a comparatively late date by Letters Patent except in the case of Canada (1791), which was granted by Parliament as it contained provisions that the Crown could not grant by Letters Patent—(See Appendix I in Lord Grey's "The Colonial Government of Lord Russell"). They were all miniatures of the British Constitution.

There is no reasonable doubt that Legislative Councils which are miniatures of the House of Lords are constitutionally bound under penalty of being "swamped" to follow the practice of the House of Lords with regard to money Bills as of the date when the Provincial Constitution was granted. Whether such Councils would be bound to change their practice as the practice of the House of Lords changed has so far as we know never been agitated.

The Constitution of 1791 for the Provinces of Upper and Lower Canada provided for a Legislative Council of a named number for each province, reserving to the Crown the right to name as many more as it saw fit. There was also provision for the creation of hereditary Councillors. Nothing was said about the relation of the Houses or money Bills. It is probable that Parliament assumed that the Council would follow the English Parliamentary practice and if it did not it could be "swamped." The Council was an almost perfect miniature of the House of Lords.

The Constitution of 1840, when these two provinces were united, was in the main the same. The Legislative Council was to consist of a certain number (20) and power was reserved to add as many more as the Crown saw fit. The provision in the Constitution of 1791 respecting hereditary Councillors was dropped. The Constitution of 1791 gave representative government. That of 1840 made responsible government possible. Section 57 provided that money Bills should originate in the Assembly but it was also provided that the Assembly should not originate a Bill unless recommended by the Governor.

There are several constitutions in the Southern Hemisphere of practically the same structure. The Colonial Office said that those Councils should follow the practice of the House of Lords and not amend money Bills but might reject them. The Privy Council also decided against the Legislative Council of Queensland (which was a nominated Council with the "swamping" power) in its claim to amend money Bills.

In New South Wales the Council was to consist of at least twenty-one members but there was no legal limit to the total number. Marriot, *Second Chambers*, p. 156, says: "There have been various disputes, chiefly on fiscal questions, between the two Chambers and Parkes definitely asked for a recognition of the principle that Ministers might recommend to the Governor the creation of Councillors." The Crown for the time refused, but in 1889 Parkes was more successful in obtaining from Lord Carrington permission to add members to the Legislative Chamber at the convenience and discretion of the Executive. That principle, closely akin to one which has long prevailed in the Mother Country, may now be regarded as securely enshrined among the constitutional conventions of the Colony." At p. 163 he quotes from Wise's *Commonwealth of Australia*, who, it seems, regarded a Government of two Chambers with an Upper House nominated by the Governor as the more workable one, as follows: "This plan gave the Second Chamber something of the influence and attributes of the House of Lords. It was constrained by its own traditions to yield before any manifestations of the popular will and could at any time be coerced by the appointment of new members." Todd (*Parliamentary Government in the Colonies*, p. 821) gives the particulars of a case of "swamping" in New Zealand.

See also Keith, *Responsible Government in Dominions*, p. 569.

It is quite clear that an Upper House in a Colony where the Executive has this "swamping power" is quite as helpless as the House of Lords in financial and in any measures that the Government of the day is determined to carry. Besides these Councils could be summarily dismissed by the Crown. They had no property in their position, merely naked trusts (Despatch of Duke of Newcastle to Governor of Prince Edward Island, February 4th, 1862).

There are Constitutions where the Legislative Council is elective and necessarily the number fixed and no swamping can take place. In Tasmania the Council is elective. The number is eighteen. It has persistently claimed and exercised the right to amend money Bills. Keith (*Responsible Government in the Dominions*), p. 626, says, "that it is useless to

contend that the practice of the House of Lords should govern in such a case." He also on the last page of Vol. 1 of his works refers to the action of the Legislative Council of Quebec in throwing out a Supply Bill. He mentions the fact that it was a nominated House without the swamping power and seems by his mention of this to recognize that such a Council is different from those where such power exists.

The next matter of importance to note is that the British Constitution is unitary. The King and Lords and Commons have a jurisdiction one and undivided. Prior to the creation of the Dominion of Canada the Colonies within the scope of their constitutions were unitary. The Governor, Council and Assembly had the whole jurisdiction. The Crown can not create a Dominion and Canada received its constitution from the Imperial Parliament. The Dominion is the Colony and the Provinces are parts of this Colony. The Dominion appoints the Lieutenant Governors of the Provinces, who communicate through the Governor General with the Imperial Government.

The Constitution of the Dominion of Canada was therefore new in the line of Colonial Constitutions. The legal effect of the words of the British North America Act will have to be settled (as Acts of Parliament are construed) by the plain meaning of the words used. That Act begins with a recital that the Provinces have expressed a desire to be federally united with a Constitution similar in principle to that of the United Kingdom, and this it does by providing that the executive power and authority should continue and be vested in the Queen and that the legislative power should be in a Parliament consisting of the Queen and the two Houses. This is the main principle, but there are many details in working it out. One of these is the Constitution of the Senate of seventy-two members—never to exceed seventy-eight.

The Provinces first of all are divided into three districts, Ontario, Quebec and the Maritime Provinces, each to have twenty-four Senators and in the case of the Maritime Provinces twelve thereof were to "represent" Nova Scotia, and twelve New Brunswick. In the case of Quebec each of the twenty-four Senators is to "represent" one of the twenty-four Electoral Divisions. A Senator is required to be thirty years of age, to be worth four thousand dollars (\$4,000.00) and to reside in the Province for which he is appointed, and in Quebec to either reside or hold his property qualification in the Electoral District for which he is appointed. The appointments to the Senate are for life.

There are five things that are new,—age, property, residence, life tenure and the fixed number. In the old Provincial Constitutions these are not found. In those above mentioned (1791 and 1840) a Councillor was required only to be a British subject twenty-one years of age.

The Statute shows a fundamental difference between the Senate and the House of Lords. The Senators are appointed to represent the Provinces. The Members of the House of Commons are elected for constituencies and are summoned under Section 38 of the Act to attend. This puts them on the footing of Members of the English House of Commons and they serve for all Canada. See Black-

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stone, Book 1, Chapter 2, p. 159, where he says that the Members of the English House of Commons are summoned and that they serve for the whole Kingdom.

Then the Senate is an Upper House in a federation and not in a unitary State or Legislative Union as is the House of Lords. The Senate is more like that of the United States or the Upper House in Germany or Switzerland. If it is not the first duty of the Senate to protect Provincial interests it is impossible not to infer from the terms of the Act that this is a duty cast upon it. Why else the appointment by Provinces and Electoral Districts with the qualifications of property and residence? Why not an appointment to the Senate simply as in the House of Lords or the nominated Legislative Council already referred to? Such fundamental changes are not made for nothing. The first duty of the Senate is to protect and preserve Provincial rights and interests. No such duty is required of the House of Lords or of any of the Legislative Councils in the Provinces. More than that, from the Act it is quite clear that to enable the Senate to do this it was made an independent body by the abolition of the swamping power, and making the tenure of the position for life. It has, of course, other powers and duties consequent on its being an independent part of the Constitution.

The British North America Act imposes one extremely important limitation on the powers of the Senate. Sections 53 and 54 of the Act read:—

"(53) Bills for appropriating any part of the Public Revenue or for imposing any tax or impost shall originate in the House of Commons.

"(54) It shall not be lawful for the House of Commons to adopt or pass any Vote, Resolution, Address or Bill for the appropriation of any part of the public revenue or of any tax or impost to any purpose that has not been first recommended to that House by Message of the Governor General in the Session in which such Vote, Resolution, Address or Bill is proposed."

It is worth noting that this last Section simply embodies the practice of the Imperial House of Commons. That House may reduce; it can not of itself increase the sum recommended by the Ministry. (See Todd's Parliamentary Government, Vol. 1, p. 702 and cases in notes thereto. See also Keith, p. 568.)

It is quite clear that if the House of Commons in Canada increased an amount recommended, the increase would be illegal unless a further recommendation should be had.

Section 53 embodies the only point on finance ever conceded to the House of Commons by the House of Lords. (See Todd, Vol. 1, p. 811.) When the House of Commons passes an appropriation or tax Bill it must be either for the sum recommended or for some smaller sum. When the Bill is for a smaller sum and the Ministry of the day continues to hold office it must be assumed that the Crown has assented to the reduction. (See Todd, Vol. 2, p. 391.) When such a Bill goes to the Senate the amount mentioned in the Bill is therefore the sum recommended by the Crown. The Senate could not increase this sum without coming in conflict with the prerogative of the Crown to say what money is wanted. (Todd, Vol. 1, p. 689.) The foundation of all Parliamentary taxation is the necessity for the public service

as declared by the Crown through its constitutional advisers. The Senate therefore cannot directly or indirectly originate one cent of expenditure of public funds or impose a cent of taxation on the people. This is involved in Sections 53 and 54 and the Clauses of the Act defining the executive power. This is, however, the only limitation of the powers of the Senate in regard to "Money Bills" in the British North America Act. In all other respects the Act leaves with it co-ordinate powers with the House of Commons to amend or reject such Bills.

One objection urged against this statement is that the Senate is bound to follow the practice of the House of Lords and not amend a Money Bill. There is nothing in the British North America Act which says this. The preamble says: "With a Constitution similar in principle to that of the United Kingdom" and therefore it is said the Senate is bound by the practices of the House of Lords. Resolutions, practice and disuse go to form the constitution of the United Kingdom. The Canadian Constitution can only be changed by the Imperial Parliament, and no resolution or practice can alter a word of it.

Principles and practices or customs are very different things. On principle the House of Lords is co-ordinate with the House of Commons, and the Senate of Canada is co-ordinate with the House of Commons, except in this one matter of originating Money Bills. The House of Commons in England, by its use of the "swamping power," has reduced the House of Lords to a state of impotence in all financial matters. The House of Commons in Canada has no such power. A law without a sanction is nothing. A practice or custom or convention without the power to enforce it is nothing even if the practice were applicable.

The Constitution of the Senate as already outlined is fundamentally different from the House of Lords and its functions of safeguarding Provincial interests in a federal system is one unknown to an Upper House in a unitary system as is the House of Lords. Then the Senate is in a measure representative although nominated. This is brought about by the property and residence qualifications of Senators.

The division of the Dominion into Senatorial Districts differentiates the two Upper Houses. The Senators first of all represent their Provinces or Districts and their first duty is to them. Then the "swamping power" was taken away for the express purpose of making the Senate independent of the House of Commons as a condition precedent to Confederation. On what implication or analogy can a practice forced on the House of Lords by an all-powerful House of Commons be applicable to an independent House like the Senate? It would require a Statute to effect this, like Sections 53 and 54.

Again why did the Imperial Parliament when passing the British North America Act insert as Section 53 only a part of the Resolution of 1678, knowing that the power of imposing the practice of the House of Lords by the swamping power was gone? The contention that it expressed part of the 1678 Resolution and left the other part to be implied or settled by a practice of the House of Lords is not a reasonable one. The fact is that it was the Resolution of 1661 that was so inserted.

It is evident that the Canadian Senate, subject to the limitations of Sections 53 and

54 of the British North America Act, is an independent body with co-ordinate powers with the House of Commons and entitled to make its own Rules and Practice.

The contention that the word "originate" in Section 53 excludes the change of a word or figure by the Senate is altogether inconsistent with the ordinary meaning of the word and with the whole history of its use in Imperial Parliamentary Practice and in the Provincial Constitutions with elected Councils and in European Constitutions with similar clauses to 53. We have seen that "nominated" Councils with the swamping power were held to the practice of the House of Lords, but those with elected Councils were not, but both had clauses corresponding with our Sections 53 and 54. It is a principle that a limitation goes as far as it says and no further. Section 53 is a limitation of the powers of the Senate and does not go beyond what it necessarily includes. What this is has already been dealt with.

When the House of Commons of Canada claims that it can drag the Senate beneath it as the Commons did the House of Lords in England through the "swamping power," the answer is that it has not got this power and is as much bound by the British North America Act as the Senate. We have a Constitution that can only be altered by the Imperial Parliament. The House of Commons can not by passing Rules add to its powers or diminish those of the Senate. Rule 78 of the House of Commons is quite outside of the powers of that House.

If the Senate has not the power to amend Money Bills it has no practical power to see fair play to the Provinces in finance or to protect an interest unfairly used financially. If it threw out a Money Bill under the practice in England, as of 1860, the Commons could the next Session tack a new Bill in the same words to the Supply Bill and say: You can not amend; pass or reject the whole Bill. To reject a Supply Bill might in olden times have been feasible, but to-day with the functions of Government so vast and complicated it is unthinkable. There would be no pay for the Army, Navy, Civil Service, Judges, Government Railway men, or money to pay any public charge. It would mean chaos. A Supply Bill should be passed as a matter of course by the Senate in almost any conceivable circumstances if it contains nothing but Supply. If other matters are inserted in the Bill or "tacked to it" these should be struck out and be made into a separate Bill or Bills.

Subjoined are a few references to the debates on the Quebec Resolutions in the Canadian Parliament, and also a few references to works on the Constitution of Colonial Governments, for convenience, so that those interested may have access to those which are found in the Parliamentary Library.

In the Parliamentary Debates, 3rd Session, Provincial Parliament of Canada on the subject of the Confederation of the British North American Provinces, at page 21, Mr. Campbell gave the reasons for the Conference determining as they had on the Constitution of the Upper House and says: "And the main reason was to give each of the Provinces adequate security for the protection of its local interests a protection which it was feared might not be found in a House where the representation was based on numbers only, as would be the case in the General Assembly. The number of

representatives to the Legislative Council under the Federal Constitution would be limited and they would be appointed for life instead of elected by the people." "For the purpose of securing equality in that House the Confederation would be divided." He then explains why the Senate was not elective. Upper Canada was growing fast and an agitation might arise there for greater representation. "They (Ontario) might object to the Fishing Bounties paid the Lower Provinces, to the money expended there in fortifications or to something else and claim a representation in the Council more in accordance with their population to enforce their views; and in view of such contingencies the delegates from those Provinces conceived it would not be safe to trust their rights to an elective House." At page 22, col. 1, referring to the Constitution of the United States he says: "In this way the smallest state, like Rhode Island, was as fully represented as the State of New York, and if that was considered necessary in a country so compact together as the United States how much more would it not be proper in a Confederation some of the sections of which were separate from each other by long narrow strips of land or wide estuaries, with small representation in the popular branch and looking chiefly to their equality in the Upper Chamber for security for local rights and interests and institutions."

Sir John Macdonald says at page 29, Vol. 1, "We were forced to devise a system of union in which the separate Provincial organizations would be in some degree preserved." At page 35 he says,—"We resolved then that the Constitution of the Upper House should be in accordance with the British system as nearly as circumstances would allow." At page 36 he says, "The provision in the Constitution that the Legislative Council shall consist of a limited number of members—that each of the great sections shall appoint twenty-four and no more—will prevent swamping. The fact of the Government being prevented from exceeding a certain number will preserve the independence of the Upper House, etc." At page 38, col. 1, speaking of the limitation of the number of Senators, Sir John said, "To the Upper House is to be confided the protection of sectional interests: therefore it is that the three great divisions are there equally represented for the purpose of defending such interests against majorities in the Assembly" and further on he says, "For the same reason each State of the American Union sends its two best men to represent it in the Senate." On page 42 he says, "We provide there shall be no money votes unless these votes are introduced in the popular branch of the Legislature." At page 35, top of column 1, Sir John refers to the Powers and Privileges of the Commons. It should be noted that Section 18 of the British North America Act had to be enacted to give the Canadian Houses the Powers and Privileges of the Imperial Houses as there was no provision of this kind in the Quebec Resolutions. The Privy Council has decided that this section does not include legislative power (Keith, p. 558). At page 89, Mr. George Brown says: "But honourable gentlemen must see that the limitation of the numbers in the Upper House lies at the base of the whole compact on which this scheme rests." He went on to say that power to increase the number would sweep away the whole protection they

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had from the Lower House. He shows further that the Senate though nominated is representative. At page 92 he refers to the fact that the Lower House would have control of the purse—Ontario, he says, had seventeen more members than Quebec and the people of Ontario could get fair play. At page 90 he says: "But it is objected that in the Constitution of the Upper House so far as Lower Canada is concerned the existing electoral divisions are to be maintained, while as regards Upper Canada they are to be abolished—that the Members from Lower Canada are to sit as representing the divisions in which they reside or have their property qualifications, while in Upper Canada there is no such arrangement. Undoubtedly this is the fact; it has been so arranged to suit the peculiar position of this section of the province. Our Lower Canadian friends felt that they had French Canadian interests and British interests to be protected and they conceived that the existing system of electoral divisions would give protection to these interests." At page 89 Mr. Brown says: "But it is said that if the members are to be appointed for life the number should be unlimited—that in the event of a deadlock arising between that Chamber and this there should be power to overcome the difficulty by the appointment of more members. Well, under the British system in the case of a legislative union that might be a legitimate provision." At page 88, col. 1, he says, speaking of the loss of influence to Ontario: "Hitherto we have been paying a vast proportion of the taxes with little or no control over the expenditure. But under this plan, by our just influence in the Lower Chamber, we shall hold the purse strings." At page 92, he says, "We are to have seventeen additional members in the House that holds the purse." At page 90, he says, "The desire was to render the Upper House a thoroughly independent body—one that would be in the best position to canvass dispassionately the measures of this House and stand up for the public interests in opposition to hasty or partisan legislation." Mr. Dorion at page 254, at the foot of col. 2, points out that the effect of abolishing the swamping power was to make the Senate entirely independent.

"The Federal Upper Chamber guards in fact the principle of state rights against the numerical majority and the will of the people and its function may therefore be and frequently is the exact opposite of that of an Upper Chamber in a unitary state. In regard to finance this is especially the case. In a federation the smaller states always wish to be protected against the larger ones exploiting the Federal finances to their own profit; hence the Upper Chamber possesses powers of financial control that may fairly be called extraordinary in almost all Federal States." (Temperley, *Senates and Upper Chambers*, p. 15.)

"The United States comprise forty-five independent states, some as small as Cambridge-shire, others as large or larger than Yorkshire or Wales; yet each state has two representatives, and two only, in the Federal Senate. The reason is obvious. The stipulation which each petty state made when it entered the union was that its interests and rights should not be at the mercy of a numerical majority in the Federal Lower House elected on universal suffrage and therefore largely representing the

bigger and more populous states." (Temperley, *Senates and Upper Chambers*, p. 15.) For the composition of Upper Chambers in the Colonies, see Temperley, p. 48. For the swamping of the Upper Chamber in the Colonies, see Temperley, p. 269, App. 6.

"The Federal state is the most complex and ingenious of modern political communities and its Upper Chamber usually exhibits one aspect of that ingenuity. One principle is, however, common in all such formations. The federation is based on a union of individuals, and of states, and that union is expressed in the constitution of the two Chambers. The lower one represents the rights and powers of the people—the total numerical majority. The Upper Chamber represents the rights and powers of the states in their separate and individual capacity. Population has always full representation in the Lower Chamber."

"In the unitary state the Upper Chamber only represents the rights of property or individuals or of the classes. In this respect then a Federal Senate always has an advantage which no Upper Chamber in a unitary state (as for example the House of Lords in England) can ever claim to possess, and it is this fact which lessens the possibilities of comparison and renders many apparent analogies totally misleading." (Temperley, p. 209.)

At page 224 Temperley says, "In theory the Senate of Canada possesses equal rights with those of the Lower House except that it can not originate money bills. It has, however, the full power either to amend or reject them."

Speaking of the Australian Senate, Marriott at page 168 says: "But like the American Senate, it accords to each state equal representation—a principle not asserted without strong and intelligible protests from the larger States. To the smaller States on the other hand, this principle was the condition precedent, the 'sheet anchor' of their rights and liberties. And, once asserted, it is fundamental and (except in unimaginable conditions) unalterable."

In a Return to an Address relating to the Constitution of Second Chambers, of the Honourable the House of Commons (Imperial), dated March 3, 1910, page 3, paragraph 2, the following appears:—

"2. It is provided by section 53 of the British North America Act that 'Bills for appropriating any part of the public revenue, or for imposing any tax or impost, shall originate in the House of Commons.' There is no other provision limiting the power of the Senate with regard either to finance or to general legislation."

The South Australian Constitution contains a clause corresponding with our section 53 and Keith says of this at page 626 of volume 2:

"In financial matters, as the Constitution had carefully left the matter totally undetermined beyond providing for the origination of such Bills in the Lower House, it was only found possible to work at all by an informal agreement between the two Houses."

Keith in volume 1, page 567, says:

"In 1909 and 1910 minor questions had arisen in the case of New Zealand as to the position of the Council. In the former year the Council inserted an appropriation clause in a Reformatories Bill, which was validated *ex post facto* by a Governor's message being

obtained to cover it, and the Speaker decided that that procedure was adequate for the occasion. In 1910 the Upper House altered the Crimes Amendment Bill by inserting an appropriation clause, and there was rather a warm discussion, the Speaker ruling that either a Governor's message must be obtained and the House formally by resolve decide not to insist on its privileges, or the Bill must be laid aside. The former course was adopted after a lively debate."

Montreal, April 30, 1918.

The Honourable W. B. Ross,
The Senate, Ottawa, Ont.

Dear Sir,—We have been asked if in our opinion the Senate has the power to amend Money Bills.

Sections 17 and 91 of the British North America Act place the Senate on exactly the same footing as the House of Commons as respects all legislation.

The only material derogation to this general rule is contained in section 53 which provides that Bills for appropriating any part of the public revenue or for imposing any tax or impost shall originate in the House of Commons.

The denial of the right to originate Money Bills does not involve the denial of the right to amend them. Nothing therefore in the text of the British North America Act takes away the latter right from the Senate.

The first paragraph of the preamble where it is stated that the provinces desire to be united federally with a constitution similar in principle to that of the United Kingdom is relied on.

These words being in the preamble have much less importance than if they were in the text. Further it is obvious that similarity in principle does not mean identity in detail; the Canadian constitution differs from the British constitution in many and important respects; the similarity in principle referred to in the preamble is intended to exist only to the extent stated in the text.

The third paragraph of the preamble states that it is expedient not only that the constitution of the Legislative authority in the Dominion be provided for but also that the nature of the Executive Government therein be declared, and the text of the Act contains many sections which merely restate rules of the British constitution such as section 53 already referred to.

If the above-mentioned words of the preamble meant that the British constitution applies to Canada except in so far as the text of the Act expressly derogates therefrom the third paragraph of the preamble and all those sections, particularly section 53, would be useless or meaningless.

The consideration of how the rule limiting the powers of the House of Lords in the United Kingdom came to be adopted affords an additional argument in support of the view suggested by the text of the British North America Act.

In the early days there was a conflict between the British House of Commons and the House of Lords on this question of the powers of the House of Lords in respect of Money Bills.

In 1678 the Commons resolved:

"That all aids and supplies and aids to His Majesty in Parliament are the sole gift of the Commons and that all Bills for the granting of any such aids and supplies ought to begin with the Commons and that it is the undoubted and sole right of the Commons to direct, limit and appoint in such Bills the ends, purposes, considerations, conditions, limitations and qualifications of such grants which ought not to be changed or altered by the House of Lords."

In 1693 the Lords resolved:

"That the making of amendments and abatements of rates of Bills of Supply sent up from the House of Commons is a fundamental, inherent and undoubted right of the House of Peers from which their Lordships can never depart."

It is true that the Lords did not act in accordance with this resolution and tacitly submitted to the claim of the Commons, obviously to avoid conflict with the latter House, but this practice was not the law, and this appears from the preamble of the House of Commons resolution of 1910 which announced the proposed legislation curtailing the powers of the Lords. (May's Parliamentary Practice, 12th edition, p. 518.)

It is remarkable that of the two restrictions on the rights of the Lords which the Commons by its resolution of 1678 tried to impose, namely: the denial of the right to originate and the denial of the right to amend Money Bills, the British North America Act while mentioning the first in section 53 should not mention the second against which the Lords had specially protested.

If it had been the intention of the British Parliament to impose the two restrictions on the Senate it surely would have mentioned them both or if content to rely on the preamble as incorporating the whole British constitution, it would have mentioned neither.

To those reasons might be added this further consideration that there is very little analogy between the Lords and the Senate. The Lords represent themselves, the Senate represents the Provinces. The Lords are not in an independent position as the House of Commons can use its influence over the Crown and induce it to add as many members as are needed to the House of Lords to obtain a favourable majority.

It is probably for that reason that section 18 of the British North America Act when dealing with the privileges, immunities and powers of the Senate refers as the maximum for such privileges, immunities and powers to those held, enjoyed and exercised by the Imperial House of Commons (and not by the House of Lords) at the passing of the Act.

Under the circumstances, we are of the opinion that the Senate of Canada may amend a Money Bill originating in the House of Commons as fully as the House of Commons can do. Of course the powers of the Senate are limited to the same extent as those of the House of Commons by the fact that Money Bills must be recommended by a message of the Governor General.

Yours truly,

(Sgd.) E. Lafleur.
Aimé Geoffrion.

Hon. Mr. HUGHES.

400 Wilbrod Street,

Ottawa, 27th April, 1918.

The Hon. Senator W. B. Ross,
The Senate, Ottawa.

Dear Sir,—In reply to yours of the 23rd instant, I beg to say that I have read with much interest the "Memorandum re rights of the Senate in matters of financial legislation," and I find in it a great deal that, were the matter now being discussed for the first time, might well be urged in support of what is evidently the writer's view.

In considering all subjects of the class to which the present belongs, regard has always—and very rightly—been paid to history and precedents; and the relations between our Senate and House of Commons are, as I think, so firmly established that no change could be introduced save by constitutional amendment. I do not mean, necessarily, by amendment of the British North America Act—amendment of constitutional practice, agreed upon by both Houses, would suffice.

From the very earliest time, the Colonial Assemblies have successfully contended for the same privilege with reference to financial bills as that enjoyed by the British House of Commons. The cases in which contention arose are very numerous, but I do not know of any in which the quarrel between the two Houses has resulted in substantial victory for the Council—as, in the earlier constitutions, the second chamber was styled.

A glance at the histories furnishes me with two instances which may be taken as containing typical assertion of the privilege of the Assemblies. The first of these is noted in Dickerson's American Colonial Government, 1696-1765: The author says (p. 160) that, in the time of Governor Cornbury of New York:—

"The Council sought to amend the revenue bill so as to remove this objection, but it was met by the point blank assertion that the Assembly would permit no amendment of Money Bills."

The second instance I take from Dr. Kingsford's book, the History of Canada, volume 9, p. 217. On that occasion (1818) the Council and Assembly were brought into sharp conflict, with the result, as the author says, that:—

"The Council did not conceive an amendment to the money bill as a breach of privilege; but as it was so asserted, the Council would hereafter forbear from all amendment, and simply reject any bill submitted to it, should occasion suggest."

There can be no doubt that the differences between the British House of Lords and the Canadian Senate referred to in the Memorandum are of substantial character; but, after all, the two Houses, with reference to the subject under consideration, occupy the same position. For the members of neither House are elected by the people, and the privilege of the Assembly with regard to money bills has always been based upon the fact that the House was composed of popularly elected members.

In the United States, it is because both the Senate and the House of Representatives have always been composed of men elected by the people—either by direct vote or, indirectly, by the State Legislature—that the two Houses have concurrent authority.

I am, Sir,

Yours truly,

(Sgd.) John S. Ewart.

FINANCE ACT REPEAL BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 111, an Act to repeal the Finance Act.

He said: The Bill merely repeals the Finance Act, 1927, which authorizes advances to be made to the banks on the security of certain bonds defined in that Act. Necessarily this provision will be inoperative on the assumed taking effect of the Central Bank Bill.

Hon. Mr. DANDURAND: My honourable friend might deal also with the second bill.

Right Hon. Mr. MEIGHEN: The same explanation, in principle, applies to Bill 112, repealing the Act of 1915, which permits supplementary issue of Dominion notes for special purposes during the grain season. This issue will be a function of the Central Bank. Therefore the old Act falls into desuetude and will be repealed when the Central Bank functions.

Hon. Mr. DANDURAND: These bills are consequential on the passing of the Bank of Canada Bill. I would suggest the third reading be deferred until that bill is before us.

Right Hon. Mr. MEIGHEN: Of course, if the Central Bank Bill does not pass, these bills will never be called into effect. But the honourable gentleman's suggestion is quite satisfactory.

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

DOMINION NOTES REPEAL BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 112, an Act to repeal Chapter Four of the Statutes of 1915.

Hon. Mr. CASGRAIN: Is this similar to the other bill?

Right Hon. Mr. MEIGHEN: This deals with the repeal of the statute of 1915 for the supplementary issue of Dominion notes. Naturally it will not become effective until the coming into force of the Central Bank Bill, to which my honourable friend looks forward with such pleasure.

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

CANADIAN SEALING AND FISHERY INTERESTS IN PACIFIC WATERS

REPORT OF COMMITTEE

Hon. H. H. HORSEY moved concurrence in the report of the Special Committee with regard to the Administration of Canadian Sealing and Fishery Interests in Pacific Waters.

He said: Honourable members, the Special Committee on Sealing and Fisheries in Pacific Waters held several meetings. The proceedings have been printed. The report, based upon the evidence, has also been printed and, I believe, distributed. Without further comment at the moment, I move the adoption of the report.

Right Hon. Mr. MEIGHEN: I would suggest that its adoption wait until to-morrow. I have not yet had an opportunity of studying the report as fully as I should like.

The motion stands.

SHIPPING BILL

CONCURRENCE IN COMMONS AMENDMENTS

Right Hon. Mr. MEIGHEN moved concurrence in the amendments made by the House of Commons to Bill E, an Act with respect to Shipping.

The motion was agreed to.

MESSAGE TO HOUSE OF COMMONS DEFERRED

Right Hon. Mr. MEIGHEN moved that a message be sent to the House of Commons to inform that House that the Senate had concurred in the amendments to the Act with respect to Shipping.

Hon. Mr. DANDURAND: I desire to draw the attention of honourable members to this situation. This Bill emanated from the Senate and was transmitted to the House of Commons in English and in French. The House of Commons has returned the English version with some amendments, but it has omitted to send us the French version. At first I thought it was withheld for the translation of the amendments, but I am now informed officially that it is being retained for correction. If the corrections are merely clerical, they can be made when the Bill is returned here; but if they are material they mean a new bill. I cannot understand why the Commons should retain the French version for correction. Do the contemplated corrections materially affect the Bill itself? The custodian of the two parchments is the Clerk of Parliaments, and it is important that the Bill should be returned to this House as amended

by the Commons. It will be for our own translators to see if any corrections are necessary in the French original. The text is always very carefully examined before bills as enacted go to the printer.

I draw the attention of honourable members to a number of statutes to amend clerical errors in legislation. I might name chapter 13 of 1911, an Act to correct certain clerical errors in the French version of the Inland Revenue Act; chapter 24 of 1912, an Act to correct certain clerical errors in the French version of the Revised Statutes of 1906; chapter 14 of 1915, an Act to amend the Dominion Elections Act, section 4; chapter 32 of 1918, an Act to correct a clerical error in the French version of the Naturalization Act, 1914; chapter 24 of 1920, an Act to amend the Criminal Code (French version); chapter 11 of 1930, an Act to amend the Criminal Code, section 4. These amending statutes indicate that when the French and English versions of bills go to the other House they cannot be amended outside the purview of Parliament and sent back to us at leisure. It is a question of procedure. The Clerk of the Commons should transmit to us each bill in the two languages, more especially when it emanates from this Chamber.

Right Hon. Mr. MEIGHEN: I have information that the French version of the Bill contains important errors, and consequently there will be some delay in getting it completed. I cannot say whether the errors are such as to alter the intention of the Bill.

One is somewhat in a quandary in a matter of this kind. Our minds are almost entirely fixed on the English version, and therefore the French version is really a translation; but once the translators have done their work the French version becomes an original bill. It is better, even if it involves a little delay, to have the French version reasonably correct than to leave the matter to the kindness of Providence or to statutory amendments.

As our real consideration of this measure is over except for the formal transmission of a message to the other House, I suggest that the motion stand, in the hope that we may get a French version satisfactory to the officers of this House, and thereby avoid any complications.

The whole thing does seem to me to illustrate the wisdom of the Bureau for Translations Bill passed this session. I cannot stand between two French scholars and say which text is right and which is wrong, but from an examination of my own, necessarily very imperfect, I have some reason to feel the errors in the French original justify the delay.

Hon. Mr. DANDURAND.

Hon. Mr. DANDURAND: When a bill from the Senate is sent to the House of Commons, can officials there make substantial amendments in it without the sanction of that House? I agree with my right honourable friend that this message should not be sent to the other House until we have the French version before us.

Right Hon. Mr. MEIGHEN: All right. The motion will stand.

The motion stands.

MORNING SITTING

MOTION

Right Hon. Mr. MEIGHEN: Honourable members, I beg to move that when the House adjourns to-day it stand adjourned until to-morrow at 12 o'clock noon. I know that notice will be necessary unless the motion receives unanimous consent. I think the committees that are to sit to-morrow morning will be able to discharge their work before the Senate assembles, and the early meeting of the House will expedite business and advance it another stage before Wednesday night.

The motion was agreed to.

BUSINESS OF THE SENATE

On the motion to adjourn:

Hon. Mr. DANDURAND: Before we adjourn I should like to draw attention to the fact that the Central Bank Bill, one of the most important, is still to come to us. We have been expecting it from day to day. I notice in the report of the Commons debates the suggestion that the third reading of that Bill be postponed until this evening on the understanding that it will require but one hour's discussion. I hope that is all that will be necessary; but when there is talk of prorogation by the end of the week, I think the House of Commons, in discussing procedure, should consider the Senate somewhat, and endeavour to co-operate with it.

Right Hon. Mr. MEIGHEN: I have been given an undertaking, upon which I think I can rely, that the Central Bank Bill will be disposed of by the other House to-day.

Hon. Mr. CASGRAIN: Is there any special reason for meeting at twelve o'clock to-morrow? Eleven o'clock might be a better hour.

Right Hon. Mr. MEIGHEN: The purpose of the forenoon sitting is to advance all legislation a stage. If we meet at eleven o'clock we put it beyond the power of the Banking

and Commerce Committee to get very much done to-morrow morning. This committee, by the way, meets immediately upon the adjournment of this Chamber this afternoon.

The Senate adjourned until to-morrow at 12 o'clock noon.

THE SENATE

Wednesday, June 27, 1934.

The Senate met at 12 o'clock noon, the Speaker in the Chair.

Prayers and routine proceedings.

CANADIAN FARM LOAN BILL

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of Bill 93, an Act to amend the Canadian Farm Loan Act.

Hon. Mr. SINCLAIR: There is one feature of this Bill I should like to point out to the members of this honourable House. I brought it up when the Bill was in committee. Since then I have had an opportunity to look into it a little more closely, and I think it worthy of consideration. It is in regard to Part II of the Bill, subsection 4 of section 9, dealing with the rate of interest that may be charged on second mortgage loans which the Farm Loan Board is being empowered to make to farmers.

Under the present Act the rate of interest charged by the Board on farm mortgages is 6½ per cent. The cost of the money to the Board is 5 per cent, administration costs account for one per cent, and one-half of one per cent is added as a reserve for losses that may be incurred on the loans. It was explained to the committee that the reserve thus created had been ample to take care of all losses incurred to date.

Hon. Mr. GRIESBACH: May I ask the honourable gentleman what is his authority for that statement?

Hon. Mr. SINCLAIR: What statement?

Hon. Mr. GRIESBACH: The statement that the reserve created is ample to meet all possible losses.

Hon. Mr. SINCLAIR: The Chairman of the Farm Loan Board stated that the reserve created had been sufficient to meet the losses incurred to date.

The primary and main purpose of the Farm Loan Act is to open up channels of borrowing at a reasonable rate for farmers who are able to give good security, and the Act is neces-

sary because in recent years a great many of the ordinary channels of borrowing, through private loan companies and individuals, have been closed to such farmers. It is true that the money has cost the Board 5 per cent, but I think all honourable members will agree that at the present time money could be secured for the use of the Board, by borrowing on Government-guaranteed bonds, at a lower rate. I feel sure it could be borrowed at 4½ per cent, and I should not be surprised to learn that even 4 per cent would be high enough.

Certain limitations are placed upon the size of the loan that may be made by the Board on the security of a second mortgage. Subsection 2 of section 9 provides:

The aggregate of loans made to any one borrower under the provisions of this Act and of the Canadian Farm Loan Act shall not exceed two-thirds of the appraised value of the land and buildings in respect of which security is taken...

This appraisal would be made on the basis of present-day values. When the Act was first brought into force the limit for a loan against first mortgage security was placed at 50 per cent of the value of the land and 20 per cent of the value of the insured property or the buildings—I am not quite sure about that—

Hon. Mr. DANDURAND: Yes, 20 per cent.

Hon. Mr. SINCLAIR: It would amount to between 40 and 50 per cent of the value of the farm at that time. I submit to honourable members that loans made to-day, not in excess of two-thirds of present appraisals on farms, would be safer than loans made, say, five years ago, when the limit was 50 per cent of the value.

The Bill places a further restriction upon the amount that may be lent on a second mortgage. The latter part of subsection 2 of section 9 reads:

The amount advanced under this section shall not exceed one-half the amount advanced on the security of the first mortgage.

Considering that limitations are placed on the lending powers of the Board, and that the primary object of the legislation is to meet the needs of farmers who wish to borrow against good security—only those who can give good security are affected—I submit that in all fairness the Board should not charge for second mortgage loans one per cent in excess of the current rate charged on first mortgage loans. Subsection 4 of section 9 provides:

The interest rate on loans made under this section shall not exceed the current rate charged in respect of first mortgage loans under this Act by more than one per centum per annum.

I move that all the words after the word "Act" be struck out, and I would ask the right honourable leader of the Government to give consideration to my amendment. I feel that it is justified by existing circumstances, by the necessity of giving encouragement to farmers and by the fact that money can be borrowed to-day more cheaply than when this legislation was first passed.

Right Hon. Mr. MEIGHEN: Honourable members, I think I understand the point raised by the honourable gentleman, and I remember his bringing it to the attention of the committee.

The Act provides for the lending of moneys to farmers by a Board appointed by the Federal Government. The funds so lent are virtually federal funds, because the Farm Loan Board borrows on its debentures, which are guaranteed by the Government, and the Government buys them. The original legislation provided for making loans up to 50 per cent of the value of farm lands and 20 per cent of the value of buildings, the percentage of the total valuation being from 40 to 50, as the honourable member has stated. This Bill provides further facilities. I am not going to pretend that I have any enthusiasm for the present law or the Bill, for I am not enthusiastic about a system under which the Federal Government makes a direct loan to any person. I have always thought that it was the duty of the provinces, if of Government at all, to make such loans, and that in matters like these the Government of Canada should deal only with the provinces. However, the present Government is committed, as was the former one, to the principle of this legislation.

The Bill empowers the Board to make a loan to a farmer on second mortgage security, over and above an existing loan secured by a first mortgage. There are the limitations to which the honourable member refers; nevertheless the security is only a second mortgage on the farm land and a charge on implements and chattels. I do not think we can afford to follow any principles that a good business concern would not follow, though I am afraid we shall. Certainly no business concern would lend on the margin of security stipulated in the Bill, and especially on the quality of that security—for chattels are included—at as low a rate of interest as would be charged for a loan on first mortgage security. The extra rate of one per cent is little enough.

The honourable gentleman says that Dr. MacLean, the Farm Loan Commissioner, told the committee that the charge of one-half of one per cent over the cost of the money had proved sufficient to take care of losses to date.

Hon. Mr. SINCLAIR.

I do not recall the statement, but I will not for a moment dispute the honourable gentleman's word. That statement really means nothing. The Act has been in effect only since 1929. The losses to date mean the written-off losses. Who knows what the losses are? Those which are going to accrue under this policy—I do not care what Government is in office—will never be taken care of by one-half, or much more than one-half, of one per cent interest over a long period of years. The losses to date are on loans only one, two, three or at the outside four years old, and the principal is not due for years to come. Already there is \$295,000 of interest in arrear. When Dr. MacLean gave us that figure I said it was pretty near half of the interest due. No doubt it will not be all or nearly all loss, but we are in no position yet to measure the results of this policy. I think it will be at least ten years before we are able to measure those results, and then we can do it merely in a tentative way. With twenty or twenty-five years' experience we shall have some real basis upon which to make estimates. But with more than 35 per cent in arrear now, he indeed would be an optimist who would think that one-half of one per cent would be sufficient to take care of losses on farm loans. I do not care how careful your appraisers are, nor how successful farming over a period of years may be, there will still be mistakes which one-half of one per cent will not cover. You are still going to encounter vicissitudes of all sorts. Any one who has had to do with these matters will never for a moment feel that the losses will be covered by the reserve set out in the Bill.

If a case could be made out for a lower rate, it would be this, that the higher you make your interest the harder it is to collect, and the lower you keep it the better probably are the chances of collection. But at the same time the lower rate invites a procession of borrowers, and that, I fear, will be very hard to resist. I hope the House will not be inclined to lessen the very small margin now provided against losses. It would endanger the measure to reduce the rate of interest beyond what is the business level. It is true we can borrow money now cheaper than before, and I hope our credit remains good; but surely we are on the wrong track when we get into the position where the Government borrows all the money and does all the lending, and there is an end of the old system of individuals seeking their own investments, being guided by their own judgment, taking their

own losses and making their own gains. We are surely launching too far into this newer field. Why, to-day if a person buys anything but a Government bond he is considered to be a speculator. Buy a Government bond and you are all right. We are entering into so many things that I fear Government bonds may get into the class of many other bonds.

Some Hon. SENATORS: Hear, hear.

Right Hon. Mr. MEIGHEN: If we do not check ourselves soon we shall be started down the abyss, the end of which I do not like to contemplate.

Hon. Mr. SINCLAIR: I would remind the right honourable gentleman that chattels are taken only as a security in addition to the second mortgage.

Right Hon. Mr. MEIGHEN: That is quite right, the chattels are an extra security. There is not, I think, a specific loan against the chattels; not under this section anyway; but on loans up to two-thirds of the value the losses are likely to be such that the small percentage provided here to cover them will not prove excessive.

Hon. Mr. SINCLAIR: May I say another word with regard to arrears? I think my right honourable friend should have explained that about one-half of the arrears are in the province of Alberta, and that the debt adjustment boards have interfered with the collection work of the Farm Loan Board. By virtue of this Bill the debt adjustment boards can no longer interfere with the operations of the Farm Loan Board.

Right Hon. Mr. MEIGHEN: No. What the honourable senator is thinking of, probably, is the statement I made in the committee, that in my opinion there was no jurisdiction in the debt adjustment boards of the provinces to interfere with the Government of Canada in collecting its own loans. I have not seen any clause in the Bill which altered that situation at all. I do not see how any clause could have such an effect.

Hon. Mr. SINCLAIR: To explain my point I may say that by paragraph a of section 7 of the Canadian Farm Loan Act it is provided:

Mortgages taken as security for farm loans and remedies thereunder shall be in all respects subject to the law of the province in which the farm land mortgaged is situate.

By the Bill we amend paragraph a of section 7 and leave those words out. I understood the purpose was to give the Board authority over the Debt Adjustment Board in Alberta or in any other province. That was the point

I made when I referred to the fact that the arrears which my right honourable friend cited as against the security of the second mortgage are arrears created by reason of that original provision. We are removing that and leaving the Board free to enforce collection of arrears, as my right honourable friend explained to the committee the Board should do.

Right Hon. Mr. MEIGHEN: I am grateful to the honourable member. That fact was not called to the attention of the committee at all. Apparently under the old Act the Board was specifically made subject to the provincial law. I should not like to express an opinion, but assuming the section really made it subject to provincial law, and therefore to the activities of the Debt Adjustment Board, then the amendment which the honourable member reads would remove that subjection. In that I think the honourable member is quite right. But I do not think that to the Debt Adjustment Board is attributable any substantial share of the present arrears.

Hon. Mr. SINCLAIR: In that province.

Right Hon. Mr. MEIGHEN: I presume that in large part they would be arrears if the Debt Adjustment Board were not there. In fact, conditions have not enabled the farmers to pay. It may be the honourable gentleman is correct in saying we could have collected more but for the Debt Adjustment Board.

Hon. Mr. SINCLAIR: It was encouragement to the borrower not to pay. The Debt Adjustment Board protected him.

The amendment of Hon. Mr. Sinclair was negated.

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

CANADIAN AND BRITISH INSURANCE COMPANIES BILL

REPORT OF COMMITTEE

Hon. W. A. GRIESBACH presented the report of the Standing Committee on Banking and Commerce on Bill F, an Act to amend the Canadian and British Insurance Companies Act, and moved concurrence therein.

Hon. Mr. DANDURAND: Honourable members of the Senate, in committee there was considerable discussion on the amendments now before us, one of them particularly engaging the attention of the committee for some time. I shall not state what

took place in committee, because it would not be in order to do so; but, with all due respect, I may say I am firmly convinced that the House of Commons did not have a clear understanding of the effect of one of these amendments. There was a general disposition on the part of the House of Commons to object to Lloyd's being relieved of the necessity of making a deposit when seeking a federal licence, such an exemption not being granted under the Bill to other British companies. As we learned from statements appearing in the press, that was the principal objection of the commoners, and it was met by the amendments now before us. However, one amendment went much further. We are legislating to control British companies, but one organization is excepted. I think the other House, as well as a number of members of this Chamber, will be surprised to find that Lloyd's, being now freed from obligations to which other British companies are subject, are not only removed from federal control, but inferentially are allowed to do business throughout Canada under provincial authority. Furthermore, they are now deprived of the opportunity of coming to the federal authorities for a licence.

It has been said, and will be repeated, that Lloyd's have already obtained licences from one or two of the provinces and can obtain them from other provinces, and the Privy Council has declared that the provincial authorities have the right to grant licences to insurance companies. Yet under our jurisdiction in bankruptcy and insolvency we claim to exercise control over British companies doing business in Canada. If we have such control it should be applied to all companies, and it was for this reason that I moved in committee for the restoration of control by the federal authorities over all British companies, including Lloyd's.

I would point out to the Government and the public that although the amendments are intended by the House of Commons to place all British insurance companies on an equal footing by withdrawing from Lloyd's the privilege conferred on them by the Bill as it left this Chamber, Lloyd's are now given permission to roam at large throughout the Dominion, doing business without any federal control whatever. It is against the granting of a privilege to one organization that I register my protest. I do not intend to test the opinion of the Senate by again moving the amendment which was rejected in committee, because the right honourable leader (Right Hon. Mr. Meighen) has said that he could not accept that amendment in the name of the Government.

Hon. Mr. DANDURAND

Hon. Mr. CALDER: May I ask the honourable gentleman a question? I do not quite understand the working out of the insurance law as between the Federal Government and the provincial governments. I understand from the statement just made that Lloyd's may now take out a licence in each province in Canada and do business in each under the law. My question is this: Do not the provinces which exercise the right of granting licences exercise some measure of control and supervision over the companies to which they grant licences? Or has it been left entirely to the Federal Government to supervise the various companies that have taken out a federal as well as a provincial licence?

Hon. Mr. DANDURAND: There are but three provinces that have insurance departments, which are working satisfactorily: these are Ontario, Quebec, and British Columbia. The other provinces maintain no such superintendence and trust to the well organized federal Department of Insurance to exercise control.

Right Hon. Mr. GRAHAM: Honourable members, my chief objection to this amendment has been more than well expressed by the honourable leader on this side (Hon. Mr. Dandurand). The difficulty is that Lloyd's could not take out a licence for the whole of Canada, even if they wanted to do so. The authority which the Minister had under the old Act to issue such a licence is to be cancelled and Lloyd's will be able to operate only through provincial machinery.

Hon. Mr. CALDER: May I ask the right honourable gentleman a question? I understand that in the past Lloyd's could apply for and secure a federal licence, although their organization was such that the necessary deposit could not be made. Am I right in that?

Right Hon. Mr. GRAHAM: Partially, but not altogether.

Hon. Mr. CALDER: There was some discussion on the Bill, and I understood that Lloyd's, instead of being a corporation, were some kind of peculiar organization which could not comply with the requirement to make a deposit in Canada. What I should like to know is how they were able to get a licence in the past if they could not make that deposit.

Hon. Mr. DANDURAND: I understand that they have obtained a licence from the province of Quebec, but I very much doubt that they made a deposit. Lloyd's are composed of a number of groups of individuals. The State of Illinois insisted on a deposit

being made by the organization, and one was made on its behalf, but it is claimed that the money was put up by the brokers and not by the organization itself. As a matter of fact, Lloyd's have a considerable sum in moneys or securities on deposit with Canadian insurance companies for which they take re-insurance. We were told that this deposit amounted to \$150,000, and that it had been accumulated by premiums being left in the hands of companies which reinsure with them. A letter received by the Superintendent of Insurance from one of Lloyd's representatives stated there should not be very great difficulty in transferring these moneys or securities to the federal treasury as a deposit for a licence. That is a question of procedure.

Right Hon. Mr. GRAHAM: Perhaps I may now continue, but I do not know how my remarks will look with that sandwiched between them. The point I am trying to make is that under this amendment Lloyd's would be unable to take out a federal licence, even though they changed their minds and wanted one, because the Minister will no longer have authority to accept their application. When we were dealing with the Bill it was argued very strongly that Lloyd's were not in a position to make a deposit in Canada, owing to the fact that the British Act required them to leave their securities in Great Britain. The statement was made, and has not been successfully contradicted, that they have money on deposit with companies who are their agents in Canada.

It strikes me that if Lloyd's were given to understand that it was essential for them to make a deposit in Canada, they could furnish the necessary security, even though a change in the British Act might be necessary. A cable was received stating that Lloyd's did not want a federal licence in this country, and on the strength of that the right honourable leader of the Government made a strong argument. Nevertheless I am still of the opinion that our legislation should be based on what would appear to be equality as among all the British companies, rather than on a suggestion by Lloyd's. This amendment will give Lloyd's greater privileges than they enjoy under the present law. In future they will be allowed to roam wherever they like, subject to no federal control whatever, and there will be no way of putting them under federal control even if they themselves want to be subject to it.

The matter is undoubtedly a difficult one to adjust. From conversations I have had with members of the House of Commons—I mean of the rank and file—I believe that they did not understand the full meaning of this

amendment. They chided me as a member of the Senate for having assisted in passing a Bill to which that House would not agree. Their point was that we would permit Lloyd's to register in Canada without making a deposit, and that this permission would be inimical to the interests of the other British and Canadian insurance companies. But the amendment has not improved the Bill in that respect, for it simply prohibits Lloyd's from registering with the federal department. They will not be able to make any deposit in the future, even should they be desirous of doing so, and the Minister will no longer have the power to accept an application from them for a licence. That is the view I had, but the right honourable leader of the Government thought it was not practical, particularly as Lloyd's had cabled that they did not want to come under the Act at all. It seemed to me that we might amend the Bill so as to enable Lloyd's to take out a Canadian licence if they so desire, but not to compel them to take one.

Hon. Mr. CALDER: Without a deposit?

Right Hon. Mr. GRAHAM: No, not without a deposit.

Hon. Mr. GRIESBACH: By making a deposit?

Right Hon. Mr. GRAHAM: I would put them in the same category that the other British companies are in, except that the other companies are compelled to take out a licence and it would be left to the option of Lloyd's to say whether they desired to register. I submit we should not completely shut the door to them if they wish to comply with the requirements of our law.

Hon. Mr. CALDER: If a provision of that kind were made would it not be necessary to make some specification with regard to the deposit that should be put up by Lloyd's? My understanding is that they are not in a position to deposit securities as other companies do. It may be quite true that Lloyd's have moneys on deposit in various places in Canada, but that fact in itself would perhaps not enable them to comply with our deposit requirement. So if we authorize the Minister to grant them a Dominion licence and receive a deposit from them, we should also state what kind of deposit would be acceptable. I understand this is the point that caused trouble when the matter was previously under consideration.

Right Hon. Mr. GRAHAM: Does my honourable friend think the Commons have remedied the situation by taking away from Lloyd's any opportunity to come in under the

regular Act, even if they could arrange a deposit? As my honourable friend (Hon. Mr. Dandurand) says, it is not worth while dividing the House on it. We know the difficulties, but it strikes me we should consider next session—it is too late to do so now—whether some arrangement cannot be made under which Lloyd's, if they wished, could take out a Dominion licence. Under this amendment they cannot.

Hon. E. S. LITTLE: Honourable members, I supported this Bill in committee and in the House on the strength of the argument that the Department of Insurance would be in a much stronger position constitutionally if Lloyd's were allowed to come in on the basis then proposed. I supported the Bill in the face of a storm of telegrams and letters from insurance agents all over Western Ontario. Their object was to get Lloyd's registered. By the Commons amendments Lloyd's are refused registration, not only under the conditions imposed by the Bill, but absolutely. As a result they will do business under licences from the provinces. Then what will be our position? Are we not in danger of having some group or all of the 237 odd registered incorporated insurance companies refusing to make a deposit with the Superintendent of Insurance, and registering with the provinces, thus entirely dismembering our Insurance Department?

Hon. Mr. CASGRAIN: The Privy Council has ruled that the provinces have jurisdiction in regard to insurance. If what my honourable friend from London (Hon. Mr. Little) fears does happen, the business will only go where it belongs.

At one o'clock the Senate took recess.

The Senate resumed at 3 o'clock.

Right Hon. Mr. MEIGHEN: Honourable members, I do not know that any subject has received more elaborate consideration and discussion, both in committee and in the House itself, than has this insurance legislation. It is not too much to assume that decisions definitely arrived at after such discussion, and certainly without the omission of any information or facts bearing on the case, will be maintained by the House, and therefore that it will not be necessary to retrace our steps and occupy the time of honourable members with discussions which have already been completed.

The main feature I have in mind is that dealing with Lloyd's. The problem we found indeed complicated, and impossible to solve along lines of clear and unvarying consist-

Right Hon. Mr. GRAHAM.

ency, but it demanded the most practicable solution, especially a solution that would keep us in a good position from the standpoint of our constitutional powers. The Standing Committee on Banking and Commerce, having heard all sides and discussed and rediscussed every phase, recommended that we make provision for the licensing of Lloyd's in Canada without the deposit which is by the Bill, and has always been, required of other companies. The reasons for that recommendation I sought to give very fully, not only when the Bill was up for second reading, but also after its emergence from the committee. They revolve around the security which Lloyd's underwriters are now compelled to put up in England, under the supervision of the Board of Trade, for the benefit not alone of English policyholders, but of policyholders all over the world.

In recommending that provision be made for the granting of a federal licence to Lloyd's, who had been operating here for many years anyway, the committee chose, and the House approved of, certain safeguards. Lloyd's had to enter into an undertaking that any final judgment in Canada in respect of any policy was equivalent to a final judgment in England and therefore ranked against the securities which lie there. Lloyd's also submitted to the supervision of the Insurance Department in every detail, and all Lloyd's underwriters' operations in this country were subject to inspection and review by the department. These, with other conditions quite elaborate and quite lengthy, were the terms under which alone such a licence could be obtained. They did not include a deposit.

As honourable members know, very considerable opposition arose from the insurance companies operating here against the admission of Lloyd's to Dominion licence. This opposition extended to the other House, and as a consequence of it the Government saw fit to alter its position. As a matter of fact, as explained when the Bill was up, it is a departmental position, not one involving policy in any Dominion sense. The alteration took this form, that the provisions we made for the admission of Lloyd's to Dominion licence were struck out and a series of amendments adopted with one objective only, namely, to leave any underwriter of Lloyd's entirely out of the purview of the Bill. In a word, the Bill as amended by the House of Commons has no application to Lloyd's at all.

The honourable senator opposite (Hon. Mr. Dandurand) has taken exception to the Commons amendment, on the ground, as I appreciate his argument, that it leaves Lloyd's

in a preferential position, in that they can do business without a Canadian licence, while other insurance companies can not. That the amendment has such an effect there is no question. It is argued that the members of the Commons did not understand this. I make no statement as to what they understood, but I think this House has to assume that they understand the effect of their own acts, and we have to base our conduct upon that assumption.

Let us analyse the effect of the amendment. It means that Lloyd's, but not the London & Lancashire or some other company in England, can do business in Canada under a provincial licence in so far as that licence will operate. In Quebec they operate within the terms of a Quebec licence, in Ontario under an Ontario licence. They cannot operate anywhere in Canada except under a provincial licence. It is true that others are denied the right to operate in this way, but again I press the distinction that Lloyd's cannot be put through the same mould as others, for the reason that Lloyd's policies have behind them a security which redounds to the advantage and stands for the protection of policyholders in Canada and all over the world. This is a security such as the other companies cannot claim. Consequently it is not at all indefensible to make a distinction in regard to a group of insurers who already provide the very safeguards which, so far as Canadian policyholders are concerned, are the main purpose of the Bill.

The House will recall that our main reason for desiring to make the distinction was that in endeavouring to found the constitutionality of the measure upon our jurisdiction in bankruptcy and insolvency we did not wish to be in the position of having to argue the necessity of these extra safeguards from the standpoint of bankruptcy and insolvency in respect to Lloyd's. We thought that would be a pretty heavy handicap to impose on counsel for this country if we should again come into conflict with the provinces before the Privy Council.

The effect of the Commons amendment is therefore, as stated by my honourable friend, discriminatory, and the discrimination rests upon precisely the same basis as did the discrimination in the Bill we sent over to the other House.

At this point I want to make it very plain that in my judgment, and I think I may say in the judgment of the committee, the Bill we sent over is superior to the Bill as amended.

Some Hon. SENATORS: Hear, hear.

Right Hon. Mr. MEIGHEN: It provided facilities for business which were more acceptable to the policyholder in Canada than can exist under this Bill. The restrictions and safeguards we imposed with a view to easy and quick recovery, rather than from the standpoint of solvency, are now absent from the measure. Also, as was stressed by the right honourable senator from Eganville (Right Hon. Mr. Graham), under our Bill Lloyd's could come in and enjoy the ægis of a Dominion licence, whereas under this Bill they must be satisfied to do business under provincial licence.

The amendment of the Commons is virtually a notice that in so far as those whom we regard as providing sufficient protection are concerned we are not going to enter into a legal war with the provinces and thereby imperil, possibly, the status of our own Act. We want to be particularly careful. It is not too much to say that if we fail again, as we already have done in three cases, our insurance law, and therefore our Insurance Department, will find themselves in sinking sand and will likely pass out of sight.

The right honourable senator from Eganville says, "Very well, but I should like some provision in this Bill that if Lloyd's want to come in and put up a deposit they may secure a Dominion licence." My first postulate is this. That would not go half an inch towards meeting the objection of the honourable senator opposite (Hon. Mr. Dandurand). Instead of removing the discrimination as described by him it would go a step farther in extending privileges to Lloyd's.

This step certainly would be defensible, and ordinarily I should support it, but I shall give two reasons why I do not think we should support it at the present stage of the Bill. Lloyd's take the position officially and in the most solemn way, and their representation in this regard has never varied by a hairbreadth, that under the law of Britain they cannot appropriate funds for deposit in other countries, and that even if such a provision as is mentioned were inserted they could not avail themselves of it. I think it was the right honourable senator from Eganville who did not accept my statement with regard to Lloyd's position, because, he said—

Hon. Mr. DANDURAND: Covering the groups of Lloyd's.

Right Hon. Mr. MEIGHEN: —because, he said, they do provide funds to reinforce their insurance treaties with companies with whom they are reinsuring. I do not doubt that they do, not only here but in England and other lands. That is the usual practice of the

insurance business. That does not indicate, however, that they are in a position under the law of England to deposit with other governments securities for the benefit of policyholders.

Hon. Mr. DANDURAND: The same thing has been done in Illinois.

Right Hon. Mr. MEIGHEN: The honourable member is again harking back to Illinois. We have thrashed out Illinois from boundary to boundary, over and over again. The difficulty in Illinois was overcome by the agents there keeping their balances at a certain point, and thereby retaining in that state enough money to satisfy the requirements. But that does not mean that a deposit was made by Lloyd's. The moneys were merely the agents' balances. That would not meet the situation in Canada.

I press upon the House the futility of endeavouring to argue that Lloyd's do not know whether they can or cannot do this thing. Surely they know their own position. I have before me a telegram received to-day from the Chairman of Lloyd's, and in the face of this telegram I ask the House if it is the part of practical legislative prerogative to make a provision for federal licence and deposit. I shall not read the first part of the telegram, because it refers to the Superintendent of Insurance and has to do with an incident that need not be rehearsed here. I read from the point at which this subject-matter is covered:

Position of Lloyd's is what it has always been, namely that under British Assurance Companies Act funds must be kept in trust here and cannot be allocated for purpose of deposit either in Canada or elsewhere.

This is signed "Chairman, Lloyd's" and is dated the 27th of June.

Hon. Mr. CASGRAIN: What is the name of the Chairman?

Right Hon. Mr. MEIGHEN: It is just signed "Chairman, Lloyd's." I think we had his name.

Hon. Mr. CASGRAIN: It does not matter.

Right Hon. Mr. MEIGHEN: This being so, I do not see any object at all in inserting the proposed amendment. If the British law should be changed, then, of course, we could consider the subject anew; but at present it would not comport with our position and function to put in this suggested provision, this particularly when it is not by way of amendment to the amendments now before us.

Our committee felt, and I think I can say by a large majority, that the proper course was to accept the Bill as amended by the other House. Without question the Bill is

Right Hon. Mr. MEIGHEN.

just as formidable constitutionally and just as thoroughly fortified as before. Therefore, from that standpoint, which is our main concern, we are all right. As a mechanism for taking care of a complicated difficulty it is not, I think, the equal of the Bill passed by this House; but it is the next best thing. I think this House is of the same temperament as most people at this time; so surely we had better keep within confines which we feel are safe, and not invite a contest which might be very perilous and result in a situation which would be exceedingly calamitous to very large and important interests in this country and would affect almost everybody within its boundaries.

Hon. Mr. CASGRAIN: I think the right honourable gentleman might, for the benefit of those who are not familiar with it, tell us just what Lloyd's are. I think I could tell the House—

Right Hon. Mr. MEIGHEN: Go ahead.

Hon. Mr. CASGRAIN: I would sooner give way to the right honourable gentleman.

Right Hon. Mr. MEIGHEN: I doubt whether I could do it any better than my honourable friend. I do not think I know as much about the details.

Hon. Mr. CASGRAIN: I have had some dealings with them.

A couple of hundred years ago Lloyd's was a sort of tavern, similar to one in Montreal called Joe Beef's. The sea captains met at Lloyd's and talked about the ships they had met on their voyages, and where they had met them. Naturally the owners also went to Lloyd's to learn what they could about their ships. Insurance in those days was the reverse of what it is to-day. A captain might sell out to a pirate, but if he came back with a cargo he would be paid.

To-day there is a large room, larger perhaps than this Chamber, with desks in it, where the business is done. If you want to insure a ship you go to a broker who has taken a risk on her before, or one who knows her well and believes that she is seaworthy and that her captain is an able man. You tell him of the voyage the ship is to make, and you go through many formalities. If the destination of the ship is changed, the right to insurance may be lost. Suppose the risk is a small one, say £10,000: the agent who is seeking to insure goes to a broker, who writes the particulars on a slip of paper and signs for, say, £2,000; then he goes to another man, who may not know quite so much about the ship, but who when he sees the first name says, "I will take £1,500." After that it is

easy to secure the balance. These brokers, who have clients throughout England, immediately telegraph or telephone them and say: "We have taken £10,000," or whatever the amount may be. "Do you want any of it?" The client says, "Yes, I will take some of it," or he may take the whole amount. In this way the brokers are able within an hour or so to secure substantial people who are willing to take over the risk. There is no company. Everything is based on confidence. You go to the first man because you have confidence in him, and the people who take the risk off his hands take it because they also have confidence in him.

Hon. Mr. PARENT: Does the honourable gentleman realize that he is speaking of marine insurance and that this Bill has nothing to do with that at all?

Hon. Mr. CASGRAIN: All right. You have got a lot of information for nothing.

I happen to know also about Lloyd's insuring other things. If you go to Lloyd's and show them that a certain property, a warehouse for instance, has been insured for a number of years and there has been no loss, they will give you a rate that defies competition. They are able to do that because of cheap money and the vast ramifications of their organization. Lloyd's business is a gamble. You can insure against twins, if you like—to say nothing about quintuplets.

I suppose many honourable gentlemen are aware that a huge commission, amounting to about twenty-five per cent, is paid to insurance agents.

Right Hon. Mr. MEIGHEN: Thirty-five per cent.

Hon. Mr. CASGRAIN: I never heard of that, and never got it myself, but I have heard of twenty-five per cent. I believe that with Lloyd's the rate is ten or twelve per cent, with a maximum of fifteen per cent. They have agents all over the world, who write and tell them months in advance that certain insurances are coming due. They say: "Here is the record of the place for so many years. Will you make a rate on it?" Take my own case for instance. I have been living in the same house for forty-five years, and only once in that time was there a loss. We had a small fire in the stable where the horses were kept, and very little money was involved. All that I paid for insurance during those years was clear profit. If I were to go to Lloyd's and insure with them I should get a much lower rate than I could get anywhere else. They study every particular case. I am sorry

that I have taken up some time on this matter, but I had to do so because the right honourable gentleman refused to give an explanation. If he thinks my explanation is not all right he can correct it.

The motion was agreed to.

INTERNATIONAL LABOUR OFFICE

INQUIRY

On the Notice:

By Hon. Mr. Casgrain:

That he will call the attention of the Senate to the activities of the International Labour Office at Geneva, and inquire:

1. What is the total cost, without interest during construction, of the Labour Temple erected at Geneva by the International Labour Office?
2. When was construction work commenced?
3. When was the Temple completed and occupied?
4. Has the Temple been paid for, and if not, how much is outstanding and owing on the building?

Right Hon. Mr. MEIGHEN: The answer to the honourable gentleman's inquiry is as follows:

1. Swiss francs, 3,475,805.
2. Corner stone laid October 21, 1923.
3. February, 1926.
4. Yes.

Hon. Mr. CASGRAIN: Under this notice I am entitled to speak, but with permission of honourable members I should like to have the debate adjourned until the next sitting or until some time when there is less work facing the House.

On motion of Hon. Mr. Casgrain, the debate was adjourned.

FINANCE ACT REPEAL BILL

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of Bill 111, an Act to repeal the Finance Act.

He said: This measure, which repeals the Finance Act, is to be called into effect by proclamation, and the proclamation cannot be issued until the new Central Bank Act is in force.

Hon. Mr. DANDURAND: The right honourable gentleman is taking it for granted that the Bank of Canada Bill will be adopted by Parliament.

Right Hon. Mr. MEIGHEN: If it is not, the proclamation will not issue.

Hon. Mr. DANDURAND: But this Bill will have been passed.

Right Hon. Mr. MEIGHEN: No harm will have been done.

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

DOMINION NOTES REPEAL BILL

THIRD READING

Bill 112, an Act to repeal Chapter Four of the Statutes of 1915.—Right Hon. Mr. Meighen.

FARMERS' CREDITORS ARRANGEMENT BILL

THIRD READING

Bill 92, an Act to facilitate compromises and arrangements between farmers and their creditors.—Right Hon. Mr. Meighen.

INCOME WAR TAX BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 99, an Act to amend the Income War Tax Act.

He said: Honourable members, this measure is designed—I hope I may say without offence—to restore the fortifications which were let down by the Income War Tax Act amendment of 1930. The purpose of the various clauses is the strengthening of the provisions of the Act against evasion. I intend to move for a reference to the Standing Committee on Banking and Commerce, where a thorough review may be made.

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

REFERRED TO COMMITTEE

On motion of Right Hon. Mr. Meighen, the Bill was referred to the Standing Committee on Banking and Commerce.

DOMINION NOTES BILL

FIRST READING

A message was received from the House of Commons with Bill 110, an Act to amend the Dominion Notes Act.

The Bill was read the first time.

SECOND READING

Right Hon. Mr. MEIGHEN, with the leave of the Senate, moved the second reading of the Bill.

He said: This is another interim measure as regards note issue, and is repealable on proclamation when the Central Bank Bill takes effect.

Right Hon. Mr. MEIGHEN.

Honourable members no doubt are aware that under the present law Dominion notes may be issued to an aggregate of \$50,000,000, provided they are safeguarded by a gold ratio of 25 per cent. Any issue in excess of the \$50,000,000 must be protected 100 per cent.

At the last meeting of the World Monetary and Economic Conference the following resolution was passed:

That in order to improve the working of a future gold standard greater elasticity should be given to central bank legal cover provisions; for instance, in so far as the system of percentage gold cover is applied a minimum ratio of not more than 25 per cent should be considered as sufficient; similar elasticity should be achieved by appropriate measures where other systems are applied. However, such changes must not be taken as an excuse for unduly building up a larger superstructure of notes and credits; in other words, the effect of this resolution should be to increase the free reserve of central banks and thereby to strengthen their position.

This Bill is in accordance with the principle of the resolution, and can therefore be said to have the endorsement of the highest banking authorities of the world. It increases the amount of currency which can be issued against the 25 per cent gold reserve from \$50,000,000 to \$120,000,000.

It also provides that silver may be added to the gold base, against the issue of currency, within the statutory limits. This is set out in the third paragraph of section 1 of the Bill:

As additional security the Minister may hold silver to an amount to be purchased from time to time under the provisions of the international agreement dated at London the twenty-second day of July, 1933, respecting the sale and purchase of silver, and of the supplementary agreement dated at London the twenty-second day of July, 1933, signed by the delegate to Canada relating to the amount of silver which Canada is to purchase or otherwise arrange for withdrawing from the market pursuant to the agreement above mentioned, namely, 1,671,802 fine ounces of newly-mined Canadian silver in each of the calendar years, 1934, 1935, 1936 and 1937, which silver shall be purchased and held by the Minister pursuant to this section.

No doubt honourable members thoroughly understand that the object of the World Monetary and Economic Conference in having these agreements entered into was to raise the ratio of silver to gold in order to restore the balance between silver-using and gold-using countries. We cannot regard silver and gold as we do other commodities. They are the only two metals used throughout the world as standards of value and as currency. Therefore it is important to prevent fluctuations between silver and gold values from becoming too wide and thus disturbing the

balance between the silver-using countries, the Orient, and the gold-using countries, comprising the greater part of the Western mercantile world.

Hon. Mr. CASGRAIN: India.

Right Hon. Mr. MEIGHEN: Silver is used there.

Section 2 provides for repeal in the following words:

The Dominion Notes Act, chapter forty-one of the Revised Statutes of Canada, 1927, as amended by chapter twelve of the statutes of 1932-33 and by this Act, shall be repealed on and from a date to be fixed by proclamation published in the Canada Gazette.

Hon. Mr. DANDURAND: The right honourable gentleman has not told us what has been and what is to be the average gold coverage of our notes. I see there is to be a reduction to 25 per cent.

Right Hon. Mr. MEIGHEN: Yes, in accordance with the resolution of the World Monetary and Economic Conference.

It becomes necessary for me to refer to two statutes which provide for note issues over and above the requirements set out in the general Act to which I have already referred. The Dominion Notes Act of 1915 provides for the supplementary issue of Dominion notes to the banks for special purposes during the grain season. Under the Finance Act of 1927 provision was made for advances to the banks on deposit of approved securities. According to the statement in the other House, on May 31, 1934, there was outstanding under the Act of 1915 \$26,000,000, of which \$16,000,000 is secured and \$10,000,000 unsecured; under the second Act \$38,444,000 has been advanced; and \$106,666,949 is outstanding under the Dominion Notes Act of 1914: a total of \$171,110,949. The gold against this, if taken at the old statutory value of \$20.67 per ounce, would be \$69,537,952. This is in itself a very large reserve, more than the statutory requirement, being 40.6 per cent of the total note issue; but at the present price of gold it is 52 per cent. Honourable members will agree at once that 52 per cent, or even 40 per cent, is a high percentage, and that in this regard the Dominion is in a very strong position.

Right Hon. Mr. GRAHAM: As I understand it, this Bill is merely to fill the gap until the coming into force of the Central Bank Bill.

Right Hon. Mr. MEIGHEN: Yes, because the Central Bank Bill covers note-issuing powers.

Right Hon. Mr. GRAHAM: The Central Bank Bill will give authority to do the things we are providing for in this Bill?

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. DANDURAND: And will take the place of the Finance Act?

Right Hon. Mr. MEIGHEN: Yes, and of the Dominion Notes Act.

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

CONSIDERED IN COMMITTEE

On motion of Right Hon. Mr. Meighen, the Senate went into Committee on the Bill.

Hon. Mr. Murdock in the Chair.

Sections 1 and 2, the preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

CENTRAL BANK BILL

Hon. Mr. DANDURAND: I understand the Central Bank Bill will be adopted by the House of Commons this afternoon. If we adjourn during pleasure and meet again this afternoon we may receive the Bill from the other House and refer it to the Standing Committee on Banking and Commerce.

Right Hon. Mr. MEIGHEN: Yes. At 6 o'clock we can get the Bill under way, so the Banking and Commerce Committee may deal with it to-morrow.

The Senate adjourned during pleasure.

After some time the sitting was resumed.

Right Hon. Mr. MEIGHEN: Honourable members, the reason for our meeting at this unusual hour was the expectation that by this time the Bill regarding the Central Bank, or the Bank of Canada, would have reached this House from the other Chamber. Again we are disappointed. There is no Bill yet. However, as we may expect it to arrive shortly, and want to send it to the Committee on Banking and Commerce as soon as possible, I move that when the House adjourns to-day it stand adjourned until 12.45 p.m. to-morrow. This will enable us to send the Bill to the Committee on Banking and Commerce early in the afternoon.

Hon. Mr. CASGRAIN: When are the Commons meeting again?

Right Hon. Mr. MEIGHEN: To-night.

Hon. Mr. CASGRAIN: No. They have adjourned until to-morrow.

Right Hon. Mr. MEIGHEN: Then I have no motion to make.

Hon. Mr. DANDURAND: They have adjourned until eleven to-morrow morning.

Right Hon. Mr. MEIGHEN: Then we may receive the Bill. I leave the motion as it is.

The motion was agreed to.

The Senate adjourned until to-morrow at 12.45 p.m.

THE SENATE

Thursday, June 28, 1934.

The Senate met at 12.45 p.m., the Speaker in the Chair.

Prayers and routine proceedings.

NATURAL PRODUCTS MARKETING BILL

SENATE AMENDMENTS NOT INSISTED UPON

The Hon. the SPEAKER: Honourable members, a message has been received from the House of Commons, reading as follows:

Resolved that a message be sent to the Senate to acquaint Their Honours that this House disagrees with their 1st and 2nd amendments to the Bill No. 51, an Act to improve the methods and practices of marketing of natural products in Canada and in export trade, and to make further provision in connection therewith, for the following reasons:

Inasmuch as wheat producers should not be treated in a different way from other producers of farm products;

Also, the Natural Products Marketing Act does not conflict with the Canada Grain Act in the case of wheat, nor in the case of coarse grains which are included in the Act, and to which no exception has been taken.

Right Hon. Mr. MEIGHEN: Honourable senators, as stated in the message which has just been read, the House of Commons has disagreed with the amendments moved by the honourable gentleman from Provencher (Hon. Mr. Molloy) and carried in this House on division. At the time the amendments were moved, while recognizing that much could be said in support of them, I asked the House to decline them, and, largely for the first reason set out in the memorandum to which we have just listened—namely, that it is better to have all natural products

Right Hon. Mr. MEIGHEN.

treated alike—to accept the Bill without any change. Possibly there is some force in the second reason given by the Commons, though I do not attach to it the same importance as that House apparently considered it to have. The Senate felt that this measure would virtually give the Government power to repeal the Grain Act, but the message intimates that the inclusion of wheat under the new legislation would not prevent the machinery of the Grain Act from still being used.

I move that the Senate do not insist upon its amendments, but accede to the position that has been taken by the other House. I hope this motion will be agreed to, for I fear that otherwise a very important measure would be imperilled.

Hon. Mr. DANDURAND: On my own part—for I have not consulted my colleagues—I shall not vote that the Senate insist upon its amendments. But it strikes me that with all the machinery now available for the marketing of grain there will be a tendency to help wheat producers to form a pool, and an attempt to coerce some producers into joining it.

Right Hon. Mr. MEIGHEN: I do not think there will be any disposition to coerce wheat producers. I do not know what would be my state of mind if any such disposition were in evidence.

The motion was agreed to.

EXCISE BILL

INSISTENCE UPON SENATE AMENDMENTS

The Hon. the SPEAKER: Honourable senators, a message has been received from the House of Commons, reading as follows:

Resolved that a message be sent to the Senate to acquaint Their Honours that this House disagrees to their amendments to Bill 89, an Act to amend and consolidate the Excise Act, for the following reason:

Namely, that the said amendments do not fully assure protection to the revenues of the Crown.

Right Hon. Mr. MEIGHEN: I am in a very different state of mind with respect to this message. Needless to say, considerable discussion has taken place since the amendments were inserted. One honourable member of this House took the trouble to go over the American legislation, from which our Act appears to be almost verbally derived, and he found that the United States does not venture to go so far as our department has for years been going, namely to the extent of confiscating the property of entirely innocent, law-abiding citizens on the ground that such

a process is necessary in the enforcement of this law, which is most difficult to enforce. Personally I feel, as I know honourable members on both sides of the House do, that under no conditions can there be any justification for the deliberate penalizing of persons who are entirely innocent, who not only have obeyed the law, but have done everything in their power to see that others obey it. To say that enforcement necessitates the punishment of such persons is to argue that the law is fundamentally wrong and unsuitable.

Hon. Mr. HUGHES: Unsuitable to our conditions.

Right Hon. Mr. MEIGHEN: The Senate's amendments provided that an accused person, who under British jurisprudence is presumably innocent, would have cast upon him the onus of proving not only that he himself was innocent, but that he had made positive and thorough efforts to see that persons likely to disobey the law were not put in a position to do so. I am at a loss to understand what more we can do than insist that an accused person have the right to prove his innocence. I have hopes that the other House will meet us on this subject, and I move that the Senate insist on its amendments.

The motion was agreed to.

BANK OF CANADA BILL

FIRST READING

A message was received from the House of Commons with Bill 19, an Act to incorporate the Bank of Canada.

The Bill was read the first time.

SECOND READING

Right Hon. Mr. MEIGHEN, with leave of the Senate, moved the second reading of the Bill.

He said: Honourable senators, in support of my motion for second reading, without notice, of this important measure, I will merely say that there is only one principle to be considered. That principle is whether we shall or shall not have a Central Bank in this country. There may be differences of opinion as to the proposed plan for fulfilling and implementing that principle—as, for instance, whether the Bank should be Government-owned—but in passing the second reading we decide only one thing, namely, that we should have a Central Bank.

The measure comes to us from the other House after a long debate there, a debate which has doubtless afforded an opportunity for honourable senators to acquaint themselves thoroughly with the terms of the pro-

posed legislation, and arguments for or against it. I intend to move, as soon as the second reading is passed, for a reference to the Standing Committee on Banking and Commerce, and to ask that committee to meet this afternoon at 3 o'clock. I hope notices will be in the hands of honourable members and that all will make a special effort to be present. This is particularly important, since a number of members, notably the Chairman and the honourable gentleman who for some time acted as Chairman, have gone away. The measure will not require as much of our time as was given to more intricate and detailed bills which were initiated here, but we shall have to give it considerable attention. As very little time now remains before prorogation, we shall have to concentrate upon this Bill until we dispose of it.

Hon. Mr. DANDURAND: I understand from the right honourable gentleman that if the Bill is given second reading now it will be sent to the Banking and Commerce Committee this afternoon.

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. DANDURAND: And the Senate will be adjourned to a later hour in the afternoon?

Right Hon. Mr. MEIGHEN: Yes. I intended to ask the Senate to come back at 6 o'clock. I do not know how we can very well avoid that. I am somewhat embarrassed by the situation with respect to the Shipping Bill, for the French version has not reached us, and my understanding is that it simply must be here before we can finally dispose of the measure.

Hon. Mr. CASGRAIN: There is not time for long speeches at this late hour of the session. I have a few remarks to make, and, as it is lunch time, perhaps we should adjourn until 3 o'clock. I can go on now if honourable members desire.

Right Hon. Mr. MEIGHEN: I suggest that the honourable senator reserve his general remarks until the motion for third reading is made, if that would suit his convenience.

Hon. Mr. CASGRAIN: I am sorry, but I have to go away. The motion is for second reading, and, as the right honourable gentleman has stated, we have to decide upon the principle whether we should or should not have a Central Bank. All my remarks will be on that point. If the House desires, I can make them now.

Right Hon. Mr. MEIGHEN: We have no regard to prevent the honourable member from speaking on this motion, and I suggest that we meet again at 3 o'clock.

At one o'clock the Senate took recess.

The Senate resumed at 3 o'clock.

Hon. J. P. B. CASGRAIN: Honourable members, long speeches are not wanted within a few hours of prorogation. Therefore I am sorry to say I shall not be able to place fully before the House the conclusions I have reached on the public questions that I have been studying since last October.

I remember very well what took place in this Chamber at the opening of the session—the perennial declaration that the Senate would take sufficient time to give full consideration to measures that might be received from the other House within a few hours of prorogation. I suppose the same condition of affairs will last as long as our parliamentary system, for all Governments hold back highly controversial measures until nearly the end of the session, when the minds of parliamentarians are not on legislation, but on the prospect of going home to their wives and children. I hope this measure will be given due consideration by the Standing Committee on Banking and Commerce, and be so amended that the proposed Bank of Canada will be a purely Canadian institution and absolutely free from control by the Bank of England, if it can be avoided.

During the last eight months I have asked various bankers and members of our stock exchanges if they knew of a single thing that our ten chartered banks could not do that this wonderful Bank of Canada might be able to do. Each and all answered me that they did not know of any. I have been told over and over again that our banking system is as good as any in the world. It is the pride of Canada, and it should be the pride of the Senate.

As a member of this House for more than half the period of its existence, I have witnessed the work of the Standing Committee on Banking and Commerce. When I came here first it was the custom for every new member to serve so many years of probation before appointment to that standing committee. Not until the wise heads had decided that such and such an honourable member would be an acquisition was he fortunate enough to be included in its membership. The Committee on Railways, Telegraphs and Harbours was always considered to be im-

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portant, but Banking and Commerce was regarded as the banner committee. In 1900 Sir George Drummond was chairman. He was vice-president of the Bank of Montreal. The president, Lord Strathcona, being a good Scotchman, preferred to hold what he had, and would not resign; so Sir George became acting president. Naturally, as he was doing the work, he desired to become president. It is said that at a meeting of the directors Lord Strathcona was heard to whisper, "Poor Drummond is looking very weak, isn't he?" And Strathcona was Drummond's senior by fifteen years or more!

As I have said, Sir George Drummond, acting president of the Bank of Montreal, was chairman of the Standing Committee on Banking and Commerce. He was not always satisfied to take even the advice of the late Law Clerk of the Senate. I am glad to pay homage to Mr. Creighton's memory. He was consulted by the very best lawyers, men who had been Attorneys-General of their provinces, and they always knew that their private bills were in proper form once Mr. Creighton had O.K'd them. I hope that in the near future there will be a Law Clerk on the staff of the Senate, for it is a great help to senators who have not the advantage of being members of the legal profession to have an official to prepare bills that will hold water. We were fortunate in that, after the loss of Mr. Creighton, the honourable member from De Salaberry, the late Senator Béique, took charge, as it were, of our legislation. He did not spare himself. He read all bills, annotated and amended them, and I can truthfully say that during the thirty years he was in this Chamber there was no legislation that did not show marks of his painstaking and critical study. I repeat, I hope that next session we shall again have a Law Clerk. It would be his duty to put annotations on bills, to show that certain clauses are standard, and to draw to the attention of the chairman of the standing committee to which each bill is referred the sections dealing with questions of policy and so on.

All the banking legislation used to originate in this Chamber. I do not think I am wrong in saying that the House of Commons never made any amendments to any bank legislation that we had passed, nor disputed our action in regard to bank measures that we rejected. At the time I am speaking of there were thirty-two chartered banks in Canada; to-day we have only ten.

Is our banking system to be changed now by the introduction of something that nobody wants, except it be Mr. Montagu Norman?

That is the price we have to pay for all the liberties and privileges we got under the Statute of Westminster, passed on December 11, 1931—seventeen months after the present Government came into office.

When the Macmillan Commission came to Montreal they held a meeting in the court-house, and naturally I went there to see what they were doing. Perhaps I take my duties too seriously, but I really believe that every senator should try to study all the various problems coming before this honourable House and give us the benefit of whatever information he may have secured, much of which, no doubt, would be of considerable value. I invite my colleagues to interest themselves in public questions during the recess and gather information for the benefit of those members who perhaps have neither time nor inclination to do so.

While the Macmillan Commission held their seance in the Montreal court-house the chairman of the stock exchange appeared and gave evidence. He stated he was in favour of a Central Bank, as it was called, because he thought it would make a money market in Montreal, and then we should no longer have to depend on New York. Well, a money market is not made like that. There is no more chance of making a money market in Montreal than there is of making one in Dawson City. A money market is of slow growth. It took more than one hundred years for the money market in London to become what it is to-day, with four hundred million pounds sterling, two billions of dollars, behind it. How long would it take to establish a money market in Montreal, or in New York, for that matter, with any such sum for purposes of regulation? I will not go into details; I know my limitations. I realize that there can be no money market in Montreal, but because he thought such a market might be established the president of the stock exchange was in favour of the Central Bank. I predict, and I defy contradiction, that if God permits me to live until another session I shall see half the branches of our banks closed by reason of the loss of privilege of issue, and the necessity of paying interest on the money they will have to get from the Bank of Canada to put into their branches.

I am not in a position to say whether the closing of half our banks is good or bad. I have heard it said in this House, and outside, that the Northwest was much better off, and the people there much more prosperous, when there were hardly any banks in that country. Honourable gentlemen will admit, however, that if the windows of the banks in many little places are boarded up, and padlocks put on

the doors, the people there will have to go some distance before they will be able to find another bank. It was the people of the Northwest who favoured the Central Bank. They thought they would be able to get more accommodation; but they will find they will get none from the Central Bank.

The privilege of note issue, which has been worth at least \$100,000 a year to the bigger banks, will be cut off. It is true that the operation will not be performed all at once; the banks will be allowed to suffer for some time; but ultimately the only bills issued will be those of the Bank of Canada. The agony will be prolonged unless Parliament gets back its common sense and abolishes this plan, as I hope it will do.

The Central Bank will not pay any interest on deposits. Who is going to deposit money in that bank? I for one will not.

It is a strange thing that when the Bank of Canada was talked of, when inflation commenced—for there is no denying that we have it—the banks did not care. They thought the value of the gold they held would be enhanced so that about \$1,000,000 in gold would pay for \$3,000,000 in paper. They were laughing up their sleeves, thinking they were going to get richer, and they remained neutral. They said nothing, and the press said nothing. Everybody was happy and contented. Later it was found the depositor was to have only twenty-five per cent metallic coverage. The bankers had thought they were going to do the public and make money, but they themselves got caught. They had expected to get \$35 an ounce for their gold. Not at all! Mr. Montagu Norman came along and said, "Give us your gold and we will give you \$20.67 for it." They said, "But we can get \$35." To that he replied: "Never mind what you can get. Come across." Then the bankers commenced to laugh on the other side of their faces. The joke was on them. They got caught at their own game. They thought they were going to do the public, but the present Government is doing them.

Right Hon. Mr. MEIGHEN: Protecting the public.

Hon. Mr. CASGRAIN: The situation in regard to gold is rather funny. If the man on Mars could only look down at the earth he would have a good laugh. In many places the earth is being rent and torn asunder, and mountains are being pulverized into dust, in giant mortars, so that grains of the yellow metal may be recovered. As soon as they are recovered they are rushed to burglar-proof cellars and kept there under guard.

Then comes the time when this metal is solemnly moved from one such hole in the ground to another. The past year has seen the freighting of gold back and forth across the Atlantic. A year ago gold was flowing out of the United States and England into France, the transfer bringing the first two nations to grief and enhancing the power of France in world commerce and finance.

Several weeks ago the tide changed, sending a wave of bullion back into American vaults. Whole fleets of aeroplanes rushed the precious metal from Paris across the channel to London, where it was placed aboard giant ocean liners for transportation to New York and Washington. The flow of gold has tied up shipping for weeks and months ahead. One liner brought \$42,000,000 in its strong box; another \$34,000,000. Several hundreds of millions in gold have already fled French soil.

The situation leaves the public a little confused. Remembering that the yellow bars are barred to his personal use, the individual wonders what it is all about. The international banker and economist might explain everything very carefully, and still it would not be clear to the man in the street; so he is content to read about it in the newspaper and imagine himself in possession of such fabulous wealth—supposing the Government would allow him to use such riches if he had them.

There is a lot of talk about the Central Bank, but how many people know what it will be? It is true that it is not a novelty. There are thirty-eight Central Banks in the world, and not one of them is working miracles. The countries in which they exist are no better off than we are. In case of emergency in this country the Central Bank would be changed overnight into a department of the Government, and the depositors who had put their funds into banks whose reserves had been snatched from them would have to whistle for their money.

The Bank of Canada will be but an insignificant branch of the Bank of England. The purpose of Mr. Montagu Norman is to try to get the banks in all the Dominions and colonies under the control of the Bank of England. He has good reason for doing that. I do not know whether everybody is aware that the Bank of England is controlled by the London traders. And who are these traders? They are very largely people of German and Jewish origin, in many cases German Jews. They are the masters of Mr. Montagu Norman, and if he did not do what he was told he would not keep his place very long. At the next annual meeting they would

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put in someone more subservient. But he does what he is told. Now, in Canada we shall have to bow to Mr. Montagu Norman—

Right Hon. Mr. MEIGHEN: Under what clause of the Bill?

Hon. Mr. CASGRAIN: I have the Bill here.

Right Hon. Mr. MEIGHEN: What clause puts us under Mr. Montagu Norman?

Hon. Mr. CASGRAIN: He, I understand, is the President of the Bank of England.

Right Hon. Mr. MEIGHEN: What clause puts us under the Bank of England?

Hon. Mr. CASGRAIN: I admit that I am not capable of discussing that with the right honourable gentleman. I remember that when he entered the House of Commons Sir Wilfrid Laurier said, "At last the Conservatives have found a man." So I would ask him not to take undue advantage of a land surveyor. I have looked at the Bill, and I ask him to bear with me. If he wants to answer me he can do so later; victoriously, perhaps.

The Bank of England belongs, as I have said, to the traders. It could not belong to the Government, because the Government is constantly changing, whereas the shrewd trader goes on for ever.

Conditions are not too good in Merrie Olde England. We hear about the wonderful things that are happening there. That is the beauty of radio. The English are past masters in diplomacy: when everything is going well they never mention the fact, but when things are not going so well they have a great faculty of letting the world think they are getting on beautifully. If it were not so, England would not own one-quarter of the earth's surface. During the last four or five years England has lost in trade so much that it would have to be expressed in astronomical figures. And why? It is in great part because the labour unions have exacted wages that make it impossible for the English manufacturers to compete with those of other nations.

Take Japan for example. She has been invading India with cotton goods to such an extent that she has wakened up the Right Hon. Neville Chamberlain, who has said that he is going to do something to stop her. As yet he has not done anything that I know of. In France, the weavers of Lyons, the home of the silk industry, took to Paris a square metre of silk made in Japan and asked the French Government for protection, saying that that square metre of silk was just as good as any they could make in Lyons, and that the cost of production in Lyons was two and a

half times as great as the selling price of the Japanese silk. How can anyone meet that kind of competition? The explanation of this situation is easy. In Japan a good worker gets the equivalent of forty-five cents a day in our money, depreciated as it is; women get thirty cents a day, and girls from fifteen years up get twenty cents a day. How they can live and save money, as it is said they do, is a mystery to me. How can we, with our high wages and high standard of living, compete with those people? It cannot be done.

Another point is this. If we have this Central Bank our dollar will be tied to the pound. The tail cannot wag the lion. Our long winter nights give us a chance to think, and some cold morning Canadians will wake up and discover that the selfish trader across the Atlantic has got us by the throat in a stranglehold.

The vast reservoirs of wealth in England are drying up; estates are being sold for an infinitesimal part of their value. Why is this? It is because they have been heavily taxed to pay a dole in order to prevent people who otherwise would be starving from flying at the throats of those who have something. Coal, which for one hundred years was one of Britain's greatest resources, especially in Wales, is to-day out of fashion. Electricity and other kinds of power are being substituted for it. It is a sad story. The poor miners cannot produce coal cheaply enough to compete.

England was mistress of the sea, and proud of it—and we too were proud of it—but to-day there is also a mistress of the air. We remember that before the Great War England maintained the two-power standard. But she had to give that up.

Now I come to the Macmillan report. God forbid that I should say one uncharitable word about Lord Macmillan. I think he is a very fine gentleman, and I will tell you why I think so. Before leaving Canada he made a speech on the Privy Council, in which he said it was the greatest court in the world. It happened that fifteen or sixteen years ago I made two speeches in this House in favour of restricting appeals to the Privy Council, and met with some success. In those days you could go to the Privy Council with an appeal involving \$4,000, whereas to-day it must be \$12,000. I sent Lord Macmillan copies of those speeches. Like the gentleman he is, although he did not agree with me, he answered in a three and a half page letter, not typewritten, but in his own hand, complimenting me on the case I had made out. As for Sir Charles Addis, the other Old Country member of the Commission, I do not know him. Those two men

came here with a purpose. It was written all over their faces at the meeting in Montreal which I attended; and they even secured from the chairman of the board of the stock exchange, a gentleman whom my leader knows very well, the admission that it would be a fine thing to have a money market in Montreal.

On the other side of the Commission was Sir Thomas White, one of the greatest men in Canada. I have followed his career since he was an assessor of the city of Toronto. He was a good Liberal, but when he was needed to do a certain job, in which the right honourable gentleman (Right Hon. Mr. Meighen) took part, he came here as a member of the Conservative Government. When he had carried his points he went away. I believe there is not in Canada a man who knows more than he does about our banking situation. For a number of years he was Minister of Finance. He has a very bright intellect and was graduated as a lawyer, though he never practised. He possesses considerable literary attainments, and often has told me of the hours that he spent with the late Sir Wilfrid Laurier in talking about English literature. He was amazed at Sir Wilfrid Laurier's knowledge of the best English works, which probably accounted for Sir Wilfrid's ability to speak English so well.

And then there was Mr. Beaudry Leman. Highly educated, a civil engineer by profession, he became the head of the Shawinigan Company. While he held that position he was also mayor of the town of Shawinigan, and built into the town a railway line which afterwards was made a branch of the Canadian Pacific. He became the manager of our biggest French Canadian bank, which he has developed into the institution now known as La Banque Canadienne Nationale.

I leave it to honourable members to say whether these two men were not better acquainted with Canadian banking matters than were the two strangers who came here for a few weeks. These two well-informed Canadians were opposed to a Central Bank. Who decided in favour of it? A gentleman who is Prime Minister of Alberta, Mr. Brownlee. In my opinion his mind was at that time on something else than a Central Bank. If honourable members read the papers they will know what I mean.

A Central Bank has been established in the Commonwealth of Australia, in the Dominion of New Zealand, in the Union of South Africa and in India. We are the last of the British Dominions to get such an institution. Under the Statute of Westminster we were given absolute political control of all our affairs.

Some of us think we have not made much use of that gift. At any rate, we are now paying through the nose for it. I know my limitations, and some of these questions are remote from me, but I am informed that we shall absolutely lose control over our financial affairs if this Central Bank is established; so I say we are paying dearly for what we received under the Statute of Westminster, whereas what Great Britain gave us cost her nothing.

This is an age of machinery, of mergers and of one-man control. Mr. Montagu Norman is a great showman. Unlike Bernard Shaw, he shuns publicity. Bernard Shaw is very clever, but Mr. Montagu Norman is a genius. Shaw may, by shocking people, lose the sale of a book or two, but Mr. Norman loses millions of pounds in international finance. The French actually forced England off the gold standard. I suppose Mr. Norman will not mind what I say about him. Perhaps he will never hear about my remarks, but if he does I shall be glad. He refuses to come to Canada, and if perchance he takes a Canadian steamship which lands him in Quebec there is a motor car at the dock to rush him by the shortest route to the United States. Canadian bankers have tried—I know whereof I speak—to hold a conference with him, but he says: "You have ten banks. I have no time to talk to ten banks." They invite him to dinner at the Mount Royal Club and tell him all the principal Canadian bankers will be there, but he says: "No. Get a Central Bank." Why is he so keen about having a Central Bank in Canada? Although he shuns publicity, whenever he travels all the camera men are tipped off to take a good picture of him, with his slouch hat, and showing even the sex appeal—the new wife he has recently taken.

Canada has been cajoled into establishing a Central Bank. One thing I hope is that we shall steer clear of the Bank of England. To prevent any error I have written out a few lines, which I will now read. Montagu Norman and Stanley Baldwin were sent to the United States by Mr. Bonar Law, the then Prime Minister of Great Britain, to see what terms they could make for the settlement of the British war indebtedness. Their instructions were to come back and report to Mr. Law what the Americans wanted, but in place of that they took it upon themselves—I say "themselves," but the financial adviser must have been the Governor of the Bank of England—to settle with the United States Government upon the onerous terms that it is now found impossible to fulfil. On landing at Southampton Mr. Norman told the press what they had done. The British Gov-

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ernment was thereby practically bound to carry out their absurd settlement. I know this fact to be absolutely correct. They had instructions not to settle, but simply to see what the Americans wanted and then come back and report. This was stated in the British House of Commons by Mr. Bonar Law's own son. I was given this information from a very reliable source, but as I never take my facts from any one person, I sought some proof. It took me some time to find exactly what I wanted, which was at page 119 of Volume 279 of the English Hansard of 1932-33. On the 13th of June, 1933, Mr. Richard Law, after telling how his father deprecated this settlement, said:

I remember his saying at that time too, when he had had time to think it over, that he would sooner have broken up his own Government, new and fresh as it was at that time—it was only a few months old—and retired permanently from public life than accept the settlement which he did accept. I do not think he would have accepted it, if it had not been for the fact that he was at the time a very sick man.

Now, to conclude. This Government is powerless. It thinks that as a matter of political expediency and in order to outsmart the Liberals and the C.C.F. it must establish some sort of Central Bank. There is only one thing left to be done, and that is for you Canadians to get busy and see to it that a purely Canadian institution is launched and securely moored, to ensure against its being drawn into the tow of the Bank of England or the Federal Reserve Bank, on the pretext of intra-Imperial or international collaboration, or of controlling exchange. Strive for a simple structure, restricted to the two functions which a Central Bank will be able to perform in this debtor country—a country dependent upon prices for primary products as fixed in world markets. Your wheat pool left the taxpayer holding the bag; your railway pool is a worse mess than any dare admit; and now you are doomed to be landed with a bank pool, and possibly a foreign exchange pool.

But the situation is not hopeless. Better to be an upstanding maple sapling than a parasitic ivy clinging to an oak. Canada can still be daughter in her mother's house, yet mistress in her own. It is unthinkable that she would not continue to co-operate wholeheartedly in family matters, while insisting upon running her domestic affairs in her own way, in the hope of becoming in time sufficiently independent and self-respecting to make regular voluntary contributions towards the service of keeping up the old home.

Happy thought! The former Norman period in England started in 1066 and came to an

end in due time. The present Norman period must be approaching its close, for the press is beginning to say things, and England is already taking on signs of new life. So, notwithstanding the foregoing nightmare, it may be a long, long time before Macaulay's New Zealander "takes his stand on a broken arch of London Bridge to sketch the ruins of St. Paul's."

Yes, indeed, it will be worth our while to retain the respect of Great Britain. That can best be done by showing some real spunk right now, and resisting the clever attempt to shackle us to the Central Bank chain gang.

Hon. J. MURDOCK: Honourable senators, I notice rule 23 requires two days' notice to be given of a motion for, among other purposes, the second reading of a bill. I am not going to take the arbitrary position that this Bill should not be read a second time within less than two days, but I do want to make a few remarks in connection with it.

I am entirely in sympathy and accord with the proposal for a Central Bank. I think Canada ought to control absolutely the functions which a Central Bank would exercise.

I cannot agree with the honourable senator who has just spoken (Hon. Mr. Casgrain) that a number of the misfortunes from which Canada is now suffering are attributable to organized labour. I think a declaration of that kind comes with bad grace from a senator whose salary for the hours spent in the work of the Senate approximates \$50 an hour. He should be the last gentleman to complain about some of the things that organized labour has been able to do for the working classes of Canada and other industrial countries of the world. But that is only a side issue.

In my judgment this is the most important Bill that has ever been before the Parliament of Canada, and I shall try briefly to show why I think so. The preamble shows what is contemplated:

Whereas it is desirable to establish a Central Bank in Canada to regulate credit and currency in the best interests of the economic life of the nation, to control and protect the external value of the national monetary unit and to mitigate by its influence fluctuations in the general level of production, trade, prices and employment, so far as may be possible within the scope of monetary action, and generally to promote the economic and financial welfare of the Dominion: Therefore, His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows.

This morning we were asked to give second reading to the Bill—less than sixty minutes after it had been passed in another place.

True, had we read the newspaper reports and the minutes of the Banking and Commerce Committee of the House of Commons we might have kept ourselves informed of the general nature of the proposed legislation. But, considering the vital importance of this measure, it seems to me to be a travesty on consistency and decency and honest effort to have it declared that "by and with the advice and consent of the Senate and the House of Commons of Canada" the Bill is enacted, when we had nothing whatever to do with it until a few short hours ago.

Now, let us see why this Bill is so all-important and what it contemplates. Sub-section 3 of section 25 reads:

On the day on which the Bank is authorized to commence business the Minister shall transfer to the Bank

(a) gold held by the Minister for redemption of Dominion notes;

(b) silver held by the Minister for redemption of Dominion notes valued at the market price of the fine silver content thereof;

(c) securities of the Dominion of Canada bearing interest at three per centum per annum, payable half-yearly and having a maturity not exceeding five years, valued at par;

to the amount of Dominion notes outstanding on that day, except notes issued under the authority of the Finance Act.

In my judgment, it is contemplated to hand over the entire monetary resources of the Dominion to the Board of Directors of the Bank of Canada.

May I for a moment refer to another matter which has some bearing on this? A few days ago we passed Bill 18, an Act respecting Banks and Banking. I do not doubt that the Standing Committee on Banking and Commerce examined the Bill very carefully, but it has always seemed to me that less favoured members of the Senate are entitled to more information than we are given as to the why and the wherefore of proposals that are decided after what would appear to be somewhat superficial consideration. Bill 18 contains twenty-five references to the Bank of Canada, a bank not yet in existence, and the subject-matter of the present Bill. I ask honourable senators, is it any wonder that the rank and file—call them the rabble if you will—the ordinary citizens, say that we are only a rubber stamp, that we are unnecessary, that we are taking money under false pretences? I have heard it said that the Senate needs reforming—that it ought to be wiped out. Is it any wonder that these sentiments are expressed when we deal in a hurry with measures so all-important to the future industrial life of this Canada of ours?

Hon. Mr. CASGRAIN: Had the Bill not passed the House of Commons?

Hon. Mr. MURDOCK: I said a little while ago that this Bill had not passed the House of Commons until this morning, less than sixty minutes before we were asked to give it second reading. I am not finding fault particularly; I am trying, in relation to this all-important Bill, to put before every honourable senator facts bearing on the question whether this is the proper consideration that we should give to such a measure.

Now I want to deal with the set-up and formation of the proposed bank. I think it will be worth while to put on record how the provisional directors are to be appointed, because later I shall deal with the manner in which they are to be superseded by a permanent corps. Subsection 1 of section 9 reads:

Notwithstanding anything contained in section ten of this Act, the first, or provisional, directors of the Bank shall be the following members of the Civil Service of Canada, namely, The Deputy Minister of Finance; The Counsellor of the Department of External Affairs; The Comptroller, Government Guarantee Branch; The Comptroller of the Treasury; The Comptroller of Currency; The Director of Estimates and Assistant Secretary to the Treasury Board, and The Solicitor to the Treasury, who shall remain in office until replaced by directors duly elected in their stead at the first general meeting of shareholders. The said first or provisional directors shall serve without remuneration.

If the Bill provided for the appointment of a continuous Board of Directors of that kind, I do not think I should take up the time of the House for one moment, because that appears to me to contemplate Government control, Government domination, Government responsibility. But unfortunately, as I see it, the Bill provides how that Government control board shall be superseded by other persons. Let us analyse briefly who those others may be. Subsection 1 of section 5 reads:

The Bank shall be under the management of a Board of Directors composed of a Governor, a Deputy Governor and seven directors. There may also be an Assistant Deputy Governor.

Section 6 specifies who cannot hold office as Governor or Deputy Governor or Assistant Deputy Governor. For example, we find that Machado, of Cuba, cannot be a Governor, a Deputy Governor or an Assistant Deputy Governor: he is not a British subject, and therefore would not be eligible. Members of either House of Parliament are also disqualified—and that is all to the good. Shareholders of any of the chartered banks are also ineligible for office.

Hon. Mr. MURDOCK.

But it seems to me the Bill is not completely protective of certain rights. I find that subsection 1 of section 18 provides:

No shares of the capital stock of the Bank shall be held by or for the benefit of any chartered bank or any director, officer, clerk or employee of any such bank, and no chartered bank shall have any interest, directly or indirectly or through the medium of any officer, clerk, employee or other persons, in any share of the Bank.

That sounds first-rate. But will any honourable gentleman in this Dominion with a fair knowledge of what has gone on in past years say on his honour that he is satisfied there will not be a possibility of directors of the Bank of Canada coming under the influence—I will not say domination, although that is what I mean—of the chartered banks? I think the Bill is too wide open. It puts all the financial affairs and interests of the Dominion into the care and the safe-keeping of a board of this kind, and leaves it optional or permissible for some of the chartered banks to have the "silent man" on the directorate, in entire disregard of section 18.

The other day, when we passed Bill 18, an Act respecting Banks and Banking, we found in Schedule A an enumeration of ten banks, three of which had an authorized capital of \$50,000,000 apiece, four an authorized capital of \$10,000,000, one an authorized capital of \$15,000,000, one an authorized capital of \$5,000,000, and the tenth, Barclay's Bank, an authorized capital of \$500,000. Do any of us place so much confidence in human nature that we are not ready to assume that some of the seven directors of the Bank of Canada, if not all, will be in a position of friendly responsibility to some of those ten chartered banks? Personally, I think the whole Bill is loaded unfairly in favour of the chartered banks. The highest number of shares any man can hold is fifty. Ten shares qualify him to sit as a member of the Board of Directors. The shares cost \$12.50 apiece. They will be pretty easily purchased. I think it is all to the good that they should be distributed indiscriminately, but it is altogether unfair that there should be any possibility of the seven directors, presumably high-class men, being favourable and sympathetic to a number of the chartered banks of Canada. I think the Bill ought to be amended in order to make it air-tight. The Central Bank of Canada should be one over which the Government would have the entire control, free from all dictation other than the wire-pulling and the suggesting that we all know goes on from day to day under existing conditions. I do not think it is proper that the various sections of

the Bill should be framed in such a way as to give the chartered banks an opportunity to get in on the ground floor and influence and dominate the future work under the Act.

I think it is a misfortune, if not a crime, that we should get a Bill of such importance at this late date. It should have been placed before us early in the session. I realize that anything I may say, or any objection that may be raised on this side of the House, will not necessarily have any effect on the final disposition of the Bill. However, I do not believe the people will take kindly to a measure which proposes putting all the gold and silver and securities of Canada into one pile and handing them over to an institution which, though at first controlled absolutely by responsible Government officials, will later be taken over by an outside committee or a body of men appointed by the shareholders of the Bank of Canada. I quite realize that after further discussion the Government of the day can pass the Bill if they so desire, but I do not think they should do it. I do not think they have the right to do it, or that the sentiment of the people is behind their assumption of the right to do anything of the kind; and I would earnestly suggest that when the Bill goes to the Committee on Banking and Commerce, as I presume it will, some amendments should be inserted to safeguard the rights of the citizens of Canada and to make this a real Central Bank of Canada, over which only Canada and the Government of Canada shall have any control.

Right Hon. Mr. MEIGHEN: Honourable members—

Hon. Mr. DANDURAND: Before the right honourable gentleman answers the criticism we have heard of this measure, there is one point that I should like to stress. I cannot imagine that the control of this institution would lie anywhere else than with the board to be elected by the shareholders, and I have my doubts as to the quality of a board selected by a medley of shareholders, each of whom has but a small interest. I wonder also what proportion of the shareholders will gather to select the board. This, it seems to me, is one of the things that may endanger the proper administration of this institution, which will have in its keeping the wealth that is to-day in the keeping of the Government of Canada. I should like the right honourable gentleman to explain to the Senate the safeguards with which the Central Bank will be surrounded, and which will ensure an administration whose sole regard will be the public weal. This institution is created to assist in maintaining or increasing the credit of Canada; in fact,

to steer the financial ship of state. How can we be certain that under the proposed organization we shall have the benefit of the wisdom which it is claimed is lacking under our present system? It has been said that the weakness of our present system is due to the fact that there has been no clear co-operation among the banks in influencing, directing and managing the credit of Canada. Well, we have had the Bankers' Association. I would ask whether the present scheme provides safeguards which will remedy the weaknesses of the present system.

Right Hon. Mr. MEIGHEN: Honourable members, for a complete answer to all that has been alleged in the present debate, or even an answer that is satisfactory to my own mind, I would ask the House to wait until a later stage, so that I may study this enactment more thoroughly than I have yet been able to do.

There has been opened up a sphere of thought which I think I ought to touch on first. I refer to the complaint addressed somewhere, I hardly know where, by the honourable senator from Parkdale (Hon. Mr. Murdock), with respect to the time when this measure was introduced, the speed with which it may receive the second reading, and the discharge by this House, as the trustee of the people of Canada, of its duties in relation to this and other bills. I must admit frankly that I find it very difficult by the exercise of any judgment I have, or by any effort or concentration of energy on my part, to meet the demands of the honourable senator from Parkdale. I am at a loss to know what in the world could have been done to satisfy him, or to prevent him from continually assuming that we are derelict in our duty—all except himself; that we are paid too much for our work—all, again, except himself; that we do not arrange our program satisfactorily or effectively or efficiently, and that we are more or less humbugs—all, again, except the honourable senator from Parkdale.

This Bill, it is true, comes to us late in the session, reaching us only to-day. But is the Senate or any member of it responsible for that? Is the Government of Canada responsible for it? I do not think any person who wants to be frank and fair would suggest that even the Government is responsible for the delay; and certainly nobody who is entitled to be at large would suggest that the Senate is to blame.

Early in the session the Government introduced two companion measures, the decennial revision of the Bank Act, and the Bank of Canada Act. Those measures were of

great importance and great difficulty. This is especially true of the second measure, because it was breaking into new territory, while the other was not so different from its predecessors. Both bills—the former in part and the latter in larger measure—were the consequence of deliberations and findings of the Banking Commission headed by Lord Macmillan. In the other House, the initial body to deal with these bills, they had to go through the most ponderous procedure ever adopted. They were the subject of debate, amendment and sub-amendment. They passed through all sorts of vicissitudes before they reached even the stage where they could be referred to the appropriate committee of that House. I have no criticism to make of the fact that such delays occurred. Possibly, had I been leading the Opposition in the other House, the expedition would not have been any greater. Having reached committee stage, deliberations on these measures took not only weeks, but months. Everybody who even alleged himself to be an expert had to be heard; almost every crank had to be heard; and if any had been denied a hearing, who in this House would have been the loudest and bitterest in his complaints? If I were to pause for an answer, and all were to answer at once, I know what the answer would be.

This Bill, having come back from committee into the other House, was again attacked with renewed vigour from all sorts of angles, amendments and sub-amendments were offered, and although we were here ready to receive it, it did not come. I am not criticizing, but I do believe the man who passes judgment on the lack of expedition with which the Bill came here is the one who should say who was responsible for its delay in the other House. He should find fault with those who delayed it, not by implication, but by standing up manfully and stating how it was delayed, and by whom. I have not heard that from the honourable senator from Parkdale.

Then, inferentially at least, the Bill is the subject of momentous criticism and challenge because it came here within sixty minutes of its passing the other House. I think it came within thirty minutes; but I wonder what added virtue it would have if it had been delayed three or four days. Should we be any better qualified to address ourselves to it? What criminality, or weakness, or at least failure in fidelity to public duty, is inherent in its coming to us within thirty minutes of passing the other House?

Right Hon. Mr. MEIGHEN.

Hon. Mr. MURDOCK: That is not the point.

Right Hon. Mr. MEIGHEN: No, that is not a point. There was no point.

Hon. Mr. MURDOCK: The point is that we are ignoring our rules and trampling them under foot when we give the second reading to a Bill within less than sixty minutes instead of allowing two days' notice. That is the point.

Right Hon. Mr. MEIGHEN: Very well. Then the foot-race from one House to the other is of no particular importance.

Hon. Mr. MURDOCK: Hear, hear.

Right Hon. Mr. MEIGHEN: I wondered why it was so much stressed. What was wrong in our unanimous waiving of the rule calling for one or two days' notice of the second reading?—something that is done very frequently, and has to be done if the two Houses are to work together as the Parliament of Canada; something to which all accede because it cannot be avoided, and to which even the honourable member himself gave accession. I asked for unanimous consent to move the second reading, and gave my reasons, stating the importance of the matter, and nobody objected. On the motion for the second reading I stated the principle of the Bill, and again the honourable gentleman did not object. I stated that the principle of the Bill could be said to be one thing only, the establishment of a Central Bank; that there were differences of opinion as to how that ought to be accomplished, but on that point no one was voting one way or the other at the second reading. I suggested that anything in the way of formal debate might be deferred until the third reading; then, the Bill having been reviewed in committee, we should be in a better position to discuss it. Immediately another member thought otherwise I acceded to his position, and we went on with the debate. This conduct is considered entirely unworthy of the Senate. The honourable member trembles for the fate of this body because we took a course to which every honourable member agreed, and by which all stand loyally except himself.

Now I come to a discussion of the measure. The honourable member dislikes the Bill because in some mysterious way, he says, it is going to put the Central Bank under the control of chartered banks. The bugbear which terrorizes him is wholly different from that which keeps the honourable senator opposite (Hon. Mr. Casgrain) awake at nights.

The Bank of England is the devil that troubles the dreams of the honourable gentleman from De Lanaudière: it is the Bank of England that is going to get a grip on us, and Montagu Norman is going to be the successor of William the Norman of a thousand years ago: if the Bill goes through, we are going to have another Norman conquest!

The honourable senator from Parkdale says that under this Bill shares are going to be spread all over the country; that nobody can hold more than fifty shares, and that \$12.50 will be paid on each one. Anyone who has \$625 can buy the largest number of shares that any person or any company is entitled to have; and if a man has only \$12.50 he can have a share. There will be hundreds, thousands, probably tens of thousands, of shareholders. The Bill provides that no bank shall directly or indirectly, or in the remotest way, have a share or interest in a share, or have anything whatever to say in the appointment of an officer of the Central Bank. And no officer of the Central Bank shall have directly, indirectly or remotely, a share in any other bank. But that phraseology does not satisfy the honourable senator from Parkdale. He wants it air-tight, so that the chartered banks cannot get their hands upon the Central Bank. I too want it air-tight. I think I know what air-tight phraseology is, but I am going to invite the more highly talented senator from Parkdale to be present when the committee meets and move any amendments that he thinks will more definitely prevent the chartered banks from exercising any influence in the control of the Central Bank. Let him bring on his paste and his asbestos and anything else he can think of, and we will make this structure air-tight, so that the chartered banks cannot possibly get into it.

Hon. Mr. MURDOCK: I can tell you right now what I suggest. Simply have the first paragraph of section 9, as it now stands, govern for all time.

Right Hon. Mr. MEIGHEN: That is to say, the Government of Canada would appoint everybody?

Hon. Mr. MURDOCK: Yes.

Right Hon. Mr. MEIGHEN: Then the Central Bank would become a branch of the Government of Canada. Very well. Why did not the honourable member say at first that he wanted to make this bank a branch of Government? His suggestion involves a great principle which it is worth while to discuss. I doubt, though, that the honourable senator from De Lanaudière (Hon. Mr. Casgrain)

will be in favour of that principle. And I question whether any man who has had very much to do with financial and money matters will agree to it. The honourable senator from Parkdale did not really mean to say that the Act is not air-tight, that its language is not efficiently and honestly designed to make it iron-clad. What he really wants is that the Central Bank shall be a Government institution, another element of Socialism in this country. If he will move an amendment to that effect there will be a debate and we shall test the judgment of the House. The honourable gentleman would have been much franker if he had told us when he first rose that he objected to the measure because the bank was not to be purely a Government bank, instead of suggesting that his own view, and perhaps that of some whom he claims specially to represent, is that the Administration purposes by means of loopholes and air-holes to permit invasion of the Central Bank by chartered banks.

The honourable senator from De Lanaudière complained, as I have already stated, that the Central Bank will become a tool of the Bank of England.

Hon. Mr. MURDOCK: Before the right honourable gentleman leaves me may I ask him a question? The seven directors can be appointed from the outside. Has my right honourable friend ever heard of under-cover men, and what is his thought as to the possibility of such in this institution?

Right Hon. Mr. MEIGHEN: I do not know that there are any under-cover men except men whose pocketbooks are under cover. A man whose purse strings are not tied to the Central Bank is not very likely to have his heart strings tied. I do not know of any other reason than personal interest why a man should be in an under-cover position.

Coming now to the objection raised by the honourable senator from De Lanaudière, I do not doubt the bona fides of his apparition. I asked him to be good enough to trace his dreadful ghost to some section in this Bill, and he replied by paying an extravagant compliment to myself. I thought the question was a very simple one. What is there in this Bill that ties up the Bank of Canada with the Bank of England?

Hon. Mr. CASGRAIN: You are too clever to put it in, but it will be there all the same.

Right Hon. Mr. MEIGHEN: The honourable gentleman's point is that nothing of the kind is in the Bill, because of the cleverness of the draughtsman. And nothing of the

kind can be found anywhere except in the elastic imagination of the honourable senator. This Bill has no more relation to the Bank of England than it has to the Bank of France. I do not know on what ground it is said that Mr. Montagu Norman is going to control the Bank of Canada. My honourable friend says that Mr. Norman advised Canada to have a Central Bank. From the way my honourable friend stated it I gathered that this advice was given hastily by Mr. Norman, on a dock in Quebec; by way of excuse for not attending a banquet. I hope any objections made by the honourable gentleman in future will be to what he finds in bills and thinks should not be there, rather than to something of horrible import which he admits is not there at all.

Hon. Mr. CASGRAIN: May I ask the right honourable leader a question? Is it not a fact that when members of another place expressed the desire that a Canadian should be appointed as Governor of the Bank of Canada they were told that this could not be done?

Right Hon. Mr. MEIGHEN: No, that is not a fact. When the honourable gentleman gets into a certain state of mind he can see confirmation not only in running brooks, but in imaginary brooks. It was stated in the other House that it would be unwise to restrict the appointment to Canadians, for the reason that every Canadian who had been prominently connected with banking in Canada had been canvassed and had refused to take the position. Everybody knows that the banks of this country have not looked with favourable eyes upon this proposition.

Hon. Mr. COPP: Has Sir John Aird refused?

Right Hon. Mr. MEIGHEN: I understood so. I got this information only second-hand. My understanding is that it was stated by the Prime Minister that every man who was or had been a general manager of a bank, or who was in any way at all eligible, had been conferred with, of course without being inferentially tendered the position, and all had stated distinctly they would have nothing to do with it. So I suppose Sir John Aird would be included.

Hon. Mr. COPP: Sir John Aird took exception to the statement that Canadians were not qualified for the position.

Right Hon. Mr. MEIGHEN: There may be Canadians qualified for the position, but it is not certain that there is a qualified Canadian who will accept it. It was further pointed

Right Hon. Mr. MEIGHEN.

out in the other House that any such restriction would have made it impossible to appoint such a man as Sir Edward Peacock, a Canadian who built up a splendid reputation in his native land and a greater one in England, who is familiar both through study and experience with banking conditions in both countries, and who in my opinion would be eminently qualified for the position. I ask the House what would be the sense in providing restrictions which would make the appointment of such a man impossible. I hope the honourable gentleman will not adhere to the view that the refusal to restrict appointments to Canadians indicates the new institution is a child of the Bank of England.

I will not pretend to answer this afternoon the question asked by the honourable senator who leads the other side (Hon. Mr. Dandurand), namely: Is there sufficient provision in the Bill to make certain that a competent body of directors will be obtained? He emphasizes the fact that no individual shareholder can hold more than a small portion of the bank's stock. Not more than fifty shares shall be held by any person other than the Minister, and shares may be purchased with a down payment of \$12.50 each. A shareholder who is the registered owner of ten shares is eligible for election as a director. The honourable gentleman's point, which is well worth study, is that the average shareholder will not have a sufficiently heavy investment in the bank to make it worth his while to see that only competent men are elected to the directorate. It is always a fact that men who have most at stake in a business give most attention to the operation of that business and are most careful to see that their treasure is in competent hands. Men who have very little at stake are ordinarily not likely to devote a great deal of consideration to such a matter.

If the Central Bank is not to be a Government institution, it must be in charge of men who own it. The Bill provides that directors shall be elected by the shareholders, but the men who will really run the bank and conduct its operations will be the Governor and the Deputy Governor. They must be specialists. The Governor and the Deputy Governor will at first be selected by the Governor in Council, and thereafter by the directors, but directors' choice will always be subject to the approval of the Governor in Council. That safeguard is a very important one. If it is argued that it is not sufficient, I shall welcome any suggestion for improving the Bill in this respect.

Hon. Mr. MURDOCK: May I ask another question? Each of the seven directors can hold shares in one or all of the chartered banks, can he not?

Right Hon. Mr. MEIGHEN: I do not think so.

Hon. Mr. MURDOCK: Yes. Section 6 prohibits the Governor, Deputy Governor and Assistant Deputy Governor from holding shares in any of the chartered banks, but I can see no such prohibition with respect to the directors.

Right Hon. Mr. MEIGHEN: Perhaps the honourable gentleman is right. We shall come to these details later on and perhaps be able to make some improvement upon them. It would seem that the shareholders, who stand to gain or to lose as the institution is properly or improperly managed, could be depended upon to select as directors men who will not sell out the institution to other interests with which they are allied.

These are the only comments I desire to make for the present. We are on the motion for second reading of this Bill and discussing whether or not the time has come for the establishment of a Central Bank. With the exception of the honourable senator from De Lanaudière (Hon. Mr. Casgrain), no honourable member has taken the position that this time has not arrived. Therefore it would seem to me best that we pass second reading now, refer the measure to committee, make there any improvements we can, and report back to the Senate. Then, on a motion for third reading, we shall all have opportunity of taking as much time as we like in dealing further with the measure.

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

REFERRED TO COMMITTEE

On motion of Right Hon. Mr. Meighen, the Bill was referred to the Standing Committee on Banking and Commerce.

THE ROYAL ASSENT

The Hon. the SPEAKER informed the Senate that he had received a communication from the Deputy Assistant Secretary to the Governor General, acquainting him that the Hon. Mr. Justice Rinfret, acting as Deputy of the Governor General, would proceed to the Senate Chamber this day at 5 p.m. for the purpose of giving the Royal Assent to certain Bills.

SHIPPING BILL

MESSAGE TO HOUSE OF COMMONS DEFERRED

The Senate resumed from June 26 consideration of the motion of Right Hon. Mr. Meighen:

That a message be sent to the House of Commons to acquaint that House that the Senate have concurred in their amendments made to Bill E, an Act respecting Shipping, without any amendment.

Right Hon. Mr. MEIGHEN: Honourable members, this motion refers to the final stage of the Shipping Bill. I have an assurance from the Clerk of the other House that the completed French edition of the measure will be before us not later than Saturday. He told me—I am making no comment upon his statement—that some four thousand corrections had to be made and that these were being proceeded with as speedily as possible. I hope the motion will be carried, so that the Royal Assent may be given to the Bill this afternoon.

Hon. Mr. COTE: When the French copy comes back to the Senate will it be found that we are passing our own Bill in the form in which it left this House, or a version drafted by employees of the House of Commons?

Right Hon. Mr. MEIGHEN: It will not be a draft. The Bill was drafted here and we passed only what we intended to pass. In passing the measure the Senate utilized the English version, as is usually done, but I suppose the French was before us at the same time, at least on the second reading. What is being made now is a correct translation of the Bill. It is a translation, much as we may desire to avoid the use of that word, and the officers of this House have to be satisfied with it.

Hon. Mr. DANDURAND: This raises the important question of procedure to which I referred a few days ago, as to the form in which this Bill should have been returned to us after consideration by the other House. I think the proper procedure is for the House of Commons to send back to us the two versions. If in the French version there were some changes which might be regarded as translation work, they should have been transmitted to us as suggestions for corrections to be made before the Bill became law.

Right Hon. Mr. MEIGHEN: Let the matter stand until Saturday.

Hon. Mr. DANDURAND: Perhaps it will be better to do so. There may be corrections which amount to a complete change in the

Bill—a change which could be made only by the House of Commons, and not by its translators. My right honourable friend surprised me when he stated that some four thousand corrections had already been made.

Right Hon. Mr. MEIGHEN: No. There were four thousand corrections to be made, I think he said. I am not vouching for that.

Hon. Mr. DANDURAND: The only explanation I would suggest is that in a Bill of a few hundred pages—

Hon. Mr. CASGRAIN: Eight hundred.

Hon. Mr. DANDURAND: I suggest that the translator would have to be an expert in the technicalities of shipping, for the Bill contains terms which puzzled even experts in the English language. It is quite probable that a translator not familiar with shipping terminology might employ an expression which, occurring a hundred times throughout the Bill, would involve as many corrections.

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. CASGRAIN: I am informed that some clauses had to be rewritten in order to turn them into grammatical French.

The Hon. The SPEAKER: The matter stands.

The Senate adjourned during pleasure.

THE ROYAL ASSENT

The Honourable Mr. Justice Rinfret, the Deputy of the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Honourable the Deputy of the Governor General was pleased to give the Royal Assent to the following Bills:

An Act for the relief of Aziz Koudsy, otherwise known as Eddie Coudsy.

An Act for the relief of Marjorie Seymour Hammond Zavitz.

An Act for the relief of Lucille Margaret Turbin Kelly.

An Act for the relief of Esther Liverman Kazenel.

An Act for the relief of Aileen Marie Thompson Robb.

An Act for the relief of Doris Jones Earp.

An Act for the relief of Jean Gordon Worden Ellis.

An Act for the relief of Mary Alice Beatrice Featherston Moxon.

An Act for the relief of Ethel Irene Probert.

An Act respecting Courts of Admiralty.

An Act respecting the Caughnawaga Indian Reserve and to amend the Indian Act.

An Act to amend the Inquiries Act.

An Act respecting the Canadian Pacific Railway Company.

Hon. Mr. DANDURAND.

An Act to incorporate Ancient Foresters' Mutual Life Insurance Company.

An Act respecting the Bureau for Translations.

An Act to amend the Soldier Settlement Act.

An Act respecting the Canadian National Railways and to authorize the provision of moneys to meet expenditures made and indebtedness incurred during the calendar year 1934, and to provide for the refunding of certain maturing financial obligations.

An Act respecting Dominion Companies.

An Act to amend the Quebec Savings Banks Act.

An Act to amend the Customs Tariff.

An Act to amend the Canada Grain Act.

An Act to amend the Royal Canadian Mounted Police Act.

An Act to amend the Special War Revenue Act.

An Act respecting Banks and Banking.

An Act to amend the Foreign Insurance Companies Act, 1932.

An Act for the relief of Mary Mabel Taylor Johnson.

An Act for the relief of Blanche Marjorie Short Hanson.

An Act for the relief of Fenwick William Smith.

An Act for the relief of Edward Headley Acland.

An Act for the relief of Ella Gertrude Bush Adamson.

An Act for the relief of Helen Cohen Levine.

An Act for the relief of Annie Rosner.

An Act for the relief of Grayse Irene Westlake MacLaren.

An Act for the relief of Naomi Willard Lyman Robertson.

An Act to amend the Meat and Canned Foods Act.

An Act to amend the Canadian and British Insurance Companies Act, 1932.

An Act to amend the Dominion Notes Act.

An Act to repeal the Finance Act.

An Act to repeal Chapter four of the Statutes of 1915.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1935.

The Honourable the Deputy of the Governor General was pleased to retire.

The House of Commons withdrew.

The sitting of the Senate was resumed.

BUSINESS OF PARLIAMENT

Hon. Mr. DANDURAND: Can the right honourable gentleman tell us what are the expectations as to prorogation?

Right Hon. Mr. MEIGHEN: On the side of the Government the expectations are that we shall be able to prorogue on Saturday. I should be interested to hear from the honourable gentleman what the expectations are on the other side.

Hon. Mr. DANDURAND: I was prompted to ask the question because of the fact that we had a Royal Assent this afternoon. Per-

haps the right honourable gentleman would care to tell us why the Royal Assent was given to a number of bills a couple of days prior to prorogation.

Right Hon. Mr. MEIGHEN: The reason was, as I understand it, that supply runs out on Saturday, the end of this month, and that it was absolutely necessary to have the Supply Bill assented to. In respect of that Bill it would not do to take a chance on our proroguing by Saturday.

Hon. Mr. DANDURAND: I notice that the Royal Assent was given to the Act respecting Banks and Banking, which comes into force on the 1st of July. It makes extensive amendments to our banking legislation, in order that that may fit in with the proposed Bank of Canada Act. Yet there may be no Bank of Canada Act by Saturday evening.

Right Hon. Mr. MEIGHEN: The fitting-in can be postponed a day or so in the event that we do not prorogue by Saturday.

Right Hon. Mr. GRAHAM: I thought that possibly the anxiety to get supply through was due to the desire that the Government, if it became alarmed over a certain threatened resolution, should be in a position to go to the country.

Hon. Mr. DANDURAND: Will the right honourable gentleman tell us if it is intended that the Banking and Commerce Committee shall meet immediately after the Senate adjournment or this evening?

Right Hon. Mr. MEIGHEN: It will meet as soon as we adjourn here.

The Senate adjourned until to-morrow at 3 p.m.

THE SENATE

Friday, June 29, 1934.

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

Prayers and routine proceedings.

INTERNAL ECONOMY COMMITTEE REPORTS

STATIONERY SUPPLIES

Hon. W. H. SHARPE presented the sixth report of the Standing Committee on Internal Economy and Contingent Accounts and moved concurrence therein.

Hon. Mr. DANDURAND: I understand there are three other reports. Should they not stand for consideration until to-morrow?

Right Hon. Mr. MEIGHEN: There is no reason for deferring consideration of this report.

The motion was agreed to.

SENATE PRESS REPORTERS

Hon. Mr. SHARPE presented the eighth report of the committee, and moved concurrence therein.

Hon. Mr. DANDURAND: Would the honourable gentleman explain?

Right Hon. Mr. MEIGHEN: It just provides for the maintenance of the Senate press reporters at half pay during the recess.

Hon. Mr. PARENT: It is only a recommendation to the effect that Mr. Tom Blacklock and a couple of others employed during the session be continued after the session at half pay.

The motion was agreed to.

EXCISE BILL

CONFERENCE OF THE TWO HOUSES

The Hon. the SPEAKER presented a message from the House of Commons requesting a free conference with the Senate to consider certain amendments made by the Senate to Bill 89, an Act to amend and consolidate the Excise Act, to which amendments the House of Commons has not agreed, and upon which the Senate insists; and to consider also any amendment which at such conference it may be considered desirable to make to the said Bill or amendments thereto.

Right Hon. Mr. MEIGHEN moved:

That a message be sent to the House of Commons to acquaint that House that the Senate has agreed to the free conference desired with the Senate for the purpose of communicating the reasons which induced the Commons not to concur in the amendments made by the Senate to the Bill No. 89, intituled an Act to amend and consolidate the Excise Act, and has appointed the Right Hon. Senator Meighen and Hon. Senators Copp and Coté as managers on their part of the said conference, and also that the managers of the free conference on the part of the Senate will meet in Senate Committee Room No. 258 at six o'clock p.m. on this 29th day of June instant.

The motion was agreed to.

FARMERS' CREDITORS ARRANGEMENT BILL

MESSAGE FROM THE COMMONS

The Hon. the SPEAKER informed the Senate that he had received the following message from the House of Commons:

That a message be sent to the Senate to acquaint their Honours that this House agrees to their amendment to clause 3 of Bill No. 92.

an Act to facilitate compromises and arrangements between farmers and their creditors;

And disagrees to their amendment to clause 17 for the reason that, unless the interest rate is reduced to five per cent after the payment of three months' bonus, there would be no inducement to the lender to accept payment. The purpose and intent of the proposed legislation are to induce the lender, on payment of the principal sum and interest to the date of payment, with a bonus of three months' interest, and thereafter by reducing the interest rate to five per cent, to accept payment without further delay.

Right Hon. Mr. MEIGHEN: Honourable members, I had no intimation of the scruples of the other House in relation to this second amendment until the moment the message was read. It is difficult for my ponderous mind to get the reasoning through it in time to suggest a course of action to this assembly. I move, therefore, if such is the proper procedure, that this order be deferred until the House resumes at 8 o'clock.

Hon. Mr. DANDURAND: That is to say, the message will be taken into consideration later?

Right Hon. Mr. MEIGHEN: Later in the day.

Hon. Mr. DANDURAND: The reason given in the message may be good as far as it goes, but it does not explain why the owner of a farm who has been lent a certain amount of money at seven per cent cannot likewise have that rate reduced to five per cent.

Right Hon. Mr. MEIGHEN: That is exactly what was in my mind. If the purpose is to compel a reduction to five per cent, there is no more reason for making a nine per cent mortgagee come down to five per cent than for making a seven per cent mortgagee do so.

The motion was agreed to.

AMPUTATION CASES

INQUIRY

Hon. Mr. POPE inquired of the Government:

The number of amputation cases on roll now being provided with limbs: Chopart, symes, below knee, thigh, hip.

Arms: Partial hand, wrist, below elbow, elbow, above elbow, shoulder.

Number of artificial limbs made and provided to veterans each month.

Number of artificial arms made and provided to veterans each month.

Give full report on number of legs and arms provided to patients in 1933, and for compensation board.

Give average life of artificial limb.

The Hon. the SPEAKER.

Would the Government establish a standard artificial limb?

How many men are employed in making artificial limbs, and at what wage per hour?

How many hours a day?

Are any of these men receiving pensions in addition to the wage?

How many officials are attached to the artificial limb department?

Total salaries paid per month.

Total costs of material each year.

How many sub-stations—where located?

Total cost of maintenance.

How many patients are provided for in each of these districts? Are they permitted to supply outside patients?

Right Hon. Mr. MEIGHEN: The answer to the honourable gentleman's inquiry is as follows:

Number of amputation cases on roll now being provided with artificial legs: above knee, 1,325; below knee, 737; knee bearing, 126; symes, 85; disarticulation, 19—Total, 2,292.

Number of amputation cases now being supplied with artificial arms: above elbow, 195; below elbow, 216—Total, 411.

Note: Artificial legs and arms are listed by the department in their records under the above headings only.

Number of artificial legs made and provided to veterans each month: during the fiscal year 1933-34, 199 artificial legs were supplied, an average of approximately 17 per month.

Number of artificial arms made and provided to veterans each month: during the fiscal year 1933-34, 26 artificial arms were supplied, an average of over 2 per month.

Report on number of legs and arms provided to veterans in 1933 and for Workmen's Compensation Board:—

Artificial legs, fiscal year 1933-34—veterans, 199; workmen's compensation, 23—Total, 222.

Artificial arms, fiscal year 1933-34—veterans, 26; workmen's compensation, 13—Total, 39.

Average life of artificial limbs: legs 8 years, arms 10 years.

Re-establishment of a standard artificial limb: the department has always followed the practice of standardized artificial limbs and parts.

Number of men employed in making artificial limbs and the wage per hour: the department employs 32 orthopaedic appliance makers whose time is mainly employed on making

parts and repairing artificial limbs. The average hourly wage is 75 cents. Less than 25 per cent of the work is represented by new artificial limbs.

Number of hours per day: 8 hour day, 44 hour week.

Are any of these men receiving pensions in addition to the wage?—Yes.

Number of officials attached to the Artificial Limb department: Two.

Total salaries paid per month: \$333, chargeable against the Orthopædic Branch.

Total cost of materials: the total cost of material for all activities of the Orthopædic and Surgical Appliances Branch for the fiscal year 1933-34 was \$33,429. This includes materials for limbs, orthopædic boots, artificial eyes, eye glasses, splints, braces, etc. The cost of material for limbs is not segregated.

Number and location of sub-stations: main orthopædic depot, Toronto—1; branch ortho-

pædic depots at Halifax, Saint John, Montreal, Ottawa, London, Winnipeg, Regina, Calgary and Vancouver—9; sub-branch orthopædic depots at Edmonton and Victoria—2. Total, 12.

Total cost of maintenance: this figure is not available in so far as the manufacture of legs and arms is concerned, as this is not segregated from the general work carried out by the Orthopædic and Surgical Appliances Branch.

Number of veterans provided for in each district: the attached table shows the number of veterans for whom artificial limbs and other appliances, including orthopædic boots, are manufactured in each of the districts of the department. No limbs are furnished to the general public, the only exception to supplying returned soldiers being Workmen's Compensation boards, Government departments and, in Saskatchewan, by a special arrangement, the Red Cross Society.

Summary of Pensioners, including Ex-Imperials, in Receipt of Orthopaedic Appliances as at January 1, 1934

Districts

	"A"	"B"	"C"	"D"	"F"	"G"	"H"	"I"	"J"	"K"	Total
Artificial Leg Cases—											
A.K.....	110	72	45	516	65	114	59	73	203	44	1,301
B.K.....	67	51	38	236	48	80	35	49	97	32	733
K.B.....	4	2	4	78	5	13	2	2	14	2	126
Symes.....	6	12	3	38	1	5	1	5	9	1	81
Disart.....	1	1		6		5		1	3	1	18
Peg.....				18			1		2		21
Total.....	188	138	90	892	119	217	98	130	328	80	2,280
Artificial Arm Cases—											
A.E.....	26	7	8	83	4	12	12	8	24	5	189
B.E.....	22	8	12	84	3	18	13	12	30	9	211
Total.....	48	15	20	167	7	30	25	20	54	14	400
Miscellaneous Cases—											
Ortho. boot.....	275	110	449	994		372	221	297	694	144	3,556
Art. eye.....	97	62	41	310	32	83	73	72	152	25	947
Hearing aid.....	2	3	11	46	19	18	37	23	21	1	181
Wheel chair.....		8	5	37	20	10		2	11	2	95
Glasses.....	176	45	132	257	9	104	125	97	188	64	1,197
Splint; brace.....	34	44	36	211	9	47	45	110	225	32	793
Corset; belt.....	52	40	84	92	22	90	104	91	115	36	726
Elastic hose.....	18	12	77	91	14	75	47	46	159	12	551
Truss.....	39	16	40	97	5	39	38	38	120	14	446
Other M.O.A.....	179	118	452	1,158	51	180	209	159	390	78	2,974
Total.....	872	458	1,327	3,293	181	1,018	899	935	2,075	408	11,466
Grand total.....	1,108	611	1,437	4,352	307	1,265	1,022	1,085	2,457	502	14,146

Includes only those who have received an appliance, or repairs, in the last year.

INCOME WAR TAX BILL

THIRD READING

Bill 99, an Act to amend the Income War Tax Act.—Right Hon. Mr. Meighen.

At six o'clock the Senate took recess.

The Senate resumed at 8 o'clock.

BANK OF CANADA BILL

REPORT OF COMMITTEE

Right Hon. G. P. GRAHAM presented the report of the Standing Committee on Banking and Commerce on Bill 19, an Act to incorporate the Bank of Canada.

He said: Honourable members, the Standing Committee on Banking and Commerce has had several lengthy sessions on this Bill, and has made a number of amendments to it.

The first amendment is intended to make it clear that the Assistant Deputy Governor should not perform certain duties as a member of the board.

At page 2, line 38, the word "financial" is substituted for "banking."

Another amendment makes the salaries of the board and its officers subject to the approval of the Governor in Council.

It was considered that the provisions against shareholders in any chartered bank being ineligible for the position of director were not sufficiently stringent, and these words are inserted in section 10:

—and any person nominated for election as a director who is a shareholder of a chartered bank shall if elected divest himself of ownership of his shares within three months of the date of his election and shall not thereafter during the period of his office have an interest, either directly or indirectly, as a shareholder in a chartered bank.

It was held that the deposit of 5 per cent should not apply to savings banks operating under the Quebec Savings Banks Act, these being in a different position from the chartered banks, as they do not issue notes and do little discounting. There is an amendment to make it clear that the Central Bank can decide what will be a sufficient deposit for these savings banks to make.

Right Hon. Mr. MEIGHEN: And what form it shall take.

Right Hon. Mr. GRAHAM: Also, from time to time they have to give certain information to the Central Bank in regard to their standing.

Then there was the question of the printing of the notes of the Central Bank. The Central Bank furnishes the notes to the chartered

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banks. The original clause provided that there should be one issue printed solely in French, and another issue printed solely in English. It is now provided that each note shall be printed in both English and French.

Then there was the election of directors. Those who are familiar with company practice know that directors can be elected only at the annual meeting of the shareholders. The Bill originally provided that by-laws could be passed authorizing the acceptance of nominations in writing prior to the annual general meeting. The committee was very doubtful whether the board would have authority to present these nominations in writing before the meeting of the shareholders, and this clause was added:

And such by-laws may provide for the nomination of directors before any annual general meeting and what constitutes such nomination.

A letter will be sent to the Minister, who will have power to vote on the shares in accordance with the letter. He will have the same authority as the director of a company who holds a proxy from a shareholder.

It was provided in the Bill that all voting of the shareholders should be done by ballot. This seemed a cumbersome method, and the committee saw fit to restrict the voting by ballot to the election of directors.

Right Hon. Mr. MEIGHEN: Honourable members, I have nothing to add to the explanation of the different amendments as given by the acting chairman of the committee, except as regards the modifications that affect the two Quebec savings banks. While these institutions are called Quebec savings banks, they are Dominion incorporations and operate under a special Dominion statute which is renewed every ten years in just the same way as the Bank Act. They do not carry on commercial transactions, but conduct a savings bank business, investing the savings in high-class securities. These banks were desirous of coming in under the clause of the Bill which enables the Bank of Canada to make loans to chartered banks against a certain class of securities, instead of purchasing those securities, as they can do under another provision. The Quebec savings banks had been deliberately excluded from the clause authorizing loans, though under the Finance Act they could get such accommodation in case of emergency. The chartered banks are required to place five per cent of all their deposits with the Bank of Canada, and this obligation is a considerable burden, as well as a safeguard. No such demand was made on the Quebec savings banks, and it

was thought unfair to give them the privilege without imposing on them the safeguard and the burden. After the fullest discussion the committee felt disposed to provide that these Quebec savings banks, while not obliged to put up any specified amount in deposits with the Bank of Canada, or by way of holding Bank of Canada notes, should be required to do what the Bank of Canada felt was reasonable, with respect to either deposits or notes, due regard being had to their position, and upon doing this they should be entitled to come under this provision, as requested, so that under special conditions such as obtain only once in a long time, they might feel themselves armed against a run on the bank.

There are many amendments to the Bill—more than I thought would be necessary after such lengthy consideration by the Commons. This Bill, which was introduced in that House on the 22nd of February, came to us only yesterday, considerably more than four months later. The amendments are not only numerous, but important.

One amendment, which I regret to see, has to do with the vexed question of language. At the moment I do not feel that I am in a position to deal with it intelligently, because I have never been able to be present at any discussion of the subject. I do not know on just what grounds the original provision was based, or what would be the result of any change. I must say that I do not regard the subject as having nearly so much consequence as some members on both sides seem to attach to it. The Government has taken a strong position in favour of the Bill as it was, and I should like to give careful consideration to the matter, especially the reasons for what has been done.

As the third reading cannot take place without unanimous consent, I would suggest that the whole matter be postponed until the next sitting of the House.

EXCISE BILL

CONCURRENCE IN REPORT OF CONFERENCE

Right Hon. Mr. MEIGHEN: Honourable members, the Managers of the Senate at the Conference on Bill 89, an Act to amend and consolidate the Excise Act, report as follows:

The Managers for the Senate met in conference the Managers on the part of the Commons on the said Bill and the amendments thereto.

The Managers on behalf of the Senate report recommending that the Senate do insist upon their first, second and third amendments.

That their fourth amendment be amended by substituting for paragraph b of subsection 2 of new clause 169A the following:

(b) that he exercised all reasonable care in respect of the person permitted to obtain the

possession of such horses, vehicles, vessels or other appliances to satisfy himself that they were not likely to be used contrary to the provisions of this Act or, if a mortgagee or lien-holder, that before becoming such mortgagee or lien-holder he exercised such care with respect to the mortgagor or lien-giver.

By way of explanation I may say that under paragraph a of this subsection 2 an innocent owner of a horse, vehicle, vessel or other appliance which has been seized because it contained or was carrying illicit goods, may apply to a judge, claiming that he was not in collusion or complicity with the offender. If he can prove that, as well as what is required by this new paragraph b, he becomes entitled to an order that his interest be not affected by the seizure. A mortgagee or lien-holder who has an interest in the thing that has been seized, upon proving that before becoming a mortgagee or lien-holder he exercised the necessary care with respect to the mortgagor or lien-giver, shall likewise be entitled to an order that his interest be not affected by the seizure.

Paragraph b of the amendment originally passed by this House read:

that he exercised all reasonable care in the choice of the person permitted to obtain the possession of such horses, vehicles, vessels or other appliances to satisfy himself that they were not likely to be used contrary to the provisions of this Act or, if a mortgagee or lien-holder, that the vendor to the mortgagor or lien-giver exercised such care.

It will be seen that this original amendment read, "that he exercised all reasonable care in the choice of the person," and that in the new amendment this has been changed to read "that he exercised all reasonable care in respect of the person." This is an improvement in the wording.

In the second place, our original amendment provided that a mortgagee or lien-holder, claiming an interest, had to show that the vendor of the vehicle or article used care to see that it did not get into the hands of a person likely to use it illegally. Under the present amendment a mortgagee or lien-holder who claims an interest must prove that before becoming such mortgagee or lien-holder he took care to find out that the person who was giving the mortgage or lien was not a person likely to use the vehicle or article for an illegal purpose. I may say that this change was suggested by me prior to the Conference. I think it is an improvement.

I now move that the Senate do insist upon their first, second and third amendments made to Bill 89, an Act to amend and consolidate the Excise Act, and that their fourth amendment be amended by substituting for

paragraph b of subsection 2 of new clause 169A the following:

that he exercised all reasonable care in respect of the person permitted to obtain the possession of such horses, vehicles, vessels or other appliances to satisfy himself that they were not likely to be used contrary to the provisions of this Act or, if a mortgagee or lien-holder, that before becoming such mortgagee or lien-holder he exercised such care with respect to the mortgagor or lien-giver.

Hon. Mr. DANDURAND: I desire to congratulate the Managers upon the ability with which they defended the point of view of this House, and upon their success in draughting a new amendment which does not destroy the principle for which the Senate contended.

I should like to know whether the Bill is now before us or before the other House.

Right Hon. Mr. MEIGHEN: Before us.

Hon. Mr. DANDURAND: We insisted upon our amendments and sent the Bill back to the House of Commons.

Right Hon. Mr. MEIGHEN: As I understand it, and according to the information I have from the Clerk, the Bill is before us. Whether it has been before us continuously from the time it was returned with the request that we agree to the position taken by the other House, or only from the time that the Conference was asked for, I do not know. At any rate it is in our hands now. It will be sent to the other House, for the proper motion there, as soon as the present motion is carried.

Hon. Mr. DANDURAND: I asked the question because I did not recollect the form of the message that came to us from the Commons suggesting that a Conference take place. Did the Bill accompany the message?

The Hon. the SPEAKER: We sent a message to the House of Commons with our amendments, and we afterwards received a message informing us that the Commons did not agree with our amendments. We insisted upon our amendments; the Commons replied that they did not accept them, and then the Conference was proposed.

Hon. Mr. DANDURAND: We notified the House of Commons that we insisted upon our amendments, and the Commons sent us a message asking for a Conference. My question is whether the Bill accompanied that message.

Right Hon. Mr. MEIGHEN: As I understand the position, the Bill was in our hands when we insisted upon our amendments. Our insistence did not transfer the measure to the

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other House, but it remained in our custody. If the present motion carries, the Bill will be sent to the House of Commons. In that House a motion will be made, analogous to the one before us, for concurrence in the report of the Managers.

The motion was agreed to.

FARMERS' CREDITORS ARRANGEMENT BILL

SENATE AMENDMENT NOT INSISTED UPON

Right Hon. Mr. MEIGHEN moved:

That the Senate do not insist on their amendment to clause 17 of Bill 92, intituled an Act to facilitate compromises and arrangements between farmers and their creditors.

He said: As the Bill reached this House it contained a clause—of course within the federal jurisdiction with respect to interest—that if the mortgagor under a farm mortgage bearing more than 7 per cent tendered the principal with three months' interest by way of bonus in lieu of notice, the mortgagee must accept the money; if he did not, from that time forward the rate became 5 per cent. The amendment made by the Senate was to the effect that in such a case if the mortgagor tendered the money without any notice at all, and it was not accepted, thereafter the mortgagee would draw only 7 per cent.

Our reason for the change seems to me very plain. If a mortgage interest of more than 7 per cent must upon tender go down to 5 per cent, surely a mortgage interest of 7 per cent should on tender also go down to 5 per cent. The man who gave a mortgage at a high interest rate because perhaps his land was in a far-away district should not be in a position to reduce his interest to 5 per cent while the man who gave a mortgage for 7 per cent in a better district gets no relief. However, the other House takes the ground that the reason of the 5 per cent provision is to compel the wiping out of high-rate mortgages, and that if the rate remains at 7 per cent the mortgagee will always decline to take his money, knowing he can get 7 per cent. While this is true, it does not in the least impair the logic of the Senate's position, that the effect should be the same in all cases. But inasmuch as our amendment appears to put this House in the position of seeking to maintain a rate of 7 per cent as against 5 per cent—and I say "appears" very emphatically and very significantly—I do not think it would be the part of wisdom for this House to insist on the amendment.

Hon. Mr. BUCHANAN: The reduction to 5 per cent would apply only on mortgages over 7 per cent.

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. DANDURAND: At first sight the Bill as it came from the Commons was somewhat attractive. It was heralded throughout the country that farm loans could be reduced to 5 per cent; but when we examined the text we found that only loans bearing a higher rate of interest than 7 per cent were affected. As the House of Commons had apparently approved 7 per cent as a fair rate, we wondered why it was that in certain cases the rate could be brought down to 5 per cent. I agree with the honourable gentleman that the Senate's view was the more logical.

Hon. Mr. SINCLAIR: I did not gather from the remarks of the right honourable gentleman whether the other House insisted on reinstating the three months' notice which we struck out.

Right Hon. Mr. MEIGHEN: We reworded the clause, striking out the three months' notice and changing the 5 to 7 per cent. The Commons have declined to accede to the amendment and have given their reasons. If we do not insist on our change, the whole clause is restored; which means the three months' notice is restored.

Hon. Mr. SINCLAIR: Has the right honourable gentleman the reasons given by the Commons for non-concurrence in our amendment?

Right Hon. Mr. MEIGHEN: Yes. They were read yesterday, but I will state them again.

Hon. Mr. SINCLAIR: I think it was to-day.

Right Hon. Mr. MEIGHEN: The Commons said, in effect, that the purpose of the 5 per cent provision was to ensure the paying off of mortgages carrying over 7 per cent, and that if the 7 per cent were retained mortgagees would not desire to be paid off.

Hon. Mr. SINCLAIR: It was rather to ensure acceptance by the mortgagee of his principal.

Right Hon. Mr. MEIGHEN: Yes. The honourable gentleman would not say it was logical. The Commons gave no reason in respect of the three months' notice, but I fancy if a mortgagor's interest is reduced from 8, 9 or 10 per cent to 5 per cent, the three months' interest in lieu of notice is probably not a very great hardship.

Hon. Mr. SINCLAIR: I think we should admit that the Commons are more practical in their viewpoint. High rates of interest are a burning question with agriculturists.

When the rate goes over 7 per cent it becomes very hard for the mortgagor to pay. Under the companion measure to this Bill, the amendment to the Farm Loan Act, we are making it possible for farmers to borrow money at $6\frac{1}{2}$ per cent on first mortgage. On second mortgage the rate is raised by 1 per cent. I think this is a mistake. Only farmers with good security can borrow under the Farm Loan Act. I would go further, and suggest that the farmer paying over $6\frac{1}{2}$ per cent should be permitted to tender the principal if his mortgagee will not accept a lower rate of interest.

Hon. Mr. CALDER: To what point?

Hon. Mr. SINCLAIR: I suggest 5 per cent. Possibly this would not bring about a reduction to 5 per cent, but when the borrower is given the right to tender the principal, a medium of negotiation is opened between him and his mortgagee. I do not imagine that many farmers could borrow money much below $6\frac{1}{2}$ per cent, but they can secure money at this rate from the Farm Loan Board. When the mortgagee is tendered his principal he is likely to ask, "How much cheaper can you get the money?" The mortgagor replies, "I can get it at $6\frac{1}{2}$ per cent." Then the mortgagee is very likely to say, "All right, since you can get it at $6\frac{1}{2}$ per cent I will accept the same rate." I think this will be the effect of clause 17. It gives the farmer an opportunity to get his interest reduced to a reasonable rate. I think anything over 7 per cent is unreasonable.

Hon. Mr. CALDER: It strikes me that if the present trend continues the time will probably come when the Government will have to take over the farm loan business. I am quite in favour of the principle that agriculturists should get their money at the very lowest possible rate of interest.

Hon. Mr. SINCLAIR: Hear, hear.

Hon. Mr. CALDER: We are a little slow in that regard. I know that some years ago the farmers of France, Belgium, Holland, Denmark, Germany and other European countries were, through indirect state assistance, getting their money at from 3 to $3\frac{1}{2}$ per cent. We are providing for a state system of farm loans at $6\frac{1}{2}$ per cent.

Hon. Mr. SINCLAIR: On first mortgages.

Hon. Mr. CALDER: Yes. Under this Bill, if a man has been paying $7\frac{1}{2}$, 8, $8\frac{1}{2}$ or 9 per cent, and he tenders principal and interest, the mortgagee must accept payment, or the rate

will be reduced to 5 per cent. But why put the man who happens to have borrowed his money, say, at 8 per cent in that position, and not the man who has borrowed his money at 7 per cent? I cannot understand it; to me it is an anomaly.

Right Hon. Mr. MEIGHEN: Neither can I.

Hon. Mr. CALDER: Unless the state is to provide the loans which agriculturists require, we must proceed carefully, for the money must come from those who have money to lend, from loan and trust companies. We must be careful not to drive them out of business, because if we do it is quite possible the farmer may find himself in a still worse plight. In other words, has the time come when the state should provide all the money agriculturists require, at a lower rate of interest than is charged by loan and trust companies? I doubt the advisability of the state embarking on this business. We all know it is dangerous. If farmers get their loans through a state system, eventually politics is bound to enter into the business.

Hon. Mr. HUGHES: Party politics.

Hon. Mr. CALDER: Yes; you cannot keep it out. In this class of legislation we should be very careful lest in our efforts to help the farmer—and we all wish to help him—we may go too far and do him harm.

Hon. Mr. HUGHES: Is there not very great danger if we do not go some distance?

Hon. Mr. CALDER: Yes.

Right Hon. Mr. MEIGHEN: This Bill stops where it does just because if we followed the line laid down by the honourable senator from Queen's (Hon. Mr. Sinclair) we should pretty soon have all farm mortgages on our hands.

Hon. Mr. SINCLAIR: No.

Right Hon. Mr. MEIGHEN: Some mortgagees would reduce the rate of interest rather than lose their mortgages, I suppose. But if the farmer can get money from the Government at 6½ per cent, even though his mortgagee offers to reduce the interest from 7 to 6½, the mortgagor will take the Government loan. He knows there is an election coming some time. Consequently I am afraid you would have the Government underwriting all the farm mortgages of the country. That must be the reason why the rate stays where it is. But it is quite illogical to say, "If you

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have made a bad bargain and are paying 8 per cent on your loan we will see you through; but if you have made a fairly good bargain and are paying only 7 per cent, we will let you stay where you are. We won't help you out at all; we will help only the other fellow."

Hon. Mr. SINCLAIR: I do not agree with the right honourable gentleman. He is dealing with generalities. Let us argue on the Bill before us and the Farm Loan Act amending Bill. The Farm Loan Board accepts only the very best class of mortgages.

Right Hon. Mr. MEIGHEN: If you get into the 7 per cent class, you are in the best class.

Hon. Mr. SINCLAIR: I am trying to keep my argument within the bounds of the Bill before us and the Farm Loan Act amendment. Outside those bounds a great deal said by my right honourable friend would apply. If you go over 50 per cent or, as the amendment provides, 66 per cent of the present day appraisals, you are going into the realm of doubtful loans; but under the Farm Loan Act the Government is getting only the very cream of the loans made to farmers. The loan companies take a greater risk and charge a higher rate.

Right Hon. Mr. MEIGHEN: Some of the cream is sour.

Hon. Mr. SINCLAIR: Agriculturists today cannot get along unless we do something to peg the rate of interest at a lower point than they have been called upon to pay during the last decade or longer. The Farm Loan Act has been on the Statute Book five years. The Government of Prince Edward Island has never thought it worth while to pass enabling legislation to bring it into force, because our farmers are able to borrow money at a lower rate from private sources. It is only in the last few years that the rate has gone higher than 6½ per cent. I am of the opinion that in the years that are ahead such enabling legislation will be necessary in order to make available the advantages of this measure. However, I agree entirely with the motion.

The motion was agreed to.

PRIVATE BILL

THIRD READING

Bill 100, an Act respecting the St. Clair Transit Company.—Hon. Mr. Little.

SHIPPING BILL

MESSAGE TO HOUSE OF COMMONS

On the motion of Right Hon. Mr. Meighen:

That a message be sent to the House of Commons to acquaint that House that the Senate have concurred in their amendments made to Bill E, an Act respecting Shipping, without any amendments.

Right Hon. Mr. MEIGHEN: I am informed that the French version of the Shipping Bill has not yet reached us. I move that the House adjourn during pleasure, to meet in fifteen minutes.

I want to say, and to have it on record, that there seems to be a hitch, lasting day after day, between two translators in regard to some changes in the Shipping Bill. If the Parliament of Canada is to be at the mercy of a couple of translators, and unable to get its business done, the sooner we know it the better. I hope the Clerk will so inform the Clerk of the Commons. If we can be held up in this way from day to day, we can never pass any legislation unless the translators are ready to let us do it.

The Senate adjourned during pleasure.

After some time the sitting was resumed.

The Hon. the SPEAKER: It has been moved by Right Hon. Mr. Meighen, seconded by Hon. Mr. Calder:

That a message be sent to the House of Commons to acquaint that House that the Senate have concurred in their amendments to Bill E, an Act respecting Shipping, without any amendments.

Is it your pleasure to adopt the motion?

The motion was agreed to.

The Senate adjourned until to-morrow at 11 a.m.

THE SENATE

Saturday, June 30, 1934.

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

SUSPENSION OF RULES

MOTION

Right Hon. Mr. MEIGHEN: Honourable members, I beg to move that rules 110 and 119 be suspended for the remainder of the present session. These rules read as follows:

110. No petition for any private Bill is received by the Senate after the first three weeks of each session; nor may any private

Bill be presented to the Senate after the first four weeks of each session; nor may any report of any standing or special committee upon a private Bill be received after the first six weeks of each session.

This rule, rule 107, and rules 111 to 122, both included, do not apply to bills of divorce or to petitions for such bills, except in cases where no special provision is hereafter made, and which fall under rule 151.

119. No committee on any private Bill originating in the Senate (of which notice is required to be given), is to consider the same until after one week's notice of the sitting of such committee has been posted up in the lobby; nor, in the case of any such Bill originating in the House of Commons, until after twenty-four hours' like notice.

I presume there have been frequent precedents for the suspension of these rules towards the end of the session, but on this occasion it is asked for a special reason. There is now before us, I think, or will be in a moment or two, a Bill from the other House providing for the general regulation of loan companies. Another Bill, for the purpose of incorporating a loan company, was presented to the Commons in the regular way, but the petition was not submitted to this House, the intention being to submit it only if the general regulating Bill to which I have referred went through. That regulating Bill having been passed, those interested now desire to submit the petition to the Senate. It is quite true the petition might have been submitted sooner, but I am informed by the solicitor for the company, Mr. MacTavish, it was merely through inadvertence that this was not done. I see no reason why the rules should not be suspended to permit a Bill which has passed the other House to come into this House.

Hon. Mr. DANDURAND: I am quite in accord with the honourable gentleman in regard to the suspension of the clause which governs general procedure from day to day, but I am at a loss to understand why at this late hour the clause relating to private legislation should be suspended. I have not quite caught all the remarks of my right honourable friend. I understand that a private Bill has gone through the Commons, but that the petition for it has not been laid before the Senate.

Right Hon. Mr. MEIGHEN: Yes; and it would not have come to this House but for the passage by the House of Commons of a general Bill regulating companies such as the one which it is sought to incorporate by this private Bill.

The motion was agreed to.

PETITION RECEIVED

Hon. Mr. FOSTER: In view of the motion just made by the right honourable leader, and carried, I move that the petition of Albert Patrick Henry Cutten and others, of Guelph, Ontario, and elsewhere, praying to be incorporated under the name of the Small Loan Company of Canada, be now read and received.

The motion was agreed to, and the petition was read.

TELEGRAPH AND EXPRESS COMPANIES

JOINT OPERATION—NOTICES OF MOTIONS

On the Notices of Motions:

By Hon. Mr. Casgrain:

Pending further action by the Parliament of Canada, in the opinion of the Senate an equal number of Canadian National Telegraph officials should meet an equal number of Canadian Pacific Railway Company Telegraph officials, and co-operate together by using the same premises and officials.

Pending further action by the Parliament of Canada, in the opinion of the Senate an equal number of Canadian Pacific Express officials should meet an equal number of Canadian National Express officials, and co-operate together by using the same premises and officials.

Hon. Mr. DANDURAND: His Honour the Speaker has just called the two notices of motions given by my absent colleague, the honourable senator from De Lanaudière (Hon. Mr. Casgrain). I am not moving the motions, but rise simply to express my great regret that the bills announced by the Minister of Railways for joint administration by the two railways of the telegraphs and express companies have not been proceeded with. Everybody seems to be agreed that there should be joint administration of the telegraph business and also of the express business. In fact most of the people in our large towns and cities have been scandalized in recent years by the duplication of premises and officials by the separate companies, while it was felt that in a financial sense our best blood was oozing out through all our pores. I believe that one of the best moves the railway companies could make would be to join their efforts in the telegraph business, and also in the express business. Such a move, I believe, would meet with not a single opposing voice in this Senate or its committees.

Right Hon. Mr. MEIGHEN: I find myself sufficiently employed in dealing with legislation that does reach us; so I do not spend much time in lamenting what fails to come here. As to the bills referred to, I am sorry to have to admit that I know of them only

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from what I have read in the press. My presumption is that it was decided they would have to await the greater illumination of the public mind, the better appreciation by our people of what the real situation is. It may be that in this Chamber there would be little, if any, objection to the co-operative arrangement, or whatever it may be termed, as provided for in the bills. But there has been a considerable roar in the country. There are still those who see in every step to save money a movement towards amalgamation.

The Hon. the SPEAKER: Shall these notices be dropped?

Hon. Mr. DANDURAND: Perhaps they should stand, in the event of the Senate sitting next week.

The Hon. the SPEAKER: The notices stand.

EXCISE BILL

MESSAGE FROM HOUSE OF COMMONS

The Hon. the SPEAKER: Honourable senators, a message has been received from the House of Commons, reading as follows:

Resolved that a message be sent to the Senate to acquaint Their Honours that this House doth accept and concur in the first, second and third amendments by the Senate to Bill No. 89, intituled: "An Act to amend and consolidate the Excise Act," and also to the fourth amendment agreed to at the Free Conference with the Senate.

PRIVATE BILL—DISCOUNT AND LOAN CORPORATION OF CANADA

CONCURRENCE IN COMMONS AMENDMENTS

The Hon. the SPEAKER: Honourable senators, a message has been received from the House of Commons reading as follows:

Resolved that a message be sent to the Senate to acquaint Their Honours that this House hath passed Bill M, intituled: "An Act to amend an Act to incorporate The Discount and Loan Corporation of Canada," with the following amendments, to which they desire the concurrence of the Senate:

Page 1, line 14: strike out clause 2.

Page 2, line 9: strike out: "sub-paragraphs (i), (ii) and (iii) of paragraph (b) of subsection one of section five of the said Act are repealed and the following are substituted therefor:—" and substitute: "sub-paragraph (i) of paragraph (b) of subsection one of section five of the said Act is repealed, and the following is substituted therefor:—"

Page 2, line 32: strike out sub-paragraphs (ii) and (iii) (from line 32 to the end of clause 3).

Right Hon. Mr. GRAHAM: They did not strike out the title, did they?

Hon. Mr. MARCOTTE moved that the amendments made by the Commons be concurred in.

Right Hon. Mr. MEIGHEN: The amendment made to each of the other bills could be understood as soon as it was read, but in this instance I think no one can follow what the amendments really mean, and I should like an explanation by the honourable member who sponsored the Bill.

Hon. Mr. MARCOTTE: Honourable members, it will be remembered that this Bill originated in the Senate. The other House made several amendments, some of which have the effect of curtailing powers asked for by the promoters, while others are simply for the purpose of clarifying the phraseology. I am informed that the promoters are satisfied with all the amendments made by the other House, and they have requested me to move for concurrence by the Senate. I therefore move that the amendments made by the Commons be concurred in.

The motion was agreed to.

LOAN COMPANIES BILL

FIRST READING

A message was received from the House of Commons with Bill 123, an Act to amend the Loan Companies Act.—Right Hon. Mr. Meighen.

The Bill was read the first time.

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of the Bill.

He said: It is my intention to have this Bill dealt with in Committee of the Whole. I am in the hands of the House as to whether we proceed with the committee stage now. It would meet my convenience better that the Senate should now take up the Orders of the Day, and later go into Committee on this Bill.

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

INTERNAL ECONOMY COMMITTEE REPORTS

FULL-TIME TEMPORARY EMPLOYEES

Hon. W. H. SHARPE moved concurrence in the seventh report of the Standing Committee on Internal Economy and Contingent Accounts.

Right Hon. Mr. MEIGHEN: Will the chairman of the committee kindly explain the report?

Hon. Mr. SHARPE: A number of employees have been in the service of the Senate for several years, but have never been put on the permanent list. We recommend that this be done.

Right Hon. Mr. MEIGHEN: Is this similar to a recommendation adopted by the other House with respect to its employees not on the permanent list?

Hon. Mr. SHARPE: Yes.

Right Hon. Mr. MEIGHEN: Very good.

Hon. Mr. CALDER: I understand that throughout the service there are a fairly large number of so-called temporary employees. If my recollection is correct, arrangements are being made whereby the Civil Service Commission may decide which of these employees shall be placed on the permanent list.

Hon. Mr. DANDURAND: I thought they had all been brought in under the Calder Act.

Hon. Mr. CALDER: That Act referred to retirements.

Right Hon. Mr. GRAHAM: That is not coming in; that is going out. It has been decided to place on the permanent list, by the process known as "blanketing," several hundreds of persons who have been in the Civil Service for a number of years, but are still classed as temporary employees. They are to be made permanent without examination, although, I imagine, the Civil Service Commission may inquire into their qualifications. I understand this report recommends that employees of the Senate shall not be left out of the arrangement.

Hon. Mr. SHARPE: That is the idea.

Hon. Mr. DANDURAND: It is not intended to increase the permanent staff except when vacancies have to be filled?

Hon. Mr. CALDER: The report, in effect, recommends that, if there is to be any scheme to take care of temporary employees, the employees of the Senate shall be included.

Hon. Mr. SHARPE: Yes; we recommend that our temporary employees be taken in as well.

The motion was agreed to.

SECOND ASSISTANT CLERK

Hon. W. H. SHARPE moved concurrence in the ninth report of the Standing Committee on Internal Economy and Contingent Accounts.

Right Hon. Mr. MEIGHEN: Honourable members, I am afraid I cannot fall into line with the recommendation of the committee, for these reasons: (1) There is no occupant of the position now, and I have no information that an occupant is necessary. (2) The Bureau for Translations Bill having been enacted, it would seem a very inopportune time to appoint a man to a post where at least he would be designated as a translator. (3) I am not aware of the amount, if any, of the translation work to be done, but I am very much of the opinion that the man proposed to be appointed could not translate two words.

Hon. Mr. DANDURAND: I agree absolutely with the reasons given by the right honourable gentleman for opposing concurrence in this report. Some years ago, if my recollection serves me well, we gave the position to the chief translator whom we were then appointing. He had the right to come to the Table, but it was agreed he should not do so. It was felt that if the House of Commons, with 245 members, could do with two officials at the Table, the Senate could as well do with two. I have yet to hear one good reason advanced for filling the position. There may have been times when we did not know what to do with our surpluses, but today we are trying to reduce expenses. The other two reasons given by my right honourable friend appeal to me as being sound.

The motion was negatived.

BANK OF CANADA BILL REPORT OF COMMITTEE

The Senate resumed from yesterday consideration of the report of the Standing Committee on Banking and Commerce on Bill 19, an Act to incorporate the Bank of Canada.

Right Hon. Mr. MEIGHEN: Honourable members, of the amendments made by our Standing Committee on Banking and Commerce, the only one with which the Senate cannot be said to be in complete accord is an amendment which affects the language section.

As originally presented to the other House this provision read:

The form and material of the notes shall be subject to approval by the Minister.

In Committee of the other House this was amended to read:

Provided that notes in either the English or the French language shall be available as required.

The amendment carried in the Senate committee, by a vote of seven to six, is now before us, and reads:

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Provided that each note shall be printed in both the English and the French language.

Hon. Mr. CALDER: That carried in our committee?

Right Hon. Mr. MEIGHEN: In our committee, by seven to six.

Yesterday I requested that the matter stand until to-day so that I might have an opportunity to examine the point at issue and acquaint myself with the circumstances surrounding various steps which have attended the progress of this clause. We all recognize that it touches a question which is supposed to be inflammable, or subject to conflagration, and that there are strong feelings in different sections of this country on both sides of the question. I must confess that I have never been able to get under the spell of this feeling at all, on one side or the other. A Government, however, must take conditions as they are; it must have concern for the honest convictions of great masses of the population, and then seek to direct its course so that it will not deviate from sound principle and will contribute most to harmony and accord, and least to friction.

As one considers the whole history of this subject one finds in it a most curious commentary on human nature and political machinations in Canada. When the pact of Confederation was under review this question had to be faced. The conflict of sentiment involved in it had to be met in some way and definitely resolved before we could have a country at all. Those now known in veneration as the Fathers of this Dominion faced the question bravely and resolutely. The section of the British North America Act embodying the compromise agreed upon is compact in form, unexceeding lucid, and impossible of misunderstanding by anyone who reads with intelligence. So lucid is it that, so far as I know—and I am confident I am right—not a single question raised thereunder has ever gone to the courts of Canada. The provision adopted stated, not that we should have a completely bilingual system in the sense in which it obtains in Switzerland or some other countries, but that in this Dominion English should be everywhere recognized and official, and the claims of that very considerable portion of our population whose native language is French should be recognized to the extent that in the province of Quebec, where those people predominate, their language should have absolutely equal rights with English in the courts and in the Legislature. It was enacted that processes and arguments in the courts and speeches in the Legislature might be in one language or

the other, and that the journals and records of that Legislature should be in both. The Act provided also that in this Dominion Parliament the rights of the two languages should be equal—a member could speak in one or the other—and that our “journals and records” should be in both languages.

That the letter of the Constitution has been definitely and entirely followed I do not think any serious person in Canada will deny. Of course there are the more excitable, on both sides, who argue to the contrary; but if one reads recent debates, or even debates as far back as 1907, one will find that no serious person has ever alleged that the letter of the compromise has not been completely fulfilled.

There are, however, those who contend that we are not in fullest compliance with the spirit of this compact unless we go the whole length of complete bilingualism. With that position, of course, I cannot agree. I do not think anyone could very seriously argue in its support. If such had been the spirit and intent, the expression of the terms of the compact would have been entirely different. The spirit and intent was that where French-speaking people predominated—then almost wholly in the province of Quebec—they should have the right to use their language in courts and legislature, and, one might add, to have the insignia of nationality expressed in their own language. I do not think such contention, even in its latter phase, is an unreasonable one.

Let us now come to the working out of this plan. There are those who said long ago that inasmuch as the journals and records of Parliament had to be in both languages, it followed that both languages should be used on coinage, postage stamps, and so forth. No one would suggest with a sober face that bank notes are journals and records. When such a proposal was made in 1907, for the first time so far as I know, by definite resolution in the Commons, it was resisted by the Government headed by Sir Wilfrid Laurier. Sir Wilfrid himself said it did not follow from the compact of Confederation, either that our bills and notes should be printed in the two languages, or that some of them should be printed in English and some in French. He expressed the view that it was better not to make any change in this regard, but to continue the use of the English language alone on Dominion notes. He definitely opposed a motion to the contrary, and of course his resistance prevailed.

I am not aware of any point at which, in the long interval since, the issue in respect of Dominion notes definitely emerged. In

this connection we must remember that from the day Canada became a country the Dominion Government has issued what have been known as Dominion notes of hand. These have always been legal tender in every part of Canada, including Quebec. As a matter of fact, banks had no power to issue the smaller notes, but could print only denominations of five dollars and upwards. Smaller notes were distinctly national, and without modification, qualification, or change of any kind, they were just as much an issue of the nation as is an Act of Parliament, though, of course, they were no part of records or journals of Parliament.

One begins to wonder, therefore, how it is that this is the first time we have been asked to issue notes in the two languages. Indeed, it is the first time we have even been asked to issue part in one language and part in the other. Is the Bank of Canada more national than the nation itself? It is much less so. Indeed, the chief criticism of this measure is that this new Central Bank is not national enough. The main attack made upon it, not merely by one party in Canada, but by two, has been that it should be a national bank and nothing less; that while Government will have great powers of control, nevertheless the bank is to be owned by private persons and is to be a private bank. If this is so, it will certainly be much less national than the nation itself. It is only when we come to the issue of notes of an institution far less national than the Government of Canada that we are faced with a demand that we depart from what we have done since Confederation with respect to the printing of Dominion notes by the Government itself. I am making that comment quite frankly, because it goes to the very root of the purpose of those who are raising a controversy in this country at this time. How is it, may I ask, that this vexed question is unearthed and pressed to the front now, and was not given attention at all when honourable gentlemen opposite were in office and when Canada was issuing her own notes in English alone and circulating them throughout the whole Dominion?

Let us come to the more particular history of the subject. I gave the form in which this clause stood when it was introduced. Anyone can see why it was in that form. It was an honest endeavour to deal with the subject without raising this French-English issue. If the clause had remained in its initial form the Minister could use his best judgment, and doubtless he would use it much as he would under the clause as it came to this House.

But no! In the committee of the House of Commons a question was raised and a motion made much in the terms of the amendment now before us, namely, that each bill be printed in both languages. What was the result? The amendment was defeated by a considerable majority, some members from the province of Quebec voting one way, and some another.

Then the Minister of Finance moved to substitute for the clause in its initial form, as presented to Parliament, the following:

Provided that notes in either the English or the French language shall be available as required.

What reception did that proposal meet with in the committee? It was immediately received with the warmest hospitality and was supported by every member, including the gentleman who later moved against it in the House of Commons. The proposal was carried by twenty to nothing. One can understand why it should be. If there were anything still wanting in the carrying out of the spirit of Confederation, surely it would be that those who use the French language, where it was specially protected by the terms of Confederation, should be able to use it in respect of Dominion notes. So for the first time in the history of Canada this was granted. Does any lawyer in this House think that through all these years during which our Dominion notes have been issued in English only, not a single one being printed in French, or bilingually, anyone could have gone to our courts and asked for a mandamus to compel the Government of Canada to issue those notes in two languages, or to issue part of them in one language and part in another? Undoubtedly if it could have been done it would have been done. It could not.

But after a unanimous vote, twenty to nothing, had been cast, reflections arose in the minds of certain people and they thought it just too bad to miss an opportunity which offered such possibilities of disagreeing with the Government and the committee, and repentant members quickly came into the House and moved that every note be printed in both French and English.

The first comment I make is with regard to the right of everyone in this Parliament to speak English or French. Surely no one will ever again point a finger at me as an enemy of the French language. Surely no one will think that I have ever endeavoured in any way to prevent the spread of that language wherever as well the English language is known. Surely there is living evidence to the

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contrary. In this Parliament we can speak either language, but let every one take note no member is compelled to speak both. In the courts anybody can speak either language, but no one is compelled to speak both. The journals and records of this House are printed in both languages. But in no journal or record are both English and French used. An English edition is issued for those who want it—the larger proportion; a French edition also is issued for those who want it. Then comes this Bill in full accordance with the provisions of the Act of Confederation, and in the spirit of that Act overtaking circumstances and meeting conditions which have developed through these years. It says, for the first time, "We will give you French bills if you want them." Now, I ask honourable members to inquire in their minds as to the inner purpose of those who say, "Though we expressed satisfaction and voted unanimously for your clause, we are springing into the ring again to see if we cannot in a struggle to get further results make some case against you."

A question arises as to what the practical effect will be if the amendment that came to this House is confirmed. In our committee objection was raised that the chartered banks would be put to enormous expense; that every teller would have to keep on one side a pile of bills of \$1, \$2, \$5 and other denominations, in English, and on his other side a similar pile, in French, because, it was alleged, every customer who came to a bank would have a right to demand bills printed in either language. I did not think it was reasonable that customers should have such a right. It did not seem to me that an English-speaking person anywhere in Canada should be able to go to a chartered bank and ask for notes in French. And of course if he had such a right, he would also be able to demand French notes from any private citizen with whom he had traded a horse or made any kind of deal whatever. So I looked into the measure, and my conclusion is that it would not have any such effect. This Bill applies to the Bank of Canada and to that bank alone. It defines the rights of people in relation to the new Bank of Canada, and it says that at that bank and at every agency of that bank, at every office of the Receiver General, any chartered bank and any citizen shall be able to obtain bills in English or French, as desired. Not only is that as far as this Bill goes, but it is as far as it can go. If our legislation were intended to go farther in this respect—and I certainly would not be agree-

able that it should—necessary provision would have to be in the Bank Act and not in this measure.

As everyone knows, in the province of Quebec La Banque Canadienne Nationale and La Banque Provinciale du Canada use bilingual bills. As a matter of fact they are only partly bilingual, because no bill is wholly in both languages. I apprehend that customers of all banks doing business in French-speaking districts will want notes printed in French, just as our French-speaking people require French editions of Hansard, the Journals and other records of Parliament. Because their customers want such notes, banks will provide them, for banks are desirous of retaining their customers. Therefore under this Bill we should have a distribution of a certain number of notes printed in one language, and a certain number in the other, just as we have of the records of Parliament. Such notes would circulate almost wholly in districts where they are desired and asked for. In a word, distribution of notes would be in accordance with the wishes of the people of this country.

There are those who say: "We ought to encourage bilingualism. We should help residents of the West and of Ontario to obtain a little better knowledge of the French language, and residents of Quebec a little better knowledge of English." I am certainly not an opponent of any such move. But I know this, that there are Canadians who do not like to have French forced upon them, just as there are other Canadians who do not like to have English forced upon them. Admittedly most of such opposition is opposition by English-speaking folk to the propagation of French and the spread of bilingualism. There are people who want one language and only one, and that is a fact which we cannot possibly disregard in our country. If we carry this amendment we shall have our bank notes bearing the name of the bank across the top in big letters, in English, and right below that in French, in letters of the same size; and all the other wording on the bills will be duplicated. These notes would not, I fear, be acceptable to a large portion of our people.

It is plain also that they would not be neat, compact and presentable, as are those, for instance, which La Banque Canadienne Nationale distributes. Notes bearing across their top large lettering in both languages would look like a product of two banks rather than of one.

I appeal to this House to have regard for the fact that not only is this measure a reflection of the spirit of our Constitution in its widest and most liberal sense, but as such

reflection it was unanimously adopted in another place by representatives of both parties and both races. I do think it would have been vastly better that no one in either House, and especially in this Senate, should have sought to disturb that unanimity.

Hon. Mr. DANDURAND: My right honourable friend has not made a motion for the adoption or rejection of the report.

Right Hon. Mr. MEIGHEN: I therefore move that the ninth amendment reported by the committee be rejected.

Hon. Mr. DANDURAND: And that all the other amendments be accepted?

Right Hon. Mr. MEIGHEN: Yes.

The Hon. the SPEAKER: It is moved by Right Hon. Senator Meighen, seconded by Hon. Senator Calder, that all the amendments reported by the Committee on Banking and Commerce be accepted, except the ninth amendment, which reads as follows:

Page 12, lines 35, 36 and 37. For the words "Provided that notes in either the English or the French language shall be available as required." substitute, "Provided that each note shall be printed in both the English and the French language."

Hon. Mr. DANDURAND: I doubt that that is the proper form in which the motion should be moved. There should have been a motion for the adoption of the report, and then my right honourable friend could have moved for the rejection of the ninth amendment.

Right Hon. Mr. MEIGHEN: My object was clear, but I may not have expressed myself plainly. I desire that all the amendments made by the Senate committee, except the ninth amendment, be accepted by this House, and that the ninth amendment be rejected. If that amendment were rejected the clause would be restored to the form in which it came to us from the other House.

Hon. Mr. DANDURAND: My understanding is that the right honourable gentleman has moved for the adoption of all the amendments except the ninth, and for the rejection of that one. Before proceeding with the discussion I should like to ask my right honourable friend to state clearly his opinion of what the Bill meant as it came from the other House. He stated that opinion clearly in committee, and I should like him to repeat it here. I ask him this question. Under the Bill would any citizen of Canada have the right to enter the head office or a branch of any bank, anywhere in the country, and de-

mand notes printed in French? In the committee my right honourable friend answered that question in the negative.

Right Hon. Mr. MEIGHEN: I answered that clearly both in the committee and here. I said that this is a Bill dealing only with the Bank of Canada and with the relations of the chartered banks and the people to that bank, but not with the relations of the people to the chartered banks. And I stated that a change would have to be made in the Bank Act if it was desired to compel all bankers to keep constantly available two classes of notes. Under this Bill the chartered banks and the public have the right to ask for notes in either French or English, as desired, from the Bank of Canada or any of its agencies, that is, any office of the Receiver General. But the measure does not entitle any person to make a demand of any kind whatever upon a chartered bank. It is the Bank Act which governs relations between the public and the chartered banks.

Hon. Mr. DANDURAND: Honourable members, I desire to join issue with my right honourable friend on the interpretation that he has just given to section 24 of the Bill, and particularly to subsection 4. He has told us of what took place in a committee of the House of Commons. I might perhaps have demurred to his making that statement, inasmuch as we here have no right to take cognizance of the proceedings of the Commons or any of its committees. However, I do not intend to follow him into that field, because, except for what I have learned from newspaper head-lines, I am unaware of what was done with this Bill in another place. I shall remain on our own ground, dealing with what has taken place within our own precincts, the material which has come from our own committee, and the statement of my right honourable friend.

I had taken it for granted, as I believe 99 per cent of our people had, that after the passing of this Bill any person could demand of any bank in Canada notes in either the French or the English language, as he pleased, and that his demand would be honoured. I submit that the wording of section 24 bears out my conclusion. I will read three subsections only:

24. (1) On and after the day on which the Bank is authorized to commence business the Bank shall, except as provided in The Bank Act, have the sole right to issue notes payable to bearer on demand and intended for circulation in Canada and may, subject to the provisions of section twenty-six of this Act, issue such notes to any amount. Such notes shall be legal tender, and shall be the first charge upon the assets of the Bank.

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(2) It shall be the duty of the bank to make adequate arrangements for the issue of its notes at its head office and at its branch offices and agencies in Canada, and to supply such notes as required for circulation in Canada.

(4) The form and material of the notes shall be subject to approval by the Minister: Provided that notes in either the English or the French language shall be available as required.

My right honourable friend declared, I believe to the surprise of every other member of the committee, that this section meant only that the chartered banks could demand from the Bank of Canada notes in either language.

Right Hon. Mr. MEIGHEN: Oh, no.

Hon. Mr. DANDURAND: To-day my right honourable friend enlarged his statement by declaring that anyone may demand notes in either language from the Bank of Canada and any of its agencies.

Right Hon. Mr. MEIGHEN: I said that yesterday.

Hon. Mr. DANDURAND: What struck me most was his view that the people were not to have the right to demand a note in either language from any bank in Canada. I thought, as I believe most people did, that this legislation was designed for the convenience of the people. But no. According to my right honourable friend's interpretation, it is for the convenience of the banks.

Right Hon. Mr. MEIGHEN: My honourable friend does not think that is my interpretation.

Hon. Mr. DANDURAND: In his opinion, the banks will declare their policy and act according to their own views in the distribution of their notes.

Right Hon. Mr. MEIGHEN: According to their customers' views.

Hon. Mr. DANDURAND: My honourable friend again corrects his general statement to some extent. He now says the distribution will be according to their customers' views. But will those views prevail at the bank wickets, or will the banks be able to refuse the request of their customers? This is where my right honourable friend and I disagree. He believes that this legislation is made for the convenience of the people, and he says that the banks may hand out notes in either language, as requested by any customer. But I am now speaking of a right. If a citizen goes to a bank counter anywhere in Canada and asks for a note in French or in English, as the case may be, will the bank be entitled to refuse it to him? If so, then the only people who will have a right

which they can exercise will be those who can go to the Bank of Canada or an agency of that bank, one of which agencies, I suppose, is established at the capital of each province.

Right Hon. Mr. MEIGHEN: Under the honourable gentleman's Government neither the people nor the banks could get notes in either language at will.

Hon. Mr. DANDURAND: As my right honourable friend has made a remark dealing with history, I should like to tell him that we are now creating a private bank. He says that many people have objected to the private ownership feature. I desire to point out to him that at the present time there are banks in the province of Quebec which print bilingual bills, but that in the course of time the privately owned Bank of Canada will take over the printing of bills for the whole Dominion. So if this amendment is not adopted a right which has been enjoyed by banks in the province of Quebec will be wiped out. The amendment seeks not to confer a particular privilege, but rather to preserve an existing right.

My interpretation of clause 24, that anyone would be entitled to demand a note in English or in French, as desired, at the head office or a branch of any bank, is in accordance with the opinion generally expressed throughout the country. I have received from an English-speaking banker in Montreal the following letter, which is dated June 18:

Dear Senator Dandurand,

I notice by the press that the Committee on Banking and Commerce has voted in favour of two kinds of notes, English and French, for the Bank of Canada, rejecting the principle of the bilingual note.

You probably do not realize how pregnant with trouble is such a measure, apparently so innocent looking. Apart from the additional cost of printing seven kinds of bills (1-2-5-10-20-50-100) in two different languages and the constant annoyance to which the Central Bank would be subject, the work of sorting and counting these bills would just be doubled, not only for the Central Bank but for all the other banks. Moreover, the English-speaking people might and could refuse French notes, the French-speaking people, English notes. In the event of exhaustion of supplies or delay in printing, the Central and other banks would or might be in the unenviable position of being unable to satisfy the legitimate requirements of their clients.

The bilingual note would obviate all this, and, once engraved, no one would notice the change any more than they do the bilingual postage stamp or railway ticket. The advantages of the bilingual bill would, amongst others, be the following:

1. Immense saving in the cost of printing.
2. Do away once and for all with a contentious subject not only for the Central Bank but for the Government and all concerned.

3. Additional safeguard against counterfeiters. This would be doubly difficult.

4. Give legitimate satisfaction to a large section of the population without prejudice to any other section.

5. Cut in half the work of the Central or other banks in the handling of circulation.

Yours faithfully.

This is the view held by bankers with whom I have come in contact in Montreal. They feel they will be obliged to have at every wicket two sets of notes, English and French, in order to answer the demands of the public.

Right Hon. Mr. MEIGHEN: That is not correct. Who is the writer, please?

Hon. Mr. DANDURAND: I am not at liberty to publish the name. I will give it to my right honourable friend. I make the argument my own.

We have been told that this is not the intention. Apparently one series only will be issued for each community. The banks will be the sole judges as to the application of this clause. Whatever may be my right honourable friend's interpretation or my own, I think in practice the clause will be found to be cumbersome and most annoying. The alternative would presumably defeat the object of the Bill, which, as interpreted by my right honourable friend, provides that the notes shall only be available as and when required by the banks, or by the public who go to the Central Bank agencies.

The right honourable gentleman has spoken of a division of opinion in the country as to the propriety of going one step further and making the notes bilingual. I draw his attention to the fact that the motion carried in the Banking and Commerce Committee originated not with a French-speaking member, but with the honourable member from Queen's (Hon. Mr. Sinclair).

Hon. Mr. SHARPE: Oh, no.

Hon. Mr. DANDURAND: The honourable gentleman from Kennebec (Hon. Mr. Parent) made the motion, but it had previously been suggested by the honourable member from Queen's. It was moved after a discussion as to the reasonable application of the clause. We went thoroughly into what this would mean, and because it was felt that its application would be costly, annoying and cumbersome the committee agreed that some other mode should be adopted.

Now, I confess I am somewhat disappointed at the spirit underlying this enactment. It seems to be measured by a narrow interpretation of the letter of the Constitution. I thought the question would be approached

from another angle and on a higher plane, which would make for the unification rather than the division of the nation. I thought the moment had come when a measure could be devised which would appeal to the best instincts of the nation, which would develop pride in our dual origin—an origin representing the two highest civilizations in the world to-day, the English and the French.

I felt it was all the more fitting that this matter should be approached on a higher plane in this very year of 1934, when we are celebrating the 400th anniversary of Jacques Cartier's discovery of Canada. Upwards of five hundred Frenchmen, headed by delegates of the Government of France, who will be the guests of the Canadian nation, will repeat that historical feat of Jacques Cartier, the great forbear of one of those gentlemen, as they proceed up the mighty St. Lawrence. I felt no better year could be chosen to unify the nation and give it pride in its past, for the French and the English have written over three hundred years of Canadian history. It seemed to me the occasion was unique to harmonize our people in a spirit of mutual understanding and mutual esteem.

We have on this half of the North American continent two races who are worthy of each other. For centuries, in Europe, they contended for supremacy with varying fortune; likewise in America. On the battlefield, honours were evenly divided; Wolfe won on the Plains of Abraham, but the French were victorious under Levis, the following spring, at Ste. Foye. The French have left their imprint all over North America. You can follow their trail by their bleached bones scattered from Hudson Bay to the Gulf of Mexico and the Rocky Mountains. What a magnificent background for a people's history!

The nation is, I believe, the richer for its two languages. My right honourable friend will, I am confident, concur in that affirmation, for he has gone to the trouble, when nearing the meridian of life, of successfully mastering the French language. I say that a nation is the richer for its two languages, which bring to it the intellectual productions of the two modern nations at the head of European civilization to-day.

These advantages which accrue to the nation reach far beyond our borders. In the international field French is Europe's second language, and it is the language of diplomacy all over the world. All realize this fact at Geneva. Nine-tenths of the representatives of the nations gathered there understand and speak the French language. Everyone who goes to Geneva and mingles with the representatives of all member-nations of the

Hon. Mr. DANDURAND.

League realizes it is a real handicap not to be able to speak French. My right honourable friend who sits by my side (Right Hon. Mr. Graham) has represented Canada at Geneva. On his return, he has said on more than one occasion, from the public platform, that he had felt it was a considerable handicap for a Canadian in Geneva not to be able to speak or understand the French language.

I draw attention to this fact, that a Canadian was called to the presidency of the League of Nations because he was bilingual. The year before, after the first speech I delivered to the Assembly, I claimed the privilege of repeating it in English, because Canada was the only country among the fifty-four represented that had as official languages the two official languages of the League.

When Canada claimed and was granted a seat in the Council of the League, she had Greece as a rival. That country was represented by one of the most brilliant of European statesmen, Mr. Politis. He was defeated. In the evening he stated: "How could I hope to have a chance against Canada, which presents to the world two aspects—the British, as symbolized by its flag, and the Franco-Latin in its representative?" This, I think, will bring home to every honourable member the importance to Canada of having the two languages.

I believe it would have been appropriate at this time for the Government and its supporters, joining hands with the Opposition in the other Chamber, to state that they were proud to be able to put the final stamp of the two languages on a document that will circulate from the Atlantic to the Pacific. This is the view I hold. I voted for the amendment as a member of the Standing Committee on Banking and Commerce. I shall always support anything that makes for greater harmony between the two races. I believe that if the Government had had the courage to give that lesson in generosity which the history of Canada dictated, it would have carried the endorsement of every section of the Dominion.

Now my right honourable friend has moved that the amendment be rejected. Of course, the motion is in the hands of the majority. Few votes may appear on this side, because most of my colleagues are paired. The responsibility for the final decision rests naturally with the majority who surround the Government leader.

Hon. T. CHAPAIS: Honourable senators, a good many of my colleagues understand French, and I shall employ it on this occasion,

as the language question has been raised in this Parliament and especially to-day in this House.

Right Hon. Mr. MEIGHEN: Hear, hear.

Hon. T. CHAPAI (Translation): Honourable members of the Senate, I must first beg the indulgence of my honourable English-speaking colleagues for my use of the French language. I thought, perhaps, in a debate where the question of the rights of the French language arose, it was quite proper to make use of my maternal tongue.

My first word must be one of congratulation to my honourable friend, the leader of the opposition (Hon. Mr. Dandurand). The last part of his speech, where he referred so eloquently to the French language, where he recalled so many historical memories and set before our eyes the great figure of Jacques Cartier, was, indeed, a justification of the bill under consideration, because such a measure, as I hope to demonstrate, is an undeniable recognition of the rights of our language in this country.

The section of the bill under consideration, section 24, raises the whole question of the "status" of the French language in Canada. If such be the case, it is perhaps not out of place to establish first on what foundation is based the right of this language to be recognized as an official language in the Canadian Confederation.

The right to our French language is primordial, first and last, above all constitutions and statutes, an historical right. The French language is official in Canada because for one hundred and fifty years our country was a French country. We referred, a moment ago, to the name of Jacques Cartier, the fearless navigator of St. Malo who, four centuries ago, took possession of this country on behalf of Christian and French civilization. After a lapse of three-quarters of a century, in 1608, another Frenchman by the name of Champlain founded Quebec. Again, a little later, in 1642, another Frenchman by the name of Maisonneuve founded Montreal. And during one century and a half this country of ours was evangelized, enriched, colonized, civilized by a galaxy of men and women of the French race and language, pioneers, apostles, warriors, administrators and educators: Laval, Talon, Frontenac, Marie de l'Incarnation, Marguerite Bourgeois; and those undaunted explorers, Joliette, Marquette, La Salle, La Vérendrye, who pushed their prodigious explorations to the south, north and west, beyond the Great Lakes, as far as the first spurs of the Rocky Mountains. Yes, for one hundred and fifty

years this soil was a French country, a country speaking the French language, bearing and handing down to history the beautiful name of New France.

Then came the events of 1760, the change of regime, the great tragic split which divided in two halves our national history. Canada passed under the English Crown. Our forebears accepted with fortitude and loyalty the providential decree which made them British subjects. They were loyal to their new allegiance. However, they neither abdicated their traditions, their creed nor their language.

Their language! The official use of their language was not guaranteed, at first, by any written text. Such a right, as I have stated, was an historical right. Our first constitution under the new regime embodied no provisions relating to the French language. The Quebec Act, in 1774, made no mention of it; neither did the Constitutional Act of 1791. However, in practice, common sense prevailed, and our public documents were printed in both languages.

We come to a gloomy period. The events of 1837 and 1838 obscured our horizon. Our language suffered a sad setback. The Act of Union in 1840, by virtue of section 41, prohibited the use of the French language as an official language. Fortunately, this eclipse did not last long. In 1848, an Act of the Imperial Parliament cancelled this prohibitive section of 1840. And, at the opening of the 1849 session, Lord Elgin, one of the most illustrious of our British governors, delivered the speech from the Throne in French and English.

Finally, in 1867, our country entered a new historical epoch. A new constitution creating a Canadian Confederation was worked out by our most outstanding statesmen. And the constitutional recognition of the French language received a memorable consecration. Section 133 of the British North America Act read as follows:

Either the English or the French Language may be used by any Person in the Debates of the Houses of Parliament of Canada and of the Houses of the Parliament of Quebec; and both those Languages shall be used in the respective Records and Journals of those Houses; and either of those Languages may be used by any Person or in any Pleading or Process in or issuing from any Court of Canada established under this Act, and in or from all or any of the Courts of Quebec.

The Acts of the Parliament of Canada and of the Legislature of Quebec shall be printed and published in both those Languages.

Thus under the new constitution, under the constitution which is our Canadian Charter, the two languages have been placed on a perfectly equal footing. In the Quebec Legis-

lature, it is unnecessary to state, the constitutional stipulations are complied with in their widest interpretation. Our fellow-citizens whose language is English enjoy every right, and, better still, the most extensive privileges. Would to God it were so for the minorities in all provinces of Confederation!

Hon. Mr. LACASSE (Translation): Hear, hear!

Hon. Mr. CHAPPAIS (Translation): In the Dominion sphere, the British North America Act is entirely adhered to. The speech from the Throne is delivered in both languages: the English and French versions. The Debates are published in both languages: the English and French versions. The Journals of both Houses are published in the two languages: the English and French versions. The Statutes are issued in both languages: the English and French versions. The sessional documents are printed in the two languages: the English and French versions. However, there was a sphere where this equality was not, in practice, recognized. It was in connection with the legal currency and Canadian bank notes. More than once an endeavour was made to introduce the rule of the dual languages. And here, honourable colleagues, I wish to assure you that I harbour no mental reservation from the political standpoint. Long ago, I dissociated myself from what is known as party spirit. I simply wish to remind honourable gentlemen that, in 1907, for instance, an endeavour was made, and again later, to stipulate that the rule of the dual languages would apply to currency. It failed.

To-day, at last, the bill under consideration sets forth the consecration of the principle of the dual languages applied to the legal currency. Section 24 of the bill under consideration stipulates as follows:

The form and material of the notes shall be subject to approval by the Minister: Provided that notes in either the English or French language shall be available as required.

Faced with this text, I ask this honourable Chamber: Is it a setback or a step forward? Is it a retrogression or an advance? The answer, with all the clearness of the evidence, is thrust upon us.

Hon. Mr. DANDURAND (Translation): I never stated that it was a retrogression.

Hon. Mr. CHAPPAIS (Translation): Certainly not. My honourable friend is too intelligent to hold such views. However, it has been stated and written.

Hon. Mr. CHAPPAIS.

Referring to section 24 of the bill, I state that this measure, after sixty-seven years of federal rule, is a supplementary act, a new proclamation, in a new sphere, of equality in both languages.

I am pleased to be able to quote the words of a man whose evidence cannot be doubted. The following is what Mr. Henri Bourassa stated in a recent speech:

I think the amendment as framed by the Minister of Finance conforms strictly to the letter of article 133 of the British North America Act. . . .

It was stated that this amendment of the Minister of Finance is a step backward. Of course, I have a very simple mind and a limited experience both in reading law and in parliamentary government: but I cannot get it into my head that the fact that this legislation declaring for the first time that bills and money shall be printed in French, is a backward step in the acknowledgment of the French language.

Hon. Mr. LACASSE (Translation): How did Mr. Bourassa vote?

Hon. Mr. CHAPPAIS (Translation): I refer to Mr. Bourassa's views; they have a particular weight.

Hon. Mr. LACASSE (Translation): Which is expressed by a vote.

Hon. Mr. CHAPPAIS (Translation): Now, I hear tremulous voices—some are sincerely moved—exclaim: "We not only request that bank notes be printed in French; we want bank notes printed both in English and French." To this one might reply: "De gustibus non disputandum." You prefer bank notes bearing both French and English inscriptions, we prefer bank notes bearing entirely French inscriptions. With the utmost goodwill, I cannot see how the recognition of the rights of my language is more complete with a bank note printed half in French and half in English than with a bank note printed entirely in French.

Perhaps, in practice, the working out of the two-note system would create some inconvenience. That is possible. However, let us await events; there will always be time to remedy such a system. At present, for my part, I only look at the principle, at the official recognition of the rights of the French language. I look upon the rest as of secondary importance, a matter of modality, a question of shade. Shall we quarrel, shall we fight over a matter of shade, when the principle which is dear to us is wholly recognized?

We are told that the French note offered to us will have the effect of limiting its usage to Quebec. I cannot admit this.

What! the French bank notes will be limited to a section of Canadian territory! Why, in practice, that would be entirely impossible. The moment they leave the official press, they will take their flight across the whole country. Who will be able to trace the evolution and migration of bank notes from their birth to their death? Ours, the bank notes entirely printed in the French language, will have the same value, the same power of purchase, or payment, or quittance,—the same legal value—in a word the same "status," as the English notes. They will be like the others, "legal tender." They will purchase, acquire, pay and be deposited, from the Atlantic to the Pacific, from the 45th parallel to the far-flung regions of our Arctic domain. Here are two bundles of bank notes for an amount of \$10,000 each: notes printed in French and in English. You may send your notes printed in French, to Halifax, Saint John, Quebec, Montreal, Ottawa, Toronto, Winnipeg, Calgary, Vancouver and Victoria. Everywhere your notes printed in French will have the same face value as the others. Parity, equality for the French printed notes as legal tender, from one end to the other of this country, this is what for the first time this bill provides. That is why I feel bound to accept it. I accept it because it is a proclamation of the right of French in a sphere where this right was not yet recognized. I accept it because it places in the Statutes of Canada's Parliament a new assertion of the equality of the two maternal tongues of our history and civilization. I accept it because it amplifies the act of our great statesmen of 1867. I accept it because it rallies in a common adhesion all those who have at heart the union of the two races in this country. I accept it and request my colleagues to accept it in order that all of us, in leaving this Chamber, may go over on Parliament Hill and pay our respects before the statues of Macdonald and Cartier, and say to them: Be content with us; we have followed the path which you traced for us, we have completed the work in which you were the most illustrious leaders, a work of justice, peace and national harmony!

Hon. Mr. PARENT: Honourable members, I wish merely to ask a question. Assuming that the Government is right in authorizing the Bank of Canada to print bills in either language, some in English and some in French, is there any reason why both languages should not be used on the face of all bills?

At 1 o'clock the Senate took recess.

The Senate resumed at 3 o'clock.

Right Hon. GEORGE P. GRAHAM: Honourable senators, from my point of view this discussion is much ado about nothing. I want to make it clear, though, that we are not responsible for the introduction of the language question. A Bill, a Government Bill, was presented to us with the language question in it. In a word, the question was thrown at us.

There is no need for me to endeavour to convince honourable members or the people of Canada that as a student of Sir Wilfrid Laurier I have always been a strong advocate of unity and harmony in this country. That was his life-work. A good many years ago I was seated with three or four others in a Pullman car when Sir Wilfrid Laurier, with his usual desire to secure the views of others, joined us and asked this question: "What will be the subject under discussion ten years from now?" Mr. Moore, now the member for Ontario, thought it would be the question of the East and the West. He was partly right. But Sir Wilfrid thought that certain people would still be discussing the racial question, and there would be extremists on both sides taking strong positions. I regret to say that this is the case, particularly this year, when, as my leader said, we are celebrating the landing of Jacques Cartier in Canada. We ought to-day to be striving for unity rather than for discord.

This Bill was sent to us by the Government of Canada. No matter what may have taken place elsewhere, that is the situation. The Standing Committee on Banking and Commerce discussed the Bill without the least rancour.

An Hon. SENATOR: Hear, hear.

Right Hon. Mr. GRAHAM: It was a very friendly discussion. The French and the English-speaking members did not seem to be trying to bite one another. We were really doing what we thought was right. Is our committee's recommendation the best solution? In my humble judgment the question was sent to us in a very clumsy form. From the economic standpoint, everyone will concede that the issuing of two series of notes, one in each language, will be more expensive than the issuing of one series in both languages. From the standpoint of utility my leader made it quite clear this morning that, as I know from conversations I have had, bankers do not favour this double series of notes. It strikes me the method is wrong.

Now, as to the other method. I think the right honourable gentleman referred to the fact that we have our records printed in

separate volumes. But he forgot to state that we lie side by side in Hansard. No harm is done. Any person can take Hansard and read the debates in either language column by column. I repeat, no harm is done. The two languages mingle in Hansard without hurt to anyone.

Hon. Mr. DONNELLY: Is the right honourable gentleman referring to Revised Hansard?

Right Hon. Mr. GRAHAM: I am referring to Hansard as I get it.

Hon. Mr. SINCLAIR: As it is spoken.

Hon. Mr. DONNELLY: Unrevised Hansard?

Right Hon. Mr. GRAHAM: Unrevised Hansard. Have it any way you like.

Hon. Mr. HOCKEN: Does the right honourable senator advocate bilingual notes?

Right Hon. Mr. GRAHAM: I shall not, as is sometimes done, sit down without acquainting the honourable gentleman with my position.

I come now to the question of a bilingual note. This question was handed to us; we did not introduce it. It is our duty to decide what form of note would be most convenient and most economical, and bear the strongest national characteristic. It is conceded that one series of bilingual notes would be much cheaper than two series of notes in different languages. Some person has said that the two series would make French notes available to the French-speaking districts and English notes to the English-speaking districts. That is granted. But these notes are not going to remain in those districts. Once they are issued in the course of business they will be distributed all over Canada, and outside of Canada. So that will not bring about union between the races.

In discussing unity of feeling between the two races, it runs through my mind that we should be very careful to do nothing and say nothing that might lead any person even to suspect that we are trying to keep apart instead of endeavouring to become one people. We must remember that at one time strong allurements were held out to those who had recently passed from French rule to British rule to go elsewhere. But they remained true—they stuck loyally by the Union Jack and the old British constitution. I ask honourable gentlemen if they would have done likewise under similar circumstances. We cannot forget that.

Right Hon. Mr. GRAHAM.

It is our duty to build up a united Canada. Will a bilingual note convey to the world at large that we are one people or that we are not? I maintain that the printing of notes in each language separately will tend to raise the suspicion that we have not been mixing very much; that each race is going its own way. To my mind it will show to the world that the English-speaking people of Canada are opposed to the French, inwardly at least, and that the French-speaking people want to be by themselves and do not want to be associated with other Canadians. These bank notes should not be French notes or English notes; they should be Canadian notes, and in the interest of harmony the two languages should be used side by side.

I have no prejudices, political or other, in regard to this matter; I am not caring what any person thinks; but from the national standpoint I believe it would be in the interest of Canada to have but one issue of notes, such issue bearing both languages.

Hon. J. J. HUGHES: Honourable members, I think I can approach this subject without heat and without feeling. To me the problem is a very simple one. We have agreed on the principle that both languages shall be recognized in the printing and the circulation of these notes. We differ in regard to detail, but the detail of any subject is not as serious as the principle.

It has been admitted, as the last speaker said, that the printing of two series of notes would be more expensive than the printing of but one; and, though I knew nothing about the letter, I was quite prepared to hear the statement read by the honourable leader on this side of the House from a letter written by a bank manager in Montreal. I do not know whether that was a French bank or an English bank—and it would not make much difference. The statement made in that letter was that, so far as the chartered banks are concerned, the two series of notes would be inconvenient and expensive. There is no doubt about that. That is the view the banks take.

Having agreed on the principle, surely it is better for us to adopt the more inexpensive and more convenient method in carrying out the details. Some of us think that is what we ought to do. Others for some reason seem to think we ought to adopt the more expensive and more inconvenient way. That, it seems to me, is the whole situation.

When we agree on the principle that both languages are to be recognized and that the notes are to be published in both languages, I can see no logical reason why we should

adopt the two-series system. I am satisfied that if this question were left to the bank managers and bank tellers of Canada it would be settled in five minutes, and in the way the Committee on Banking and Commerce has suggested.

There is some sentiment in this matter, and a little heat, which is unfortunate; but the sentiment is not all on one side, I presume.

Hon. Mr. CALDER: There is no heat.

Hon. Mr. HUGHES: At all events there is heat in the atmosphere.

Right Hon. Mr. GRAHAM: It is a warm day.

Hon. Mr. HUGHES: There is heat in the Chamber and outside. However, I think it is a real pity that we cannot agree. I was very much impressed with the statement of the right honourable gentleman from Eganville (Right Hon. Mr. Graham) that if the Bill were to go through in the form which the Government apparently desires, it would advertise to the world that we are divided.

Hon. Mr. CALDER: Why not leave things as they are now?

Hon. Mr. HUGHES: In my opinion that would be better. I think the Government would have been more logical if it had not agreed to the two languages at all. But, the principle having been adopted, I can see no reason in the world why each note could not be printed in both languages.

Hon. W. E. FOSTER: Honourable senators, what I have to say on this question will be very brief. As I see it, this question arises because there are in this country some people who do not want French to appear alongside English on the Central Bank bills. I do not believe there are very many in this House who would not favour the adoption of the simplest and most economical system—the system that would best meet the needs of the country, having in view the fact that we have people who speak French and people who speak English.

We have heard some very interesting and illuminating statements from the historical as well as the racial point of view. I, as one member of this House, have accepted them all in the spirit in which they were offered, as throwing light on something that, it seems to me, we should sometimes discuss. If the discussion on matters of this kind can be carried on in a calm and reasonable way, I do not see what harm can come of it.

Hon. Mr. HOCKEN: Hear, hear.

Hon. Mr. FOSTER: I do not look at this question from the language standpoint at all; I consider it rather with a view to attaining the best method of meeting the situation. As one who speaks the English language, but who unfortunately does not speak French, I may say that in going around the country I have come upon many centres of population where the English and the French peoples are living together in perfect peace and harmony, without any differences in regard to religious matters, schools, or other subjects of a like character.

One cannot help being impressed by the methods adopted in those communities, and the example set us by the big corporations of the country. The Canadian National Railways and the Canadian Pacific Railway, two of the largest corporations in the world, are large employers of labour and are interested in the welfare of the public. When they want to inform the public about anything, what method do they adopt? Wherever you go you see the pool trains advertised in the two languages. The people are advised in the two languages how to get from one place to another. The railways have adopted what they think is the best method of doing these things.

It strikes me that the question before us is simply one of method, and nothing else. The honourable the leader on this side of the House (Hon. Mr. Dandurand) referred to a letter that he received from a bank manager. For some ten years I worked in a bank, and on occasion I have served the public at the counter. From this experience I know that a banker in a community with a mixed population will have to meet the wishes of his customers as to the kind of money they want. I think many of the people who are serving the public will be inclined to curse the introduction of a measure of this kind. The right honourable leader on the other side (Right Hon. Mr. Meighen) said the banks would not be compelled to pay out the money in question. True, they will not; but they will be governed, as we are, by the public, and at all times will have to give to them what they want. If the banker does not meet the demands of his customers he will lose them.

As the right honourable the leader on the other side has said, Dominion notes in denominations of ones, twos, and fours, and in the larger denominations for interchange between banks, have always been printed in English. It may be quite true that there has been no demand for a change, but a change is being made now by reason of the incor-

poration of this Central Bank, which is going to furnish currency to the other banks. There is also a further change. In the past the chartered banks issued their notes in French, in English, or bilingually, as they wished. That privilege will be taken away from them as the years go by.

I could see no difficulty at all in the two-series system of bills but for the fact that, as has been pointed out, the money will not be confined to a certain area. The French bills issued at the request of a bank in a French community will flow over into the English centres, and people who understand only English will find themselves in possession of them. The only knowledge they will have of the bills will be from the figures on them. French-speaking people who come into possession of English bills will be in a similar position.

It is true that the question of cost enters into this matter, but I do not think it is of very serious consequence.

Hon. Mr. HUGHES: It is the inconvenience.

Hon. Mr. FOSTER: If I were to disregard the question of expense, I should advocate a three-bill system. Then the man who wanted a French bill could get it; the man who wanted an English bill could also get it; and those who wanted a practical bill that would meet all conditions could secure it.

Hon. H. C. HOCKEN: Honourable senators, we were told by the honourable leader of the opposition (Hon. Mr. Dandurand) that this amendment, passed in the Banking and Commerce Committee, was inspired by the idea in the mind of the honourable senator from Prince Edward Island that there would be some confusion in the handling of bills printed in accordance with the provisions of the measure now before us. I venture to submit to my honourable friend the leader on the opposite side that a simpler and more effective method of avoiding confusion would be to follow the constitutional practice that has prevailed in this country ever since Confederation. This Bill, I think, asks for a little too much. There is neither law nor practice to support the request for notes in both languages. No one will argue that the Constitution provides for anything of the kind, and ever since the passing of the British North America Act the practice of the Government has been to issue all its paper money in one language. Why make a change? The only reason there can be for a change is a desire to please the sentiment of one province. Were it not that French-speaking people wanted to have their

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language on the currency, the notes would be printed in English only, in strict accordance with the Constitution. If it is felt that two kinds of bills would lead to confusion and dissatisfaction, I suggest that some honourable member on the opposite side should move that the English language only be used. That would be advocating, not a new departure, but simply a continuance of our usual policy.

The occasion seems to me to present a highly appropriate opportunity for placing on record a statement of just what are the rights appertaining to the French language in the Dominion of Canada. I take honourable members back to 1840, when the Union Act was passed. Section 41 of that Act provided:

And be it enacted that from and after the said reunion of the said two Provinces, all writs, proclamations, instruments, for summoning and calling together the Legislative Council and Legislative Assembly of the Province of Canada and for proroguing and dissolving the same, and all writs of summons and election, and all writs and public instruments whatsoever relating to the said Legislative Council and Legislative Assembly or either of them, and all returns to such writs and instruments, and all journals, entries, and written or printed proceedings of what nature soever of the said Legislative Council and Legislative Assembly and each of them respectively, and all written or printed proceedings and reports of committees of the said Legislative Council and Legislative Assembly respectively, shall be in the English language only.

That Act was passed by the Imperial Parliament, and it shows that Canada started as an English-speaking country. Provision was made for the use of the English language only.

Hon. Mr. DANDURAND: But there was the Act of 1791 before that.

Hon. Mr. HOCKEN: The Act of 1791 had nothing to do with the Dominion of Canada.

Hon. Mr. PARENT: But the Act of 1867 did.

Hon. Mr. HOCKEN: The Act of 1840 superseded the earlier Acts, surely. The French members of the united Legislature felt that the Union Act was hard on them, for many of them could not speak English. So in the session of 1845 there was passed an address to Her Majesty praying for an amendment to permit the use of the French language in debates and in the Journals and Proceedings of the House. Mr. Gladstone sent word that the Queen had been graciously pleased to consent to the change. That is how the French language came into use in the Parliament of Canada, by way of a concession. Originally, as I have shown, the

English language alone was used, but when it was claimed that this restriction imposed a hardship, the Queen and her advisers thought it well to be generous to the minority.

Hon. Mr. DANDURAND: The French were a majority in the two provinces at that time.

Hon. Mr. HOCKEN: I have not looked it up and I do not know that. Whether or not they were a majority, this was an English-speaking country under the British Crown. And it was so stated in the Act of Union.

Hon. Mr. PARENT: What were the United States at the same time?

Hon. Mr. HOCKEN: I am not discussing the constitution of the United States.

It is interesting to go back to the discussion that took place in the House of Lords with respect to the proposed change in the Union Act. Lord Stanley opposed the change and wanted to have only the English language used in the Legislature. With prophetic vision he deprecated the tendency the measure would probably have in raising up "a permanent barrier between two portions of the country." What is being attempted to-day is just what he foresaw and predicted. You can take my word for it that neither bilingual notes nor French notes can be circulated very far beyond the limits of the province of Quebec without causing very serious protest.

The men who framed the British North America Act were close to the proceedings of the Union Government, and it was thought that the Act which they framed would be productive of harmony between the two races. It was framed not by Sir John A. Macdonald and George Brown only, but also by Sir Hector Langevin, Sir George Cartier and others. All the French-speaking Fathers of Confederation assisted in the work. The limitations which they prescribed for the use of the French language in this Dominion have been very far exceeded, as my honourable friend who leads the other side will admit. Not only Hansard and the Journals and records of each House, but all the publications of the various departments as well, are printed in both languages. That certainly is a concession far beyond the limits of the British North America Act. I will read clause 133, though I scarcely need to do so, for I have no doubt that all honourable members are familiar with it. It provides:

Either the English or the French language may be used by any person in the debates of the Houses of the Parliament of Canada and of the Houses of the Legislature of Quebec; and both those languages shall be used in the

respective records and journals of those houses; and either of those languages may be used by any person or in any pleading or process in or issuing from any Court of Canada established under this Act, and in or from all or any of the Courts of Quebec.

The limits of the Act are narrow. But the English-speaking province of Ontario, in trying to show that it wants the *bonne entente*, has made very large concessions to please the French. Yet can it be said that the *bonne entente* has made progress in the province of Quebec when for twenty-five years there has not been an English-speaking mayor elected in the city of Montreal? Prior to that time there was a plan of alternations.

Hon. Mr. PARENT: Has Toronto ever had a French-speaking mayor?

Hon. Mr. HOCKEN: A man who belongs to either party may be elected in Toronto. It depends upon the personality and ability of the individual. A Liberal has as good a chance of election as a Conservative has there.

I agree with my honourable friend opposite (Hon. Mr. Dandurand) that the circulation of notes in both languages is likely to lead to confusion. I submit to him that the only reasonable and simple way of overcoming this is by having all bills of the Bank of Canada printed in one language.

Hon. Mr. DANDURAND: French.

Hon. Mr. LACASSE: In French, with the *fleur-de-lis* on each bill.

Hon. Mr. HOCKEN: My remarks are being made in the kindest spirit possible. I concede to no one a higher appreciation than I have of the good qualities of French Canadians. They are kindly, industrious, lovable people.

Hon. Mr. LACASSE: That is the chocolate coating on the pill.

Hon. Mr. HOCKEN: But, unfortunately, it appears to me they are led into unwise courses by their leaders. I am not going to specify any particular leaders. I feel quite sure that if French Canadians were left to go along in their own way and were not frequently having their language rights brought before them and told that these rights are being invaded and destroyed, they would be very much more easily got along with than they are now. I should like to express kindly a warning to my French Canadian friends. They are going too far, and they should discontinue the agitation which has been going on from 1840 to the present time. We have had almost one hundred years of constant

friction, and in all that time the English-speaking people in the various provinces, notably in Quebec, have been making concessions and compromises in order that harmony might prevail between the two races. What have our French Canadian citizens ever conceded to the English majority? Nothing. Even at this late date they are demanding a privilege that would carry their language into every home, every store and every pocket in Canada.

Right Hon. Mr. GRAHAM: Not every pocket. There are many pockets that contain no bank notes now.

Hon. Mr. HOCKEN: The English-speaking citizen is the most tolerant person on earth. He will compromise on almost anything for the sake of harmony, but there is a limit beyond which he will not go. And I suggest to my honourable friends of the French-speaking race that they are in danger of exceeding that limit now. Once it is exceeded, there is no more stubborn class of human beings than English-speaking people. If this language issue continues to be forced, day after day and year after year, as it has been in the past, the time may come when the English-speaking sentiment will be aroused and French Canadians may lose some of the privileges—or rights if you like—that they now have.

The other House was told with a great flourish, when I was a member of it, that the Statute of Westminster gave Canada equal status with Great Britain. The Prime Minister of the day said, "I will lay the Statute on the Table." The acting leader of the Opposition, Hon. Hugh Guthrie, replied, "You will do nothing of the kind," to which the Prime Minister retorted that he would do so on the following day. But what happened? It was never laid on the Table by that Prime Minister. Why? Because it would have given Canada power to amend its Constitution. My honourable friends from Quebec did not want that, and they do not want it to-day.

Hon. Mr. DANDURAND: I do.

Hon. Mr. HOCKEN: I venture to say that there are not many French-speaking Canadians as broad-minded as the honourable gentleman is. The Statute of Westminster was not laid on the Table until an amendment was made so that the right of Canada to change the British North America Act depended upon action by the Imperial Government. My honourable friend knows that. As long as that situation continues Canada has not the status of the Mother Country nor

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of New Zealand or Australia. Canada to that extent is still a colony and will remain so while we have not power to amend the Constitution.

I am not a prophet nor the son of a prophet, but I say this. If the Parliament of Canada had power to amend the Constitution, as it should have had under the Statute of Westminster, there would be trouble awaiting my French Canadian friends that they do not apprehend at the present time. This country is not always going to be governed by the provinces of Ontario and Quebec. It never has been governed very much by Ontario. There is a great West growing up, sentiment is changing, and public opinion will make us keep close to the limit in matters such as this.

The right honourable senator from Eganville (Right Hon. Mr. Graham) lays on the Government responsibility for this Bill. He is perfectly correct. Why did the Government agree to the printing of bank notes in French? I do not think there can be any doubt as to the reason. The pressure of French influence brought the Government to that point. I think the Government showed an exceedingly generous—to my mind a too generous—spirit. What did the Government get in return? Opposition in the House and in committee. Our own committee amended the Bill and tried to force through something that could not get through the other House. In what interest was that done? Not in the interest of harmony. Not to promote a *bonne entente*. It was purely and solely in the interest of a movement in the province of Quebec, where the people are stirred up to a frenzy whenever they are led to believe their privileges are threatened. They forget they enjoy three or four times as much as they would if the Act of Confederation were strictly enforced. I do not think there is any doubt about that.

I gathered from the remarks of the right honourable gentleman from Eganville that there is going to be a great deal of dissatisfaction and confusion in regard to the two series of bank bills, that some of the French series will circulate in all the provinces and in the United States, that some may even reach England, and that a bad impression will be created. I gathered that my honourable friend from King's (Hon. Mr. Hughes) would prefer a one-language bank note. In view of this sentiment from such an influential quarter, I venture to move:

That all the words after the word "Minister" in subsection 4 of section 24 be struck out and that the following words be substituted: "and be printed in the English language only."

I do not know whether I can get an honourable member with sufficient nerve to second this amendment.

The Hon. the SPEAKER: Under the rules the first amendment, that of Right Hon. Senator Meighen, must be disposed of before the honourable member from Toronto may move his amendment.

Hon. G. LACASSE: Honourable members, I do not intend to follow closely my honourable friend (Hon. Mr. Hocken) who has just taken his seat. He covered much more ground than I care to cover. But I should hesitate to accept his interpretation of the Constitution. I gather from his remarks that to suit him, and maybe a certain group with which he is in sympathy, all French-speaking Canadians should be gagged and bound and thrown into the sea. It would seem that Nature has shown a disposition to accommodate them by placing an ocean on each side of Canada!

There is no constitutional issue at stake in this case. It has been admitted elsewhere, and it is admitted here, that it is a question of choosing the best method of applying a principle accepted by all. I enjoyed the speech by the right honourable leader of the House much more—may I say it candidly?—than that just delivered. The right honourable gentleman's speech showed a broad vision of what should be considered the proper Canadian outlook. I noticed his allusion to past political events in which he was a very important actor, and the heat and emotion with which he said he hoped in the future no one would again point a finger at him and accuse him of being antagonistic to French Canadians.

I am confident his expression of feeling was inspired by a sincere conviction that we must all work for national unity. But I regret that my right honourable friend to-day let pass a unique opportunity to redeem himself in the eyes of those who were accusing him yesterday.

Several honourable members have referred to the attitude adopted by a former leader of the Liberal party, Sir Wilfrid Laurier. I would remind the House that times have changed, and there are to-day in Quebec and outside—for I may inform my honourable friend from Toronto that Quebec is considered as an Indian Reserve only by narrow-minded people—almost a million loyal French-speaking Canadian citizens. Even in Toronto there are a good many, but as yet they have been unable to influence my honourable friend and his friends.

Right Hon. Mr. GRAHAM: There never was a French-speaking mayor of Toronto?

Hon. Mr. LACASSE: No. It may be true that Montreal has not elected an English-speaking mayor for several years, but it is equally true that two English-speaking men important in the political history of this country, namely, Mr. Baldwin and Mr. Stewart, who were once left without a seat in Ontario and in Alberta respectively, were generously accommodated in Rimouski and Argenteuil by French-speaking electors. On one occasion I proposed to a friend of mine in Toronto, belonging to another party, that his city might well repeat that generous gesture in favour of prominent French-speaking Tories repeatedly defeated in Quebec, but he doubted very much whether it was possible.

No public man can ignore the fact that to-day there is a very strong feeling among French-speaking Canadians, a feeling which nothing can stop, against real or apparent encroachments upon their rights and privileges which have been—to use an expression fallen from the lips of my honourable friend from Grandville (Hon. Mr. Chapais)—consecrated by natural right and historical tradition. Some people in Toronto may believe that the supreme triumph of the British cause was the hanging of the patriots of 1837. That apparently, in their minds, is where political history begins in the new world. Well, it may be necessary to remind them once in a while that the history of Canada goes back to its discovery by Jacques Cartier—which event will be solemnly commemorated this year in Quebec and throughout Canada. As I say, there is a strong feeling amongst all French-speaking Canadians against any encroachment on their rights and privileges, so much so that a few days ago four members of another House took the decisive step of seceding from their party when this Bill was under discussion there. They took that definite course because they know they are responsible to the electors, who before long will be called upon to renew their confidence in them, and because they are fully aware of the strong sentiment obtaining in their respective constituencies in this regard.

We have been told indirectly by the right honourable leader of this House that this opposition to the Bill is a political move. The word "political" was not used by him, and again I admire the right honourable gentleman's ability to express his mind without unduly antagonizing his listeners. This adroitness is not due to fear, for I recognize him as one of the most fearless of our political leaders. In spite of strong denials, however, I believe that my honourable friends opposite will show in a moment or two, by their unanimous voting, who are the real

partisans in this case. The issue was forced upon us more or less, and we have to face it.

One other point I wish to bring forward is that other parts of the Empire have already done what we are advocating to-day without endangering the security of the British Crown. Not only in Canada but in other self-governing Dominions there are bilingual excise stamps, and, notwithstanding, the King has been just as healthy as he ever was. Then we already have also postage stamps telling the people of this country and of other nations the true complexion, from a racial standpoint, of the population of Canada.

Right Hon. Mr. MEIGHEN: Only to those who have microscopes.

Hon. Mr. LACASSE: In honour of the celebrations which will commemorate the discovery of this country by Jacques Cartier, the Postmaster General is issuing a new stamp which—to the scandal of my honourable friend from Toronto—will be in French and English. I am very sorry for him, but in my capacity as a physician I freely offer the stimulant which in due course may be necessary to revive him.

Studying other interesting precedents, I find that in 1827 there was bilingual money in this country. It is inscribed, "Bank token—one penny." In 1855 there was issued by Molson's Bank, from Toronto too—what a scandal!—money bearing an inscription in French. In spite of the French words, it was usually honoured!

Do we not also find that in South Africa and in the Irish Free State they have bilingual money? True, those two countries have each—what we have not as yet—a distinctive national flag. But let us hope this will come some day.

My right honourable friend said that a bilingual bank note would look somewhat awkward. That is a very light argument, especially from such a source, and not up to the usual standard of my right honourable friend's arguments. I hold in my hand the only \$5 bill I have left. It is issued by the Banque Canadienne Nationale. It is in French and has a very artistic appearance. One may observe that there is plenty of room for the duplicate heading in English.

I was reliably informed a day or two ago, and I give the information to the House for what it is worth—I admit it is hearsay evidence, something which certainly would not be admitted in a court of law—that the plates and engraving for bilingual money had already been prepared before the question came up in the other House. As I say, I give the information for what it is worth.

Hon. Mr. LACASSE.

If such is the fact, I should like to know who or what was responsible for changing the plans.

As I have already said, this is not a constitutional issue. I agree that from the standpoint of French-speaking Canadians the issuing of two sets of notes is a big gain.

Hon. Mr. HOCKEN: A big gain?

Hon. Mr. LACASSE: I admit that, although it deprives the two French banks, La Banque Provinciale du Canada and La Banque Canadienne Nationale, of the privilege which they have hitherto enjoyed of issuing notes in French. They will be deprived of the right to issue any notes at all.

Hon. Mr. DONNELLY: When?

Hon. Mr. BALLANTYNE: Not for ten years.

Hon. Mr. LACASSE: By that time probably the feeling to which I have referred will be strong enough to hasten a definite solution of the problem.

Now, honourable senators, I wish to stress one more point, which is suggested to me by the surroundings in which I live. I happen to live in a district which geographically is American. The territory to the north as well as to the south of the county of Essex is American; so geographically, and in many other ways as well, we are more or less Americanized. That is probably the reason why I feel that we should not lose this new opportunity to affirm that we are citizens of a different and distinctive nation. I say we should not allow this occasion to pass without making an effort to stimulate national pride by stamping on our bank notes something that is characteristically Canadian.

I appeal to my honourable colleagues in this House not on the grounds of constitutionality, but for the sake of peace and justice—

Hon. Mr. HOCKEN: Oh, oh.

Hon. Mr. LACASSE: I think I understand the word "peace," but it would seem that the honourable senator from Toronto (Hon. Mr. Hocken) has his own personal, original and exclusive way of interpreting the meaning of English words. For the sake of peace, justice, harmony, convenience, common sense, broad-mindedness, courtesy and economy, I advocate the issuing of bilingual bank notes, and I intend to vote in favour of the amendment recommended by the Banking and Commerce Committee.

Coming back to the honourable senator from Grandville, I may say, before taking my seat, that I do not think it is was quite fair of

him to bolster up his case by a quotation from the remarks of an eminent public man, when that very man took exactly the same ground that we are now taking. I invited the honourable gentleman to inform this House how that particular gentleman had voted, but he declined my invitation because he knew the answer would weaken his case.

Now, honourable gentlemen, I have tried—successfully, I believe—to treat this rather ticklish subject as quietly and as coolly as possible, in order to avoid scandalizing honourable gentlemen, especially those who do not remember the days of their youth, when they were active and impetuous. If I have trampled on forbidden ground, I apologize with all due respect to those who are sincere in not sharing my views.

Hon. C. MacARTHUR: Honourable senators, I have neither the vocal capacity nor the oratorical ability of the previous speaker; nor have I the historical knowledge possessed by the honourable senator from Toronto (Hon. Mr. Hocken). I may say in passing, however, that I believe I am more tolerant than either of those honourable gentlemen, for I have reached a time of life when I have learned to take the middle ground in some matters. I do this not because of a lack of back-bone, but because it is a matter of common sense. We are here for only a short time, and I think we shall make more progress if we do not make mountains out of mole hills.

The honourable senator from Toronto spoke of the provision contained in the Bill as "the limit," from which I should infer that he meant it was the last straw that was going to break the camel's back. I do not so regard it. Furthermore, I think he is farther from the opinion of his own leader than he is from that of the speaker who has preceded me.

It has been said that this amendment proposed by our committee is the idea of the honourable member from Prince Edward Island. There is more than one senator from that province. I may say to the honourable gentleman from Toronto (Hon. Mr. Hocken) that I agree with the honourable senator from Prince Edward Island, as, I believe, many others do, and I am convinced that our view will receive more support than that of the honourable gentleman from Toronto. The remark as to one honourable member from Prince Edward Island receiving more consideration than anybody else is in my opinion entirely uncalled for.

There is another matter in respect of which I think the honourable senator from Toronto went a little too far. Since when has the

Senate of Canada been precluded from exercising its prerogative as a revising body? Why should the honourable gentleman say a minority are trying to force through something rejected by the other House? The questions that come before us are discussed on their merits.

It has been suggested that the question we are discussing is a political one. I may say that so far as I am concerned it is not. I have been much impressed by some of the arguments advanced, particularly that of the honourable senator from Saint John (Hon. Mr. Foster). I happen to have some investments, and now and again I receive financial statements. These statements are in both French and English—a very sensible and economical plan—for the French-speaking stockholder and the English-speaking stockholder are both able to understand them. I have never seen the two versions issued on separate sheets.

I should like to inquire as to one or two points that have not been touched upon in this discussion. Is there any obligation imposed on a bank teller to ask a customer what kind of money he wants, or is he at liberty to hand out either? The Bill says the form and material of the notes shall be subject to approval by the Minister, but nothing is said about the size of the notes. In the United States bills of different denominations are of different sizes. Is the size of our notes to be dealt with by those directing the affairs of the new bank?

I am learning a little French from bilingual bank notes. I have a note of La Banque Canadienne Nationale.

Hon. Mr. CALDER: Give me one.

Hon. Mr. MacARTHUR: It is a bigger note than the one referred to by the previous speaker (Hon. Mr. Lacasse). On the left side of my note there appear the words "will pay to bearer on demand," and on the right side the words "paiera au porteur sur demande." I also have a note of La Banque Provinciale. The two languages appear on this bill in positions which are the reverse of those on the other bill. On the left side I find "Dix dollars à demande au porteur," and on the right side, "Ten dollars on demand to bearer." That money is just as good to me as if it were printed entirely in French or English, or in Norwegian, Scotch or any other language.

Right Hon. Mr. MEIGHEN: Hear, hear. I will take it.

Hon. Mr. MacARTHUR: I have also a Canadian quarter. This bears an inscription in Latin.

Right Hon. Mr. GRAHAM: It is bilingual.

Hon. Mr. MacARTHUR: Perhaps someone will explain the reason for that. It may be sentiment. The inscription is as follows: "Edwardus VII, Dei gratia rex imperator." That is good money. It bears the king's head.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. MacARTHUR: After such examples as these, I have come to the conclusion that I must support the amendment.

One argument made by the right honourable gentleman (Right Hon. Mr. Meighen) impressed me. He asked why this question had not come up years ago, and why this agitation now. I think the logical answer is that never before has there existed, in regard to banking matters, exactly the same situation that prevails in this country to-day. Four years ago the Bank of Canada was not even mooted. This idea came from the left, where they are working in close harmony. I may say that the majority of bankers do not think a Central Bank is necessary. Nevertheless, the new order is, I believe, one reason why this question has become acute at the present time. It is my intention to vote for the amendment.

Hon. Mr. McDONALD: The amendment to the amendment?

Hon. Mr. MacARTHUR: Not the amendment to the amendment. I am going to vote for the proposal to put the French language on one side of the bill with the English. The principal thing to be considered is whether we can get cash for these notes. The majority of people do not care a hoot about anything else. If you issue two series of bills you are going to multiply the work of every official of every bank. There is one thing that has not yet been definitely settled. I have not yet heard whether this amendment is *ultra vires* or not. If it is *intra vires*, I am in favour of it.

Hon. J. A. CALDER: Honourable members, one remark of the honourable gentleman who has just taken his seat causes me to say a word. I am inclined to look at this whole question from the practical standpoint. I realize that there is a good deal of sentiment in connection with the problem, and naturally so. The same question has been raised many times in the history of Canada, and though we may try to shut our eyes to the fact, we cannot deny that it has a political significance as well. However, I am not going to consider the sentimental or the political side of the subject.

I have listened attentively to the debate in order to discover what is the practical side of the problem, because, after all, that is the

Right Hon. Mr. GRAHAM.

essential feature. As far as I can see, only one point has been raised, namely the bother or inconvenience and the expense that will be involved if we adopt the proposal coming from the other House. I am sure that every member in the House, if he stops to consider for a moment, will agree that the question of what language or how many languages shall appear on our bills is of very little interest to the people of Canada as a whole. The honourable gentleman who has just taken his seat says that the language on the bill does not make any difference to him; that he would accept good money if it were Norwegian, Scotch, Italian or French. Is not that the position taken by the average man in the street? Do you suppose he bothers about this language question at all? In my opinion it does not concern him in the slightest degree.

Almost seventy years have passed since Confederation and I have never heard of any real agitation in any part of this country, not even the province of Quebec, to have the French language on bank bills. If there had been anything of that kind I think I should have heard of it. I and thousands like me are not in the least concerned as to what is on our money so long as it is good. That is the main point. If I go to Europe and travel about, I accept the English pound, the French franc or the currency of Italy or Belgium, so long as it is good.

I grant that the cost of engraving two plates to print bills in two different languages would be greater than the cost of one plate for bilingual bills, but the difference would be infinitesimal. You can print hundreds of thousands, yes, millions of bills from one plate; so I think we may eliminate the question of expense.

Now let us come to the actual working out of the proposal to provide bills in either language for those who want them. I am not going back to the days of the old Molson's Bank, because conditions existing then may have been different. Since 1867 Canada has had control of its currency and we have printed our Dominion notes only in English. But that is only half the story. If there has been any demand by the people of Canada for bills in any language other than English, why has that demand not been voiced by the banks? We have had in this country as many as thirty banks, all doing business with the people in the province of Quebec. The Bank of Montreal, one of the strongest in Canada, with headquarters in the city of Montreal, doing business there from year to year, has never issued one note printed in French or French and English. Why is this? If there was a demand on the part of any large section

of the people of the province of Quebec for bills printed in French, or in the two languages, does anybody think the banks would not have met that demand?

As I have said, this question is not practical at all, but sentimental and semi-political. If it were not for the sentimental and political factors it would not be before us. From a purely practical business standpoint there is no necessity for doing anything different from what has been done in the past.

Now, how is this plan going to work out? If the law as it has come from the other House stands, what will happen? If I were a banker in the city of Montreal I should have the right to go to the Central Bank and ask for currency printed in either the French or the English language. What should I do? Should I ask for both kinds? I doubt it very much. The banks will carry currency which, with very minor exceptions, will be the same as they have carried for the last seventy years. In remote places where there are not the same facilities as exist in the cities, but only small branch banks dealing entirely with French Canadian people—there are a great many such communities in the province of Quebec—I dare say all these branch banks will be supplied with French notes. The people of the province of Quebec are familiar with the bilingual situation, but out West the condition is entirely different. While it is true that between Lake Superior and the Pacific Coast there are a number of French settlements, the people out there, as a whole, are not accustomed to the use of bilingual documents. If notes printed in French were circulated in the West we should have a repetition of the same kind of thing that took place prior to the last election and became an issue in a large section of Saskatchewan. As I understand it, money orders printed in the French language were sent out to residents of entirely English-speaking communities. The greatest care should have been exercised in a matter of that kind, but it was not, and a grave mistake was made, from which considerable trouble resulted.

My point is that in the practical working out of the law the managers of banks will have the authority to go to the Bank of Canada and ask for notes in English or French, as desired. These bankers will know their own business and no difficulty whatever will be encountered in the matter. I think that the amount of French notes drifting into English-speaking communities, and English notes into French-speaking communities, will be so small as to be easily taken care of.

Hon. G. PARENT: Honourable senators, I am possibly the cause of this debate, because the amendment for bilingual notes was moved by me in the Banking and Commerce Committee. The discussion we have had here would seem to indicate a belief in some quarters that in bringing this matter to the attention of my colleagues I was actuated by prejudice and partisan motives. I want to assure honourable members that no sentiment of the kind influenced me to the slightest degree. When I moved my amendment I had in mind only some representations that had been made to me, to the effect that it would be more economical to have all our bank notes printed in both languages than to have some in English alone and others in French alone. I acted in good faith, and was convinced, as I still am, that it would be in the best interest of Canada that all the notes of this new bank should be bilingual.

I think the case for the amendment has been well expressed by honourable members on this side who have spoken, and I do not desire to add anything in that connection. But I should like again to assure honourable members that I am not guilty of any of the improper motives that have been imputed.

The Hon. the SPEAKER: It is moved by the Right Hon. Senator Graham, seconded by Hon. Senator Little, that the amendments made by the Committee on Banking and Commerce to Bill 19, an Act to incorporate the Bank of Canada, be concurred in.

In amendment it is moved by the Right Hon. Senator Meighen, seconded by Hon. Senator Calder, that the committee's amendment No. 9 be not concurred in. Amendment No. 9 reads:

Page 12, lines 35, 36 and 37. For the words "Provided that notes in either the English or the French language shall be available as required" substitute, "Provided that each note shall be printed in both the English and the French language."

The amendment of Right Hon. Mr. Meighen was agreed to on the following division:

CONTENTS

Honourable Senators:

Aseltine	Horner
Ballantyne	Marcotte
Bénard	McCormick
Blondin	McDonald
Calder	Meighen
Chapais	Planta
Coté	Sharpe
Donnelly	Smith
Fauteux	Tanner
Hocken	White

(Pembroke)—20.

NON-CONTENTS

Honourable Senators:

Dandurand	Lacasse
Graham	Little
Harmer	MacArthur
Hughes	Parent—9.
King	

Hon. Mr. LITTLE: Honourable senators, I wish to announce the following pairs:

PAIRS

Honourable Senators:

Schaffner	Sinclair
McMeans	Robinson
Brown	Horsey
Rainville	J. M. Wilson
Laird	Sir Allen Aylesworth
McLennan	Riley
L'Espérance	Raymond
Webster	Casgrain.

Hon. Mr. DONNELLY: I thought that the principle of pairing applied only when one member of the pair was present. This list includes the names of many absent senators.

Hon. Mr. COPP: Honourable members, I was paired with the honourable senator from Westmorland (Hon. Mr. Black). Had I voted I should have voted against the amendment.

Hon. Mr. SINCLAIR: Honourable senators, I was paired with the honourable senator from Boissevain (Hon. Mr. Schaffner). Had I voted I should have voted against the amendment.

Hon. Mr. RAINVILLE: Honourable senators, I was paired with the honourable senator from Sorel (Hon. J. M. Wilson). Had I voted I should have voted for the amendment.

The motion for concurrence in the amendments, as amended, was agreed to.

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

RADIO BROADCASTING BILL

FIRST AND SECOND READINGS

Bill 126, an Act respecting Radio Broadcasting.—Right Hon. Mr. Meighen.

PENSION BILL

FIRST AND SECOND READINGS

Bill 127, an Act to amend the Pension Act.—Right Hon. Mr. Meighen.

The Hon. the SPEAKER.

CANADIAN AND BRITISH INSURANCE COMPANIES BILL

FIRST READING

A message was received from the House of Commons with Bill 128, an Act to amend the Canadian and British Insurance Companies Act, 1932.

The Bill was read the first time.

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of the Bill.

He said: If I have the facts right, the Bill already passed to amend the Canadian and British Insurance Companies Act has been assented to; therefore it is law. It repeals the Act of 1932.

Hon. Mr. DANDURAND: This is a further amendment to the Act.

Right Hon. Mr. MEIGHEN: I accept as a fact the recital that the statute was amended by an Act passed at the present session of Parliament. The amendments contained in the Act just passed did not embrace the scheme covered by this Bill, which deals merely with the powers of investment of insurance companies. To the classes of investment are added the following:

(i-c) The debentures, debenture stock or other evidences of indebtedness of any corporation which are fully secured by statutory charge upon real estate or upon plant and equipment of such corporation used in the transaction of its business, provided interest in full shall have been paid regularly for a period of at least ten years immediately preceding the date of investment in such debentures, debenture stock or other evidences of indebtedness upon the securities of that class of the corporation then outstanding; or the bonds or other evidences of indebtedness of such corporation which are fully secured by mortgage or hypothec to a trustee of securities of the class hereinbefore in this sub-paragraph first mentioned.

That is to say, if interest upon securities of a similar status, although paid off, has been paid regularly for ten years, then the bonds are eligible for insurance company investment.

Right Hon. Mr. GRAHAM: They are seasoned.

Right Hon. Mr. MEIGHEN: Yes. The point is more or less technical. As I understand, sometimes one set of bonds succeeds another, and whereas the new set has not paid interest as yet, the set whose place it takes has yielded interest for at least ten years. The Bill amends the Act of 1932, and overcomes any technical difficulty.

Hon. Mr. DANDURAND: The right honourable gentleman was under the impression that we had repealed the Act. We have not. Bill F, which has been enacted, simply amends the Canadian and British Insurance Companies Act.

Right Hon. Mr. MEIGHEN: This is a further amendment.

Right Hon. Mr. GRAHAM: This is applicable only to fire insurance companies?

Right Hon. Mr. MEIGHEN: It is applicable generally as adding this class of investment. I was certainly under the impression that the Act of this session repealed and re-enacted with revisions the Act of 1932; but I must have been wrong.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

PRIVATE BILL

FIRST AND SECOND READINGS

Bill 15, an Act to incorporate The Small Loan Company of Canada.—Hon. Mr. Foster.

REPRESENTATION BILL

FIRST READING

A message was received from the House of Commons with Bill 116, an Act to amend the Representation Act, 1933.

The Bill was read the first time.

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of the Bill.

He said: This Bill is very brief, and I may have to crave the help of honourable senators in having the House understand exactly its effect. The object is to amend the Representation Act of 1933—what we call the Redistribution Act. The single section reads:

1. Section seven of The Representation Act, 1933, is amended by adding at the end thereof the following:—

“Provided that for the purpose only of authorizing and enabling the appointment pursuant to the Dominion Elections Act, 1934, of returning officers, this Act shall be deemed to be now in force.”

The Representation Act of 1933 is deemed to be still in force for the purpose of enabling the appointment of returning officers pursuant to the Dominion Elections Act of 1934.

Hon. Mr. CALDER: The Bill must refer to those faraway districts where the election is deferred.

Right Hon. Mr. MEIGHEN: Anyway, apparently, it is essential in order to give effect to the Elections Act of 1934—which is not yet an Act at all.

Right Hon. Mr. GRAHAM: It is not even a Bill here.

Right Hon. Mr. MEIGHEN: No. This Bill can have effect only when the Dominion Elections Act of 1934 passes, because it simply authorizes a continuation of the Representation Act for the purpose of enabling returning officers to be appointed under the authority of the Dominion Elections Act of 1934.

Hon. Mr. DANDURAND: Does it state what part of the Act it amends?

Right Hon. Mr. MEIGHEN: Section 7.

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

CUSTOMS BILL

FIRST READING

A message was received from the House of Commons with Bill 124, an Act to amend the Customs Act.

The Bill was read the first time.

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of the Bill.

He said: This Bill amends the Customs Act. Section 1 repeals the amendment of the second session of 1930 as to fair market value.

Section 2 provides:

The Governor in Council, whenever it is deemed expedient to do so, may order that excise duties and excise taxes in whole or in part shall be disregarded in estimating the value for duty of goods of any kind imported into Canada from any specified country and may vary or rescind such order.

I cannot conceive of any objection to this amendment, for it simply permits a reduction of valuation for duty purposes.

Section 3 provides for the repeal of paragraph a of section 225 and substitutes therefor the following:

(a) by any contrivance gains access to bonded goods in a railway car, or to goods in a railway car, upon which goods the Customs duties have not been paid; or breaks or aids or abets the breaking of any lock, seal or other fastening for the transportation of bonded goods, whether or not entry has been made for the goods or duty paid thereon; or—

To that also I think no exception will be taken. Apparently it is something omitted from the Act.

The last clause has to do with making signals:

(1) No person shall make, aid, or assist in making any visual, sound, radio or other signal in or on board or from any ship or boat, or from any part of the coast or shore of Canada, or within three marine miles of any part of the coast or shore, for the purpose of giving notice to any person on board any smuggling ship or boat, whether any person so on board of such ship or boat be or be not within distance to notice or receive any such signal; and if any person contrary to the Customs Act, shall make or cause to be made, or aid or assist in making any such signal, he shall be liable on summary conviction before two justices of the peace to a penalty not exceeding two hundred dollars and not less than fifty dollars, or to imprisonment for a term not exceeding one year and not less than one month, or to both fine and imprisonment; and it shall not be necessary to prove on any information in such case that any such ship or boat was actually on the coast.

(2) If any person be charged with having made or caused to be made, or for aiding or assisting in making, any such signal aforesaid, the burden of proof that such signal so charged as having been made with intent and for the purpose of giving such notice as aforesaid was not made with such intent and for such purpose, shall be upon the defendant against whom such charge is made.

It is only reasonable that the burden of proof should be on the person so charged.

Hon. Mr. SINCLAIR: If I understood the right honourable gentleman's explanation of section 2, it provides that excise duty and sales tax shall be disregarded in computing the value for duty purposes.

Right Hon. Mr. MEIGHEN: It may be done by Order in Council. Heretofore there was no such power.

Hon. Mr. SINCLAIR: It does not mean a remission of the sales tax?

Right Hon. Mr. MEIGHEN: Oh, no.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

REPRESENTATION BILL

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of Bill 116, an Act to amend the Representation Act, 1933.

Right Hon. Mr. MEIGHEN.

He said: Before the question is put, I would ask the honourable senator from Saltcoats (Hon. Mr. Calder) to explain the Bill. He has studied the original measure and is fully conversant with the matter.

Hon. Mr. CALDER: Honourable members, the explanation is simple. The Representation Act of last session, chapter 54, created all the new seats for the next Parliament. Section 7 provides:

• This Act shall take effect only upon the dissolution of the present Parliament.

The amendment is necessary in order that the machinery to be provided under the new Franchise Bill, now before the other House, may function prior to dissolution.

Right Hon. Mr. GRAHAM: This measure is not retroactive; it is prospective.

Right Hon. Mr. MEIGHEN: Yes, prospective.

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

RADIO BROADCASTING BILL

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of Bill 126, an Act respecting Radio Broadcasting.

He said: This is a very simple Bill. It contains one section:

The provisions of the Act to amend The Canadian Radio Broadcasting Act, 1932, chapter thirty-five of the Statutes of 1932-33, are hereby re-enacted, except that in section four thereof the year 1935 shall be substituted for 1934.

It merely extends the Act for one year.

Right Hon. Mr. GRAHAM: It opens up an opportunity for quite a few remarks.

Hon. Mr. CALDER: I understand that the law at present in effect is in force only from year to year. The law was so framed in order that Parliament might have an opportunity of changing it.

Hon. Mr. DANDURAND: And although a prolonged inquiry took place in a committee of the other House, there was not sufficient time to reach a conclusion; so the matter remains as it is until next session.

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

CUSTOMS TARIFF BILL

FIRST READING

A message was received from the House of Commons with Bill 125, an Act to amend the Customs Tariff.

The Bill was read the first time.

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of the Bill.

He said: Section six of the Customs Tariff, chapter forty-four of the Revised Statutes of Canada, 1927, as enacted by chapter thirty of the statutes of 1931, is amended by inserting the following subsection immediately after subsection two thereof:

The Governor in Council, whenever it is deemed expedient to do so, may order that excise duties or excise taxes in whole or in part shall be disregarded in estimating the market value for the purpose of special duty, of goods of any kind imported into Canada from any specified country when the same are entitled to entry under the General Tariff, and may vary or rescind such order.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

LOAN COMPANIES BILL
CONSIDERED IN COMMITTEE

On motion of Right Hon. Mr. Meighen, the Senate went into Committee on Bill 123, an Act to amend the Loan Companies Act.

Hon. Mr. Donnelly in the Chair.

On section 1—Loan Companies Act amended:

Right Hon. Mr. MEIGHEN: Honourable members, this Bill adds Part III to the present Loan Companies Act. The purpose of the new part is merely to restrict to two and a half per cent a month, including all charges except disbursements for registration purposes, the rate of interest to be charged by companies incorporated for the purpose of lending money. This Bill fixes a maximum, regardless of the maximum in the Bill incorporating the company, and imposes a very severe penalty for infringement, namely, the withdrawal by the Governor in Council of the charter of the company.

Right Hon. Mr. GRAHAM: Is it retroactive?

Right Hon. Mr. MEIGHEN: It will apply to "companies" as defined in the Act.

Hon. Mr. SHARPE: Is it the idea to control these loan companies?

Right Hon. Mr. MEIGHEN: It is to authorize the cancellation of their charters if they charge more than the maximum interest

rate fixed by the Bill. This seems in all conscience high enough; but it is to include other charges. The Bill does not authorize the companies to charge the maximum fixed by the Bill if this exceeds the maximum allowed by their own charters. A penalty is imposed if they go beyond the maximum allowed.

Section 1 was agreed to.

On the preamble:

Hon. Mr. DANDURAND: Will this cover the operations of all the loan companies we have incorporated during the last three or four years?

Right Hon. Mr. MEIGHEN: That is my understanding.

The preamble was agreed to.

The title was agreed to.

The Bill was reported.

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

PENSION BILL

CONSIDERED IN COMMITTEE

On motion of Right Hon. Mr. Meighen, the Senate went into Committee on Bill 127, an Act to amend the Pension Act.

Hon. Mr. Donnelly in the Chair.

On section 1—Pension Act amended:

Right Hon. Mr. GRAHAM: What is this Bill about?

Right Hon. Mr. MEIGHEN: Pensions. The House understands that none of these bills are of major importance; they are mainly consequential. This also is a short Bill. It provides:

Section three of the Pension Act, chapter one hundred and fifty-seven of the Revised Statutes of Canada, 1927, as enacted by section two of chapter forty-five of the Statutes of 1932-33, is amended by inserting the following subsection immediately after subsection three thereof:

"(3A) In the event of a vacancy occurring in the chairmanship of the Commission for any cause the Governor in Council may appoint a judge of the Superior Court of any province to be acting chairman of the Commission for a period not exceeding one year. Such acting chairman shall have, possess, enjoy and exercise all the rights, privileges, powers and functions which by law the chairman of the Commission might have, possess, enjoy or exercise, and he

shall, notwithstanding any statute to the contrary, be paid his salary as a judge and a per diem allowance of fifteen dollars."

Right Hon. Mr. GRAHAM: Has this any relation to the rumour that the present Chairman of the Pension Commission is likely to be appointed Chief Electoral Officer? It would seem to be paving the way for him to resign.

Right Hon. Mr. MEIGHEN: As I do not know anything about the rumour, I know nothing about its relations. It is quite apparent that the retirement of the present chairman is contemplated; and inasmuch as only a judge may be appointed in his stead, the Bill is another evidence of the Government's exalted sense of duty rather than its desire to serve its friends.

Hon. Mr. DANDURAND: My right honourable friend has spoken of Colonel Thompson resigning the chairmanship of the commission.

Right Hon. Mr. MEIGHEN: He is still chairman, I understand.

Hon. Mr. DANDURAND: I have occasionally heard criticism of the chairman by people who thought he was somewhat stern in protecting the Canadian treasury against applicants who came before the Commission. I may say that for a number of years I had relations with the Commission and its chairman, Colonel Thompson, in connection with amendments made to the Pension Act, and I found Colonel Thompson to be one of the most zealous officers I met during the time I occupied the position which my right honourable friend now fills. I have always felt that his qualities especially fitted him for his position, and I should be sorry to see him displaced by someone who would have less courage than he has displayed during his career as chairman of the board.

Hon. Mr. SHARPE: Hear, hear.

Right Hon. Mr. MEIGHEN: I have a great deal of sympathy with the view expressed by my honourable friend. I hope I did not intimate that Colonel Thompson was being removed. I do not believe that is the case. I should be very sorry if it were so. Not only has Colonel Thompson had a distinguished career as a soldier, and held an honoured place in the record of great names in Canada, but in guarding the Canadian treasury he has been, I think, one of the most zealous officials we have ever known. He has frequently been attacked from all sides of politics. I think I can say that over a period of fifteen years he has maintained

Right Hon. Mr. MEIGHEN.

an unbrokenly consistent record of refusing every single thing I ever asked of him.

Some Hon. SENATORS: Hear, hear.

Right Hon. Mr. MEIGHEN: I think that for a decade and a half I have had nothing but a stern and unwavering negative to every appeal. Nevertheless, I regard Colonel Thompson very highly. I know he is actuated by nothing but the sternest rectitude, and I can accept a negative from him better than I can from most officials. It may be that continued attacks have altered his disposition. I hope not. I do not know the facts relating to his retention or retirement.

Right Hon. Mr. GRAHAM: I had the pleasure of presiding over the Department of Pensions for many months, as, indeed, I have had the pleasure of presiding over almost every department of the Government at one time or another.

Colonel Thompson is not the austere, distant man one might take him to be; on the contrary, he is a most genial man. When a friend came to us to enlist our help we were all inclined to think we had a case, and it was necessary for Colonel Thompson to become a second edition of himself, a sterner man than he is by nature, in order to enforce the law. If the law was unfair, the fault was ours, not that of Colonel Thompson. I sometimes thought he was a little too strict; but one must remember that a weak man in his position would have allowed our pension expenditures to reach proportions far in excess of the legal requirements.

I used to enjoy sitting down and being abused by Colonel Thompson—

Some Hon. SENATORS: Oh, oh.

Right Hon. Mr. GRAHAM: —and abusing him in return, as well as I could. I may say that I always had the utmost confidence that Colonel Thompson would go as far as the law permitted him, but not one inch farther. If he has never acquiesced in any requests of the right honourable leader of this House, I may consider that fact as an additional qualification for the other office that we expect him to take.

Section 1 was agreed to.

The preamble and the title were agreed to.

The Bill was reported.

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

PRIVATE BILL—SMALL LOAN
COMPANY OF CANADA

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Copp, the Senate went into Committee on Bill 15, an Act to incorporate the Small Loan Company of Canada.

Hon. Mr. Donnelly in the Chair.

Sections 1 and 2 were agreed to.

On section 3—capital stock:

Right Hon. Mr. MEIGHEN: I think the title of this concern, the Small Loan Company, is rather inappropriate.

Section 3 was agreed to.

Section 4 was agreed to.

On section 5—powers:

Right Hon. Mr. MEIGHEN: I should like to ask the sponsor if this section is in the regular form.

Hon. Mr. COPP: The honourable senator from Saint John (Hon. Mr. Foster) asked me to speak to this Bill. He told me his understanding was that this section is exactly the same as section 5 of Bill D, an Act to incorporate Personal Finance Corporation, which was passed by this House.

Right Hon. Mr. MEIGHEN: Is the whole section exactly the same?

Hon. Mr. COPP: Perhaps my right honourable friend will check Bill 15 as I read section 5 of Bill D:

(1) The Company may throughout Canada:—

(a) buy, sell, deal in and lend money on the security of conditional sales agreements, lien notes, hire purchase agreements, chattel mortgages, trade paper, bills of lading, warehouse receipts, bills of exchange and choses-in-action; and may receive and accept from the makers, vendors or transferors thereof guarantees or other security for the performance and payment thereof and may enforce such guarantees and realize on such security.

There are several other paragraphs.

Right Hon. Mr. MEIGHEN: I will read those from Bill 15, and my honourable friend can tell me whether they are the same in Bill D. The wording in Bill 15 is:

(b) notwithstanding anything contained in the Interest Act, or in the Money Lenders Act, or in paragraph (c) of section sixty-three of the Loan Companies Act,—

(i) lend money secured by assignment of choses-in-action, chattel mortgages or such other evidence of indebtedness as the Company may require, and may charge interest thereon at a rate of not more than seven per centum per annum, and may on all loans deduct the interest in advance and provide for repayment

in weekly, monthly or other uniform repayments: Provided that the borrower shall have the right to repay the loan at any time before the due date, and, on such repayment being made, to receive a refund of such portion of the interest paid in advance as has not been earned, except a sum equal to the interest for three months;

(ii) charge, in addition to interest as aforesaid, for all expenses which have been necessarily and in good faith incurred by the Company in making or renewing a loan authorized by the next preceding sub-paragraph (i), including all expenses for inquiry and investigation into the character and circumstances of the borrower, his endorsers, co-makers or sureties, for taxes, correspondence and professional advice, and for all necessary documents and papers, two per centum upon the principal sum loaned;

(iii) notwithstanding anything in the next two preceding sub-paragraphs (i) and (ii) the Company shall, when a loan authorized by the said sub-paragraph (i) has been made or renewed on the security of a chattel mortgage, or of subrogation of taxes, be entitled to charge an additional sum equal to the legal and other actual expenses disbursed by the Company in connection with such loan, but not exceeding the sum of ten dollars, save that in the case of loans of one hundred dollars or less in amount, the said charge for the legal and other actual expenses disbursed by the Company in connection with the loan, but not exceeding the sum of ten dollars, shall be in lieu of the charge authorized by sub-paragraph (ii) of this paragraph;

but no charge for expenses of any kind shall be made or collected unless the loan has been actually made, nor on a renewal unless such a loan has been renewed after one year from the making thereof or after one year from the last renewal thereof and in neither such case shall the charge exceed the sum of five dollars;

(c) lend money on the security of real estate or leaseholds, or purchase or invest in mortgages or hypothecs upon freehold or leasehold estate and for subrogation of taxes;

(d) do all or any of the above mentioned things, and all things authorized by this Act, as principals, agents, contractors, trustees or otherwise and either alone or in conjunction with others;

(e) if authorized by by-law sanctioned by a vote of not less than two-thirds in value of the subscribed stock of the Company represented at a general meeting duly called for considering the by-law, the directors may from time to time:—

(i) borrow money upon the credit of the Company;

(ii) limit or increase the amount to be borrowed;

(iii) hypothecate, mortgage or pledge the real or personal property of the Company, or both, to secure the payment of any money borrowed for the purposes of the Company.

(2) Nothing in this section contained shall limit or restrict the power of the Company to borrow money on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the Company.

(3) Nothing in this Act contained shall authorize the Company to issue bonds, debentures or other securities for moneys borrowed, or to accept deposits.

(4) Any officer or director of the Company who does, causes or permits to be done, anything contrary to the provisions of this section shall be liable for each such offence to a penalty of not less than twenty dollars and not more than five thousand dollars in the discretion of the court before which such penalty is recoverable; and any such penalty shall be recoverable and disposed of in the manner prescribed by section ninety-eight of the Loan Companies Act.

Hon. Mr. COPP: I do not observe any change.

Section 5 was agreed to.

On section 6—application of Loan Companies Act:

Right Hon. Mr. MEIGHEN: In Bill 15 this section reads:

Except as otherwise provided in the Act, the Loan Companies Act, chapter twenty-eight of the Revised Statutes of Canada, 1927, excepting therefrom paragraph (f) of subsection one of section sixty-one, paragraph (c) of subsection two of section sixty-one, subsection three of section sixty-two, sections sixty-four, sixty-five, sixty-six, sixty-seven, eighty-two and eighty-eight, shall apply to the Company.

Hon. Mr. COPP: It is the same in Bill D.

Section 6 was agreed to.

Section 7 was agreed to.

The preamble and the title were agreed to.

The Bill was reported.

THIRD READING

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

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

DOMINION FRANCHISE BILL

FIRST READING

A message was received from the House of Commons with Bill 101, an Act respecting the Franchise of Electors at Elections of Members of the House of Commons.

The Bill was read the first time.

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of the Bill.

He said: Honourable members, three purposes are served by the present Dominion Elections Act: first, it determines the qualification of voters; secondly, it provides for the preparation of voters' lists of all qualified electors; and thirdly, it provides for the holding of elections and for the making of returns of the persons elected. If honourable members will keep these three purposes in mind they will find it easier to follow the disposition that has been made of that Act by this

Right Hon. Mr. MEIGHEN.

measure and the companion measure, Bill 115, an Act respecting the Election of Members of the House of Commons.

The objects of the Franchise Bill correspond to the first two of the purposes served by the present Dominion Elections Act, regarding qualification of voters and preparation of voters' lists. The Elections Bill contains provision for the holding of elections and the making of returns.

The Franchise Bill is divided into six parts. Part I is of general application and provides for the administration of the Act under a Commissioner. Under the scheme there is to be a registrar for each of the 245 electoral districts. It is appropriate to mention here that the Chief Electoral Officer, whose title will hereafter be the Commissioner, will no longer appoint returning officers. These appointments are to be made by the Governor in Council.

Hon. Mr. COPP: Not permanently, but for each election?

Right Hon. Mr. MEIGHEN: Yes, for each election. The Governor in Council can appoint and rescind.

The registrars in the various divisions are to make out the electoral lists. Consequently there will be 245 lists made up and superintended by these registrars, who will follow two processes. The first process will be used only once, for the making of a basic list. In the past it was the custom to use the old provincial lists, but hereafter, under Part II of the Bill, a basic list is to be made. Part III provides for the second process, that is, the annual revision of this basic list. The lists will be printed once a year, at Ottawa, and are to be closed lists. The idea of the change is that a shorter period of time shall intervene between dissolution and an election. Instead of ten to twelve weeks being required, as in the past, four weeks will be ample.

Hon. Mr. DANDURAND: Is it intended that the type for those lists shall remain standing from year to year?

Right Hon. Mr. MEIGHEN: I am unable to answer that detail, but I presume it would.

The lists are to be made under the registrars or enumerators very much as is now done, except that the registrar for the electoral district will revise the lists in urban polling divisions and the enumerator will prepare the lists in rural districts, the major feature being that an appeal may be made from both the registrar and the enumerator to a judge.

Part III, which provides for the annual revision of lists, is the very essence of the

Bill. For each electoral division there is to be one registrar who will travel, and will sit as a court of revision at places previously advertised, and at set times. He will conduct all the processes of adding, amending and striking off of names.

Part IV provides for appeals to a judge from an enumerator in a rural district and a registrar in an urban district.

Part V deals with offences and penalties, and Part VI has to do with a variety of matters, such as printing of lists, fees and expenses of officers, franking of franchise materials, the report to Parliament and the time when the Act shall come into force.

This review covers only the Franchise Bill.

Right Hon. Mr. GRAHAM: Does this Bill deal with the troublesome question that I hear has been discussed, as to making it compulsory for the applicant for registration to affix his signature?

Hon. Mr. DANDURAND: I think that requirement has been eliminated.

Right Hon. Mr. GRAHAM: I thought it had been amended, but not eliminated.

Right Hon. Mr. MEIGHEN: I am sorry I cannot answer the question. I thought that this House would not be interested in more than an outline of the main scheme, since elections have not the same interest as they used to have for honourable members. We should like to be acquainted with the principal features, of course, as with those of any other measure that we are asked to pass.

While I am on my feet, perhaps I may explain the Dominion Elections Bill.

Hon. Mr. DANDURAND: Which is not before us now.

Right Hon. Mr. MEIGHEN: No. But what I have to say about it will facilitate the understanding of the Franchise Bill. The Elections Bill, as I have already intimated, is the re-enactment, with changes, of that portion of the old Dominion Elections Act not covered by the Franchise Bill. That is the portion having to do with the holding of elections and the making of returns. There are two major changes. The first is the one I mentioned a few moments ago, namely, that in future the appointment of returning officers shall be made by the Governor in Council instead of by the Chief Electoral Officer, or Commissioner, as that official is to be known henceforth. The other change has to do with the holding of advance polls, which from now on are to be open to a wider range of voters, including fishermen, miners, sailors and lumbermen. I have here a concordance showing what happens to every

one of the sections on transfer from the old measure to the present Bill, and I think I can answer any detail within reasonable time.

I feel that a sufficient explanation of both measures has been given to enable honourable members to form a general and accurate idea of the changes made by the other House in the election machinery of our country.

Hon. Mr. DANDURAND: Will the right honourable gentleman explain why it has been deemed advisable to transfer the authority for the appointment of returning officers from the Chief Electoral Officer to the Governor in Council? I may say that when the present law was passed I thought it was fair to the parties contending for election, because it removed the appointments from the political field and placed them in the hands of a permanent official, whose duty it would be to select men of perhaps greater independence than would be possessed by appointees of the Governor in Council. The habit in former times had been for the Government to appoint its own friends, but I think that the Chief Electoral Officer was given authority to select returning officers from among adherents to either party. I do not know whether the present law has worked out to the satisfaction of the candidates in the various ridings, but it contains an element of fairness which I consider commendable.

Right Hon. Mr. MEIGHEN: I had to do with the passing of that law, and I, too, thought it was commendable. I make no pretence of repeating what was said in the other House, for I do not know what happened there, but to my knowledge there has been no press comment in strong opposition to this feature. My own view is that no opposition has been expressed. The Chief Electoral Officer necessarily resides in Ottawa. He knows nothing at all about the constituencies of Yale, or Cariboo, or Cape Breton, for example. While he is not subject to the interest of candidates, a great variety of influences are brought to bear on him and he is not in a position to measure the value of any of them. He is unaware whether any recommendations made to him have an honest origin, and he usually acts without determining this point. Indeed it would take him an impossible time to make such decision with respect to the 245 constituencies. That is my criticism of the present law. And, as I believe that no party has opposed the change, I think it is probably a wise one. I ran in several elections in the days when returning officers were appointed by the Governor in Council, and I got not a bit more advantage when the nominations for these appointments were made by a Gov-

ernment of members of my own party than when they were made by a Government which I opposed.

Hon. Mr. DANDURAND: I should like to state what I deem to be the attitude of this Chamber on such bills as these. I have always felt that legislation of this kind, concerning principally the House of Commons, should be interfered with by the Senate only if there seemed to have been a gross abuse of majority action in the other House. We should endeavour to maintain an even scale as between the two parties, and to that extent protect what for the time being is the minority. As we all know, minorities and majorities change places.

I have heard of no strong expression of grievance from the House of Commons on the two bills, and, not having read them, I am disposed to offer very little criticism.

Right Hon. Mr. GRAHAM: This possibly should be considered before we pass these Bills without looking at them. On one occasion the Commons sent a somewhat similar Bill to this House. My honourable friend (Hon. Mr. Dandurand) was away and I was responsible. But the Bill came earlier in the session, and I placed it in certain hands to see if it expressed the views of those who had passed it. I think I am stating it mildly when I say more than thirty errors were discovered.

Right Hon. Mr. MEIGHEN: In what year?

Right Hon. Mr. GRAHAM: I do not remember. A very talented legal gentleman told me that if we had not corrected some of those errors the Act would have been unworkable.

I should be very loath to interfere with the lower House concerning elections.

Hon. Mr. CALDER: Honourable members, the point raised is very important. I have spent the better part of two and a half hours elsewhere watching certain proceedings. How in the world those responsible for what took place ever got everything absolutely right is a puzzle to me. It is quite possible that in the wording of the Bill there may be all sorts of little mistakes which should be corrected. I do not say there are any, but my observation would incline me to think there are some. If there is no objection to deferring further consideration of the Bill for the moment, I shall be very glad to sit down with some person else and go through the Bill in its final form.

Right Hon. Mr. MEIGHEN.

Right Hon. Mr. MEIGHEN: I do not doubt that even in this Bill errors could be found, but I have more confidence than I usually have, because I know the Bill was drafted—after instructions, of course—by Mr. O'Connor. He has followed it very carefully through the other House. Therefore, as no amendments have been given by him to me to be made in this House, I am pretty confident the Bill is in fair shape.

Hon. Mr. CALDER: Last night, after the Bill came from the legal gentleman who had charge of it, amendment after amendment was made verbally and had to be put in writing by the Chairman of the Committee of the Whole. I have no doubt that Mr. O'Connor's typewritten copy would be correct, but the amendments came from all quarters.

Right Hon. Mr. MEIGHEN: Perhaps we ought to forgo our personal convenience and let the third reading stand until after 8 o'clock. Mr. O'Connor is in the gallery. I am inclined to think he spent last night on the Bill, after the amendments were made. But I am sure the House will feel better satisfied if the honourable member from Saltcoats (Hon. Mr. Calder) and any others who can spare the time will go over the Bill with Mr. O'Connor between now and 8 o'clock.

Right Hon. Mr. GRAHAM: After our experience of the Shipping Bill I have great confidence in the ability of Mr. O'Connor as a draughtsman. However, if the honourable senator from Saltcoats would spend an hour with Mr. O'Connor and tell us the result, my objection would be removed.

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

At 6 o'clock the Senate took recess.

The Senate resumed at 8 o'clock.

DOMINION FRANCHISE BILL

Right Hon. Mr. MEIGHEN: I am informed by the honourable senator from Saltcoats that he will require twenty minutes more to complete the work on the Franchise Bill. Therefore I suggest that we proceed to the next item of business.

CRIMINAL CODE BILL

FIRST READING

A message was received from the House of Commons with Bill 114, an Act to amend the Criminal Code.

The Bill was read the first time.

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of the Bill.

He said: Honourable members, I think this is the only Bill as to which we can make any substantial complaint with respect to the other House. The Bill is quite extensive and deals with about a score of clauses of the Criminal Code. It was introduced in the other House on the 20th of June. Ten days have been consumed in its consideration, and we are expected to deal with it in the course of a few minutes. This is entirely unfair. I know it is impossible for a Government to bring down all its legislation in the early part of the session. As circumstances develop it is necessary to introduce particular measures towards the end of the session, and there is no way of avoiding it. The bills we dealt with this afternoon were bills of that character. But this Bill is different, and I know of no reason why it could not have reached us a considerable time before this.

I can make a pretty full explanation of the measure and then leave its disposition with honourable members.

Hon. Mr. DANDURAND: Would it not be well to deal with the Bill in Committee of the Whole?

Right Hon. Mr. MEIGHEN: Yes, the Bill can be more fully considered by question and answer.

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

CONSIDERED IN COMMITTEE

On motion of Right Hon. Mr. Meighen, the Senate went into Committee on the Bill.

Hon. Mr. Donnelly in the Chair.

On section 1—dangerous weapons; permit required for offensive weapons, etc.:

Right Hon. Mr. MEIGHEN: The only change is in paragraph b, where the words "pistol, revolver" are added. The amendment in paragraph e merely provides for a record of the sale or repair of offensive weapons.

The next change is in paragraph h:

not having a permit in Form 76d buys any pistols or revolvers for resale, or having such permit neglects to keep a record of any purchase, the date thereof, such sufficient description of the pistols or revolvers purchased as may be necessary to identify them, or neglects to send a duplicate of such record by registered mail to the person who issued the permit in Form 76d.

The purpose is manifest.

Right Hon. Mr. GRAHAM: Would the amendment affect pawnshops?

Right Hon. Mr. MEIGHEN: Oh, yes. Subsection 2 contains this amendment:

Every one is guilty of an offence and liable upon summary conviction to a fine not exceeding one hundred dollars or to imprisonment for any term not exceeding sixty days, or to both fine and imprisonment, who without authority from the Minister of National Defence carries or discharges any firearm upon any property or premises under the control or management of the said Minister.

The inference is that the ordinary law in this regard does not apply to territory under the Minister of National Defence.

Section 1 was agreed to.

On section 2—other permits:

Right Hon. Mr. MEIGHEN: The only change here is the adding of the words "or 76D."

Section 2 was agreed to.

On section 3—having pistol or revolver not registered; registration of revolvers and pistols:

Right Hon. Mr. MEIGHEN: Subsection 1 provides for the registration of pistols and revolvers. Before reading subsection 2, I may say that this new section comes into effect only on proclamation; presumably when the Mounted Police get ready to put the system into effect.

Hon. Mr. PARENT: Will this have a retroactive effect? Shall I have to register any firearms now in my possession?

Right Hon. Mr. MEIGHEN: The honourable gentleman will have to register them after this section comes into effect.

Subsection 2 reads:

The Commissioner of the Royal Canadian Mounted Police or any officer duly authorized by him, or any person authorized by the Attorney-General of any province, shall register all revolvers and pistols in respect of which application for registration is made and shall thereupon record the name, address and occupation of the person making the application, the name of the owner, the use if any to which the revolver or pistol is intended to be put and a full description of such revolver or pistol.

Hon. Mr. COPP: Does the amendment make it necessary to register shot-guns used for sporting purposes?

Right Hon. Mr. MEIGHEN: Speaking without definite investigation, I do not think there is any provision whereby those who have shot-guns regularly in their possession

must register them. The registration requirement applies to pistols and revolvers.

Section 3 was agreed to.

On section 4—having pistol or revolver while committing offence:

Right Hon. Mr. MEIGHEN: This section makes it an offence to have a pistol or revolver on the person while committing any criminal offence, and renders the offender liable to additional punishment.

Section 4 was agreed to.

On section 5—soldiers, sailors and others added to those who may carry weapons:

Right Hon. Mr. MEIGHEN: This is an addition:

It is not an offence for any soldier, public officer, peace officer, sailor or volunteer in His Majesty's service, or constable or other policeman, to carry loaded pistols or other usual arms or offensive weapons in the discharge of his duty.

I presume the amendment is made to remove any doubt.

Section 5 was agreed to.

On section 6—"brother" and "sister":

Right Hon. Mr. MEIGHEN: This section refers to social crimes and defines brother and sister to include half-brother and half-sister.

Section 6 was agreed to.

On section 7—lottery sale void:

Right Hon. Mr. MEIGHEN: This section provides that the winner of a lottery loses his winnings to the Crown, instead of to the informant—to whom he never lost them.

Section 7 was agreed to.

On section 8—driving car equipped with smoke screen:

Right Hon. Mr. MEIGHEN: The following is added as subsection 5 to section 285 of the Code:

Every person who owns, drives or is in charge of a motor car, automobile, boat or other vehicle of transport equipped with an apparatus for making a smoke screen, shall be guilty of an offence and liable on summary conviction to a fine not exceeding five hundred dollars and costs, and not less than fifty dollars and costs, or to imprisonment for any term not exceeding twelve months and not less than one month, or to both fine and imprisonment.

Apparently men are using smoke screen apparatus for the purpose of hiding their licence number and their own identity.

Hon. Mr. DANDURAND: It does not cover politicians?

Right Hon. Mr. MEIGHEN.

Right Hon. Mr. MEIGHEN: No. If it did, I should like to have the subsection made retroactive.

Section 8 was agreed to.

On section 9—previous illicit connection with accused:

Right Hon. Mr. MEIGHEN: The meaning of this amendment shines out clearly from the reading of it:

Proof that a girl has on previous occasions had illicit connection with the accused shall not be deemed to be evidence that she was not of previously chaste character.

Hon. Mr. PARENT: This is an extraordinary amendment. Beyond doubt, if a girl has had illicit connection before, she is no longer of chaste character.

Hon. Mr. DANDURAND: With the same party.

Hon. Mr. PARENT: I should like honourable gentlemen to declare their views on this amendment.

Right Hon. Mr. GRAHAM: Each member will have to speak for himself.

Hon. Mr. PARENT: I do not think this amendment should pass. We should not declare that a girl is chaste when she is no longer so. It is contrary to both law and morality.

Hon. Mr. COTE: I think there is more merit to the amendment than the honourable gentleman states. Previous relation with the accused is part of the same offence. He should not be acquitted on the plea that he has committed the same offence before with the same person. The two offences really constitute one crime.

Right Hon. Mr. MEIGHEN: The indictment has to certify when the offence was committed. The indictment says John Jones on such a date seduced such and such a girl of previously chaste character. Had the authorities known of the first offence the accused would have been charged with it. John Jones replies that a year and a half before he had illicit connection, and he gets off.

Hon. Mr. PARENT: It comes down to a question of fact. The woman in question has or has not done this or that, and it is a question of fact whether she is of previously chaste character. If in fact she is not of previously chaste character, why declare her to be so?

Hon. Mr. COTE: That is not the effect of the section. The effect is that the man shall not be allowed to plead his own turpitude as a defence.

Hon. Mr. PARENT: That is not what the law says.

Hon. Mr. COTE: That is exactly what it says.

Hon. Mr. PARENT: The words here are: Proof that a girl has on previous occasions had illicit connection with the accused shall not be deemed to be evidence that she was not of previously chaste character.

Hon. Mr. COTE: It is "illicit connection with the accused." That is turpitude of the accused, and he should not be allowed to set that up as a defence.

Hon. Mr. PARENT: A girl can accuse a man, and the fact that she has on previous occasions had illicit connection with him shall not be deemed to be evidence that she was not of previously chaste character. For the protection of our citizens generally, of both sexes, I think that such a law should not be passed.

Hon. Mr. DANDURAND: I believe my honourable friend does not realize that this is to prevent the accused from pleading that she was of previously unchaste character because of having had illicit connection with him on previous occasions. I am not inclined to be much disturbed by this section.

Hon. Mr. FAUTEUX: But no distinction is made as to whether the previous occasions were two days or two years prior to the date of the act charged. A girl could easily blackmail a man, if we passed such a section. Surely if a girl has been having illicit relations with the accused for two years she should be deemed to have given sufficient consent.

Right Hon. Mr. MEIGHEN: As I understand the matter, consent does not enter into the case at all. I have not the Act before me, but I feel the crime provided against is one in which consent is not a factor. Indeed the amendment must be dealing with a case where consent is assumed, because otherwise the previous character would not matter. An allegation as to previous character is important only where, as in cases of seduction, it is not charged that the act was done against consent. Is the accused man to be allowed to set up that the girl was of previously unchaste character because she had not been chaste with him a year before?

As the honourable senator from Ottawa East (Hon. Mr. Coté) asks, would that not be allowing the man to plead his own turpitude in his own defence?

Section 9 was agreed to.

Section 10 was agreed to.

On section 11—used, reconditioned or rebuilt goods or things:

Right Hon. Mr. MEIGHEN: This section reads:

Every one is guilty of an indictable offence who sells, exposes or has in his possession for sale, or who advertises for sale any goods or things which have been used, reconditioned, rebuilt or remade, and which bear the duly registered trade mark or the trade name of any other person who owns or is entitled to use such trade mark or trade name, unless full disclosure is made that such goods or things have been so used, reconditioned, rebuilt or remade for sale, and that they are not then in the condition in which they were originally made or produced.

I presume this is to cover such a case as where a man takes a Ford car which is out of condition, but which bears a trade name or trade mark, puts it into shape by the use of considerable materials and sells it, still bearing the Ford name, without disclosing that the car is not in the condition in which it was originally produced.

Right Hon. Mr. GRAHAM: Should that be a crime?

Right Hon. Mr. MEIGHEN: Not to recondition it, but to offer it as a genuine article of that name when it is nothing of the kind.

Hon. Mr. MURDOCK: What about turning back the speedometer on a car to show ten or fifteen thousand miles when as a matter of fact the car has gone perhaps thirty-five thousand miles? I am told that sort of thing is a common practice.

Right Hon. Mr. MEIGHEN: I am told it is. However, that is covered by the present law, for any man who does such a thing makes a false representation, and on conviction may be sent to the penitentiary.

Hon. Mr. MacARTHUR: It is a case of caveat emptor—let the buyer beware.

Right Hon. Mr. GRAHAM: It is an argument against buying second-hand cars. Is there any danger that in yielding to representations which are received from time to time we may go too far and make the criminal law apply to cases that should be nothing more than causes of action for damages?

Right Hon. Mr. MEIGHEN: That danger always exists. But in the complicated age in which we live the development of machines and the increasing complexity of social life make it necessary to keep creating new classifications of crimes. If this were not done there would be a great deal of wrongdoing for which no punishment was provided. The cases covered by this amendment come very near to those which ought to be subjects of civil action.

Section 11 was agreed to.

On section 12—intimidation:

Right Hon. Mr. MEIGHEN: Section 501 of the Code covers the case of intimidation by violence, threats, and so on, and provides that the offence shall be punishable on indictment or on summary conviction at the option of the accused. There is no reason why it should be at the option of the accused, and the amendment, which is inserted at the request of the Attorney-General of Manitoba, strikes out that option.

Hon. Mr. MURDOCK: There is a further amendment in my copy of the Bill. This copy is not marked, but it bears a typewritten slip indicating that after the word "thereof" at the end of section 12 of the Bill the following is to be added:

—and by adding, at the end thereof, the following as paragraph g:

(g) Attending at or near or approaching to such house or other place as aforesaid, in order merely to obtain or communicate information, shall not be deemed a watching or besetting within the meaning of this section.

Right Hon. Mr. MEIGHEN: I think the copy which the honourable senator has must be the correct one, for that further amendment is initialled, although it did not appear in my copy.

Right Hon. Mr. GRAHAM: Is that further amendment applicable to strikes?

Right Hon. Mr. MEIGHEN: I do not know. I suggest that we pass to the next clause, and in the meantime I shall be glad if the honourable senator from Ottawa East (Hon. Mr. Coté) would look into the question.

Right Hon. Mr. GRAHAM: I suppose the other House would not send over to us a bill that had not been completed?

Right Hon. Mr. MEIGHEN: It would appear that a complete copy was sent over to us, but that the initialling was done on the wrong copy.

Section 12 stands.

Right Hon Mr. GRAHAM.

On section 13—applicant remains in custody or gives recognizance or makes deposit in court:

Right Hon. Mr. MEIGHEN: The change here is very unimportant. It has to do with cases in which there is an appeal. The appellant shall, "in cases in which imprisonment in default of payment is not directed, enter into a recognizance in form fifty-one with two sufficient sureties, as hereinbefore set out, or" and so on. The words "is not directed, enter into a recognizance in form fifty-one with two sufficient sureties, as hereinbefore set out, or" have been added.

—or deposit with such justice an amount sufficient to cover the sum so adjudged to be paid.

It permits the recognizance as an option to the deposit of the amount of the fine.

Section 13 was agreed to.

On section 14—right of appeal not waived:

Right Hon. Mr. MEIGHEN: This is one of the few sections that make better provision for the liberty of the subject. It says:

No person shall be deemed to waive the right of appeal provided by the next preceding section merely by paying the fine imposed on his conviction without in any way indicating an intention to appeal or reserving the right to appeal; and the right to appeal so provided shall, notwithstanding such payment and failure to indicate such intention or reservation, be deemed to continue up to the expiration of the time, or any extension thereof, for filing the notice hereinbefore required.

Section 14 was agreed to.

On section 15—right of appeal to continue to expiration of time for filing notice:

Right Hon. Mr. MEIGHEN: All that is done here is to add British Columbia to the list of provinces in the section. It reads as follows:

When any person is charged, in the provinces of Alberta, British Columbia, Manitoba and Saskatchewan before a police magistrate—Then it goes on to specify the proper judicial officers in the other provinces.

Hon. Mr. DANDURAND: Carried.

Section 15 was agreed to.

On section 16—certain charges disposed of in summary way in the Yukon:

Right Hon. Mr. MEIGHEN: This section is intended to simplify criminal procedure in the Yukon Territory by providing a summary trial in cases where the magistrate feels that it would meet the ends of justice.

Section 16 was agreed to.

On section 17—assault occasioning bodily harm:

Right Hon. Mr. MEIGHEN: This is merely a clerical change.

Section 17 was agreed to.

On section 18—proceedings in case of corporations in summary trials of indictable offences:

Right Hon. Mr. MEIGHEN: This provides that where the charge is against a corporation, the election as to summary trial still accrues, and the officer who appears for the corporation can make the election.

Section 18 was agreed to.

On section 19—Attorney-General of Quebec, or the accused, may apply for change of venue:

Right Hon. Mr. MEIGHEN: This could be better explained by a lawyer from Quebec. If it appears that a jury is not going to be necessary at an assize, and it is known at a certain time before the assize that there will be no jury, a man who is entitled to a trial by jury at that place can move to have the trial transferred to another district. This is not intended to apply anywhere but in the province of Quebec, and I presume it is asked for by the Attorney-General of that province.

Hon. Mr. DANDURAND: It is a change of venue.

The CHAIRMAN: Carried!

Hon. Mr. PARENT: It is not carried. The honourable gentleman reads the Bill, but he forgets that most of us have not got a copy of it. I have one myself, which I secured after great difficulty.

Right Hon. Mr. MEIGHEN: Then read it, please.

Hon. Mr. PARENT: I have not quite sized up the remarks of the right honourable gentleman, and I should like to know if he has any suggestion to make with reference to section 18.

Right Hon. Mr. MEIGHEN: I explained section 18. It is merely to give a corporation the right of election as to the mode of trial, the same as a person would have.

As to section 19, I should be obliged if the honourable gentleman would look at it carefully, because I am not familiar with the situation in his province. We will pass over 19, and I shall explain 20.

Hon. Mr. PARENT: Section 19 says:

Whenever, in the province of Quebec, it has been decided by the competent authority that

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no jury is to be summoned at the appointed time in any district in the province within which a term of the Court of King's Bench holding criminal pleas should be then held, the Attorney-General or his agent, or any person charged with an indictable offence whose trial should by law be held in the said district, may, in the manner hereinbefore provided, obtain, at any time after the decision not to summon the jury has been rendered, an order that the trial be proceeded with in some other district within the said province named by the court or judge.

This has all come so suddenly I should like the right honourable gentleman to give us a few words of explanation. He has said the explanation might come from a lawyer of the province of Quebec. There are some on the other side of the House, and also on this side.

The CHAIRMAN: I understood the right honourable gentleman (Right Hon. Mr. Meighen) to ask that section 19 be suspended until the honourable member from Kennebec (Hon. Mr. Parent) had time to look into it.

Hon. Mr. DANDURAND: The right honourable gentleman suggested that a Quebec barrister could explain this more easily than he could. My honourable friend will find that the only addition is the following:

—at any time after the decision not to summon the jury has been rendered.

This seems quite logical. So long as there has been no order to dispense with a term of the criminal court in a district, the accused is subject to that jurisdiction; but the moment the Attorney-General decides that no court is to be held at that place the accused has the right to move to have his trial transferred.

Hon. Mr. CALDER: Otherwise he would stay in jail without a trial.

Section 19 was agreed to.

On section 20—definition of "court" in sections 1081, 1082, and 1083:

Right Hon. Mr. MEIGHEN: This appears to have been necessitated by a conflict of judicial decisions. The section reads:

In the sections of this Part relating to suspended sentence, unless the context otherwise requires, "court" means and includes any superior court of criminal jurisdiction, any court of general or quarter sessions of the peace, any judge or court within the meaning of Part XVIII and any magistrate within the meaning of Parts XV and XVI.

It has been held in Manitoba that a magistrate within the meaning of Parts XV and XVI cannot suspend sentence. The contrary

has been held by a single judge in Ontario. The cases are given on the right-hand page. This is to make it clear that the magistrate has power to suspend.

Right Hon. Mr. GRAHAM: He is a court.

Right Hon. Mr. MEIGHEN: Yes.

Section 20 was agreed to.

On section 21—time for commencement of prosecution:

Right Hon. Mr. MEIGHEN: This is to increase from one month to six months the running of the Statute of Limitations in the case of offences by the improper use of offensive weapons under sections 116, and 118 to 124, inclusive.

Section 21 was agreed to.

On section 22—new form added:

Right Hon. Mr. MEIGHEN: This section adds the form which appears on page 10 of the Bill.

Section 22 was agreed to.

On section 23—coming into force:

Right Hon. Mr. MEIGHEN: Section 23 is the section which calls into force on the first day of September, 1934, all the provisions of this Bill except section 3, which shall come into effect on proclamation by the Governor in Council. Section 3 is the one which makes compulsory the registration of everyone who has in his possession a revolver or a pistol.

Hon. Mr. MacARTHUR: Would the right honourable gentleman tell me if there is any distinction in the Act between pistols and rifles, or between shot and ball and shells, or whether anybody who is in possession of a pistol or a rifle is liable to a fine? The reason I ask is that there are pistols and rifles intended for the shooting of plover and small game, and which do not cause bodily harm.

Right Hon. Mr. MEIGHEN: I am afraid I cannot give a very satisfactory answer to that question. The honourable gentleman will find "offensive weapon" defined in the Code. It has to be a weapon that will do harm.

Hon. Mr. MacARTHUR: Bodily harm?

Right Hon. Mr. MEIGHEN: There is no pistol that cannot do bodily harm.

Hon. Mr. BALLANTYNE: Except a water pistol.

Right Hon. Mr. MEIGHEN.

Right Hon. Mr. MEIGHEN: There may be rifles that would not cause harm. "Pistol" does not include shot-guns.

Hon. Mr. CALDER: Sawed-off shot-guns are included.

Right Hon. Mr. MEIGHEN: We lack the experience of the honourable gentleman from Edmonton (Hon. Mr. Griesbach), who last year drew a very fine distinction between revolvers and pistols. I think the weapons referred to must be capable of doing bodily harm.

Section 23 was agreed to.

On section 12—intimidation (reconsidered):

Hon. Mr. COTE: Section 12 contains an amendment to section 501 of the Criminal Code, which deals with intimidation. Undoubtedly it would apply to picketing, which might amount to intimidation. Section 501 provides that everyone is guilty of an offence who does certain things wrongfully and without lawful authority, with a view to compelling any other person to abstain from doing anything which he has a lawful right to do, or to do anything from which he has a lawful right to abstain. There is given a list of acts which may be regarded as intimidation, and this includes paragraph f, which is as follows:—besets or watches the house or other place where such other person resides or works, or carries on business or happens to be.

That wording is rather broad, and I am told it has been decided by one or two judges that merely calling at a house—not watching it, but merely calling there—might come under paragraph f. This, of course, would be going a little too far, and it is proposed to amend it by adding subsection g.

Hon. Mr. DANDURAND: Has that been adopted in the Commons?

Hon. Mr. COTE: Oh, yes. It reads:

Attending at or near or approaching to such house or other place as aforesaid, in order merely to obtain or communicate information, shall not be deemed a watching or besetting within the meaning of this section.

This reduces the scope of the section in what I think is a very reasonable manner. My own interpretation of the section as it stands in the Act would exclude the mere attending at or near the house—that is, just making one call—to find out who is working there. Under the amendment it is made clear that this is not an offence.

Right Hon. Mr. MEIGHEN: Or any number of calls for that purpose would not be an offence.

Hon. Mr. DANDURAND: The clause which has just been read by the honourable gentleman was in the Act many years ago. In 1887 I sat for a month in the place of a magistrate in the city of Montreal. At that time the question of picketing came before me. When a strike is declared men are appointed by the strikers to stand by and inform people who would go to work, or strike-breakers, that a strike is in progress. This clause covered that situation. But years ago, when it was found desirable to consult that clause, it could not be found. Nobody knew what had become of it. It had been dropped in the revision of the Statutes. Now it is coming back.

Hon. Mr. MURDOCK: I think you will find that in Montreal, and also in Toronto, if I am not mistaken, there was a case in which a judge or magistrate held that a picket who was simply maintaining a kindly supervision over what was going on had violated paragraph f of section 501. This new paragraph g is for the purpose of giving the strikers' picket the right to maintain proper and reasonable supervision for his own protection and for the protection of the rights of those who are on strike.

Section 12 was agreed to.

The preamble and the title were agreed to.

The Bill was reported.

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

DOMINION ELECTIONS BILL

FIRST READING

A message was received from the House of Commons with Bill 115, an Act respecting the Election of Members of the House of Commons.

The Bill was read the first time.

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of the Bill.

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

MOTION FOR THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

Hon. Mr. DANDURAND: This Bill contains the procedure for the conduct of elections?

Right Hon. Mr. MEIGHEN: Yes. I explained the two major changes; the others are trivial.

Hon. Mr. DANDURAND: I have more than once advocated in this Chamber three important reforms to insure the orderly conduct of elections without any large expenditure of money, namely: compulsory voting; the appointment of permanent returning officers in cities of 50,000 population and over, to keep the voters' lists up to date; and that the day after nomination every elector be notified where he is to vote.

This Bill does not provide for compulsory voting, but it does provide that the voters' lists be kept up to date and that the day after nomination the returning officer shall notify the elector of his voting booth. This is a great improvement.

In the city of Montreal its more than 200,000 municipal electors are notified by card, in due time after nomination, of the place where they are to vote. The card implies that the recipient is on the voters' list. This system simplifies matters and saves candidates a great deal of worry and expense.

Hon. Mr. CALDER: My honourable friend has touched on one large expenditure in the conduct of an election. The other is the preparation of the lists. When an election is in sight both parties must spend an enormous amount of money on this work. Under the proposed legislation the Government provides two men at each polling division to represent each of the major parties. This provision, together with the notification to the electors of where they are to vote, will save candidates very heavy expense.

Hon. Mr. MURDOCK: The Bill provides that the Government shall notify each voter where he is to vote.

Hon. Mr. CALDER: No; the returning officers.

Hon. Mr. MURDOCK: Very well. That would be very satisfactory if we could be assured it would be done, but I will wager that a good many voters will not receive advice as to where they are to vote. Both parties will rely on the official notice going forward. Later on, who is going to prove that the notice was sent out, if for some reason it did not reach the voter?

Hon. Mr. CALDER: Any returning officer who does not carry out his duties is subject to very severe penalties.

Hon. Mr. MURDOCK: That may be. But is there any possibility of proving that notices to Jim Sykes and Tom Jones did go forward as provided for in the Act, although those men may say they never received such notices and consequently did not know where to vote? My judgment is that the responsibility should have been left with the party organizations. They should be sufficiently interested to see that the voters are notified. It seems to me there may be a great deal more dissatisfaction under the new procedure than we have had under the old.

Hon. Mr. CALDER: We cannot go further than impose severe penalties on any electoral officer who does not do his duty. I am not going to say that what the honourable gentleman fears may not prevail to a very limited extent, but I believe the great majority of those in charge of elections will carry out the law. We are getting further and further away from the old election ideas. The new provision is accepted as a very marked advance in election law. It does not prevent a candidate from sending out notices to the electors.

Hon. Mr. MURDOCK: I admit that it looks the proper thing to do. I hope it works out as the honourable gentleman believes it will, but I fear it may not.

The Hon. Mr. SPEAKER: The question is on the third reading.

Hon. Mr. CALDER: Honourable members, we have gone over the Franchise Bill. I am referring to it by way of explanation as to what the House may decide to do with this Bill. These Bills have been reprinted since being passed in another place. Here is a reprint of the Franchise Bill. I do not know how many other copies are available. This is the House copy that was transmitted with the message to us, and the other copies are identical except that they are not initialed by the Clerk of the Commons. I think it can be safely said that the members of the Commons are intensely interested in the provisions of this Bill and desirous that they should be correctly stated. During the recess the legal gentleman who had charge of drafting of the measure, and I, made a careful check to see whether all the amendments made to the Bill last night or earlier were inserted. We found they were, with four exceptions which are not at all material. It is a question whether, when we come to deal with this Bill, we should put in these minor amendments that have been left out.

Hon. Mr. MURDOCK.

As to the Elections Bill, probably twenty minutes would be time enough for us to go through it and see whether there is any major omission. From the discussions I have had with the lawyer who prepared this Bill, I feel sure that there is none.

Hon. Mr. PARENT: I understand that the honourable gentleman has in his hands several copies of a Bill which has not been distributed. It would be more generous on his part to give us copies.

Hon. Mr. CALDER: My honourable friend has misunderstood me. I have here simply the House copy, and if I had any other I should be only too glad to pass it to the honourable gentleman.

Hon. Mr. MURDOCK: Would my honourable friend state what Bill he is referring to?

Hon. Mr. CALDER: Bill 101, an Act respecting the Franchise of Electors at Elections of Members of the House of Commons. I am quite aware that we were dealing with another Bill.

Hon. Mr. DANDURAND: I should like to ask the honourable gentleman if the errors to which he refers were with respect to amendments made by the other House.

Hon. Mr. CALDER: Let me outline one of them. The right honourable Leader of the Opposition in another place moved an amendment to paragraph xii of clause 4, on page 5, dealing with the Doukhobor vote in British Columbia. I remember his making the amendment. With a view to greater clarity he moved that the words "in the province of British Columbia" be transferred from the position in which they now appear in that paragraph to the beginning of the paragraph. The amendment was agreed to by the Minister of Justice and carried, but it is not in here. There has been a slip on the part of someone who had charge of the Bill. Should we not make the necessary change here? If the leader of the Opposition in the other place finds that the amendment is missing, will he not be disappointed?

Right Hon. Mr. MEIGHEN: I think we should go into Committee of the Whole and at least put the Bill into the form in which the Commons intended it to be. I suggest that the motion now before the House be withdrawn, and move that we go into Committee on Bill 101, the Franchise Bill. I hope that while we are considering this measure the honourable senator from Saltcoats (Hon. Mr. Calder) will endeavour to give the same valuable service with respect to the Elections Bill as he has given on this one.

DOMINION FRANCHISE BILL
CONSIDERED IN COMMITTEE

On motion of Right Hon. Mr. Meighen, the Senate went into Committee on Bill 101, an Act respecting the Franchise of Electors at Elections of Members of the House of Commons.

Hon. Mr. Donnelly in the Chair.

The CHAIRMAN: Honourable members, in view of the length of this Bill and the statement that was made before 6 o'clock by the honourable gentleman from DeLorimier (Hon. Mr. Dandurand) that it was not the practice for the Senate to give minute scrutiny to bills regarding elections, I suggest that instead of taking the sections one after another we consider only those to which attention is drawn.

Right Hon. Mr. MEIGHEN: Our real purpose in going into Committee is not to make changes of our own in the Bill. I do not know that we ought to make such changes unless there appeared to be something seriously wrong. Our intention now is rather to amend the measure so as to make it conform with what the House of Commons intended it to be. That is to say, we should correct such slips as have occurred. The first is:

Page 5, sub-subclause xii of subclause c, lines 32 and 33: transpose the words "in the province of British Columbia" to the first part of sub-subclause xii.

As the clause now stands it reads:

Every Doukhobor person in the province of British Columbia, and every descendant of any such person—

and so on. Apparently the Leader of the Opposition in another place thought it would read better in this way:

In the province of British Columbia every Doukhobor person, and every descendant of any such person,

If I may express an opinion, I think he is right. I move that that amendment be made.

The motion was agreed to.

Right Hon. Mr. MEIGHEN: The next is:

Page 23, line 40: strike out the word "qualified."

It reads here: "and if on any of such days any qualified person whose name has been omitted," and so on.

Hon. Mr. SINCLAIR: It reads "qualified elector" in my copy.

Hon. Mr. HARMER: And in mine too.

Right Hon. Mr. MEIGHEN: On further consideration, I am inclined to leave this as it is, "qualified person." I do not like to suggest a change.

Hon. Mr. MURDOCK: I think the words "qualified person" are right. If a change were made, half a dozen aliens might show up and be vouched for by some person whose name is on the list.

Right Hon. Mr. MEIGHEN: I think the honourable senator is right. I will not move that amendment.

The next is:

Page 27, line 4: strike out the word "good."

The wording is "as in the good judgment of such first named person," and so forth. It cannot be assumed that the judgment was good.

The motion was agreed to.

Right Hon. Mr. MEIGHEN: The next amendment is:

Page 28, line 19: strike out "sub" after the word "polling" and before "division."

It should read "polling division" and not "polling subdivision." That seems quite reasonable.

Hon. Mr. MURDOCK: Suppose there is not a post office in the polling division?

Right Hon. Mr. MEIGHEN: One would more likely be in a division than in a subdivision.

Hon. Mr. DANDURAND: The last part of the paragraph reads:

or, if there is no post office therein, then in the post office nearest thereto.

The motion was agreed to.

The Bill, as amended, was reported.

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

CUSTOMS AND EXCISE BILLS

BURDEN OF PROOF

Right Hon. Mr. MEIGHEN: I move that we now adjourn during pleasure; but it will be necessary for us to meet again before prorogation takes place. There are some bills to come from the other House, and we have before us a number of bills to which we have not given final consideration.

Hon. Mr. MURDOCK: Honourable members, I express regret that I was not here prior to the evening sitting. I am told that Bill 124, an Act to amend the Customs Act, was passed here to-day. May I ask the right honourable leader, or some other senator who is a lawyer, if it is not a principle of British justice that an accused person is deemed innocent until proved guilty? I have always understood that to be so, and therefore I should like some explanation with regard to the last clause of this Bill, paragraph 2 of new section 218A. The first paragraph provides that no person shall make any signals for the purpose of giving notice to anyone on board a smuggling ship, and the second paragraph, which has to do with onus of proof, reads:

If any person be charged with having made or caused to be made, or for aiding or assisting in making, any such signal aforesaid, the burden of proof that such signal so charged as having been made with intent and for the purpose of giving such notice as aforesaid was not made with such intent and for such purpose, shall be upon the defendant against whom such charge is made.

I am heartily in sympathy with the objects of this Bill, as I understand them, but it seems to me that the paragraph I have just read is a reversal of the principle of British justice.

Right Hon. Mr. MEIGHEN: I think I can state clearly why the paragraph is justified. It is one of the cardinal principles of British law that the subject is innocent until proven guilty. But the paragraph to which the honourable gentleman refers has to do with the procedure to prove guilt. At this point may I say to my honourable friend that in our Criminal Code, as in the British and American codes, there are similar dispositions of the burden of proof in certain cases. What is the case intended to be covered here? A man is charged with signalling from the shore, by radio or otherwise, a vessel engaged in smuggling, with intent to advance a smuggling operation. The Crown, first of all, has to prove that signals were made to the vessel. That might not be difficult, but if the paragraph were changed to read as the honourable gentleman thinks it should read, it would be necessary to prove what was in the man's mind—that he signalled with intent to help that smuggling vessel. Proof of that would be impossible. His intent may appear to have been wrongful, but he may have had an honest motive. It having been proved that he did the signalling, the law says that the onus is now on him to show what his intent was.

Right Hon. Mr. MEIGHEN.

This shifts the onus from the Crown, which in such a case could not possibly discharge it, to the party who can discharge it.

Hon. Mr. MURDOCK: I see the point more clearly. Now I wish to ask the right honourable gentleman to define the difference between this question and the one we were considering a few days ago, when the right honourable gentleman was insistent that the owner of an automobile should be entitled to get back possession of his car if it was seized.

Right Hon. Mr. MEIGHEN: In that case I was on the other side. In fact, as I explained to the Committee, I had had some experience of persons being persecuted. That question did not concern our Criminal Code, but had to do with a man who under the present law forfeits his automobile if it has been seized after being used by someone else in an effort to defeat the revenue statutes. The owner of the car, or a person who had a mortgage on it, however innocent he may have been, or however careful to see that the machine did not get into the hands of someone likely to use it for illegal purposes, was penalized by losing his property. I objected to that law. The history of revenue laws is such that stringent enactments are almost universally made to assist the authorities in enforcement. My submission was that if the owner of such an automobile, not accused of an offence, established before a judge that he was innocent, that he had not been in collusion with the offender, that before letting his car out he had taken reasonable action to see that the person to whom he was letting it was not likely to use it for illegal purposes; or if a mortgagee or lien-holder proved that before taking the mortgage or note he had made all reasonable inquiries to assure himself that the mortgagor or lien-giver was not likely to use the machine illegally; then such owner, mortgagee or lien-holder should be entitled to his property. The Senate accepted my amendment to that effect, as the other House later did. In that case, as in the one referred to by the honourable senator, I was in favour of the full onus being on the subject, but I felt that a man who had obeyed the law to the extent I have indicated should not forfeit his property merely because, against his wish, someone else committed a crime.

Hon. Mr. SINCLAIR: The onus of proof is on the subject in both cases.

Hon. Mr. DANDURAND: And he must establish that he is innocent.

**DOMINION ELECTIONS BILL
CONSIDERED IN COMMITTEE**

On motion of Right Hon. Mr. Meighen, the Senate went into Committee on Bill 115, an Act respecting the Election of Members of the House of Commons.

Hon. Mr. Donnelly in the Chair.

Hon. Mr. CALDER: The draftsman of this Bill and I went over it, as we did with the other Bill, with a view to ascertaining whether the amendments made in another place were properly inserted. We examined all the amendments and found two or three omissions. The first is on page 73. An amendment was made that the word "Amendments" should be inserted as a heading between sections 110 and 111, but this insertion has not been made.

Hon. Mr. PARENT: Where is the official copy? It appears to be in the hands of only one man.

Hon. Mr. MURDOCK: Had we not better wait until we get the official copy?

Hon. Mr. CALDER: This is the official copy transmitted to this House.

Hon. Mr. PARENT: Is it signed?

Hon. Mr. CALDER: Yes.

The CHAIRMAN: You are putting in a heading?

Hon. Mr. CALDER: Yes, the word "Amendments" before section 111, on page 73.

The amendment was agreed to.

Hon. Mr. CALDER: A very large section was added to the Bill, but there was a failure to give the numbers of the sections of the Act, and of the forms. The figure 42 will be inserted at page B, line 13. Then comes the insertion of the figure 43 after the words, "The ballot paper shall be in Form No." Then the word "forty-six" is inserted.

Right Hon. Mr. MEIGHEN: What page, and what line?

Hon. Mr. CALDER: Page B, line 36.

Right Hon. Mr. MEIGHEN: Let us have it correct for the reporter. That is the main thing.

Hon. Mr. CALDER: Page B, line 36.

Right Hon. Mr. MEIGHEN: What is done there?

Hon. Mr. CALDER: The word "forty-six" is inserted in the blank.

The amendments to page B were agreed to.

Hon. Mr. CALDER: Then, on page C, in line 43, for the figures 51 and 52 insert the words "fifty-one and fifty-two."

The amendment was agreed to.

Hon. Mr. CALDER: The material changes are those where blanks are filled in. The numbers of the forms and the sections were left out.

The Bill was reported, as amended.

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

ADJOURNMENT

Right Hon. Mr. MEIGHEN: As no further business has come over from the House of Commons, the only step we can take is to adjourn during pleasure, to reassemble at the call of the bell. It is impossible for me to say when the other bills will be over from the House of Commons.

The Senate adjourned during pleasure.

After some time the sitting of the Senate was resumed.

PUBLIC WORKS CONSTRUCTION BILL

FIRST READING

A message was received from the House of Commons with Bill 113, an Act to provide for the construction and improvement of certain public works and undertakings throughout Canada.

The Bill was read the first time.

SECOND READING

Hon. Mr. CALDER moved the second reading of the Bill.

He said: Honourable members, I am sure we are all more or less acquainted with the provisions of this Bill and with the situation which has existed for some time, and which necessitates providing for what is ordinarily termed relief. I understand that elsewhere the Bill was the subject of considerable contention. No doubt many honourable senators would like to see public works carried on in their own districts. In other words, criticism is likely to be directed against what is not in the Bill.

I feel confident that the Government has given a great deal of consideration to the details of the measure, and I shall not attempt to deal with them.

I heard it suggested elsewhere, not very long ago, that instead of erecting large public buildings it might be advisable to provide accommodation for people who are not very well housed. No doubt this is very desirable, and I dare say the Government canvassed the situation.

The Bill embodies the conclusions of the Government on a question of policy, and we must decide whether we will approve it in toto or reject it.

Hon. Mr. DANDURAND: I notice that the schedule contains a list of the public works to be undertaken. I assume that the various amounts cannot be transferred from one item to another.

Hon. Mr. CALDER: Yes.

Hon. Mr. DANDURAND: The Auditor General will see to that. I observe that section 7, which was amended in Committee of the Whole in the other House, provides that any work may be undertaken without the inviting of tenders, provided that the cost does not exceed \$25,000. This discretion throws a heavy responsibility upon the Government, since it gives the departments a free hand in dealing with work to be carried on without tender. The inherent danger has been stressed elsewhere. We must rely upon the good faith, sense of duty and wisdom of the Minister who will have charge of those works.

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

THIRD READING

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

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

BUSINESS OF PARLIAMENT

Hon. Mr. DANDURAND: Can the honourable gentleman tell us what further bills may be expected from the other House?

Hon. Mr. CALDER: I know the House of Commons has concurred in the Senate amendments made to various bills. I should judge from the statement made by the two leaders in the other House that in a comparatively short time the remaining items will be disposed of. We have nothing else to deal with.

Hon. Mr. DANDURAND: May we expect that it will all end in a love feast?

Hon. Mr. CALDER: Not at all.

I think we may as well adjourn during pleasure.

The Senate adjourned during pleasure.

After some time the sitting was resumed.

Hon. Mr. CALDER.

PROROGATION POSTPONED

Hon. Mr. CALDER: Honourable members, it has been intimated to me that there is no possibility of prorogation taking place to-night. I move that when the House adjourns to-night it stand adjourned until Tuesday, July 3, at 10 a.m.

Hon. Mr. MacARTHUR: Honourable senators, may I ask the acting leader of the House if the Governor General was not requested to come here to-night and prorogue Parliament? Does the honourable gentleman expect a quorum on Tuesday?

Hon. Mr. CALDER: Naturally we expect a quorum will be present on Tuesday.

Hon. Mr. PARENT: The newspapers stated that the House of Commons might sit on Monday.

Right Hon. Mr. GRAHAM: No, it is not sitting.

The motion was agreed to.

The Senate adjourned until Tuesday, July 3, at 10 a.m.

THE SENATE

Tuesday, July 3, 1934.

The Senate met at 10 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

PROROGATION

Right Hon. Mr. MEIGHEN: Honourable members, the adjournment until this morning was requested in the belief that the business of the other House was concluding on Saturday night and all that remained was Royal Assent and formal prorogation. I regret the misunderstanding. The other House meets at 11 o'clock. As conceivably it may not conclude its business before 1 o'clock, I think our proper course is to adjourn until 3 o'clock.

BUSINESS OF PARLIAMENT

Hon. C. MacARTHUR: Honourable members, may I be permitted a few minutes only in which to register a protest respecting the system that now obtains, and has obtained for too long a period? I refer to the order in which legislation is prepared and presented to the two branches of Parliament. I believe that the greater blame rests on the other House. We have heard a lot about reform-

ing the Senate, but the circumstances now are such that it would appear the House of Commons needs reform.

In the attempts to prorogue Parliament we have seen undue delay and many annoying incidents, resulting in added expense to the country, as well as expense and inconvenience to about 340 members. These experiences are becoming too frequent, and surely some method can be devised that will preclude their repetition.

The King's representative is requested by the head of the Government to be in readiness at an approximate time to dissolve Parliament. To many, especially those in the crowded galleries, it means much to see the brilliant pageant, the officers of the militia, naval and air forces, all resplendent in their uniforms, accompanying His Excellency. To say the least, it is somewhat discourteous that His Excellency should have to be informed there has been a false alarm; but when this is repeated several times in a few hours it can only be described as a contretemps.

The right honourable gentleman who leads this House spoke very plainly a few days ago respecting the annoying delays occasioned by the translation vendetta between officials of the two Houses, and we have hopes that his strongly expressed resentment will result in a better situation in that particular branch of the public service.

This matter of prorogation should, I believe, be considered of at least equal importance, and I respectfully submit to the right honourable gentleman that he might suggest to the Prime Minister when the legislative programme is being prepared that Bills likely to be more or less contentious should be introduced during the early part of the session, and minor legislation should follow. If this suggestion were adopted, benefit would, I am sure, accrue to the country and to all concerned. As the custom is now, members come here early in the year fresh and ready for business, but work is carried on in a desultory manner and much time is lost. Then, when the warm weather approaches and members become restless and impatient, the most important bills are presented for their consideration during extra and longer sittings. It would appear therefore that if the usual order were reversed better consideration could be given to legislation, with the result that time, money and energy would be utilized to the best advantage.

We witness to-day, by the slim attendance in both Houses, what the present system involves. Many members left on late trains Saturday night, believing that Parliament

would be prorogued before midnight. This situation was accentuated by the fact that the Chief Accountant of the other House had paid the members the balance of their indemnities. But the Chief Accountant of the Senate—he must be Scotch!—is cautious. He is waiting until everything is over before issuing cheques.

Right Hon. Mr. MFIGHEN: Honourable members, while not wishing to be in any way derogatory of the honourable member's complaint, I may intimate that I have heard something of the same nature before. This is to be said of what he has suggested, that it has already taken effect, but has not proved a complete cure.

It is true that towards the end of sessions—this one notably, others as well—exasperating and unexpected delays occur, accompanied by confusion, if not discourtesy as respects the representative of the Throne. Nevertheless, this is inherent in the liberties we have. These liberties would have to be curtailed, and curtailed in a manner which I know would bring the stoutest and most persistent opposition, before anything in the nature of control could be obtained.

We have now not two parties, but, speaking roughly, four. This involves a certain lack of discipline or of such control on the part of a few members as was possible under the bi-party system. This is one ingredient of the situation.

Another ingredient is this. Our closure system is a slow working device. It does not enable all the legislative work to be accomplished within a certain time. I know of no way to cure the situation of which the honourable gentleman complains, and make sure it is cured, except such a system as has been found essential in France, in the United States, and in England. I am not saying that the difficulties we encounter are such that the time has come when the more drastic procedure would be justified.

As to bringing down contentious measures earlier, that cure was wholly applied this session, if ever, and I think it can be said it was applied also last session. Not only contentious measures, but those that had any prospect of being contentious, were introduced at an early stage. The Bank of Canada Bill came to us last, but it was introduced in the other House early in February. The difficulty is, there are not less than twenty-three banking and financial experts in the Commons, while we have only one. This is a great truth which the honourable member should fully compre-

hend. With so many experts, four months proved little enough time in which to dispose of the Bill.

The only Bill which might have been introduced sooner was not contentious at all—the measure to amend the Criminal Code. It was introduced into the other House nearly three weeks ago. Why it took so long to reach us I do not know.

If the honourable gentleman's influence in his party is at all commensurate with his capacity, I hope he will do something with members in another Chamber to see to it that more expedition is given to the legislative business of the country.

At 1 o'clock the Senate took recess.

The Senate resumed at 3 p.m.

Right Hon. Mr. MEIGHEN: Honourable members, there is still no business for this House to deal with, nor any intimation as to when the final business of Parliament will be presented. I move that we adjourn during pleasure, to meet when the bell is rung, at the call of His Honour the Speaker. I anticipate that we are not likely to be called before six; but as to that I cannot speak with certainty.

The Senate adjourned during pleasure.

After some time the sitting was resumed.

Right Hon. Mr. MEIGHEN: Honourable members, all I can say, on the best information obtainable, is that it will be necessary for us to convene at 8 o'clock. I believe that the seemingly inevitable discussion in the other House shows signs of terminating.

At 6 o'clock the Senate took recess.

The Senate resumed at 8 o'clock.

Right Hon. Mr. MEIGHEN: Honourable members, I am compelled to move again for an adjournment during pleasure. I understand there are still some items of the Supply Bill to pass the other House. I will make no statement as to when they may be passed. Never having been in the newspaper profession, I am not a success at gathering news.

Right Hon. Mr. GRAHAM: There is no scoop in that.

The Senate adjourned during pleasure.

After some time the sitting was resumed.

Right Hon. Mr. MEIGHEN.

PROROGATION OF PARLIAMENT

The Hon. the Speaker informed the Senate that he had received a communication from the Secretary to the Governor General, acquainting him that His Excellency the Governor General would proceed to the Senate Chamber this day at 10 p.m. for the purpose of proroguing the present session of Parliament.

APPROPRIATION BILL NO. 5

FIRST READING

A message was received from the House of Commons with Bill 129, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1935.

The Bill was read the first time.

SECOND READING

Hon. Mr. BALLANTYNE moved the second reading of the Bill.

Right Hon. Mr. GRAHAM: Honourable members, I suppose I might become greatly disliked if I were to proceed to criticize the contents of this Bill. The reason I desist is not that the measure does not deserve criticism.

This is probably the last opportunity I shall have to speak at this session, and I want to say it is my prognostication that before this House meets again we shall have had a general election. When we finish this evening honourable members of the Senate will not be nearly as nervous as honourable members of another place, who have to go home and report progress—or the opposite.

The passing of supply is principally, though not altogether, the prerogative of the House of Commons. Particularly at this late hour, I have no objection to raise to the giving of second reading to this Bill.

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

THIRD READING

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

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

The Senate adjourned during pleasure.

PROROGATION OF PARLIAMENT

His Excellency the Governor General having come and being seated on the Throne:

The Hon. the SPEAKER commanded the Gentleman Usher of the Black Rod to proceed

to the House of Commons and acquaint that House that: "It is His Excellency the Governor General's pleasure they attend him immediately in the Senate Chamber."

Who being come with their Speaker:

The following Bills were assented to, in His Majesty's name, by His Excellency the Governor General:

BILLS ASSENTED TO

An Act to amend the Food and Drugs Act.

An Act to improve the methods and practices of marketing of natural products in Canada and in export trade, and to make further provision in connection therewith.

An Act to amend the Canadian Farm Loan Act.

An Act to amend the Income War Tax Act.

An Act respecting the St. Clair Transit Company.

An Act respecting Shipping.

An Act to facilitate Compromises and Arrangements between Farmers and their Creditors.

An Act for the relief of Eugenie Margaret O'Reilly Stavert.

An Act for the relief of George Harold Allen.

An Act for the relief of Ena Beatrice Duclos Boyd.

An Act for the relief of Paul Herbert Addy.

An Act to incorporate Security National Insurance Company.

An Act to amend an Act to incorporate The Discount and Loan Corporation of Canada.

An Act to incorporate Personal Finance Corporation.

An Act to amend and consolidate the Excise Act.

An Act to incorporate The Small Loan Company of Canada.

An Act to amend The Representation Act, 1933.

An Act to amend the Loan Companies Act.

An Act to amend the Customs Act.

An Act to amend the Customs Tariff.

An Act respecting Radio Broadcasting.

An Act to amend the Pension Act.

An Act to amend The Canadian and British Insurance Companies Act, 1932.

An Act to incorporate the Bank of Canada.

An Act to amend the Criminal Code.

An Act to provide for the construction and improvement of certain public works and undertakings throughout Canada.

An Act respecting the Franchise of Electors at Elections of Members of the House of Commons.

An Act respecting the Election of Members of the House of Commons.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1935.

THE GOVERNOR GENERAL'S SPEECH

After which His Excellency the Governor General was pleased to close the Fifth Session of the Seventeenth Parliament of the Dominion of Canada with the following speech:

Honourable Members of the Senate:

Members of the House of Commons:

I desire to express my appreciation of the careful attention you have given to the various measures submitted to you for consideration during the present session, and to congratulate you upon the extent and importance of the legislation enacted which vitally affects the economic and social life of Canada. It is a source of profound satisfaction that the improvement in economic conditions in Canada which was in evidence when you commenced your sessional labours is still apparent. This improvement is reflected in substantially increased national revenues, a greater volume of inter-Empire as well as foreign trade and a betterment in employment conditions throughout the country. Our favourable trade balances have strengthened our external exchange position and our national credit was never higher. The enactment of legislation incorporating the Bank of Canada to operate as a Central Bank will permit of the exercise of a sound measure of public control over credit and currency in the interests of the economic life of the nation and will secure to Canada a greater measure of freedom in the exchange markets of the world. The decennial revision of the Bank Act has been completed, and necessary amendments made to improve our monetary and banking institutions.

Legislation has been enacted to improve the methods and practices of the marketing of natural products. I express the confident hope that this legislation will provide the means by which the producers of primary commodities in this country may exercise over the marketing of their products a degree of regulative control which will inure to the benefit alike of producer and consumer. The Companies Act will provide greater security for investors in Canadian enterprises. The decline in world commodity prices experienced in past years has borne heavily on the producers of primary products, and the farming population has been faced with a great burden of debt. By means of the legislation which has been enacted speedy adjustments without expense to the farmers may be made with creditors, and authority has been granted to the Canadian Farm Loan Board to extend its operations so as to provide the farmer with additional capital by advances on farm mortgages and also by providing intermediate credit. Under the provisions of the Statute of Westminster legislation has been enacted to make effective extra-territorially the laws of Canada relating to navigation and shipping. The provision for the construction of public works and undertakings widely distributed throughout the country will, it is believed, further serve to stimulate economic recovery by providing employment in various lines of activity.

Among other important measures passed were: an Act to provide for the Franchise of Electors at Elections to the House of Commons,

an Act respecting the Bureau for Translations, a consolidation of the Excise Act, measures affecting fruit, dairy, live stock and live stock products industries, and an Act affecting Canadian and British insurance companies.

The exploratory work of the Committee on Price Spreads and Mass Buying has awakened public conscience to the need of preventing unfair trade practices and exploitation of workers and price manipulation which unfavourably affects the consumer. Legislation is necessarily deferred until the work of the Committee has been concluded.

Members of the House of Commons:

I thank you for the provision you have made for the public service.

Honourable Members of the Senate:

Members of the House of Commons:

The progressive improvement of general economic conditions in Canada which is presently much in evidence gives every indication of continuing in increasing measure. I commend the initiative, enterprise and indomitable spirit of the Canadian people and, for the many blessings that have been bestowed upon our Dominion, I join with you in heartfelt thanks to Divine Providence.

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