OFFICIAL REPORT

OF THE

DEBATES

OF THE

HOUSE OF COMMONS

OF THE

DOMINION OF CANADA

FIRST SESSION—ELEVENTH PARLIAMENT

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COMPRISING THE PERIOD FROM THE SIXTH DAY OF APRIL TO THE SIXTH DAY OF MAY, INCLUSIVE.

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1909

House of Commons Debates

FIRST SESSION—ELEVENTH PARLIAMENT

HOUSE OF COMMONS.

TUESDAY, April 6, 1909.

The SPEAKER took the Chair at Three o'clock.

FIRST READINGS.

Bill (No. 123) respecting a certain Letter Patent of the American Barlock Company.—Mr. Macdonell.

Bill (No. 124) respecting the Hudson Bay and Western Railway Company.—Mr. Miller.

Bill (No. 125) respecting the Algoma Central and Hudson Bay Railway Company.—Mr. Miller.

Bill (No. 126) concernant le Chemin de fer de Colonisation de Joliette et du lac Manuan.—Mr. Dubeau.

BUSINESS OF THE SESSION.

Rt. Hon. Sir WILFRID LAURIER (Prime Minister) moved that from and after this day, the 6th of April, to the end of the session, government Orders have precedence on Monday immediately after questions to be put by members.

Mr. FOSTER. I suppose that does not cut out members' opportunity to get at private Bills?

Sir WILFRID LAURIER. Private Bills remain first order.

Motion agreed to.

THE LOGBERG PRINTING COMPANY.

Hon. CHAS. MURPHY (Secretary of State) presented the return to an order of the House, showing amount of money paid to the Logberg Printing Company. He said: This return is the one that should have been presented on March 26 last. The one then presented was styled 'supplementary.' The one now presented includes the amount of the return presented on March 26 last.

PRIVILEGE—PURCHASES IN MARINE AND FISHERIES DEPARTMENT.

Hon. L. P. BRODEUR (Minister of Marine and Fisheries). Before the orders of the day are called, I wish to raise a question of privilege. The hon. member for Leeds (Mr. Taylor), in speaking the other day, stated that the Prime Minister had allowed me to put my hand in the public chest and spend money for the purchase of one ladies' cloak, seven ladies' blouses and eight ladies' costumes. I was greatly surprised the other day when I heard my hon. friend the member for Leeds (Mr. Taylor) use the following language in a speech which he was then making in the House. I will quote from this speech and I will put before the House the evidence which I have before me in order that we may ascertain whether the charge which has been made against me is well founded or not. The hon. member, as reported at page 4019 of 'Hansard,' spoke as follows:—

> I want to ask the minister how much mud this expenditure took out of the ship channel? The money is charged to the ship channel. He will find these accounts in the Auditor General's Report at page O—163:
>
> 7 ladies blouses at $13.
>
> Some hon. MEMBERS. Oh, oh.
>
> Mr. GEO. TAYLOR. I am surprised that the right hon. Prime Minister can laugh at that. He is the trustee of the people of this country, and yet he will allow one of his ministers to put his hand in the public chest and spend money like this,
>
> 1 ladies cloak.. .. .. $25
> 8 ladies costumes, each.. 30
> The total of these accounts is $744.
>
> * * * * * * *
>
> An hon. MEMBER. Who were the ladies?
> Mr. GEO. TAYLOR. I do not know.

Then he goes on at page 4020:

> The Prime Minister laughed so hard that he did not hear what I read to-night, but I ask why we bought eight ladies costumes at $30 each which are charged to the ship channel?

If I remember aright the hon. member was then quoting the list of seven ladies blouses, one ladies cloak and eight ladies costumes from the Auditor General's Report. There is an item in the Auditor General's Report amounting to $744.50 and corresponding exactly with the amount which was mentioned by the hon. gentleman in his speech. The item is as follows:

De Tonnancour, L. C., Monl: caps, 28; blouses, 6 at $13.

Not ladies' blouses but purely and simply.

1 cloak at $25.

Not one ladies cloak as he said.

Costumes,——

Not ladies' costumes, but costumes.

—8 at $30; overcoats, 3 at $32, 9 at $25; pants and sweaters, 5 at $10.50.

There is no reference, as you see, to ladies costumes, to ladies blouses. I did not have the Auditor General's Report with me at the time. I suppose my hon. friend will apologize for me to the officers of my department whom I happened to meet the morning after the hon. gentleman made his remarks and with whom I remonstrated with regard to the purchase of these ladies' blouses. Of course, when I saw the hon. gentleman reading from a book I thought he was reading correctly, I took his word for it and I remonstrated with the officers. What did I find, as the officers immediately informed me, that this was absolutely erroneous. There were no ladies' costumes, no ladies' blouses, no anything purchased for ladies. It was all a part of the imagination of my hon. friend. In order to complete the record I will lay before the House the accounts themselves. They are in French and I will read them in French.

Mr. J. D. REID. Read them in English too.

Mr. BRODEUR. They are as follows:

Montreal, 12 août 1907.
De L. C. de Tonnancour.

1907.

Août	12—9 pardessus à $25	$225 00
"	12—8 costumes à $30	240 00
'	12—5 pants and sweaters à $10.50	52 50
"	casquettes	24 50
"	12—1 pardessus	32 00
"	12—1 pardessus	32 00
"	12—1 pardessus	32 00
"	12—1 manteau	25 00
"	12—1 coiffure	3 50
"	12—6 blouses	78 00
	Total	$744 50

Again there is no reference at all in these accounts to ladies' costumes, or ladies' blouses or ladies dresses. The translation which was made by the Auditor-General was not absolutely correct but I will not say that it was incorrect. At all events what I take exception to is the fact that my hon. friend has thought fit to charge me before the House with having purchased ladies' dresses, when, in the book from which he was then reading, these words were not included. I hope my hon. friend will take the first oportunity of withdrawing the charge which he has made against me and if he does so it will prevent him and some of his friends from going into the country and trying to state that the Minister of Marine and Fisheries has been purchasing ladies' dresses. I may say for the information of my hon. friend that these blouses, costumes, overcoats and cloaks were for the use of the sailors and that we have been in the habit of purchasing these articles for years. I hope my hon. friend will be kind enough to withdraw what he said.

Mr. GEO. TAYLOR. Mr. Speaker, I was somewhat surprised this morning when I received the following letter:

Office of the Minister of Marine and Fisheries,
Ottawa, 6th April, 1909.

Geo. Taylor, Esq., M.P.,
House of Commons,
Ottawa.

Dear Mr. Taylor,—I beg to notify you that I intend to bring before the House to-day as a question of privilege, when the orders of the day are called, the charge that you made against me in your speech the other day to the effect that I had put my hand in the public chest for the purchase of a lady's cloak and ladies' costumes.

Believe me,
Yours sincerely,
(Sgd.) L. P. BRODEUR.

In speaking the other day I made use of the following language:

I want to ask the minister how much mud this expenditure took out of the ship channel? The money is charged to the ship channel. He will find these accounts in the Auditor General's Report at page O—163:

7 ladies blouses at $13.

Some hon. MEMBERS. Oh, oh.

Mr. GEO. TAYLOR. I am surprised that the right hon. Prime Minister can laugh at that. He is the trustee of the people of this country, and yet he will allow one of his ministers to put his hand in the public chest and spend money like this.

I said nothing personal against the minister for spending money for his own use or for the country's use. I had been talking about the sailors being supplied with three dress suits at $40 apiece.

Some hon. MEMBERS. Oh, oh.

Mr. SPEAKER. Order.

Mr. GEO. TAYLOR. If the minister does not want this debate to be continued he will call off the bull dogs that set up a row every time I talk.

Mr. SPEAKER. Order, the hon. gentleman will have to withdraw that expression.

Mr. GEO. TAYLOR. I will withdraw the word 'bull dogs' and say their supporters. They are acting like that

Mr. SPEAKER. Order.

Mr. GEO. TAYLOR. I want to be courteous to the House and to the hon. gentlemen and I want to be treated that way, Mr. Speaker. If hon. gentlemen want to get up a row the same as they got up on Friday night we can have it out.

Mr. FISHER. I call the hon. gentleman to order. He is using threats towards members of the House.

Some hon. MEMBERS. Order.

Mr. SPEAKER. No hon. gentleman has the right to use threatening language in any form whatever.

Mr. GEO. TAYLOR. There is no threat about that.

Mr. FISHER. I ask your ruling, Mr. Speaker. The hon. gentleman has made a threat to this House.

Mr. SPEAKER. Order.

Mr. GEO. TAYLOR. I will withdraw it then. I always obey the Chair.

1 ladies' cloak.. .. .. $25
8 ladies' costumes, each.. 30
The total of these accounts——

I did not want to read all the items as I had given the page of the Auditor-General's Report——

—is $744.

The first item is caps, and the item does not say whether they are ladies or gentlemen's caps, but any one would assume that they are caps for the sailors. The next item is seven ladies blouses——

Some hon. MEMBERS. Oh, no.

Mr. GEO. TAYLOR. The word 'ladies' does not appear in the Auditor General's Report.

Some hon. MEMBERS. Hear, hear.

Mr. GEO. TAYLOR. But, as everybody knows, the Auditor General condenses his report, and, as any one familiar with the trade knows, as every merchant in this House knows—I have been in the mercantile trade 25 years and will make this statement—if the minister himself or any one will walk into Bryson and Graham's store or Ross', or Murphy's and ask to see blouses, he will be told to take the elevator and go to the first floor.

Mr. FISHER. Too thin.

Mr. GEO. TAYLOR. The Minister of Agriculture knows nothing about it. He has never been in the mercantile trade. But I will leave it to any merchant on any side of the House, that if a person inquires for a blouse, he means a lady's blouse and nothing else. And when he inquires for a cloak, he means a lady's cloak, for that is a trade term. When he inquires for a costume, they will show him to the ladies' department. If these men gave theatrical performances and required costumes, they would have to specify actors' or actresses' costumes, but the term 'costume' is taken in the trade to mean ladies' costume, so that I was justified in using the word 'ladies.' A couple of years ago when I was discussing the purchase of some dickeys for the sailors, my hon. friend came back the second time and explained what the French meaning of the word 'dickey' is. He said:

My hon. friend found fault also with the cost of dickeys. Does he know exactly what a dickey is? I am afraid he does not. I may give him this definition: it is the correct term for the white flannel front that is part of the uniform of a sailor.

I tell the hon. minister that that is not correct.

Mr. BRODEUR. I understood my hon. friend to have withdrawn the word 'ladies' and to have said that it was not in the Auditor General's Report from which he read.

Mr. GEO. TAYLOR. I do not think the minister is very anxious to expedite the proceedings of the session or he would not have brought up these trifles before the House, but as he has done so, I am entitled to give an explanation, and my explanation is the quotation I have read from the 'Hansard' of 1908, page 1082. When the minister contradicted me then, I did not think it worth while to take up the time of the House by replying. A dickey is a false shirt front made of linen, yet the minister said it is part of a sailor's uniform. I do not know that his explanation to-day is any better, and I think the best thing we could do would be to have the accounts produced at the next meeting of the Public Accounts Committee and call witnesses and find out by whom these blouses were purchased. But so far as regards the use of the word 'ladies,' that does not appear in the Auditor General's Report.

Some hon. MEMBERS. Hear, hear.

Mr. GEO. TAYLOR. But I used the word to show what the goods were according to the usage of the trade. Then my hon. friend said that he asked his officers and they told him that they never bought a dollar's worth for ladies. Well, I can go through the Public Accounts and find that any quantity of stuff was purchased for ladies and name the items.

An hon. MEMBER. For the 'Arctic'?

Mr. GEO. TAYLOR. No, not ladies' hats on the 'Arctic,' but on the steamers and in the channel. In these are goods charged for the ladies. The hon. minister has laid down a challenge, and I will produce the items of ladies' goods from the Auditor General's Report. Then I will ask the hon. minister

to apologize to the House for challenging my accuracy with regard to items which I quote from the Auditor General's Report. He could have been much better employed than in bringing up this matter before the House.

Mr. BRODEUR. I invite my hon. friend to make all the investigations he wants and he will find that the statement he made is not correct. He will find that all those goods were purchased for the sailors.

Mr. GEO. TAYLOR. I say it is a waste of money. We might as well throw the money into the river as buy 8 blouses at $30 each for use of men working on the steamers and dredges in the ship canals. Then cloaks at $30. But cloaks are only worn by ladies. You do not buy cloaks for men working on dredges. I am surprised that the minister can get up and justify these items as a proper expenditure of the people's money.

CIVIL SERVICE EXAMINERS.

Hon. GEO. E. FOSTER (North Toronto). After this grave and delicate matter has been disposed of, I would like to ask if the right hon. the Prime Minister has decided whether or not it is the duty of the government to bring down according to law, the report of the Civil Service examiners. I have asked three or four times for that report and it has not yet come down. In the meantime, I have inquiries from many sources as to the rules and regulations, which I cannot answer because nothing has yet been brought down.

Sir WILFRID LAURIER. There has been some misapprehension between the Civil Service Commissioners and the Secretary of State. I shall try to give my hon. friend an answer to-morrow.

PORT STANLEY PIER.

Mr. T. W. CROTHERS (West Elgin). I wish to call the attention of the government, and especially the Minister of Public Works, to information I have from a responsible citizen of the village of Port Stanley, to the effect that the wages of the labourers employed on the government pier there are three months in arrears. I had occasion to draw the attention of the Minister of Public Works earlier in the session to the condition of affairs there. I want to do him the justice to say that he very promptly saw that the wages then in arrears were paid. But if the information I have to-day is correct, the wages are again in arrears to the extent of three months, and I would ask the hon. Minister if it be the policy of his department that we should give him a reminder that these wages are due. If that be the policy of the department, I will make a note of it in my diary, and will see that he is reminded every month. If the information is correct—I have it from a responsible man living in the village—I would ask the Minister of Public Works if he would see that these men are paid. It is too bad that labouring men should have to go without their wages for three months especially in the winter season.

Mr. PUGSLEY. I have received no information in regard to the wages of labourers being in arrears at Port Stanley, but I will look into the matter.

SUPPLY—CONCURRENCE.

House proceeded to consider resolutions reported from Committee of Supply.

Hon. J. HAGGART. Mr. Speaker, I rise to a point of order. It is an innovation simply to read the number of each item and the amount. It is a rule of the House that the item itself must be read.

Mr. FIELDING. My hon. friend is mistaken as respects recent years. In my experience the practice has been precisely as at present. The presumption is that if any hon. gentlemen wishes to speak on any particular item, he will take note of it, and deal with it when it comes.

Mr. J. D. REID. I have been trying to find in the estimates the different items, and I cannot tell what we are passing. I see no way of finding the items.

Mr. FIELDING. There is no real difficulty, although it involves a little trouble. If the hon. gentleman will consult the Votes and Proceedings for each day on which the committee sat he will find the items.

Mr. J. HAGGART. The rule of the House is that the item shall be read, although that rule has not been adhered to.

Mr. SPEAKER. I am informed by the two previous Speakers that the custom with them was to read the amount. If the hon. gentleman insists on having the item read he is entitled to it.

Mr. FOSTER. The rule of the House is that in order to inform the House the subject matter shall be read out as well as the amount. That system, however, was found to entail great waste of time and in order to facilitate the transaction of business the practice has been adopted of simply reading the number of the resolution and the amounts of the several items. I would be disposed to adhere to that rule, and hon. members would understand what was under discussion by referring to the Votes and Proceedings.

Kingston Royal Military College, additional accommodation, $57,000.

Mr. PUGSLEY. I move that this item of $57,000 be reduced to $37,000.

Motion agreed to.

Mr. EDWARDS. I beg to call the hon. gentleman's attention to the item of $15,000 for a veterinary hospital which, I understand, was to be struck out.

Mr. PUGSLEY. I think that was struck out in the committee.

Mr. EDWARDS. It was voted in the committee and the minister said he would strike it out on concurrence.

Mr. PUGSLEY. I thank my hon. friend (Mr. Edwards) for calling my attention to it. My recollection was that it had been considered in committee and had been struck out. But I will move now that the item be struck out.

Motion agreed to, item as amended concurred in.

Public Works—Chargeable to income—Harbours and rivers—New Brunswick—Richibucto cape—Breakwater wharf, $10,000.

Mr. PUGSLEY. I move that this item be reduced from $10,000 to $5,000. The reason is that $5,000 is all we shall be able to spend to advantage this year.

Motion agreed to. Item as amended concurred in.

Department of Militia and Defence—Salaries, $111,690.

Hon. Sir FREDERICK BORDEN (Minister of Militia and Defence). I move in amendment that the words be added 'including the salary of C. L. Panet, $2,600.' There is no increase involved. The reason of the amendment is that the Auditor General will not pay the amount unless the name is mentioned. There is no provision under the new Civil Service law for private secretaries. This amount is precisely what has been paid, but it includes an amount of $500 for private secretary. I want these words added so that the salary can be paid.

Amendment agreed to.

Trent canal—construction, $1,000,000.

Mr. J. A. CURRIE moved that the item of $1,000,000 for Trent canal construction be reduced by whatever amount is contained therein for expenditure upon the Newmarket canal.

House divided on amendment.

YEAS:

Messieurs

Ames,	Lancaster,
Barnard,	Lortie,
Barr,	Macdonell,
Blain,	McCall,
Boyce,	McCarthy,
Bradbury,	Magrath,
Broder,	Marshall,
Burrell,	Middlebro,
Chisholm (Huron),	Nantel,
Clare,	Northrup,
Crothers,	Paquet,
Currie (Simcoe),	Reid (Grenville),
Daniel,	Russell,
Doherty,	Schaffner,
Donnelly,	Sexsmith,
Edwards,	Smyth,
Elson,	Sproule,
Foster,	Stanfield,
Goodeve,	Stewart,
Gordon (Nipissing),	Taylor (Leeds),
Haggart (Lanark),	Thoburn,
Henderson,	Thornton,
Herron,	White (Renfrew),
Hughes,	Wilson (Lennox and Addington),
Kidd,	
Lake,	Wright.—52.
Lalor,	

NAYS:

Messieurs

Beauparlant,	McIntyre (Perth),
Béland,	McIntyre (Strathcona),
Bickerdike,	McLean (Huron),
Black,	Major,
Borden (Sir Fred'k.),	Marcile (Bagot),
Boyer,	Martin (Montreal, St. Mary's),
Brodeur,	
Brown,	Martin (Regina),
Calvert,	Martin (Wellington),
Carrier,	Meigs,
Carvell,	Michaud,
Cash,	Miller,
Chisholm (Antigonish),	Molloy,
Chisholm (Inverness),	Murphy,
Conmee,	Nesbitt,
Currie (Prince Edw.),	Neely,
Demers,	Parent,
Dubeau,	Paterson,
Ethier,	Proulx,
Fielding,	Pugsley,
Fisher,	Rankin,
Fortier,	Rivet,
Fowke,	Ross,
Gauvreau,	Roy (Montmagny),
Girard,	Rutan,
Gladu,	Savoie,
Gorden (Kent),	Schell,
Hodgins,	Sealey,
Hunt,	Seguin,
Lanctot (Laprairie-Napierville),	Smith (Middlesex),
	Stratton,
Lapointe,	Sutherland,
Laurier (Sir Wilfrid),	Talbot,
Lavergne,	Tobin,
Law,	Tolmie,
Lemieux,	Turcotte (Nicolet),
Loggie,	Turgeon,
Lovell,	Turriff,
MacNutt,	Verville,
McCoig,	Warburton,
McCraney,	Wilson (Laval).—80.

PAIRS:

Ministerial.	Opposition.
McDonald,	Madden,
Kyte,	Lennox,
McAllister,	Sharpe (Lisgar),
McLean (N.S.),	Rhodes,
Pickup,	Jameson,
Geoffrion,	Crosby,

McLean (Sunbury and Queens),	Price,
Prouse,	Staples,
White (Alt.),	Campbell,
Smith (B.C.),	Cowan,
German,	Arthurs,
Guthrie,	Wallace,
Harty,	Fraser,
Templeman,	Taylor (B.C.),
Pardee,	Sharpe (Ont.),
Aylesworth	Haggart (Winnipeg),
Smith (Stormont),	Blondin,
Knowles,	Meighen,
Graham,	R. L. Borden,
Emmerson,	Maclean (York),
Sifton,	Roche,
Oliver,	Osler,
Clark (Red Deer),	Monk
McColl (Northumberland),	Barker,
Clarke,	Porter,
McGiverin	Armstrong,
McMillan,	Perley,
LeBlanc,	Crocket,
Sinclair,	Worthington,
Harris, fi	Bristol,
Devlin,	Forget,
Chew,	Owen,
Low,	Lewis,
Allen,	Beattie,

Amendment (Mr. J. A. Currie) negatived and item concurred in.

SUPPLY BILL.

On motion of Mr. Fielding, House went into Committee of Ways and Means.

Mr. FIELDING. The officials of the House, in accordance with the usual practice, have collected all the items which have been passed through their various stages in Committee of Supply and in concurrence, and, having made the necessary additions, have prepared resolutions to give effect to the wish of the Committee of Supply. I therefore beg to move:

Resolved, that towards making good the Supply granted to His Majesty on account of certain expenses of the public service for the financial year ending the 31st of March, 1909, the sum of $3,371,935.82 be granted out of the Consolidated Revenue Fund of Canada.

Motion agreed to.

Mr. FIELDING. I beg to move further:

Resolved, that towards making good the Supply granted to His Majesty on account of certain expenses of the public service for the financial year ending the 31st of March, 1910, the sum of $45,772,253.17 be granted out of the Consolidated Revenue Fund of Canada.

Motion agreed to.

Resolutions reported, read the first and second time, and agreed to.

Mr. FIELDING moved for leave to introduce Bill (No. 117), for granting to His Majesty certain sums of money for the public service for the financial years ending respectively March 31, 1909, and March 31, 1910. He said: This Bill has been prepared by the officials of the House, following the usual course, and I think the House may fairly assume that it is correct, and pass it through the various stages.

Motion agreed to, Bill read the first time and the second time, considered in committee, reported, read the third time and passed.

GRAND TRUNK PACIFIC LOAN.

House resumed the adjourned debate on the proposed resolutions of Mr. Fielding, to authorize the Governor in Council to advance by way of loan to the Grand Trunk Pacific Railway Company a sum not exceeding $10,000,000.

Mr. H. B. AMES (St. Antoine, Montreal). On Tuesday last the Finance Minister, on behalf of the government, presented to this House for consideration and discussion a resolution, the opening words of which are as follows:

That it is expedient to authorize the Governor in Council to advance by way of loan to the Grand Trunk Pacific Railway Company a sum not exceeding ten million dollars for the purpose of aiding the company in the completion of the construction of the prairie section of the western division of the National Transcontinental Railway,

It is not necessary that I should read the whole resolution inasmuch as it will form the substance of the discussion upon which we are again entering. Although it may be perhaps unnecessary still I desire very briefly to review the historical aspect of this case. In 1903 the government came to this House and to the country with a proposition for building a transcontinental railway from Moncton to Prince Rupert. This railroad was divided into two portions, the eastern and the western division. The eastern division was to be built by the government and leased; that proposition is not to-day under discussion although it would form an ample subject for discussion in this House and on some future occasion we will doubtless deal with it. The western section is the one which is especially dealt with by this resolution, and I intend to confine my remarks to that portion of this great undertaking. The western division, as is well known, is divided into two parts, the prairie section, extending from Winnipeg to Wolfe creek, 916 miles, and the mountain section, extending from Wolfe creek to Prince Rupert, 836 miles. The terms under which these two sections are to be constructed, although similar are not identical. The prairie section, which was considered to be the easier portion as regards construction was to be built by the railroad company, the Grand Trunk Pacific. They were in the original proposition to be given the proceeds of $13,000 worth of bonds pere mile. This, however, as we know, was altered in 1904 so that the company should receive in net cash $13,000 per mile towards the construc-

tion of this prairie section. Six years have passed away and matters have changed greatly; to-day we have a resolution affirming that it is expedient that this company which was to have constructed the prairie section without any further assistance than a guarantee to the extent of $13,000 per mile, is coming to us and asking for additional help to the extent of $10,000,000, and this resolution, instead of opening with the formula that it is expedient, should, I think, read that it has become a regrettable necessity to authorize the Governor in Council to advance by way of loan this $10,000,000 It has been incorrectly asserted by some speakers in the House that the opposition have assumed and maintain a position of unequivocal hostility to this loan. That is what the hon. member for West Lambton (Mr. Pardee) endeavoured to put into the mouths of opposition members, and it was with those sentiments that he endeavoured to credit us. We must be permitted, I think, to make our own expression of our position in this transaction. Our attitude is that we are not opposed to the loan of the $10,000,000 if the claim be placed upon the proper basis, but that we must, as His Majesty's loyal opposition, have the right, nay it is our duty before granting our consent to such an unexpected and unusual proposition that we should be furnished with the fullest possible information as to how this regrettable miscalculation occurred, that we should be assured that the company has done its utmost before coming to the government for assistance, that we should be satisfied that the security which is offered is the very best that is obtainable, and the best that the Finance Minister, the guardian of this country, has been able to secure from these borrowers. Finally, I think, it is our duty to suggest, when the proper stage arrives, some amendments by which the Bill can be improved, bearing in mind the fact that we desire to prevent a repetition of the experience we are at present going through. No evidence has yet been adduced that the government has been at all severe upon this company, that they have been holding back when sanction was asked for this loan. It therefore behooves the opposition to provide the safeguards necessary to protect the public interest.

Were the matter not so serious it would certainly appear almost ludicrous to make a comparison between the promises that this government made in 1903 and the events as they have turned out. I venture to say that no body of men in Canada have ever made such an utterly hopeless miscalculation as has been made in respect of this national undertaking. In the 'Hansard' of 1903, we find passage after passage in reference to the eastern and western divisions, in the speeches of the Finance Minister and the Prime Minister upon which parliament granted assent to this proposition, and it was upon these promises that the country gave its concurrence. It is easy to prove that the promises that were then made have not been implemented in the slightest degree. Turn for example to a few of these extracts. Sir Wilfrid Laurier, on July 30, 1903, spoke as follows:

> I need not dwell upon the importance of this covenant on the part of the company. It practically takes away from the guarantee of the government all risk. There is not a dollar to be advanced by the government. We do give our credit and nothing else. And our guarantee of seventy-five per cent of the construction of the road is to be supplemented by the credit and all the backing of the Grand Trunk Company itself.

Mark you the Prime Minister says that not a dollar is to be advanced by this government. The Finance Minister, speaking with reference to the prairie section on August 12, 1903, said:

> With respect to the western division, we guarantee three-quarters of the cost, not exceeding a certain sum. Our guarantee—not the cost of the road, but our guarantee—is limited to $13,000 per mile on the prairie section and $30,000 per mile on the mountain section. If the road costs less than the figures on which these guarantees are based, we only guarantee three-quarters of that cost, but if the road costs more—and some hon. gentlemen argue that it will be very expensive—we do not increase our proportion, but the company must provide the increased cost without limit so that the road may be finished. The Grand Trunk Pacific agrees to do these things.

Again, the Finance Minister in that same speech spoke as follows:

> As respects the prairie section, we assume no obligation whatever, except the guaranteeing of the bonds, but my arguments are based upon the assumption that the Grand Trunk Pacific Company will carry out its undertaking, and I think that it has given a sufficient guarantee of its ability and good faith in the large sums it is putting into the enterprise. Assuming that the Grand Trunk Pacific Company fulfils its obligations under the contract, and that we shall only be called upon to do exactly what we have agreed to, we assume no obligation in respect to the prairie section, because the Grand Trunk Pacific Company agree that, from beginning to the end, they will pay the interest on that section.

And so, as I say, it was upon representations such as these made in this House and before the country that consent was granted to enter into this contract with this Grand Trunk Pacific Railway Company. It was distinctly stated that the prairie section would not cost the country one dollar, but all that we were to do was to give a guarantee which we should never be called upon to make good, to the extent of the first $13,000 per mile which would go into the construction of that road. And now we find that there has come a letter to the government, a

letter which appeared shortly after the last general election, which tells what the truth is in 1908—a truth very different from the predictions made in 1903. I cannot but wonder whether that letter came forth spontaneously on the date on which it was written, I cannot but wonder whether the government had any previous inkling as to the demand that was about to be made upon them—and I cannot but wonder whether there was any agreement between the government and the writer of that letter prior to the last general election which might account for the excessive activity of the Grand Trunk, activity directed all in favour of one of two great political parties in this country. That is something that we would like to know about before this discussion is over—just when it was that the Finance Minister and his colleagues first had word to the effect that additional assistance would be necessary to this company, that the company would ask something far and beyond what was ever expected under the original contract. Well, we remember the original contract. We remember the estimated cost of the prairie section was from $18,000 to $20,000 per mile. But what does the letter of Mr. Hays disclose? It admits that, according to the claim of the company, that road has cost $35,000 per mile. Thirty-five thousand per mile for a road built over the prairie portions of Manitoba, Saskatchewan and Alberta. Instead of having, as was expected, a capital expenditure under $20,000,000, we have a capital expenditure of over $32,000,000; and that represents merely the cost of the road and does not include anything for equipment of rolling stock—a road that is not prepared to carry traffic.

Now, our first inquiry should be as to what has actually gone into that road. Here is what we are told has gone into it: The proceeds of the three per cent government guarantee bonds, $11,908,000, representing cash to the extent of $13,000 per mile, has first gone into that construction. We have been told that a second issue of bonds took place on the undertaking of the Grand Trunk Pacific, with the guarantee of the Grand Trunk Railway, and that this second issue of bonds resulted in putting $9,602,000 into that prairie section. We have heard that the Grand Trunk themselves claim to have advanced $7,094,000. And, last of all, we are informed that it will require $3,594,000 in addition to complete the construction of the prairie section. So that, all told, $32,197,351 has gone into, or will go into, that road, including interest up to January 1, 1910, if the estimate of the company is to be accepted as reliable. That, you will see, is $35,000 per mile—$35,000 per mile for the road without one locomotive, one car, or any attempt at rolling stock equipment. Other prairie roads, the history of which is easily obtainable, have been built for $15,000 to $20,000 a mile—so that this road has cost, or will cost, double the price of these others.

Now, this road has not been under any special disadvantage. It is impossible to claim for it the consideration that might have been claimed for the first transcontinental railroad. The country to-day is a very different country from what it was in 1881. This railroad, in its prairie section, does not pass through a wild and uninhabited wilderness. All the way from Winnipeg to Edmonton it goes over fertile and inhabited country. There is not a single point on the line between these divisional places where the construction work has not been readily accessible. To bring in materials, to bring in supplies, has been a very simple matter for this company in constructing the prairie section. Supplies in the way of food for the men working on the road, of oats and hay for the horses, and all that is required can, to a very considerable extent, be obtained to-day along the line as it is being built. And, when you think also of the great increase in population, the large amount of labour that is made available, you cannot but conclude, if you compare the conditions under which this prairie road has been built—with the conditions under which the pioneer prairie roads were built—that this road had every advantage which would make towards economy, while the early roads had every disadvantage which would make toward high expense. And yet the early roads have been built for a far smaller figure than the amount, which, it is claimed, has gone into the prairie section of the Grand Trunk Pacific Railroad.

But it is claimed that this is a superior road. Mr. Hays, in his letter, gives by way of excuse that the government has forced him to build a superior road. Well, that was in the original contract; it was perfectly well understood in advance. It was thoroughly understood, when the estimates were given of this road, that a superior road was demanded, was expected, was intended. But I do not think we have as yet had submitted to this House any proof of the fact that this is a superior road. Have we been shown as to grades, for example, how much of that road is comparatively level? Have we been shown what is the ruling grade or the maximum grade? And, as to the curves of the road, have we been shown how much of the road is straight, what are the degrees of curvature and what are the sharpest curves? All these factors of railroad building can be reduced to mathematical statements, and can be submitted; and it should be possible for the government, in making this claim, to be able to demonstrate, by facts, figures and profiles, that this road is really super-

ior. I venture to say that if to-day that road were in full running order, a load of forty cars could not be hauled over it from Edmonton to Winnipeg any more cheaply per mile than a similar train can be hauled from Calgary to Winnipeg over the Canadian Pacific Railway, or down from Prince Albert by the Canadian Northern. And until that statement can be disproved I think it will have to stand; and it devolves upon the government, first of all, before they ask us to assist in paying the debts of a road costing $35,000 per mile, to show that we really have a superior road for our money. It is hard to believe that $35,000 per mile has really gone into that railway. It is hard to believe it for more reasons than one. It is hard to believe it when we think of the experience that we ourselves had in this House only two years ago.

I wish to say, Mr. Speaker, that in my opinion it is a necessary prequisite to any consideration of this demand for assistance that there should be prepared and submitted to this House a statement in detail of every item of expenditure which it is claimed has gone into the road, or will be required to complete the road, and that such a statement should be so prepared that it may be subject to audit, that it may be subject to examination, that it may be subject to study and criticism by one of the committees of this House. A few years ago we purchased from the Grand Trunk Pacific Company their surveys north of Lake Superior. How was it done? We appointed a board of three auditors, outside, independent men; they went down to Montreal, they went through every account, checked every statement of expense, and they satisfied themselves that the $350,000 we were called upon to pay for these surveys, did represent money that had actually been expended and for which we had value received. Is that going to be done in this case? Are we to have a similar audit before we are called upon to pay off the debts of this company on the prairie section of the road?

Now, among the papers that were subsequently brought down when we asked for details in connection with these proposals, are two important letters. These letters were produced on the demand that was made by the leader of the opposition, who wished to have a detailed statement of the amounts that had gone into the construction of this road. We find that the assistant deputy Minister of Finance, on the 26th of March, 1909, writes to the departmental auditor of the Department of Railways and Canals, and states among other things:

Mr. Borden also asked for detailed statements of the prairie and mountain sections expenditures. Please give such details as are available.

In reply to that Mr. Bell writes a letter, from which I will quote the major portion:

For your information I may state that the Grand Trunk Pacific Railway Company have submitted monthly, statements in detail, under the different headings, as laid down in the standard classification, showing total cost to them of the mountain and prairie sections. From time to time, as these statements were received, I went to Montreal and by personal examination of each voucher and of the books of the company, have satisfied myself as to their correctness. Bearing in mind the interpretation of the words 'construction work' as defined by article 1, section 5 of the mortgage and schedule (A) to the Acts 4 & 5 Edward VII., chapter 98, certain vouchers have been disallowed by me as not coming within the meaning of 'construction work.' Certain other vouchers have been disallowed, not because they did not come within the meaning of 'construction work,' as defined by the mortgage, but because the company failed to produce sufficient detailed proof, to justify me, in my opinion, in passing these vouchers, as I have always taken the stand that burden of proof lies with the company. It is probable that when further promised details are obtained these items will be passed, some of these are of considerable amount. I have tried to make it clear, in the above, that while the cost of construction as arrived at from results of my audit, is considerably lower than that submitted by the company, this is the result of the company having to include in the cost of the railroad, certain charges which are legitimate from their standpoint, but which are not, in my opinion, so far properly vouched or are not permissible, under the definition of 'construction work' referred to.

So we see that in the company's estimate of the cost of construction there are a number of items which are not properly vouched for, and which are not properly chargeable to construction work. When we read the statement that is attached by Mr. Bell to that letter, we find that the cost as submitted by the company up to the 31st of December, 1908, on the prairie section, is $27,031,453; but that the amount allowed to December 31, 1908, is $26,256,445, a difference of $775,000 between the amount which the Grand Trunk Pacific claim as having been spent on that prairie section, and the amount which the auditor of the department feels he can, under the law, pass as legitimate accounts. Now remember that is pro rated for the prairie section, and does not include that which is chargeable on the mountain section. In that $775,000 we find preliminary and legal expenses, $303,000, which the auditor cannot pass; and in the mountain section $112,000 which the auditor cannot pass. Now we have had some experience in parliament with items that could not be accepted and passed by the auditor, for it will be remembered that two years ago we had a discussion in this House along those

lines. When the Grand Trunk Pacific came in with their first series of vouchers and their first demand for release of funds that had been raised under the three per cent loan, it will be remembered that the first statement they presented contained $162,000 of accounts which the auditor would not pass. We remember too that this had been passed through several departments before it was finally blocked by the Finance Minister and his department, and that statement was given back to the company and was destroyed, and a revised statement was presented leaving some $80,000 of the original statement out of the second statement. Now when the second statement came back we inadvertently obtained a copy of it, and we found in that second statement many items which it would be very difficult to classify as properly belonging to the cost of construction. We found charges by Mr. Wainwright for coming to Ottawa, very heavy charges for very short trips; we found money paid to Sir Adolphe Caron for services which it is difficult to appreciate, we found frequent sums paid to H. B. McGiverin, and we have never yet learned what services he rendered to entitle him thereto. There were items, mind you, that were presented a second time, and a second time rejected. Who can tell what were the items that were rejected in the first place which the company did not have the face to ask payment for a second time?

We undertook to follow that up in the Public Accounts Committee, and what was the result? Our chief witness, after being subpœnaed hurriedly left for the Mediterranean; parts of the statements were found to have been burned; the result was that the committee finally decided—and I may say that I think they decided rightly—that inasmuch as no money had been actually paid on that $162,000, therefore the Public Accounts Committee could not investigate any further. That may be outside the functions of the Public Accounts Committee, but we asked that a special committee of this House should be permitted to look into it, and that request of ours was refused in the House.

Now, what did Mr. Power say, who appeared as representing the accounting department of the Grand Trunk? He said that every item of that $162,000 still remained on the books of the Grand Trunk as a claim against the Grand Trunk Pacific, which they regarded as valid, and payment of which they some day expected to obtain. Is it any wonder that we are suspicious when we come to look over the statement as the company makes it and compare it with the statement as the auditor passed it, and we find a difference of $992,000, a difference of $775,000 on the prairie section, a large difference on the mountain section as well, and that the preliminary and general expenditures, which were $162,000 in 1905, have now grown to $303,000 on the prairie section alone? Now, Mr. Speaker, in view of the fact that we are being asked to reimburse to the Grand Trunk $7,094,000 which they are allowed to have advanced, which sum avowedly contains every claim that they have against the Grand Trunk Pacific, how can we be asked in this House to borrow money to loan to them to pay accounts which we have refused repeatedly to pay out of the guarantee funds that have been raised?

Mr. FIELDING. My hon. friend is surely mistaken. Not one dollar can be paid out of this fund except upon the certificate of the engineer that the amounts are properly chargeable to the construction account.

Mr. AMES. Very well, then we must look elsewhere. Where is that claim of $162,000 found on the books of the Grand Trunk Railway Company still against the Grand Trunk Pacific and how will that claim be satisfied?

Mr. FIELDING. It will not be satisfied out of these moneys.

Mr. AMES. It is to prevent this that I want the minister to lay upon the table of the House a statement of all the items and vouchers that have gone into this $35,000 a mile.

Mr. FIELDING. My hon. friends have asked for heaps of information and it has all been brought down. Every request that they have made has been complied with.

Mr. AMES. The minister has not yet submitted to the House a statement of the items which bring the cost of the prairie section up to $35,000 a mile.

Mr. FIELDING. We have placed on the table of the House the report of the engineer of the government, stating that he had examined the returns and that he had found that this is a correct valuation.

Mr. AMES. It must not be forgotten that that same engineer found no difficulty in passing the amounts given as composing that item of $162,000.

Mr. FIELDING. Well, he is rather a reputable engineer.

Mr. AMES. I think that the demand we are making is a perfectly legitimate demand, and a demand which is a necessary prerequisite to any consideration of this transaction. We know there are claims on the books of the Grand Trunk against the Grand Trunk Pacific which we have refused to pay. We now ask an assurance that there will be placed upon the table of the House a statement that will show the moneys that have gone into that road upon which we are asked to take a fourth mort-

gage. We want to know how much of real value has gone into that road. We want to know how much of the $7,094,000 represent labour, material and actual service. We want to know how much was spent in lobbying the Bill through this parliament. That is altogether a different matter and that is why, when we are taking a fourth mortgage on this road, we want to be satisfied that the property has the valuation that the company claims for it and that it represents dollar for dollar actual service rendered properly chargeable to construction.

Mr. FIELDING. That will have to be properly certified or not one dollar can be paid.

Mr. AMES. Well, let us have the statement. There is no difficulty about that. The vouchers are all in the vaults of the Grand Trunk Railway Company. There should be no difficulty about having a statement prepared showing how this $27,031,453, spent up to December 31, has been made up and how this $32,197,351 which it is expected will be spent by the time the prairie section is completed is arrived at. Can we have that statement? Now, there is some further information that I think we are entitled to. We find that 10,000 shares of the common stock of the company have passed into the hands of certain individuals. These individuals are alleged to have paid for that stock about $20 per share and it is said that $205,200 has thus been paid in and that this money has been used for the general purpose of the company. Can we have a statement of what general purposes of the company have been served by that? Are we not entitled to know also whether that money has gone into the road? Are we not entitled to know whether it has added value to the property upon which we are asked to take a fourth mortgage? We want to know if there is anything tangible to show for it. Has it gone into the property upon which we are asked to lend money? I think that is something we have a right to know. So long as important information of this character is not forthcoming, so long——

Mr. FIELDING. Is my hon. friend quite fair in suggesting that important information is not forthcoming? Hon. gentlemen have asked many questions bearing upon this whole matter, and, to the best of my knowledge and belief, every question that they have put before the House has been answered. Why does my hon. friend now say that there is any effort to prevent the information from being brought down?

Mr. AMES. I never spoke of preventing the information from being brought down. But I think the fact that the minister has brought down certain information does not necessarily close the door to a demand for further information, and in this particular case we are indicating additional information that we want before the Bill comes up for final discussion. The minister does not expect to pass this Bill to-day or to-morrow.

Mr. FIELDING. Certainly not.

Mr. AMES. He does not expect to pass this Bill for a fortnight and he will have ample time to satisfy our legitimate curiosity upon several other points of the Bill when it comes up for discussion, and so let me repeat what I have been saying as to the balance of the information which we will want—information as to the alleged superior character of the road of which we yet have no knowledge and information, as to the items which make up the expenditure at the rate of $35,000 per mile and information as to the application that has been made of the proceeds of the common stock that has been sold. Until we have that information can the government blame us if we say we are not prepared to give to their Bill the full consideration which it deserves, and if we say that in the meantime we must hold ourselves open to take such a course of action as may seem wise to us when all the information that we desire has been submitted to us?

Now, in anticipation of the committee stage of the Bill, I have a few further observations to make upon the balance of the resolution. The hon. Minister of Finance, in presenting this resolution to the House, characterized it as being 'rather in the nature of a banking transaction.' He undertook to persuade the House that the government was simply acting as the banker for the company and was doing what a bank might expect to do under similar circumstances. Now, I want to subject this banker's conduct to a little analysis to see whether it is the same line that would likely be pursued by the managing director of a large banking institution with the concurrence of his board of directors. Let us apply the banking tests to this transaction. The first consideration which a banking institution deals with when it is asked to make a loan is to find out whether it has the money to lend. Have we the money to lend? Well, hardly. It is one matter if you have money lying idle or out at a very low rate of interest and you are taking up this money and lending it on investment—that is one sort of proposition—but when you have to go and borrow money in order to lend it again that is a transaction of an entirely different character. Only a little while ago we floated a loan of £6,000,000 in London. Hardly had the money been transferred to our credit before two-thirds of it was absorbed by the outstanding floating obligations, and I venture to say that of the

balance of that loan very little is now in the treasury of Canada. Can the minister now take $10,000,000 out of what he borrowed in February last? I doubt it. Probably at the expiration of this session he will have to put his hat on, pack his grip and start on the weary road to Europe in order to visit the various financial centres and once again make his plea for financial assistance. I think the minister might almost take a permanent office in Europe at the present moment because he will probably be called upon to spend as much time upon the other side of the water as upon this.

Now, take the second consideration. If you want to do a banking business you are expected to do it at a profit. Banking institutions, as a rule, do not borrow in order to lend at a lower rate of interest than that at which they have borrowed. We do not, in this particular case, even get as much for the money as it costs us to borrow it. I am reminded of the story of a certain postmaster who, upon the change of government in 1896, received a large official envelope from Ottawa in which was a notification that he had been reappointed to the position of postmaster at, let us say, Smith's Cross Roads. In the letter that was the statement that the salary would remain as before, and the postmaster wrote back to the department somewhat along these lines: 'For twenty years past I have received no remuneration for my services. It is very kind of you to say that the salary will remain as before, for I should hate to have to pay anything for the privilege.' That is about the position of the government in this banking case. In fact the government is going to make a loan to the Grand Trunk Pacific, and to pay for the privilege of making it. Suppose—which of course the Finance Minister will admit is an impossible assumption—he should have $10,000,000 left from the loan he made in February. What did he pay for the £6,000,000 he borrowed at that time? He paid 4⅛ per cent for the money, all charges included. If we were in a position to lend the Grand Trunk Pacific $10,000,000 from this amount, we would be paying $412,500 per annum, and receiving $400,000 per annum, an annual loss of $12,500, or during the ten years of $125,000. In other words we are to pay $12,500 per year for the privilege of being the banker for this company, and in the ten years—because the two loans are concurrent—that would amount to $125,000. We might be willing to lend our money to the Grand Trunk Pacific at what it costs us, but when it comes to paying for the privilege of being banker for that company, that is drawing it a little strong. The least the Finance Minister should have done was to have stipulated that the company, to whose help we are coming, should pay what that assistance costs us.

There is another consideration. The Finance Minister says that we buy their bonds. Of course we do. Now the buying of bonds is a perfectly legitimate banking transaction. Banks are accustomed to do it, but they are careful only to buy them at the market price. We, however, are buying them at par. We are paying $100 cash for a $100 bond.

Mr. FIELDING. I did not use the word 'buying,' it would not be correct.

Mr. AMES. I think it occurs in my hon. friend's remarks, or in Mr. Hay's letter

Mr. FIELDING. We do not buy. We take them as collateral.

Mr. AMES. Our collateral security is the mortgage on the Grand Trunk Pacific and the guarantee of the Grand Trunk Railway. The bonds are what we take.

Mr. FIELDING. We do not buy them.

Mr. AMES. It is on those bonds and similar bonds that this company raised its previous loans. Their mortgage bonds floated a short time ago to raise money for the rolling stock, were sold at 90; and deducting expenses, they netted 87½. This company then, in its preceding issue of debentures, found it necessary to incur a debt of $8 in return for $7 in cash, thus making their bonds carry, on the actual cash received, a rate of interest of over 4½ per cent. We therefore are to pay for their bonds $10 to $12.50 per hundred over their market value and are to receive one half per cent less than the market rate of interest. We are giving the company a better rate of interest by one-half per cent than they were compelled to pay in their previous transactions. Does that seem such a banking transaction as would commend itself to a competent and prudent financier?

Now, I come to the question of security. What security have we? We have the bonds of the Grand Trunk Pacific, which we are to receive at par. But what is there behind these bonds? There is, first of all, a mortgage on 'the undertaking, equipment and property tolls, rates and franchises of the company in respect of the said prairie section'; and then there is the 'guarantee as to the repayment of the principle and interest thereon by the Grand Trunk Railway. First, let us consider the value of the mortgage. In that connection the important point is how many prior liens there are, because our mortgage is subject to any prior lien. There are no less than three other lenders who rank before us on the self same property. Take the matter of prior mortgages, the resolution states that our claim will be 'subject to any prior liens on the property.' What are these prior liens? First comes our own claim of $13,000 per

mile or $11,908,000. This is our claim on the prairie section. Then comes the Grand Trunk Pacific bonds, guaranteed by the Grand Trunk Railway. It took £2,100,000 of these to get the amount required, equivalent to $10,220,000, par valuation. These constitute a second mortgage on the property. Then comes the rolling stock loan of February last. The Grand Trunk Pacific was authorized to borrow $25,000,000 for the purpose of purchasing rolling stock, and of that amount they have issued bonds to the extent of £3,000,000 or $14,000,000. These form a third mortgage, and our mortgage comes fourth. Therefore, before we can file at all with our fourth mortgage, prior claims amounting to $36,728,000, represented by securities, must be satisfied. These are equivalent to $40,000 per mile which must be paid before we get anything at all.

Further than that, the terms of our fourth mortgage are not as favourable as those granted to some of its predecessors. For example, when the Grand Trunk Pacific undertook, with the guarantee of the Grand Trunk Railway, to raise money on its second mortgage, it stipulated that 'all the rights and franchises, equipment and property to be hereafter acquired by the Grand Trunk Pacific, &c.,' should be pledged for payment. There is nothing of that kind in our mortgage clause. So that the second mortgage covers a wider property than does ours. So that in return for our loan we are to get a fourth mortgage, and that mortgage has less security than those preceding it. Would that be considered a good banking transaction?

As to the other element, the Grand Trunk Railway guarantee, will that be of any value to us in the repayment of the principle? Has the Grand Trunk Railway hithereto paid the principal amounts they have borrowed with such unfailing regularity that their credit is unassailable? We know that since many years they have owed the government $15,000,000 and that we have not the slightest chance of ever getting the money. Does my hon. friend the Finance Minister regard the guarantee of the Grand Trunk Railway as to principal of any value whatever.

Mr. FIELDING. Yes, we can take the bonds at any time and sell them. They can be sold on the market. My hon. friend has admitted they can be sold at 90.

Mr. AMES. I said that the third mortgage could be sold at 90.

Mr. FIELDING. It is the guarantee of the Grand Trunk Railway which gives them value. It is not the mortgage which gives them value. The guarantee of the Grand Trunk Railway is worth more than the immediate mortgage.

Mr. AMES. In my opinion the guarantee of the Grand Trunk Railway is worth little as regards the redemption of the principal. How about the interest? My hon. friend endeavoured the other day to persuade us that there was a large surplus on which we would have the first claim in case there was default in meeting the interest. I have here the report of the Grand Trunk Railway for the last half year in the list which the minister gave us. I find that, according to the Grand Trunk Railway's statement for the first half of 1908, there were the following prior claims on the earnings of the road: Rents, interest on $120,000,000 of debentures stock and bonds, the Canada Atlantic deficiency, and the deficit on account of the Detroit, Grand Haven and Milwaukee Railway. After payment of these prior claims, there yet remains a surplus for the half year amounting to £180,494. But what is there against that surplus? From this surplus must be satisfied our guarantee. But we are not alone in this position.

Mr. FIELDING. The sums I mentioned were available after the company had met its obligations as respects those guarantees to which my hon. friend now refers.

Mr. AMES. My hon. friend conveyed, I am sure unintentionally, a different impression to me. He led me to believe that the £180,000 was the surplus on which we had practically a first claim.

Mr. FIELDING. No, but others of like rank might have a claim with us. My hon. friend, I think, so understood it, because he asked who would be partners with us in that rank.

Mr. AMES. The hon. Minister of Finance gave me to understand that this loan would rank first, after the satisfaction of all guarantees.

Mr. FIELDING. If my hon. friend so understood it, how did he come to ask me who would be our partners of equal rank in our guarantees?

Mr. AMES. This is the statement I have, and I think it will be admitted to be absolutely accurate, that after providing for these prior claims for the half year ending the 28th of August, 1908, there was £180,000 left to satisfy the various guarantees. Now, what guarantees are there? Let us see the guarantees which the Grand Trunk Company have given in respect to this road. They have guaranteed $10,220,000 on the prairie section. They will need to guarantee before they are through $20,000,000 or $25,000,000 on the mountain section. They have already guaranteed $15,000,000, and will probably guarantee $25,000,000, on the equipment of the road. Then comes this loan.

So that, all told, the guarantees will amount to about $60,000,000, and we rank pari passu with the others, that is to say, if there is not enough in this surplus to satisfy all these guarantees, we get one-sixth of what there is. So that it seems to me quite possible that our guarantee may not be equal to the occasion, even for interest, and I am quite certain that the guarantee of the Grand Trunk will be of very little value to us in the matter of repayment of principal.

The minister's resolution speaks of the right of foreclosure—we are to be entitled to all the rights and remedies available to bondholders. I confess that I find it difficult to ascertain what are our rights by way of foreclosure, and I would be glad if the hon. minister would indicate what steps would have to be taken by us to foreclose if this $10,000,000 claim were not paid. It seems to me that we would have to pay off the second and third mortgages, not on the prairie section alone, but on the whole western division, because the prarie and mountain sections are inseparable, as I read the Act; and it is doubtful, if we paid them off, whether we could do more than put in a receiver and divide the proceeds. I fail to find that we could by foreclosure make that right as enacted here, of any considerable value.

To review this transaction as a banking proposition, let me again enumerate the points which I made. In the first place, we must borrow in order that we may lend this money. In the second place, we propose to lend it at a rate of interest less than we can borrow it for. In the third place, we agree to take bonds at 100 cents on the dollar which the company would be glad to get rid of at 87½ cents. In the fourth place, the security on which we advance the money is but a fourth mortgage. In the fifth place, the guarantee of the Grand Trunk is practically worthless so far as principal is concerned, and in the matter of interest we are only to participate as a one-sixth interest; and the right of foreclosure I have as yet been unable to find to be of any real value to us. So that as a banking proposition this transaction can hardly be commended. I cannot think that if the Minister of Finance were the manager of a bank he would on these grounds present a $10,000,000 loan to his directors and ask their concurrence.

At six o'clock, House took recess.

After Recess.

House resumed at eight o'clock.

SECOND READING.

Bill (No. 122) to incorporate the Cabano Railway Company.—Mr. Gauvreau.

GRAND TRUNK PACIFIC LOAN.

House resumed consideration of the proposed motion of Mr. Fielding with reference to a loan to the Grand Trunk Pacific Railway Company.

Mr. AMES. When the House rose at six o'clock I was dealing with the statement of the Minister of Finance that this loan might be regarded as a banking transaction. I think I clearly demonstrated that any bank manager who submitted a proposition of this kind to his board of directors would be very likely to have the proposition turned down without a long debate. But before I leave that phase of the question, allow me to correct a difference of opinion which has arisen between us as to exactly what was said on Tuesday last. When we were discussing the value of the Grand Trunk guarantee, I said, after the minister had told us of the surplus that was available for meeting this guarantee:

> Do I understand that this sum will be available to divide up between ourselves and all the other guarantors on the same basis if it were necessary to secure the interest on these guarantees.

To this Mr. Fielding answered:

> No, I am advised that the situation is better than that; that all the other guarantors were provided for and that this amount would have been available to pay our guarantee if this proposed legislation could be in operation in any of the years which I have mentioned.

I certainly drew from that remark the conclusion that the minister considered the £180,000 to be available after the satisfaction of all other guarantees, and I certainly think his remarks would bear that interpretation. I understand that in the matter of the interest of the guarantee of the Grand Trunk we would simply rank pari passu with the others to whom that same guarantee has been extended, and as I roughly calculated that in respect of this one enterprise alone guarantees of upwards of $60,000,000 would be given, our $10,000,000 loan would come in for just one-sixth of the amount available in case there was any shrinkage in the fund from which the interest could be made payable.

Having disposed of the argument that this is a banking transaction—and I do not think the government would have presented this proposition to us purely on its merits in that way—I come to discuss it as a measure of relief. Mr. Hays' letter, by which the government were officially made aware of the fact that the company was unable to carry out without assistance the contract into which it had entered, in its closing paragraph reads:

> I would therefore urge that such measures of immediate relief be given as will enable us to do this and avoid the disastrous effect

on the credit of both the railway and the country which would necessarily result from a stoppage of the work.

There we have the whole plea in a nutshell. The company frankly admit in the last line of their letter that you must either give them this money or the work will stop. It is the cry of a company in extremis; they come to us for a measure of relief simply because they can carry on the work no further. If the Finance Minister and the government submit the proposition to the House on such grounds, and it is to be considered that we have before us two alternatives, either to advance this money or see the work stopped, then, of course, the opposition may face this question in a different way. But we need first to be satisfied that the company have done everything that they can do before falling back on the government to help them out of the difficulty.

Comparison has been made between this loan and the loan of $30,000,000 that was made in 1884 to the Canadian Pacific Railway to help them out of their difficulty. But if you compare the two loans you will find that they do not travel on all fours by any means. The Canadian Pacific Railroad was nearly completed when the loan was asked; within two years afterwards it was an operating concern from one end to the other. Into that road there had gone $62,000,000 of cash, among the assets were 25,000,000 acres of land. The company were willing to pledge everything they had, even to the control of the enterprise and the $30,000,000 loan was a first lien on it all. There is no comparison between the two, and, further than that, before the builders of the Canadian Pacific Railway came to Sir John Macdonald's government and asked for this $30,000,000 loan, they had exhausted every possible alternative that was open to them; they had gone down into their own pockets, they had pledged their personal credit; George Stephen and his heroic associates had pledged $8,000.000 or more of their own personal assets to the bank, and if this railway had not been completed and if the government had not come to their assistance, every one of these men would have been confronted by ruin and penury. There is no evidence of anything of that kind in this case; we have not a tittle of evidence that the promoters and builders of the Grand Trunk Pacific Company have put up a dollar of their own money or are prepared to pledge or jeopardize their own credit. When the Grand Trunk gave the guarantee on second mortgage for the prairie section in consideration of this guarantee they were granted possession of the common stock. The government has given far more than the Grand Trunk has given towards the Grand Trunk Pacific, and is the government not entitled to some special consideration for what it has already done and is now being invited to do? Would it be an unreasonable proposition for this government to ask the Grand Trunk Pacific Company and its backers, the Grand Trunk, to put up their common stock, to issue their preferred stock and to place these in jeopardy until this loan is paid? What guarantee have we that this is not the first of a series of similar loans?—next session another ten millions, the session after that another, and so on. Why, the government is in the position of a banker who has given to a contractor a far larger line of credit that the contractor could ordinarily expect to have, and the government has to carry this contractor through in order to save itself. Now, I submit that the proposition as outlined by the Finance Minister contains no element that will, to the slightest degree, deter this company from coming back next session, and the session after, for additional assistance. Why should they not? They are starting out to complete the mountain section. It is expected that this section will cost $67,000,000;—that is the latest estimate. Probably we shall find that it will cost much more before we are through with it. The company expect to raise about $20,000,000 in order to provide their portion of the money for this construction. How can we prevent them coming back to us and asking us to help them by a repetition of what we have to-day? If they find that their bonds do not float readily, will not they come back and ask us to be their bankers again on these for them especially favourable terms? No; if we are to guard against a recurrence of that which we are now considering we must pay in jeopardy something which the promoters of the Grand Trunk Pacific regard as dear, and something which they wish to keep for themselves. Look, for example, at the various loans this company has obtained. Of all these loans, there is not one so favourable as the one they are getting from this government. It bears the lowest rate of interest, practically, that they are paying. They have borrowed upon their second mortgage, and they have borrowed for their rolling stock at a rate of 4½ per cent, if you include in the calculation the difference between the par value of the bonds and the value at which they have been sold. Are they going to pay off the loan made to them by the country when it is the lowest in rate of all the debts they have to deal with, the most advantageous financial transaction they have? Not at all. There is every inducement to cause the company to endeavour to postpone the repayment of this loan, because it is the most advantageous financial transaction they have on their books.

I do not see why this company should come in for any special consideration on the part of the government or on the part of this House. I do not see that this company has fulfilled the glowing promises which were made in its behalf in 1903-4 when the Bill was being put through the House. What were we then told? We were told that through the provinces of the west Manitoba, Saskatchewan, and Alberta, this road was to open up new territory, fields where man had never trod; that it was to make Canada a hundred miles wider. Why, that was shown by the plan laid before this House. The plan showed the line passing north of Lake Winnipeg, and on to a pass in the mountains several hundred miles north of Edmonton. It was a splendid thing to talk about, this opening up of regions not yet even fully explored. But when they came to build the road, what did they do? From Winnipeg to Edmonton, they pass through the most fertile and most thickly-populated part of the three provinces and always within a few miles of existing railways. There is hardly a point of the whole distance between Winnipeg and Edmonton, where this line will be more than ten miles from an existing and operating railway. It opens up no new country any more than do a dozen railways that are branching out through these different provinces. It has entirely disappointed us in that respect.

Another claim was made for the line. This particular section, this prairie section, was going to reduce the rates on the farmers' grain, so that that grain would be brought down to the seaboard at unheard-of prices. Is there a chance of that prophecy being fulfilled? I cannot see it. When the Grand Trunk Pacific has to compete with railroads built at half its cost and with fixed charges not more than half what it must pay, will there be any reduction in rates? This railroad from Winnipeg to the foot of the Rocky mountains will cost, with its equipment and rolling stock, upwards of $50,000 a mile. If that be borrowed at 4 per cent, which is the lowest rate at which they can hope to borrow, it means $2,000 a mile or $1,830,000 of interest yearly on the prairie section alone. Do you suppose that company can afford to reduce rates with its fixed charges double those of its competitors? Not at all. I tell you, you are introducing an influence in the west not for the reduction of rates, but for the upholding and advancing of rates on the transportation business of the country. When there is a conference amongst the railway companies, do you think the Grand Trunk Pacific will be in favour of the reduction of rates? Not at all. They will be the company pleading with the Canadian Pacific and the Canadian Northern to keep up the rates, because unless the rates are kept up they cannot make money when they have to pay fixed charges on $50,000 a mile. In this respect also, the road is a disappointment. Therefore, I cannot see that the company has any reason to come to us and ask for special consideration such as we are not prepared to give to other companies,—to ask to be treated on a basis as if they and they alone had earned the right to special consideration.

Now, I come to another feature of the case—and it is a serious one—which, I feel, must be placed before the House. The last clause of this resolution gives authority to the government to go into the money market to raise the money to re-lend to this undertaking. It means another ten million dollar loan. That means, simply, the straining still further of the somewhat overstrained credit of the Dominion of Canada. We are not merely giving them a great advantage and assistance, we are not merely giving them money at a lower rate than we are able to borrow it, but we are adding to the load and burden on our already somewhat overloaded credit. We have been frequent borrowers of late. Since December 1, 1907, no less than seven loans or extensions of loans have been made on behalf of the Dominion of Canada. We have borrowed or extended loans aggregating £24,831,000. On the 1st June next, we have to repay or extend a loan of £5,000,000. On January 1, 1910, we have to repay or renew two loans which, combined, equal £10,443,136, then we shall require, probably during the present fiscal year, another £5,000,000 to go into our own part of this National Transcontinental line, and, after that, £2,100,000 which will probably be the amount of indebtedness we must incur in order to grant the relief to this company asked by the present resolution. Thus, you have all told an indebtedness incurred or renewed within two years and four months of £47,375,000, or $230,000,000, a sum nearly equivalent to the entire net debt of the Dominion as it stood three years ago. These are stupendous figures, and they are figures which the financial world is not altogether unmindful of. It is this constant and continual borrowing that is having its effect upon the financial standing of the Dominion of Canada. And let me tell the Finance Minister that if he finds it necessary, in order that this road may be completed, to again and again come to this House for additional loans, as he is now coming, the result will be that the credit of the Dominion of Canada will be considerably depressed.

When the Finance Minister in 1897 made his first loan, if you will read his budget speech in that year, you will see that he

claimed for himself to have established a record which not only Canada but every part of the British dominions might be expected hereafter to follow; he had succeeded in making a record for cheap money for Canada and other British possessions. If you will examine his first loan you will find that the rate of interest was ·02863 per cent. That was an exceedingly good transaction, and the minister had every reason to congratulate himself upon it. This government had only been in power a short time, and the credit of Canada was high. But what has the minister paid for his last loan floated only a month or so ago? He paid ·04125 or 4-⅛ per cent; in other words, he is paying 50 per cent more for his money to-day than he was paying in 1897 when he first stepped into the position he now occupies. That shows how the credit of Canada and how the borrowing ability of Canada is suffering in consequence of the repeated drain that it is now being subjected to. But that is not all. The hon. minister knows perfectly well that each time he packs his grip and goes over to the money centres of Europe and raps first at one door and then at another door endeavouring to float some new loan, whenever he meets a money lender that gentleman will say to him, 'You will have to throw in a little more this time, Mr. Fielding, we cannot do quite as well with you as we did before. This loan will have to be a shade below par, you will have to throw in several months of unearned interest, this time you will have to agree that these bonds will be exchangeable for others to a little better advantage.' When the minister goes the next time he will have to offer greater inducements than heretofore, and each time he will find it harder to borrow money. There is no use shutting our eyes to the fact that this procedure is hurting the credit of Canada. Those who have already purchased our bonds are dissatisfied with the fact that each successive loan that the Finance Minister floats with special inducements tends to depress the value of outstanding securities. Let me read for the minister a very significant passage which occurs in the 'Money Market Review' of March 6, 1909:

> The seventy-third yearly general meeting of the Bank of British North America was held on Tuesday, March 2, 1909, at the office of the corporation, Mr. C. W. Tompkinson, presiding.

This is what Mr. Tompkinson said inter alia, in his annual report:

> Investments, so far as our British government securities are concerned, show no change, but we have increased our holding of Dominion of Canada bonds by £38,000, and, as stated in our report of June 30 last, we have written down our total holding from 97 to 95. These bonds are, as you are well aware, necessary for the securing of our note issue when it exceeds a certain limit, and, in view of this fact, it seemed advisable to increase our holding to a moderate extent. Since December 31, a further fall, we regret to say, has occurred in Canadian government securities, due principally to the issue of the late big loan, which gave investors more favourable terms than were afforded by the older issues, and it is likely that, should no recovery occur, we shall have to devote still further sums to writing off their depreciation in value.

Is there likely to be any recovery if the minister must go to Europe two or three times a year to borrow immense amounts at increasingly disadvantageous terms? Not at all. There is no doubt that this banker stated the true facts of the case when he said that our continuous applications upon the money markets of the world tended to reduce the value of all Canadian securities, and this bank found it necessary to write them down. Has it ever occurred in the history of Canada before that a bank has found it necessary, on two successive occasions, to write down the value of Dominion government securities? I think it has not; it certainly is a warning to those who have charge of the financial affairs of the country.

Now, Mr. Speaker, in order to build this road we are undertaking an enormouse burden, and the half has not yet been told. If there is anything to be made out of this road, others will make it; if there is anything to lose out of it, we shall lose it; the harvest will be for others, but the failure of the crop will be for the Dominion of Canada.

In conclusion let me say that if we are to consider this question, not as a banker's proposition, but as an urgent measure of relief, the opposition approaches it with no intention of refusing the aid, nor does it intend to obstruct the passage of this resolution nor of the Bill that will be founded upon it. We are willing to consider it as a measure of relief. We regret the necessity, and we cannot help laying the blame on the hon. gentlemen opposite who have succeeded in getting the country into the unenviable position it occupies to-day. We consider that this was an ill-conceived scheme from the very outset. It was hailed as the Laurier monument, I think that following generations will look upon it as the Laurier millstone. But, we must see the project through. Yet we believe that we should put a provision in this Bill of such a character that the company will feel, when they come back the next time, that it will hurt. As the measure stands to-day we are encouraging the company to return. We must amend that Bill so that the company will feel that they must complete this road, or if they cannot complete the road, must make way for one that can complete it.

Motion agreed to, and House went into committee on the resolutions.

Mr. W. S. MIDDLEBRO (North Grey). Mr. Chairman, I desire to say a few words before this resolution is carried especially in view of the fact that some remarks were made the other night by the hon. member for West Lambton (Mr. Pardee) in comparing this loan with the loan that was made by the Conservative administration when we were in power in 1884. Some idea seems to have gone abroad that the Conservative party are not in favour of the completion of the transcontinental railway. I desire to state most emphatically that as far as I am concerned, and as far, I believe, as all the members on this side of the House are concerned, that is an entirely erroneous impression, we are as much in favour to-day of completing the transcontinental railway as we were of completing the Canadian Pacific Railway in 1884 and I think if you compare the records of the two great parties as to which of these parties is entitled to the credit for completing transcontinental railways the comparison would redound very much in favour of the great Conservative party. There was a time when the hon. gentleman now ocupying the treasury benches were not singing the same song as they are singing to-day: 'We cannot wait as time will not wait; we cannot wait because time lost is doubly lost.' There was a time many years ago in the pioneer days of this country when the great northwest was an almost trackless wilderness, when the virgin soil was yearning for the hand of man, and when at that time the Conservative administration proposed to build the Canadian Pacific Railway for the purpose of opening up that country we found hon. gentlemen opposite opposing that transaction from beginning to end. Therefore, I say it is not fair and right to allow the impression to be created to-day that we are not in favour of completing this great transcontinental railway. The whole matter with us may be summed up in these words 'better terms.' It is a question of better terms and if we had a satisfactory assurance upon that point we would be quite willing to give our votes in favour of this loan. In 1884 the gentlemen who now occupy the treasury benches in parliament opposed the proposed loan to the Canadian Pacific Railway. Because the hon. member for West Lambton the other day made a number of quotations for the purpose of proving the stand that those now in opposition took in 1884 I purpose quoting from a few speeches made by prominent members of the then opposition. I will take first of all a statement which was made by the then Liberal leader, the Hon. Edward Blake, first upon the question of the building of a road in its inception and subsequently on the question of giving them this loan. Speaking in 1884, as will be found at page 131 of 'Hansard' of that year, Mr. Blake said:

Even those friendly to the proposal must see that it is unadvisable to accept it. We are face to face with a condition of things, financially, which will be the subject of discussion in a few days, and it behooves us to be prudent—to pause before imposing additional engagements at this time on the country. Face to face with this state of things, we are asked to enter into those large engagements for which no reason has been given, and for which I pretend no countervailing advantages are offered. I, therefore, cannot give my assent to this proposal.

And he voted against the resolution for the purpose of enabling us to grant a loan of $30,000,000 to the Canadian Pacific Railway. Then I take the Hon. Mr. Fisher and I will quote his remarks then. I want to point out that this whole transaction is being discussed to-day as a business proposition. It is placed before us as a banker's proposition and if the hon. Minister of Finance (Mr. Fielding) will excuse me I will this evening discuss it from the banker's financial standpoint. The hon. Minister of Agriculture, speaking of the proposition before the House in 1884 said:

I think, however, that this, instead of being an occasion when we may be asked to deal generously with the company, is really a business transaction. We have a company, who are under an obligation to this government to fulfil a certain contract, coming to ask from the government—what? They ask, first a loan of $22,500,000, this loan to be repaid at the end of seven years. They ask, secondly, an advance of $7,500,000, which is to be repaid at the end of five years. Now, what are we to obtain in return for this advance? As far as I can make out from the speeches of hon. gentleman opposite, as far as I can make out from the statement of the Minister of Railways, all that we, all that the country of Canada, are to obtain in return for this advance is that the Pacific railroad is to be finished in two years instead of in six years.

We see that it was then no consideration whatever in the eyes of that hon. gentleman that the completion of the road was to be accelerated by five or six years, while to-day the cry is: 'We cannot wait; time lost is a doubly lost.' In 1884 the effect of the loan would be to accelerate the completion of the Canadian Pacific Railway by five or six years while to-day there is no acceleration, but we have granted the Grand Trunk Pacific Railway Company an extension of three years. Then the hon. gentleman proceeds:

But perhaps hon. gentlemen opposite may think that this difficulty of meeting obligations is a reason why we should deal generously with the company. On the contrary, I think it is a reason why we should not deal at all with them, a reason why we should not

enter into this liability towards this company. If, Sir, it is answered, as seems to be implied by hon. gentlemen opposite, that in default of this arrangement, the company will be obliged to rest for four or five years, and not go on with the work of construction, what will be the great loss to the country? The state of affairs which would result from that fact would be but the condition of things which the party on this side of the House, at the time of the original contract, argued, would be most beneficial to the country.

In other words the minister says that far from waiting five or six years being any detriment to the country it would be just such a condition of things as he and his friends argued ought to take place at the time of the original contract for the purpose of building the Canadian Pacific Railway. Then he says:

But, Sir, if the present state of affairs were to continue for three or four years, if, instead of giving this advance to the company, we were to allow the company to rest during that period—supposing always that this is the alternative—would it be such an unmixed evil to the country as hon. gentlemen opposite have said.

Then I take Sir Louis Davies as reported at page 238 of 'Hansard' 1884:

Is it such a great advantage to have that road built, or to have the promise that it shall be built within two years. 'I think not.' I oppose the present scheme, therefore, because of the want of information justifying the House in voting $30,000,000.

I oppose it because to my mind it has been proved demonstratively by my leader that a prudent expenditure of the means within their grasp would have enabled them to carry out this contract without asking Canada to expend another dollar. I oppose it because it presents no elements of finality and because I believe that before another ten years have passed over our heads we will be asked to add to our present endowment another $30,000,000.

Then I come to Sir Richard Cartwright, page 180. That hon. gentleman spoke as follows:

I have always held and I now repeat, although a great continental railway was a very desirable thing in itself, although I agree with the hon. Minister of Railways that we require a railway that is worth considerable sacrifice for—still I say that the terms of the original bargain with British Columbia, which was opposed by me, opposed by hon. gentlemen here present and others who are not now here, was an act of such indiscretion and folly that it has hung like a millstone ever since around the necks of the people, that it has led to national disgrace in one or two instances and that the present moment it is likely to entangle us in embarrassments of which no man can reasonably expect to see the end.

Then we come to the right hon. the Prime Minister, who, of course, was eloquent as usual; but I am sure, he will agree with me this evening, that the words he then uttered have not been justified by time:

I repeat, is this change to be the last? There is at present through this country a feeling of uneasiness, and I believe that a feeling is also pervading this House that this is not the last change——

There seems to be some such feeling today.

—but that the next change will be, that what is to-day before the House as an advance will will turn out to be a gift. For my own part, looking at the power already wielded by the company, looking at the appetite displayed by them and their capacity for engulphing public money, I would as soon believe that the waters would flow back from the sea to the lakes as that one cent of that money will ever come back from the Pacific Railway Exchequer to the Dominion exchequer.

Yet inside of two years the whole $30,000,000 was paid back to the Dominion treasury, and the laws of gravitation remained exactly the same and the waters of the sea did not flow back to the lakes, and the $30,000,000 assisted in the development of what is to-day the greatest transcontinental line in America.

What I want to point out is this, that the hon. member for West Lambton (Mr. Pardee) quoted the words he did for the purpose of proving that the loan we are making to-day is to use his own expression, upon all fours with the loan we made to the Canadian Pacific Railway in 1884. He thought it necessary to do that in order to justify the government in the action they are taking. Well, I propose now to show the distinctions and the different surroundings attending the loan made in 1884 as compared with the conditions and circumstances of the present loan.

In 1884, we were given a first mortgage upon all the property of the Canadian Pacific Railway—a first mortgage on the entire property of the company, real and personal, now owned or hereafter to be acquired by them, including their main line of railway, their extension, their branch lines, the whole of their equipment, rolling stock and plant, all their steamers and vessels, also land grants earned and to be earned except the mortgages on such extension and mortgages on the land grants and secured by land grant mortgages.

What did that mean? It meant that we were lending the Canadian Pacific Railway sufficient money to complete its line, and we had a provision in our contract under which, for every dollar we paid out we required a certificate to show that the money went into the railway. The money we granted was sufficient to complete the road, so that we had the security of a completed railway for our advance of $30,000,000. That is to say, we had the security of 3,393 miles of completed railway, and I put the value of that at $50,000 per mile. In doing

so, I think I am fair, because the mountain section of the Grand Trunk Pacific is estimated to cost $80,000 per mile, its eastern section $63,000 per mile, and its prairie section $35,000 to $36,000 per mile. So that I think an estimate of $50,000 per mile for the Canadian Pacific Railway is very moderate. We were given a first mortgage on that completed railway, subject only to a mortgage of $5,333,000 due by the Canadian Pacific Railway to those companies from which it had purchased some branch lines—the Canadian Central, I think, among others. This amount of $5,333,000 was the only actual first mortgage against the Canadian Pacific Railway when we made the loan. We further got a mortgage on the 21,000,000 acres which the Canadian Pacific Railway owned and which was supposed to be worth $2 per acre. But I want to be very moderate and put the price at the figure at which we afterwards took it back, namely, $1.50 per acre, so that we got their 21,000,000 acres of land at $1.50 per acre. Then we got a first mortgage on all their steamships. Compare that with our agreement with the Grand Trunk Pacific. In that agreement, there is an express provision excepting the steamships from our mortgage, so that they are not included. In our present mortgage agreement with the Grand Trunk Pacific there is an express exception of all lands granted that company by way of bonus, municipal, provincial or otherwise. There is also an express exception of all branch lines over six miles in length. But in the loan we made the Canadian Pacific Railway in 1884, we got a mortgage, not only on its main line, but on its branch lines. In that loan, we also got a tranfer of the $35,000,000 of common stock, whereas in the case of the Grand Trunk Pacific, legislation has been passed permitting a transfer of the common stock to the Grand Trunk Railway, and that transfer has actually been made.

Let me just point out what security of the branch lines would mean in this instance. In our present loan to the Grand Trunk Pacific, the branch lines are excluded. Take the Lake Superior branch line; if the present contract had been on all fours with that of the Canadian Pacific Railway, that branch line would have been included and we would have the benefit of that security. What would that amount to? The Lake Superior branch line got a subsidy from the Dominion government of $6,400 per mile, amounting to $1,209,600. It also got a cash subsidy from the provincial government of $378,000. It also got a subsidy of 675,000 acres from the provincial government. We have no lien on any of these under our contract with the Grand Trunk Pacific. The Lake Superior branch line also got a subsidy from the towns of Fort William and Port Arthur of $350,000, but no part either of that is security for our proposed loan, whereas under our loan to the Canadian Pacific Railway, all these items would have been covered by the mortgage given us by that company.

Take another aspect of the case. Under our agreement with the Canadian Pacific Railway it was a condition of the loan that the completion of the road was to be accelerated by five years, whereas in the present case, not only is there no acceleration but we have extended the time for completion by three years. Further we got an assignment from the Canadian Pacific Railway of the subsidy given it to carry the mails, but we have no security of that kind in the present contract.

Then in the case of the loan to the Canadian Pacific Railway, that company was prohibited from selling its bonds, but in our agreement with the Grand Trunk Pacific, it has been allowed to sell its common stock for $203,000. Practically $25,000,000 of common stock has been transferred from the Grand Trunk Pacific and handed over to the Grand Trunk Railway for $203,000.

Then we come to the question of the power to sell. In the Canadian Pacific contract what did we have? We had a first mortgage on all the property I have mentioned. We had a first mortgage on all these properties that I have mentioned—a complete road of 3,392 miles, of three steamships, of their postal subsidy, the provincial subsidies, the land grant, and all other properties the company then owned; and in case they made default for twelve months, we were empowered by the contract to enter into immediate possession and become absolute owner of the whole road and everything the company owned, without any notice or any process of law. How different from that is the Grand Trunk Pacific contract, under which, first of all, we give the company seven years interest free, and if in the next three years they are not able to pay the three per cent, we allow them to capitalize that, and then allow them to go on for five years longer without paying a cent before we can move hand or foot. Fifteen years may elapse, and then we have not even the power to do that which we had within twelve months in the case of the Canadian Pacific Railway contract. We must then enter into possession and do what we can to make the road prosperous, and of the earnings hand over 75 per cent to the government and 25 per cent to the Grand Trunk Company, pari passu, without any preference. If the road gets on a paying basis, instead of our becoming its owner, as in the case of the Canadian Pacific Railway contract, we hand it back to the Grand Trunk Pacific Company again; but if it is a failure, if it is bankrupt, if the earnings are not sufficient to

pay expenses, then it is saddled on this country until it again becomes prosperous, when it is again handed over to the Grand Trunk Pacific. If that is not a one-sided contract, I do not know what is. What is the result? In the case of the Canadian Pacific Railway contract, we had a first mortgage on 3,393 miles of railway, at $50,000 a mile, equal to $170,000,000; we had 21,000,000 acres of land, at $1.50 an acre, $31,500,00; a total of $201,500,000. Against that there was only a mortgage in respect of the Canada Central and other branch lines of $5,333,000; and land bonds outstanding to the net amount of $1,123,000; making a total encumbrance of $6,456,000. Deducting this from the total value of the security received, leaves $195,044,000 of clear absolute security for the loan of $30,000,000. In addition to that, we had a first lien on the company's postal subsidies, on their steamships, on their after-acquired land, on the branch lines that they might thereafter build, and Dominion, provincial, or municipal subsidies, and upon all the property that they owned. So I think I am safe in saying that we had a security valued at $200,000,000 on which we proposed to lend $30,000,000.

The proof of the pudding is in the eating; and, as the hon. member for St. Antoine justly said, this loan should be made on such a basis that it would be in the interest of the company to pay it back as rapidly as possible. The Canadian Pacific Railway loan was such that within two years or so the Canadian Pacific Railway Company paid back the $30,000,000 and every cent of interest. In the present case we have the Grand Trunk Pacific Company asking this country for a loan of $10,000,000 on what security? The hon. the Finance Minister from his place in the House the other day said: 'That mortgage is not one of high rank. There are several other mortgages before it, and I do not attach the greatest importance to the mortgage itself as a security, though it has some value.' And yet the hon. member for West Lambton (Mr. Pardee) says this loan stands on 'all fours' with the loan we made to the Canadian Pacific Railway Company in 1884, when in that case we had a security of $200,000,000 for a $30,000,000 loan, while to-day the hon. Minister of Finance says that we have practically no direct security for the loan of $10,000,000. This disposes of the last leg of the hon. member's 'all fours.'

Upon the admissions, then, of hon. gentlemen opposite—and I am speaking from a banker's standpoint—assuming that the fourth mortgage which we have is practically valueless as direct security, we come down to the fact that this loan is going to be made solely and exclusively on the guarantee of the Grand Trunk Railway; and what is that worth? A guarantee is only valuable in proportion to the financial ability of the guarantor to pay, and I purpose now to prove the financial position of the Grand Trunk Railway. The hon. Finance Minister, in introducing this resolution, said that there was a prior lien or charge of $121,568,000 against the Grand Trunk Railway, and that this consisted of debenture bonds. That is quite true. As I understand, these debenture bonds are a first mortgage under the Act against the railway company. The Finance Minister said next that there was said to be a lien or claim for rent against the Grand Trunk Pacific Railway; but he said he did not think that this rent had any preference over the proposed guarantee that we were getting from the Grand Trunk Railway. Well, I take issue with the Finance Minister on that point. The hon. Minister of Finance said that the rentals which the Grand Trunk Company was paying in respect of certain leased lines did not form a prior lien or charge to this proposed guarantee. I make the statement that not only those rentals, but all the $121,000,000 of bonds against the Grand Trunk Railway, form a prior lien or charge to this proposed guarantee. By chapter 56 of the Statutes of 1862, section 20, I find that the expression 'working expenses' is defined as follows:

> The expression 'working expenses,' when used in this Act, shall mean and include all expenses of maintenance, &c., and also all such rents or annual sums as may be paid in respect of railways, warehouses, wharfs or other property leased to or held by the company, rent charges or interest on lands belonging to the company, purchased but not paid for or not fully paid for.

Now, we come to the Act of 1874, which created the consolidated debenture bonds referred to by the hon. Finance Minister. By chapter 65 of that year, sections 4 and 5, it is enacted as follows:

> 4. The company may, for the purposes of this Act, create and issue debenture stock to the nominal amount of eight millions of pounds sterling, &c.
>
> 5. The debenture stock as and when created shall subject to the priorities of all other preferential charges then existing, be and become the first charge upon and over all the company's railways, works, rolling stock, plant, property and effects whatsoever at the time being, including therein the interest of the company in the said International Bridge, and in lines leased, worked, or otherwise held by the company, and for that purpose shall rank immediately after the Equipment Mortgage Bonds (No. 2) of the class defined by section three of the Grand Trunk Railway Act, 1867, and also subject to the provisions of the Grand Trunk Arrangement Act, 1862, as regards the working expenses.

Therefore, these bonds which the Finance Minister has referred to are subject to working expenses, as defined by the Grand Trunk Arrangement Act, 1862. That Act says that they are a prior charge to the bonds referred to. Therefore I say that

the rentals referred to by the Prime Minister are a charge not only over the guarantee in question but over the $121,000,000, the amount of these first mortgage bonds. What does that mean? The amount of the half yearly rentals as given by the Finance Minister is £77,673; that would be yearly £155,000 or $776,000 rental yearly. Capitalizing that at four per cent we have a capital of $19,000,000 which stands as a prior claim not only to the guarantee in question but also to the $121,000,000 of debenture bonds which the Finance Minister said were the only first charge over and above this guarantee.

I would refer the Finance Minister to another question. I find in looking at Poor's Railway Manual, 1908, relating to the Grand Trunk Railway, page 783, a table headed:

Statement showing securities held by the public and scheduled in the various Acts of the company outstanding December 1, 1907, but which may be acquired by the issue of Grand Trunk 4 per cent. debenture stock, by agreement with the holders.

The statement shows a list of stocks which the Grand Trunk Company may acquire by purchasing them with consolidated debenture bonds, amounting to £15,000,000. I am not sure of my ground in this and I would like information from the Finance Minister, but I understand that Poor's Manual is reliable, and the information given in that manual corresponds almost exactly with the other information brought down by the Finance Minister with reference to the financial condition of the Grand Trunk Railway. The point I desire to make is that this authority says that this $75,000,000 worth of outstanding stock in companies purchased by the Grand Trunk Railway may be purchased by the Grand Trunk Railway Company issuing to such holders consolidated debenture bonds in the Grand Trunk Railway. If that is so, the Grand Trunk Railway Company may issue their consolidated debenture bonds to the extent of $75,000,000, and if they can do that it means that they can place $75,000,000 of prior charge over this guarantee because once the bonds are issued they become, under the terms of the Grand Trunk Acts, a first mortgage and lien upon the Grand Trunk Railway. I would like to know from the Finance Minister whether or not this is so, that the Grand Trunk may issue these consolidated debenture bonds, buy up these other railway stocks and thereby place $75,000,000 as a further priority over the proposed guarantee. I would judge that to be so because as the case now stands we are to have no lien in any way against the Grand Trunk, to secure this guarantee we have no liquidated claim against the Grand Trunk and therefore that company is entitled to charge itself and guarantee and create obligations to any extent it chooses, and it will only be when our claim becomes a liquidated demand that we will be entitled to say to them what are the claims against the Grand Trunk Railway Company and then other guarantees rank with ours. I submit that this statement looks fair and reasonable as far as I can see, that the Grand Trunk may convert these other stocks into Grand Trunk Railway debenture stocks and thereby place $75,000,000 as a prior charge to this guarantee and to that extent impair our security.

I would further like to ask the Finance Minister whether or not in the amount of debenture bonds that he gave us, amounting to $121,000,000 he has included the $12,000,000 debenture bonds which this parliament this session authorized the Grand Trunk Railway Company to issue. From this manual again I assume he has not included that.

I would further ask the right hon. the Prime Minister and the Finance Minister whether or not any negotiations, verbal or otherwise, took place between this government and the Grand Trunk Pacific Railway Company or the Grand Trunk Railway Company prior to the elections of October, 1908. That is a fair question to put. I would like to know whether that is so, whether any negotiations took place, verbally or otherwise, prior to the elections of 1908, respecting the loan in question?

Sir WILFRID LAURIER. I think my hon. friend had better make his speech.

Mr. FOSTER. This is in committee.

Mr. MIDDLEBRO. Perhaps the right hon. gentleman would prefer not to answer. The reason I say that is that from a careful perusal of the documents before the House and a study of the whole matter, I believe that there were negotiations entered into between this government and some person on behalf of this government and the Grand Trunk Railway Company and the Grand Trunk Pacific Railway Company, whereby it was tacitly understood before the elections that if this government were returned to power, they would grant the Grand Trunk Pacific a loan of $10,000,000. In proof of that we have first the fact that no railway company since confederation has ever accorded such active, aggressive assistance as did the Grand Trunk Railway Company in behalf of the 'government' candidates during the election of 1908. Then I would ask the government this. They will not say whether there were any negotiations prior to the election, but we have it on record that there was a communication three weeks after the elections took place, before the heat of the elections was over, on November 16, from the president of the Grand Trunk Pacific which

is not in the nature of a first communication. The letter is not written as though it were the first communication or the first intimation to the government that the company was going to ask for a loan of $10,000,000; the government certainly knew at least on November 16 that the Grand Trunk Pacific were going to ask for a loan of $10.000.000. The granting of this loan of $10,000,000 to the Grand Trunk Pacific is one of the most important matters to be brought before this House during the present session, and I would ask the Prime Minister how it was that when he placed the speech from the Throne in the hands of the Governor General two months afterwards he made no reference whatever to the most important matter that was to come before this House. He made this reference only to the Grand Trunk Pacific in the speech from the Throne:

> The construction of the Transcontinental Railway has been vigorously pressed forward during the last year. The line was open for the carrying of the crops from Winnipeg to the Battle river, a distance of 675 miles.

He made a reference to some exploratory surveys re Hudson Bay Railway, to the attendance of a representative of Canada at the National Institute of Agriculture and to many minor matters, but he entirely omitted this, the most important matter of all. And why?

I find here an Act passed during this session, Bill (No. 13), to enable the Grand Trunk Railway Company to place another mortgage for $12,000,000 upon its property, or rather to issue consolidated debenture bonds for an amount on which the interest would not exceed £100,000, $500,000, at 4 per cent; in other words, capitalizing this issue to issue consolidated debenture bonds which would be a mortgage upon the Grand Trunk Railway Company amounting to $12,000,000 —and the $12,000,000 to be issued under that Act would rank as a prior mortgage to the proposed guarantee which we are now discussing. That Bill was introduced in this House on January 26, about six days after the House opened. The first reading was on February 1; the second reading on 16th February, it was reported by the Railway Committee, and the third reading had on 19th February. The Bill passed the Senate finally on March 10, and, within six days afterwards this resolution came before the House. Now, I may be wrong, but it looks to me as though that Bill had been allowed to go through this House and not a word said by this government that they were going to bring in a resolution to lend $10,000,000 to the Grand Trunk in order that the Grand Trunk could put a prior lien of $12,000,000 on their property and, to that extent, lessen the security or guarantee that they would give to us. Now, let me say a word or two in regard to the direct security given by the Grand Trunk Pacific Railway Company. It is a very peculiar thing that, according to the information brought down by the Finance Minister, first of all this Grand Trunk Railway Company of which the Prime Minister (Sir Wilfrid Laurier) said, 'we were not content that they should stand behind it, but we insisted and they readily consented that they should be in it and of it—and the whole thing,' it is very peculiar that this Grand Trunk Railway Company should become the owner of $25,000,000 of the common stock of the Grand Trunk Pacific for $203,000, that the directors of the company only actually invested cash of $5,200. And then, when we come to the lands question in connection with the Grand Trunk Pacific, we find this state of affairs: the Grand Trunk Pacific is being financed by the Dominion; the building of the Grand Trunk Pacific enhances the value of land: there are something like eighty-one town sites lying between Winnipeg and Edmonton, which town sites are valuable only because of the building of the railway. It was only right that any increased value given to that land should belong to the Grand Trunk Pacific Railway, and it is only right that, as we are financing the road and again lending them $10,000,000 that they should give to us, as security this enhanced value of the land caused by the construction of that railway. But we find that the Grand Trunk Pacific Railway Company hands over all its town sites to a separate company called the Grand Trunk Pacific Town Site and Development Company. I find that the directors of this company are C. M. Hays and friends. There are thirty thousand shares of stock in this Grand Trunk Pacific Town Site and Development Company. The directors, according to the return brought down by the Minister of Railways, are C. M. Hays, E. J Chamberlin, William Wainwright, W. H. Biggar and E. H. Fitzhugh, all of them directors of the Grand Trunk Pacific also, each of whom owns two shares and has paid $200. That is to say, these five directors who have the management and control of the Grand Trunk Pacific Town Site and Development Company have only invested $1,000, in the institution, which controls and owns eighty-one town sites between Winnipeg and Edmonton.

Mr. FOSTER. What acreage?

Mr. MIDDLEBRO. The acreage is 78,640 acres. There we have that acreage, composed chiefly of town sites made valuable by the construction of the Grand Trunk Pacific, which we are financing, and these gentlemen who have only invested $1,000 are controlling the whole company. In ad-

dition to that, they own a three-quarters interest in the whole town site of Prince Rupert.

Mr. FOSTER. The same company?

Mr. MIDDLEBRO. The same company. Therefore, look at this question from whatever point you choose, and you find some private individual making more money out of this institution than the Grand Trunk Pacific itself, which is being made to act merely as a buffer and blind.

Mr. FOSTER. Where did they get this land?

Mr. MIDDLEBRO. I do not know where they got it, but they have it. Now, the hon. member for St. Antoine has given a very lucid and concise account of the position in which we stand under this proposed legislation. But I may summarize the matter in this way. As I have said, we are relying now entirely on the guarantee of the Grand Trunk Railway Company. We have the Finance Minister admitting first the prior lien of $121,000,000 in respect of the debenture stock; second, I think I have proved that rentals capitalized are a prior lien amounting to $19,000,000; third, the debenture stock authorized to be issued this session amounts to $12,000,000 and will be a prior lien. This makes a total of $152,000,000 of undoubted prior incumbrance. Then, if I am right in my assumption, according to Poor's Railway Manual, the Grand Trunk have the right to buy in with their debenture bonds these outlying railway stocks of railways purchased by them, and pay for them with debenture bonds of the Grand Trunk Railway. That would place another $75,000,000 of a prior incumbrance over our guarantee—total $227,568,000. Now, I want to ask the Finance Minister one more question. I notice that in the Act of 1862 and subsequent Acts, there are what are called equipment mortgage bonds, which are also said to be a prior incumbrance against the Grand Trunk Railway. I refer to page 783 of Poor's Manual, 1908, which says:

> Perpetual 5 per cent. debenture stock (Grand Trunk section).—Created under powers of the company's Consolidated Debenture Stock Act, 1874, passed May 26, 1874. Secured by first mortgage on all the company's property, as also upon the company's interest in the International Bridge and in leased and operated lines, subject, however, to the priorities of all other preferential charges existing at date of issue; ranks immediately after the equipment mortgage bonds; interest 5 per cent. per annum, in perpetuity, payable January and July.

Either that authority is entirely wrong, or the Finance Minister is wrong. I would like the hon. minister (Mr Fielding) to tell us, whether in addition to the items I have mentioned, there is not also what is known as the equipment mortgage bonds of some $6,000,000 outstanding as a preferential claim, not merely to our guarantee but to the debenture stock referred to by the Finance Minister. If some of these bonds are not a prior lien, then Poor's Manual is wrong. The items I have mentioned amount to $233,000,000. As the hon. member for St. Antoine has pointed out, the Grand Trunk Railway have also guaranteed something like $50,000,000. We stand in the same position with respect to our $10,000,000 as the other guarantors do with reference to the other $50,000,000—that is, we are in no better position than they are, and all stand subsequent to the above prior lien. Not only that, but the Grand Trunk may hereafter mortgage their property and make another prior lien and they may contract other obligations, and these will also rank pari passu with our own. I would like to know whether, under these circumstances, the Finance Minister thinks the loan that is being made is sufficiently secured by the guarantee of the Grand Trunk? You can judge what the company will do by what it has done. And what is our position? At confederation, according to the information brought down, the Grand Trunk owed us over $15,000,000 of principal and $10,000,000 of interest, a total of $25,000,000 and over. That amount has been owing for forty-two years. Forty-two years' interest at 4 per cent would amount to $43,000,000, which added to the amount already stated makes a total of $68,000,000 which the Grand Trunk owes us to-day. Have we any reason to suppose that they will repay us the present loan any more rapidly than they paid the old loan, unless we force from them further and other security than that which the government are getting from the company? That remained from confederation down to 1884, and in that year an Act was passed to the following effect, chapter 52, section 19, whereby it was enacted:

> That the claim of the Dominion of Canada as it now exists. . . . shall rank after the common stock, and securities heretofore issued and authorized to be issued, and after the securities and common stock hereby authorized to be created.

Now where do we stand with respect to that? The consolidated debenture stock is $121,000,000; rentals capitalized, $19,000,000; 4 per cent guaranteed stock, $49,000,000; first preferred stock, $17,000,000; second preferred stock, $12,000,000; third preferred stock, $35,000,000; ordinary stock, $112,000,000. That makes $257,000,000 that is ahead of the debt of Canada to-day with respect to this $68,000,000. Then add to that the $75,000,000 of other stocks of this railway which the country has a right to purchase, add to that the debenture stock authorized this session but not issued, $12,000,000, and you have $344,000,000 standing ahead of this $68,000,000 which this company has owed the Dominion of Canada since 1867.

Now with respect to the loan of 1885, we are in the proud position of saying that every statement which we made then has been verified. Time has amply justified the assertions which we made, because we took precautions to take sufficient direct security from the Canadian Pacific Railway, and it was to their interest to pay it back again. With respect to the contract of 1903 and 1904, on the contrary, every statement which the government made at that time has turned out to be false. They told us, for instance, that the eastern section would cost $71,000,000, they said they had mountains of information on which to base that calculation. But we find that section now is costing $124,000,000. They told us the mountain section would cost $26,000,000; we find that to-day, because of the extra mileage and extra cost of construction, it is estimated to cost $67,000,000. With respect to the prairie section we find that they are coming back and asking for $10,000,000 more to complete that. So practically every statement which they made in 1904 has turned out to be absolutely falsified by the facts, and practically every statement made by the Conservatives at that time has turned out to be true. As for the mountain section and the eastern section we have so far only estimates, and there is no prospect that these estimates will fully cover the amount required to be expended. Under these circumstances we of the opposition feel that we are entitled to the fullest information with regard to these stocks I have mentioned, and I would like the Finance Minister to tell the House whether these extra securities are a preferential claim over the whole guarantee. The members on this side of the House, I understand, do not propose to move any specific amendment to this resolution at this stage, but they propose to reserve their ammunition, and their judgment as to what step they will take when the Bill has been introduced and is being discussed on the second reading. We have done sufficiently to-night to show that practically every prediction the government has made has turned out to be untrue, and therefore we are justified in proceeding with the utmost caution in granting this loan to the Grand Trunk Pacific.

Mr. DONNELLY. Hon. gentlemen on the government side who have spoken in favour of the proposed loan of $10,000,000 to the Grand Trunk Pacific Railway Company, have dwelt at length upon the resources and importance of our west, and of the necessity of affording that country ample railway facilities. The hon. member for West Lambton (Mr. Pardee) read to the House a long list of figures showing the amount of grain produced in the west, and he endeavoured to leave the impression on the House that the members of the opposition were opposed to giving the necessary railway facilities to the west to enable them to take their produce to market. Permit me to say that in my opinion the hon. members on this side of the House have quite as much faith in the future of the west as have hon. members supporting the government. We are ready to assist any effort to give the necessary railway facilities for handling the increasing products of that portion of our country. It would not be in keeping with the traditions of the Conservative party, the party that laid the foundation of the present transportation system in the west by building the Canadian Pacific Railway, were we to place any obstruction in the way of the further development of the west by the buildings of more railways. True, the Conservative party did oppose, and strongly oppose, in 1903 and 1904, the policy of the government in connection with the Grand Trunk Pacific Railway Company, and I think that subsequent events have justified the Conservative party in taking the position they did at that time. While some arguments may be advanced in support of that portion of the line from Winnipeg to Quebec, if we consider the nature of the country through which that road passes, the great expenditure that will be necessary for maintenance and keeping up the staff on that part of the road during the winter season, also the fact that during the summer season that road will have to compete with navigation, I fail to see how that portion of the road can be made to pay. As for that part of the road which runs from Quebec to Moncton, I have never yet heard a reasonable argument advanced in support of its construction. It practically parallels the Intercolonial, with which it will have to compete. The Intercolonial at present does not pay running expenses, without taking into account any charge for interest on the capital invested. The Grand Trunk Railway Company, in 1903, being anxious to extend their system into the west, approached this government and sought to obtain a charter authorizing them to build a line of railway from North Bay west. Had that proposition been taken up we have reason to believe that at the present time the Grand Trunk Railway Company would be in a very good position to handle its share of the western trade. The government did not look favourably upon that proposal, and they substituted the present Grand Trunk Pacific Railway scheme. That scheme was strongly opposed by the then Minister of Railways, a very able gentleman, the one man in the cabinet who was in the best position to judge of the mer-

its of the proposition. The hon. leader of the opposition when this resolution was before the House a week ago, submitted a statement showing that under the terms of the contract this country will be called upon to pay at least $40,000,000 for interest alone, before the Grand Trunk Railway Company, under their contract, will be called upon to pay rent for the eastern section of the road. That is an amount about three times as much as the total cost of the road was estimated by the First Minister when this proposition was first placed before the House. We were told by the present hon. Minister of the Interior (Mr. Oliver) in 1904 that the Domiinon of Canada was bonusing this railway to the extent of from $12,000,000 to $20,000,000. In view of the information now before the House, it appears to me that the minister will require to revise his estimate. Although the Grand Trunk Pacific scheme may have been a mistake we are in this position at the present time; the country by the contract it has entered into and in consequence of having given its credit, is bound to see that road completed even although it may have been a mistake in the first place. So, the question for us to consider at the present time is what is the best course to pursue to secure the completion of the road. The Grand Trunk Railway Company have approached the government and have asked that the terms of the contract be varied by this government loaning them $10,000,000. During this present session of parliament we have heard the hon. member for Strathcona (Mr. McIntyre) and, I think also, the hon. member for Assiniboia (Mr. Turriff) advance the argument that when a great railway corporation comes to this government and seeks special legislation this government should avail itself of the opportunity to secure better terms from that company. That was the argument advanced by these hon. members when the question of authorizing the issue of $50,000,000 of additional stock in connection with the Canadian Pacific Railway was before the House. It does appear to me that this would be an opportune time for this government to put that policy into effect and to say to the Grand Trunk Pacific Railway Company: 'If you are prepared, under the terms of the contract to go on and complete the road, all well and good; if you are not prepared under the contract to go on and complete the road, then we will take over the road, we will reimburse you your expenditure so far and complete the road, and own, not only the lean eastern section but also the western section which, it is expected, will prove profitable.'

Mr. PERLEY. There is no question but that it is absolutely necessary for us to go on and complete this Grand Trunk Pacific Railway. That was settled in 1903 and 1904.

It does not matter what differences of opinion we may have had at that time regarding the question; it was definitely settled then by statute and by the elections that followed, and it seems to me that now it is not only a question of expediency for us to complete this road after the great expenditure we have made and the great guarantees that we have given, but it is also a matter of good faith and honour for us to go on and finish it with as short a delay as possible. The only question to be decided to-day is how and on what terms we should give further assistance. The government speakers have neglected this part of the question altogether; they have spent their time, as far as I could understand, in endeavouring to leave the impression that the Conservatives are against it. They have also taken up a good deal of time in arguing how necessary the Grand Trunk Pacific is to the farmers of this country and particularly to the farmers of the western part of it. This Bill refers to the prairie section only, and there never was any difference of opinion between the two parties as to whether that section of the road should be built. Everybody was agreed in 1903 that it was necessary that the part of the Grand Trunk Pacific Railway which runs through the prairie should be completed as quickly as possible. But now the government speakers stand up here and tell us about the great crops of the Northwest. They tell us about the increasing population out there and that we must hurry up and build this road. Are these hon. gentlemen so dense that they do not know that everybody realizes that, that it is acknowledged by everybody and that we are just as well up in the signs of the times and in the fact that we have a great country there as they are. I simply rose to say these few words and to make it clear that we are not against the finishing of this road. We believe in finishing it just as quickly as possible. There is no member of this House who is more anxious to see it completed as scon as possible than I am. The real question is simply whether the proposed loan is on proper terms and on proper security. Why did not the government speakers discuss that question? Is it because the security is bad that they cannot stand up here and justify the means and the method by which they propose to make this loan? With regard to the security of the Grand Trunk guarantee my hon. friend from North Grey (Mr Middlebro) has spoken so completely and thoroughly that I will not go into that fully again, but I simply wish to say that the guarantee of the Grand Trunk Railway Company, to my mind, is at least, a very doubtful security. As far as I can make it out the hon. Minister of Finance (Mr. Fielding) himself does not feel too sure about it. In his speech the other day, as reported at page 3679 of 'Hansard,' he says:

Now the guarantee of the Grand Trunk Railway Company of Canada on any enterprise is a substantial security.

Well, that is a broad statement, but I will ask him why it is that the four per cent bonds of the Grand Trunk Pacific Railway Company, guaranteed by the Grand Trunk Railway Company and put on the market at 90, were not taken up by investors if the guarantee of the Grand Trunk Railway Company is a substantial security? The minister goes on to say:

An hon. gentleman asked the other day what claims there would be ahead of this, what liens there would be ahead of this guarantee which the Grand Trunk Railway Company of Canada proposes to give us. I have had the matter looked into and I am advised that bonds to the value of £1,488,500 and Grand Trunk Railway consolidated debenture stock to the amount of £22,825,297, making a total of £24,413,797 are unquestionably a first lien and would come ahead of our guarantee. Next to that, as we claim, comes the guarantee that is proposed to be given here and the other guarantees of like character; the Grand Trunk Railway Company has several guarantees which would probably stand in exactly the same position.

All the minister says is, 'as we claim,' this guarantee is good. I am very doubtful about that. I agree with my hon. friend from North Grey, and I would even go farther and say that it is questionable to my mind under the legislation which has been passed whether the preference stock of the Grand Trunk Railway Company might not be ahead of this guarantee. I have put a question on the Order Paper to know whether the Department of Justice considers that that guarantee would be ahead of these stocks, but it has not yet come up for an answer.

The Grand Trunk Railway Company received practically the whole of the $20,000,000 of common stock simply for its guarantee of the Grand Trunk Pacific bonds. Canada has guaranteed a very much larger sum than the Grand Trunk Railway Company. We are providing some three times more than the Grand Trunk Railway, and we get no consideration for that whatever. I ask the hon. the Finance Minister whether it would not be fair that we should have some consideration as well as the Grand Trunk Railway. There are $20,000,000 preferred stock, which have not yet been issued, and I cannot see any reason why Canada should not receive these shares in order that the country may get some benefit from this enterprise should it become a financial success in the future. In this connection I wish to correct the assertion made the other day by the hon. member for Assiniboia (Mr. Turriff), regarding some remarks by the leader of the opposition. On page 3744 of 'Hansard' I find that the hon. member for Assiniboia (Mr. Turriff) said, speaking of the leader of the opposition:

He spent some time criticising the securities which the government were getting for the advance of these $10,000,000, and how did he wind up? By saying that the common stock of the Grand Trunk Pacific was worth from $100 to $150.

Why should any hon. gentleman misquote statements made by others? It would be evidently absurd for any one to say that the Grand Trunk Pacific common stock is worth from 100 to 150, yet these are the words which the hon. gentleman put into the mouth of the leader of the opposition. But what did the leader of the opposition really say? What he said, as appears on page 3698 of 'Hansard' was this:

The people of Canada, who are providing the balance, or nine-tenths of the whole expenditure or guarantees, are to receive absolutely nothing in respect to any share whatever in the future developments which may result from this enterprise, when the mere influx of population and the progress of the country shall have made this $25,000,000 of common stock worth 100 cents or perhaps 150 cents on the dollar.

How different is that from the statement attributed to my hon. friend and leader by the hon. member for Assiniboia (Mr. Turriff). The leader of the opposition simply asked that in the long future, as Canada progressed, and her population increased—perhaps to 20 or 30 millions—and as value was given to this stock simply by that increase in population, possibly making it worth from 100 to 150, this country, which was providing the money for the building of the road, should get some benefit out of that increase. I am in favour of building this road just as quickly as possible. Every hon. gentleman on this side is in favour of doing what is necessary for that purpose. The question is simply how that should be done, and I would like to hear from hon. gentlemen opposite—not a discussion of the old terms of the Canadian Pacific Railway loan, not a description we all know of the growth and population and cereals of all kinds in the Northwest, not an endeavour to make the people believe that the opposition are against the completion of this road—but I would like to hear from them some attempt to justify the terms upon which this loan is being made and the security which is being acquired.

Mr. T. CHISHOLM. I did not intend saying anything this evening, and in what I shall say, I shall speak only for myself. I have listened with great attention to the speeches delivered from this side, and have been thoroughly convinced, from the evidence and arguments presented to us, that this resolution is very defective, and that, if it is to become the basis of a Bill, which will involve this country in an expenditure of $10,000,000, it should be greatly re-arranged and remodelled. In its present shape, I cannot see my way to support it. In common with other hon. members on this side

I am quite in favour of our finishing the road. Canada is committed to the building of the Grand Trunk Pacific and that road must be completed. But if we continue to waste our money and misappropriate the funds of the country, as we appear to be doing under this resolution, the road will never be finished. Why, that part of the line between Winnipeg and Edmonton, is simply to be built over the prairie. There are no very high grades in all that distance, and very few curves. There is not timber to get out of the way and the right of way can be very cheaply obtained, so that the line should not cost more than $15,000 a mile. Other railways in the United States and Canada have been built for that price through very similar sections. Now we provided the Grand Trunk Pacific with $13,000 a mile to begin with and they are coming back to us for $10,000,000 more or nearly $10,000 per mile in addition. Certainly any one could build a railway if he had such backing. There is not a man in this House who could not build the whole railway between Winnipeg and Edmonton, if he had such backing that he did not require himself to put a dollar into it. But if we are to have this trouble with the prairie section, where will the money come from to finish the mountain and the eastern section ? If it costs that much to build over the level prairie, what will it cost when we have to cut through miles of solid rock in the mountains of British Columbia ? The country, at this rate, will not only be ruined, but will never get the road. It is not too late for the government to reconsider the matter and make some change in this resolution. We wish to see the resolution get through and the road built, but we want to have some security for our money; and after the evidence presented to this House to-night by the hon. member for St. Antoine division (Mr. Ames) the hon. member from North Grey (Mr. Middlebro) and the hon. member for South Bruce (Mr. Donnelly), I must say that it seems to me we are getting no security at all for our $10,000,000.

If we are to become bankers for this company, we ought to act as bankers would. When I go to a bank for a loan, they look very carefully into the security I offer. They expect me to be able to show that I am worth the money I am asking for and a good deal more. Well, if we are to be bankers in one sense, we ought to act as bankers in another sense. When I go to a bank for a loan, the banker has the money and does not need to go and borrow it. In this case Canada has not the money herself. She must go to Europe to borrow before she can loan it. Any one could set up as a banker if he had credit. He could loan money to all his neighbours and make hosts of friends if he had the privilege of borrowing the money and the credit of the country to back him. It would have been quite time enough for the government to go into the banking business when able to pay their own debts. I am sorry, under the circumstances, that I have to express myself in this manner; but unless this resolution be changed very much I shall have to vote against it.

Mr. PERLEY. I would like to put a question to the hon. the Minister of Finance. I find that in his speech the other day he said—page 3676 of 'Hansard':

> Therefore we admit that in giving the company the benefit of this loan, we are taking at par a security which they could not float at par, and giving them the benefit of 4 per cent though they themselves could not borrow at that rate, and the government has recently had to pay over 4 per cent.

I would like to ask the hon. minister what earthly reason there is why we should lend this money to the Grand Trunk Pacific at a less rate of interest than we have to pay?

Mr. FIELDING. It does not follow that we are lending at a less rate of interest than we have to pay, because if the money has to be borrowed, it is possible that it will be borrowed at less than 4 per cent, and if so, we would make a profit. However, even if we were giving them an advantage to that extent it would be a relief to the company. A number of questions of a legal character have been asked this evening which I would not undertake to answer off hand. They are worthy of consideration, and if they justify further inquiry, we must take them into account. But what impresses my mind is that these securities which we propose to take, whatever their rank and standing may be, have at this moment a money value in the markets of the world to the extent of 90 per cent. Some of the securities were recently issued at 90 per cent.

Mr. AMES. With 70 per cent of them left on the hands of the underwriters.

Mr. FIELDING. Some of the best loans are left in the hands of the underwriters. But I say that the risk we take in this matter is the risk of the margin, which is roughly speaking about 10 per cent. We could put these securities on the money market to-day, and realize 90 per cent of their face value, probably with some charges for financing.

Mr. AMES. Could the company float the loan at 90 per cent?

Mr. FIELDING. I think probably they could not have done so a month ago, but there has since been an improvement in the condition of the money market. It is not worth while arguing as to the rank and priority of these securities. All

these matters have been known and taken into consideration by the financiers who have fixed the value of the property, and that is roughly to-day 90 per cent.

Mr. AMES. The hon. minister's argument has put a completely different face on the question. We have been asked to grant this loan as a measure of relief to the company. That is the whole burden of the final portion of Mr. Hays' letter. As a banking transaction, it has not very much to commend it. But if the company could float these bonds with only 10 per cent reduction, we do not need to come to their help.

Mr. FIELDING. I think we do. I think the flotation of these securities at a very low price would affect the character of the enterprise and the character and standing of the company generally. The measure of risk we are taking is roughly speaking about 10 per cent. I do not hesitate to say that the value of these securities is to be found chiefly in the guarantee of the Grand Trunk Railway Company of Canada. The mortgage security will have some value in the future. To my mind it is not of great value to-day, though as the years roll on, it will be more valuable. But with the guarantee of the Grand Trunk Railway Company of Canada, while the money market to-day would not have faith enough in these securities to take them at par, the improving conditions of the whole enterprise as the work goes on, as the road is put into operation through the prairie and other sections, as the country improves, as business improves, as money becomes easier, we have faith that these securities will be worth one hundred cents on the dollar, and on that faith we accept them. The amount at risk is simply the margin between the par value of the securities and what they might be sold for in the money market to-day. I admit that if they were sold to-day, they would have to be sold at a sacrifice, but we ask the House to adopt this measure on the faith that when the loan falls due they will be worth one hundred cents on the dollar, and therefore we are risking nothing.

Mr. PERLEY. Do I understand the hon. minister to say that the bonds to be given to the government for the loan will be the same as those placed on the market at 90 a little while ago by the underwriters and not taken up by the public?

Mr. FIELDING. I do not attach much importance to the question whether they were taken up by the public or not; but I said they are substantially of the same character, inasmuch as they are bonds of the Grand Trunk Pacific Railway Company guaranteed by the Grand Trunk Railway Company of Canada. The man who promises to pay and the man who endorses are practically the same in both cases. As to their precise rank and standing, I do not see that it is important.

Mr. PERLEY. The bond that was placed on the London market was a second mortgage bond, while the bond the government is now taking is a fourth mortgage bond. The mortgage given to secure the second mortgage bond has a substantial value—although it was not taken up by the public at 90—because it is not only a second mortgage immediately after the government guarantee, but it has special privileges in case there is default. It ranks largely in the same category as the first mortgage bonds. Therefore I ask the hon. minister whether it is not true that the mortgage securing the second mortgage bonds has a substantial value far and away in excess of any possible value of the mortgage securing this loan?

Mr. FIELDING. I do not attach as much importance to the point as my hon. friend seems to do. I think that in all these securities, the real thing to the investor is the guarantee of the Grand Trunk Railway Company of Canada. As to the other securities, my hon. friend is wrong. The securities I referred to were not second mortgage bonds, but the equipment lien established by statute. If you call that a mortgage, it was a third and not a second. But for all present purposes the valuable security is the guarantee of the Grand Trunk Company. The other securities will have value in the future.

Mr. PERLEY. However, according to what the minister has said they are putting a first mortgage on the rolling stock.

Mr. FIELDING. No, the rolling stock is really included in the first mortgage.

Mr. PERLEY. No, I think the minister is mistaken, the Act distinctly stated that the first mortgage did not cover the rolling stock.

Mr. FIELDING. I think it does although a special security was created to raise the money; I think it was all included in the first mortgage.

Mr. PERLEY I think the hon. minister is mistaken.

Mr. FIELDING. I find that the equipment is included in the first mortgage.

Mr. AMES. The equipment and the rolling stock are different propositions altogether.

Mr. FIELDING. I do not know about that.

Mr. AMES. Certainly they are.

Mr. HUGHES. The rolling stock is a separate account.

Mr. FIELDING. What is the difference between the equipment and the rolling stock?

Mr. AMES. I think you will find that when the terms of these mortgages are studied in the schedules of the Act the equipment is always quite distinct from the rolling stock.

Mr. FIELDING. I think not; equipment means rolling stock.

Mr. AMES. As I understand it this third mortgage, that is the loan of the 25th of February, 1909, which was issued in London, and of which 77½ per cent was left on the hands of the underwriters, had by way of security the rolling stock, and after that came what equity was left after previous liens on the property of the Grand Trunk Pacific beside the guarantee of the Grand Trunk and that loan we know was a drug on the market. It was in a better position than this because it included the rolling stock.

Mr. FIELDING. My hon. friend will find that equipment, meaning rolling stock, is embraced in the first mortgage and that their success in the market was due to the guarantee of the Grand Trunk; practically that money was raised on the security of the Grand Trunk. Any security on the equipment itself was a very inferior security.

Mr. SPROULE. Am I correct in understanding that if we grant this $10,000,000 loan, $7,000,000 of it will be used in paying moneys advanced by the Grand Trunk and that therefore there will only be $3,000,000 left for the purpose of pushing on the work?

Mr. FIELDING. In a sense that is correct. We, of course, will not pay it to the Grand Trunk; it must be paid out to the Grand Trunk Pacific Railway Company, upon the certificates of the engineer; but we do know as a matter of fact that the Grand Trunk Railway has advanced out of its treasury a considerable sum of money and that the $7,000,000 which they have used to assist this work will be returned to them indirectly. We will not pay it to them, but we will pay it upon certificates showing that this money has gone into the work. No doubt the Grand Trunk Pacific will pay that back into the treasury of the Grand Trunk Railway, to which it properly belongs.

Mr. SPROULE. Will that be paid on certificates for work already done or for work which is yet to be done?

Mr. FIELDING. Of course we cannot pay out money upon any future work to be done; we can only pay it upon certificates for work already actually done.

Mr. AMES.

Mr. FOSTER. At the time you paid?

Mr. FIELDING. Yes, and if they have already done that work and can furnish certificates to show that amount of money has in all good faith gone into the work, we can pay the amount. We will pay it to the Grand Trunk Pacific in the usual way and they having got money to do this work from the treasury of the Grand Trunk of Canada will, I presume, pay it back to that company. That is a transaction between the two companies. We will only pay upon the certificate of the engineer that the work has been done and the money expended according to the representations made.

Mr. SPROULE. Has the minister reason to believe that $3,000,000 will relieve their present financial embarrassment and enable them to push on the work rapidly until completion? It would seem to me such a small amount, having regard to the mileage yet to be built, that I would expect to find them in financial difficulties again before the summer is out and another application made for aid. What have the government done to satisfy themselves that they will be able, when this is advanced, to go on and complete the work within a reasonable time?

Mr. FIELDING. The government engineer certifies that this $10,000,000—there is a slight difference between the estimates of the railway and the government engineers—will complete the prairie section.

Mr. AMES. Have you any guarantee that the builders of the mountain section will not be back for aid?

Mr. FIELDING. I do not know. Sufficient unto the day is the good thereof.

Mr. SPROULE. What government engineers have given this estimate and certificate?

Mr. FIELDING. The estimates were prepared naturally by the engineers of the Grand Trunk Pacific when they made their application. Their estimates were referred to Mr. Schreiber, the government engineer, and he has made a report which will be found among the papers brought down.

Mr. SPROULE. I have looked over a few of his estimates and have had occasion to inquire into some certificates before and I must confess from my experience in regard to these, that I would not attach the very highest values to a certificate from that source.

Mr. FIELDING. I would say in that respect that all engineers are human and imperfect and the best of them will make mistakes. It must be remembered that the Grand Trunk Pacific Co. are constructing the prairie section of the road and not the government. Hon. members speak of the excessive cost of the eastern division as some

thing for which the government are to be blamed, but the prairie section is being constructed by the Grand Trunk Pacific, with the aid of the Grand Trunk, with all the paraphernalia of the Grand Trunk engineers, and we are told that the Grand Trunk and the Grand Trunk Pacific are rather severe in their dealings with contractors and employees, so there is no reason to doubt that every effort has been made to make the cost of the prairie section as reasonable as possible. Thus when we find that this road is being constructed by the railway company without any interference by the government, except supervision, and that this largely increased cost is rendered necessary, it should show my hon. friends that the increase must be for good and sufficient reasons. With regard to Mr. Schreiber's reports all engineers are human, and it is only fair to Mr. Schreiber, an old engineer who has been in the service of the country for a very long time, to say that although he may make mistakes, all who know him will feel that any estimate and report which he makes is made in the light of a long experience, in the light of the knowledge of a trained and very able engineer, and of an experience which I am sure we all recognize as the experience of a man who has, in the fullest degree, the confidence and respect of all who know him.

Mr. SPROULE. I would like very much to share in that opinion, but I frankly confess I do not and I think we have had sufficient evidence to justify a different opinion altogether. But if there was nothing else in the situation beyond the fact that the first estimates of the cost of this road and the second are so different, it would be quite sufficient to justify us in having very serious doubts as to whether the same thing would not occur with subsequent estimates. The experience of the past does not justify any strong ground for the belief that the present estimate is not likely to prove inaccurate just as well as the estimates which have been made up to the present.

Mr. FIELDING. It is our only means of judging, the estimate of a reputable engineer.

Mr. SPROULE. Talking about reputable engineers, I do not wish to do Mr. Schreiber any injustice in the world, but I frankly confess that I believe the government could get him to give an estimate to suit their own purposes on any subject.

Mr. FIELDING. My hon. friend must be speaking of former times and other governments. I can only say that I have ever found Mr. Schreiber a most faithful and efficient public servant, and I never knew a man who would dare to suggest to him an estimate which did not respond in every way to his own conviction of what was right.

Mr. SPROULE. Do we require any better evidence than the contract of M. P. Davis, on the Cornwall canal? Under his own hand, Mr. Schreiber said that the amount was a proper one, that it was reasonable, and recommended to the Minister of Railways that it be paid. And the Minister of Railways did the same. But the Auditor General stood out, declaring that he would not pay it, because it was rank robbery. And the amount was reduced from $52,000 to $29,000—and this the Auditor General said was $10,000 too much—and it was accepted as payment in full.

Mr. FIELDING. I do not remember the details of the Davis case. But any man who knows Mr. Schreiber will believe that any estimate he ever gave was given in the most perfect good faith and that it was an estimate the government would have a right to accept as being that of an engineer of high reputation and ripe experience.

Mr. AMES. What was his estimate of the cost of the mountain division?

Mr. FIELDING. I do not recollect.

Mr. AMES. Thirty thousand dollars a mile, was it not?

Mr. FIELDING. I cannot recall it.

Mr. AMES. And now it is estimated at $80,000. That is very accurate for an engineer, is it not?

Mr. FIELDING. The conditions governing the cost of public works have changed enormously since that time. The very fact that the prairie section has proven so much more costly than was estimated——

Mr. HUGHES. Why?

Mr. FIELDING. For fifty reasons.

Mr. HUGHES. Give us forty-nine of them.

Mr. FIELDING. If time permits, I will give, later on, not only forty-nine but the whole fifty. Does not the hon. gentleman (Mr. Hughes) know that labour costs more than it did?

Mr. HUGHES. No.

Mr. FIELDING. I know it.

Mr. HUGHES. No, the hon. minister will pardon me—he does not know it.

Mr. FIELDING. I did not go out to pay the bills, but I have the reports of men who did, and I am satisfied and believe——

Mr. HUGHES. I know all about it.

Mr. FIELDING. The hon. gentleman cannot know much more about it than I do. He gets his knowledge from other people, just as I do. But I state, from the best information I have been able to obtain, that the cost of labour is very much in excess of what it was.

Mr. HUGHES. And what else?

Mr. FIELDING. The rates paid for ties have doubled.

Mr. HUGHES. Why?

Mr. FIELDING. Because the men who cut the ties are getting higher wages. Go into the steel mills and ask in the office there why the road is costing more and they will tell you—it is because their men are getting better wages.

Some hon. MEMBERS. Oh, oh.

Mr. HUGHES. What are the rails to-day?

Mr. FIELDING. I have the floor.

Mr. HUGHES. I would like to ask——

Mr. DEPUTY SPEAKER. Order.

Mr. HUGHES. I have the right to ask a question, with the permission of the hon. gentleman who has the floor.

Mr. FIELDING. I say, go into the steel mills, and they will tell you——

Mr. HUGHES. Will the minister allow me a question?

Mr. FIELDING. I am speaking just now.

Mr. HUGHES. All right.

Mr. FIELDING——they will tell you that their men are getting higher wages. The workmen who cut the ties are getting higher wages. Go into the contractor's office, and he will tell you that he is getting two prices where he got one before.

Mr. FOSTER. Oh, oh.

Mr. FIELDING. Yes. And the consequence is that the cost of these works has increased, almost double. Go through the list of all the items that enter into railway construction, and you will find that every great enterprise that has had to be constructed of recent years has proved much more expensive than the estimates of 1903. Now, Colonel, what is it ?

Mr. HUGHES. In the first place, Mr. Chairman, I would ask you to call the minister to order for not addressing the chair ?

Mr. FIELDING. That is right, I apologize.

Mr. HUGHES. Let me tell the Finance Minister that it is true that ties to-day are dearer when placed on the track, but they are not dearer in the woods. There is what we want to get at. Why should there be this increased cost between the woods and the placing in the track. Rails are about as cheap as they were in 1904—I do not know but what they are a little cheaper.

Mr. GEO. TAYLOR. They are cheaper.

Mr. HUGHES. I believe that they are cheaper than when this contract was made. The wages paid in this country are lower than they were when this contract was made. Why, the minister has only to take the case of the public works in the town of Lindsay. The contract there is not being carried out on the fair wage scale; the prices paid by the contractor there are considerably lower than in any other industry in the town. If the Minister of Finance is going into these details, we want to get the facts, for, with the facts, we can prove him to be wrong ? Let him give the fifty reasons of which he has spoken.

Mr. FIELDING. I think that forty-nine will be quite enough to prove the hon. gentleman (Mr. Hughes) wrong.

Mr. HUGHES. On the National Transcontinental, where they pay for ties from 60 cents to 75 cents, the man who cut the ties, perhaps only a hundred yards away, from where this price is given did not get more than one-quarter of that for them.

Mr. FIELDING. The men who buy the ties get them at the best price they can.

Mr. FOSTER. It would help us if we could get down to the facts with regard to even part of these fifty reasons, and the minister has an easy method of getting at the facts.

Mr. FIELDING. Certainly.

Mr. FOSTER. If he will institute a little inquiry, he will find out the exact wages paid to the different grades of men in 1904, and he can find the scale of wages paid to the same grades of men in 1907 and 1908. This would be something authentic. If we had also an authoritative statement of the cost of supplies in the different years, we could make a fair estimate of what was due to the increased cost in that regard. Then, as to rails, it would be easy for the Finance Minister to have the information for us as to what rails were sold at in 1904 and in 1908. These are stock articles, and the price can easily be ascertained. One thing, I think, is quite certain, that it was much easier and cheaper to get the rails in 1908 than in 1903-4, because the facilities for carriage up along the line under construction are very much greater than they were at that time. So, there are two elements of expense—labour and steel—concerning which we could easily have the information.

Mr. FIELDING. That is a fair request. I agree.

Mr. FOSTER. Information could be given us also as to the cost of ties. With these facts, we could get somewhere near the added cost. But has the Finance Minister looked into the particulars sufficiently to satisfy himself that $35,000 a mile could have been economically put into that road under its present construction? I have talked to men who have built railways through that country as well as through other sections, and the Minister of Finance ought to have had curiosity enough to make inquiries also. Other roads have been built in this prairie country—the Canadian Pacific Railway and the Canadian Northern are constantly building there. Has the minister made inquiry to find out what these other companies are paying per mile for the building of their roads? Has he that information on file? Before we come to the rescue by a ten-million dollar loan, ought we not to satisfy ourselves that there has not been rank extravagance—to speak of nothing else—in building that prairie section at a cost of $35,000 per mile? This amount, as I understand it, does not include equipment of rolling stock. Am I right in that?

Mr. FIELDING. The figures given for the mileage estimate do not include equipment.

Mr. FOSTER. So, you have the cost of making the track and putting it in order, but without equipment of rolling stock, $35,000 a mile. I venture to say that the best railroad builders can build a road in the prairie west at from $18,000 to $20,000 per mile, and that figure includes the roundhouses and equipment, if not all of it, the most of it. I am badly informed if that is not actually the case. You have to add a great deal to $18,000 per mile to make $35,000 per mile. Is the minister satisfied in his own mind that that road has really had put into it, by any man of reasonably economic mind, $35,000 a mile, and yet no equipment, no rolling stock, no roundhouses? There are two roads that are building continually, the minister has the matter at his own disposal, he can get information with reference to the building; and if it is found that I am fairly correct in the statement that from $18,000 to $20,000 builds prairie roads of a good type in that country, are we to be called upon to come to the rescue of a company that has paid out $35,000 per mile? The stock argument is: 'Oh, it is a better class of road!' How much better class of road is it than the Canadian Northern is to-day, running up to Edmonton? How much better road is it than the Canadian Pacific Railway which runs not many miles from it? It strikes any man on the street who knows something about railroads, with a chill to tell him that $35,000 has been put into that road. I say that if they have wasted their money, or worse than wasted it, and put it to uses which they should not, and make it cost almost double what it should cost, they ought not to come to us after they have done that—if that has been done—and ask us to help them out of the hole. Their father, and mother, and grandfather, the Grand Trunk Railway, ought to have had an eye over them. It was in it, and of it, the whole of it, as it has been stated over and over again, quoting one of the ministers—in it, and of it, and back of it, and a part of it. Has the Grand Trunk, an old hand in building and supervising railroads, had its eye upon it with the idea that there should be economical building? If it has allowed extravagance to creep in, and advanced the $7,000,000 in order to help that extravagance, let the Grand Trunk pay the $7,000,000. Why should they come to us and ask us to repay that? If they, being the fathers and mothers of the scheme, the guarantors, relied upon for almost everything, if they are responsible, if they have allowed this what I consider to be gross extravagance in building at the rate of $35,000 per mile, then let them keep their $7,000,000 in it, and let them have some share in building the road as well as having all the profits that are to come from it.

Now, Mr. Chairman, if it be a fact, and the Finance Minister ought to know if it be a fact, that every bit of the cream along that Grand Trunk Pacific has been skimmed off by men for their own profit, private and corporate; if it is true that they have used their town sites solely for that purpose; if it is true that they have 81 town sites along the Grand Trunk Pacific, and 76,000 or 77,000 acres which they got, according to the returns brought down, for something like a song compared to what the values will be, and that none of that goes to provide money for this company which comes to us and begs for a loan, will the minister make a calculation? 76,000 acres in town sites, along a great line of railway through a rich prairie section, is pretty valuable land. Divided into lots and sold, it means a lot of money. A number of lots can be taken out of an acre of land. That acre of land costs these people somewhere about $3 an acre, so far as I have been able to get at the facts. This land put into lots and town sites and sold at $50, $75, $100, $200 and so on, totals up to a very large amount of money. Why should not the profits out of this go to help them build their road? Are they to build it on our guarantees, on our loans, at our burden, taking the stock which we gave to them and holding it for no return, or practically none, and in addition to that, to skim every bit of cream off in town sites and everything like that? All these profits ought to be directed towards building the road, and gettting capital into the road. The whole stream is directed into private or corporate profits, distinct entirely from the

Grand Trunk Pacific. Are these things true? If they are, it is sufficient to make us sit up and think. You talk about the weary Titan, the old mother, but there is young Titan here whose back is being bent by the financial burdens that she is obliged to carry, and that young Titan is Canada itself. When we have to strain every nerve to get what we want for our own purposes, we allow these men to skim all the cream off the Grand Trunk Pacific, perquisites, town sites, lumber business and a dozen others, and we patiently bend our backs and add to the financial burden that we find already more than we can carry. It is time we become sober with reference to the debt and the obligations which are being rolled in upon this country. The Finance Minister comes to us and asks us for a loan. He is the man to give us the information. When we made a loan to the Canadian Pacific Railway we took a lien on their $35,000,000 of stock; the lien was a good lien and a strong lien for the $35,000,000. But we said: 'You come here to ask us for money to finish the contract; we will let you have the money, but we wont give it to you at any less per cent that we have to pay for it, and we will take all the liens you have. There is $35,000,000 of your stock, we want that as well,' and we took the loan upon that. But here, the company cannot offer us a security that is worth sixpence to this government. As the hon. Minister of Finance has said the Grand Trunk Pacific Railway gives its bond, but, as he says, its bond is not presently worth anything. We go to the Grand Trunk Railway Company which guarantees the bonds. That is really what we get. Now, when the company come with their $25,000,000 of stock, which, at some time, may be worth as much as the Canadian Pacific Railway stock to-day, why in the name of all that is reasonable should not we have the security of that stock as well; all the more so that it does not appear to me that any adequate product of that stock has gone into the financing of the Grand Trunk Pacific? The Minister of Finance knows how much. He can tell us. These are some questions which the Minister of Finance should undertake to answer, and to answer, I think, before we get through with this measure. We are now approaching the Easter holidays—days of peace and calm after some little excitement of the past. We do not want to get into another exciting time before that gracious season comes on and so we cannot carry out all our wishes to-night with reference to this resolution. We are going to allow this resolution to pass through committee with the reservation that every line and sentence of it stands yet to be approved, or amended or approved with such emendation as we can get; but when the Bill, which is founded upon the resolution, comes down in detail it can be taken up, acted upon and be amended much more easily than in the case of the resolution. But the Minister of Finance has to get more than forty-nine out of these fifty little reasons that he offered to the committee, and I am sure he will. There is another question that we want to get a little information on. How much money of the Grand Trunk Pacific Railway Company has gone into rolling stock? When did it go into that rolling stock? Who has been using the rolling stock from that day to this? Is the rolling stock new or is it largely made up of repaired stock from another company and then taken as rolling stock into the Grand Trunk Pacific? We want to know why this new company, which has nothing to roll on, goes to work and spends, I do not know how many millions—the Minister of Finance knows—five, six, seven or eight millions—on rolling stock long before it has anything upon which the stock can roll. The company may say that they must make some provision or else when they got the road they would have to wait some time longer, but there are two questions that suggest themselves: How long have they had that rolling stock? What has it been doing in the meantime. Has it simply been used as a convenience for the Grand Trunk Railway, or has it been fairly and squarely built and bought as the necessities of the Grand Trunk Pacific called for it? There is another question. Who constitutes the company that builds the rolling stock? We would like to know something about that part of the matter. It would be interesting to us and altogether germane because the Finance Minister himself does not want to ask that Canadian credit be strained to the amount of $10,000,000 unless everything is square and fair. We do not want to have it go unless it is square and fair and if it is not square and fair we would like to know it. We would all feel better if we did know it. Looking at the cream skimming propensity which has shown itself upon everything in sight along that Grand Trunk Pacific without one drop of that going into the parched and hungry mouth of the Grand Trunk Pacific Corporation itself, we are also anxious to know whether that is going on in the car building process. We would like to know something about the constitution of the car building company that is furnishing this stock. These are some of the questions which come to the surface. The Minister of Finance, I think, has not quite properly settled another. He pretty nearly cut the whole ground from under his feet when he declared that they could go into the market to-day and get 90 per cent. of these securities. Why in the world, under these circumstances and under our circumstances at the present time, should we not

allow this great company to take this discount of ten per cent and go on with this road? Other companies have to do it. There is not a railway company in this country of any size at all which has not had to submit to heavy discounts upon its stock and bonds. Here is an admission by the minister himself that they can go into the market and that the margin is only ten per cent against them. I had the idea that the plea of Mr. Hayes was that they could not float their certificates, but if they can be floated at a discount of ten per cent, there are lots of commercial companies to-day who would be glad to get their capital on that basis, there are lots of companies who are getting their capital at that discount, and they are glad to be able to do it. If what the Minister of Finance says is true it does not seem to me that there is any great necessity for us to put our neck under the yoke when we have already taken the heavy burden to draw and which we will have to draw. I do not know that it is necessary for me to make any other remarks at the present time but these are some of the things that I desire to bring to the attention of the minister. If this loan is necessary I say that the Minister of Finance has no business in a matter like this, after the regal support that we have given to this measure, when there is an emergency with reference to $10,000,000 of stock, to make another gift. Let them pay exactly the interest that we pay. I do not ask that they should pay more, but let him make his proposition so that he will exact in interest what the $10,000,000 costs us. At least I think that ought to be done. Why should we act the part of the beneficent mother to any greater extent than we have, for no man will deny that so far Canada, forced through it and into it by the government, has lifted and is to-day lifting nearly 90 per cent of the whole load. We will take other times to discuss this question and when the Bill comes on, founded upon this resolution, we will have something further to say, but these are some of the things that we were anxious to know about and things which, before the Bill gets through, we must know about. I am not satisfied at all as to the evidence we have of the $35,000 a mile that went into the road. I am not at all satisfied, and I think there ought to be some further research into that before we let it pass; my hon. friend the Finance Minister can get at that much better than any one else because he has all the sources at his command.

Mr. FIELDING. My hon. friends opposite are rather hard to please. At the beginning of this matter, my hon. friend the leader of the opposition, framed a series of questions for the purpose of eliciting all the information he thought was necessary to enable the House to enter upon an intelligent study of this transaction. I thought that many of his questions did not have much bearing on the resolution; but as nevertheless they did have some relation to the Grand Trunk Pacific project generally, we brought down all the information desired. I think that in almost every instance everything my hon. friend sought was granted. But now we find my hon. friend from North Toronto speaking as if there were some dreadful neglect in supplying information.

Mr. FOSTER. I would not say neglect. So far I think my hon. friend has come up to the requirements very well indeed, but what I am now making is not a charge of neglect, but a modest request for some further information, because as the discussion proceeds other points arise which require elucidation.

Mr. FIELDING. Very much of the information the hon. gentleman desires is asked for in so indefinite and hazy a way that it may be difficult to give it precise form. If my hon. friends had framed their questions in a precise form as did the leader of the opposition, I should make every effort to comply, but it is rather difficult to know exactly what it is they do require. My hon. friend from North Toron (Mr. Foster) is very prolific in 'ifs'. It is very easy to found an argument on 'ifs.' If this is the fact and that is the case, and if something else occurs, then something else is bound to result. One can build a monument of arguments on an 'if.' I would be glad to understand what the hon. gentleman means by this cream skimming operation which he says, is to be found everywhere. The only allusion he made to anything specific was in relation to the town sites. I have not the information desired at hand, and I fail to see what bearing it can have on the cost of the prairie section, which was the subject under discussion, but if further information be desired on the town sites, no doubt my hon. colleague, the Minister of the Interior, will be able to give all the information necessary, which will show that whatever was done in that connection as between the government and the company was entirely justified. My hon. friend said, and it has been repeatedly said in the debate, that the government are lifting—to use his expression—90 per cent of the load in this matter. That is an entire misapprehension of the situation, but we will come to that later on, and I shall not take up time by dwelling on it now. The conversations we had with respect to the cost of labour and railway ties and materials generally were not confined to any particular section, but had reference to the increased cost of the road generally. I shall bring down information later, and in that respect I think

the request of my hon. friend was fair and reasonable. But I do not agree that it is of the utmost importance, though it may be of interest, to us to know what sums other roads have cost. I do not think there is any prairie road which pretends to be of the same character as the Grand Trunk Pacific. If some other company has built for less money, that will be no evidence whatever that this road is too expensive. If the claim is made that it is too expensive, that must be established by other reasons than by what some other road of a different character may have cost. My hon. friend asks, am I satisfied this road has cost $34,000 or $35,000 per mile. I know only one way of being satisfied that the road has cost that much, and that is by our engineer's report. Every statement of cost by the company is referred to the government engineer, Mr. Schreiber. Mr. Schreiber cannot watch the construction of the line everywhere, but he has his own officers supervising it, and they report to him. And if they tell him, and if he tells us, that these figures, supplied by the company, represent fairly the cost of that road, I—being an innocent sort of a person—would be satisfied that the statement is a fair and proper one. If any other information be obtained, depend on it, I shall be very glad to lay it before the House, but I should think that information of the character I have mentioned might be accepted by the House as evidence that this road is costing that money and costing it intelligently and honestly. And if hon. gentlemen can be satisfied on that point, I do not think it matters what some other road of some other kind, built at a different time, actually cost.

Mr. FOSTER. What is it that Mr. Schreiber certifies to? Mr. Schreiber is an engineer. I do not know the modus operandi, but there are different ways of getting at the cost. Mr. Schreiber makes his annual or semi-annual or quarterly journeys over the road. He looks particularly after its engineering features as an engineer naturally would. But does he examine the accounts? Does he in any way look into the contracts and sub-contracts and contracts under these again? Does he look into the cost of material? Does he look into what is paid and compare the cost with the current prices? These are things that a business man, detailed to look into the question of cost, would do, but I do not take it that such is Mr. Schreiber's duty. He has certain figures placed before him. He finds that so much has been spent on labour, so much on material, so much on something else. He sees the vouchers, but does he get underneath all that in a business sense to find out whether there have been extravagant sums paid or not. The mere fact of a man looking as an engineer, after the engineering features of a road, its curves, its masonry, its culverts, and things of that kind, does not enable him to give an opinion as to the reasonableness of its cost. Does he do anything more than simply look at the vouchers placed in his hands and take the amounts there given as having gone into the different kinds of work, sum up the total, and then spread it over the mileage at so much per mile. Yet underneath all that there may be all sorts of extravagance, double payments, sub-contracts and the like, and the engineer would know nothing about them. It does not seem to me that it is his business to know because he is not sent there for that purpose. If he does not do what I have indicated he does not, then we have no certainty at all, even with Mr. Schreiber's certificate, that $35,000 per mile have gone into the work. I notice a letter from Mr. Bell. I think Mr. Bell is an auditor. I know nothing to his discredit, what I do know of him is entirely to his credit, and I have no desire to pass any reflection on him, but Mr. Schreiber says to Mr. Bell: 'What about these accounts?' And Mr. Bell says: 'I have gone through the accounts and examined the vouchers.' What does that show? It shows that bills have been paid and the vouchers produced. But does Mr. Bell go into the question of proper cost and all these other questions which would establish extravagance or otherwise in the construction of the road? Possibly he may, but I imagine that what he does is to examine the accounts and see whether they have been paid and whether the vouchers are all right. If that is Mr. Bell's work, there is something underneath it all that may not have come out, and what makes me suspicious is the extraordinary high cost. The Finance Minister says you cannot compare one road with another unless you have similar conditions. That is true; but I am bound to suppose that neither the Canadian Pacific or the Canadian Northern are running sheep paths up through that country. I think they are building good roads, and I am told that their grades and curves and road-beds, if not equal, are very nearly equal to those of this road. Of course, roads are always getting better where properly cared for; but when you come to compare $18,000 with $35,000 a mile, you have a very large margin for extra ballasting and improving curves and grades. I am told that the hauling capacity of the Canadian Pacific Railway and Canadian Northern is just about as great as that of this road.

Mr. FIELDING. Mr. Schreiber was here until a short time ago, when I released him from attendance, not supposing that he would be required. All the matters men-

tioned by my hon. friend are part of the engineering, because it is the duty of an engineer to report that a certain work is going to cost a certain sum, which necessarily implies that he must pass judgment on the reasonableness of the charges for labour, rails, ties, &c. Therefore I think it is reasonable to suppose that Mr. Schreiber, in making his certificates and estimates, assisted by Mr. Bell, a very expert auditor, who examines all the vouchers, does look into all these matters, and the certificate he gives is to be accepted as reasonable evidence that the road will actually cost the sum he mentions in his report, and we are disposed to accept it in that light. But before the matter comes up again, I will discuss these points with him.

Mr. FOSTER. Who is Mr. Bell ?

Mr. FIELDING. The auditor of the government Railway Department.

Mr. HUGHES. Would the minister also bring down a statement as to the cuts and valleys ?

Mr. FIELDING. I could not answer as to that.

Mr. SPROULE. Would the minister tell us when the first conference took place which led up to the negotiations for this loan between the government and the company ?

Mr. FIELDING. I think I would not know.

Mr. SPROULE. I think the Finance Minister must know; if not, the Prime Minister would know. I think the House would be pleased to have further information about it, in view of the circumstances surrounding this whole transaction.

Mr. FIELDING. My hon. friend should not trust his imagination so far.

Mr. SPROULE. There is a good deal more than imagination in it. The very fact that $7,000,000 of this money is going to the Grand Trunk Railway Company, and that it took such an active part in the election, and that a government running an election generally wants funds, and that within fifteen or twenty days after the election we have this letter from Mr. Hays stating that unless this is done the work is going to stop and financial ruin is going to stare us in the face and injure the financial status of Canada, causes suspicion that all the preliminary arrangements were made before the election, with the understanding that the scheme would be carried out after the elections in the event of the government being returned to power. Therefore we are interested in getting what information the government can give us about it, and I am quite sure that if they are willing to give it they are in a position to give it.

Mr. TALBOT. The hon. gentleman says something about the activity of the Grand Trunk during the last election. Let him tell us something about the activity of the officials of the Grand Trunk Pacific in the west.

Mr. SPROULE. I am talking to the Minister of Finance, who can give us the information we require.

Mr. FIELDING. The only information I can give as to the activity of the Grand Trunk Pacific in support of the government, is that I heard very much the other way. But these things are not business.

Mr. FOSTER. Will the hon. minister tell us where he got his contributions ?

Mr. FIELDING. My hon. friend has neglected his opportunities of testing all these things in the election courts, which is the proper place, and not here.

Mr. AMES. I understand the hon. minister to say that Mr. Schreiber has had resident engineers traversing this work, who are expected to know every thing that has been done.

Mr. FIELDING. I understand that Mr. Schreiber has had some inspection of the work; I have the impression that Mr. Schreiber had some officials acting for him in his absence.

Mr. AMES. I have no doubt that that is the case, and if so, these officials must have reported from time to time that the amount of money expended on the road was very much in excess of the estimate, and the minister has been for some time in possession of that information.

Mr. FIELDING. Yes, we have known it for some time.

Mr. AMES. Then the hon. gentleman has had for some time the means for coming to the conclusion to come to the assistance of the company ?

Mr. FIELDING. We had that only a short time ago.

Mr. AMES. How long ago was the minister asked formally to come to the relief of the company ?

Mr. FIELDING. I do not remember.

Mr. AMES. It is a strange thing about the letter of November 16 that it drops, so to speak, from the clouds, an absolutely finished document and never since then does there seem to have been exchanged a single word altering its tenor.

Mr. FIELDING. Why should it be altered?

Mr. AMES. The resolution is drawn absolutely along the line of the letter. When the letter was written had an affirmative reply been promised to the writer?

Mr. FIELDING. I could not answer, I do not think it had. So far as I am concerned it had not.

Mr. AMES. How long before the 16th of November had the substance of that letter been matters of pour parlers?

Mr. FIELDING. I could not answer; the letter will have to speak for itself—that is the value of the letter.

Mr. AMES. The letter does not say how long prior to that date the matter had been the subject of discussion between the minister and the authorities of the Grand Trunk Pacific.

Mr. FIELDING. I could not tell.

Mr. AMES. The minister would not have us erroneously believe that this letter suddenly fell upon him without any prior intimation?

Mr. FIELDING. It did not fall anywhere, it came in the ordinary way of business.

Mr. AMES. Absolutely unexpected?

Mr. FIELDING. I do not know as to that. We probably have expectations of these things sometimes.

Mr. HUGHES. Did the Minister of Finance draft it?

Mr. FIELDING. No, is it good enough for that?

Mr. AMES. Did the minister revise the letter before it was signed?

Mr. FIELDING. My hon. friend is asking too many questions.

Mr. FOSTER. Any government going to the people does not want to conceal anything or exaggerate anything, it wants to put all the issues before the people. If the minister knew before October 26 that this $10,000,000 was looming in the air, does he think he did right towards the electors of Canada in not apprising them of the fact and getting their assent to it? It would have made a lovely refrain to the cry of 'Let Laurier finish his work' if the Minister of Finance and the Prime Minister had told us what they knew, that $10,000,000 more had to be borrowed for the purpose? There is a great responsibility on the Minister of Finance in this matter. If he knew it, he did not deal rightly by the people and has no mandate from them; the hon. gentleman ought to go back and get a mandate for a matter so important as this. If he did not know, the difficulty is to understand how this letter could have dropped out, fully finished, from the clouds, meeting exactly the view of the minister, because he has taken no objection to it from the first. I never knew of any proposition that did not have two sides to it, propositions and counter propositions.

Mr. AMES.

Mr. FIELDING. A bolt from the blue?

Mr. FOSTER. As though an all-wise Creator had moulded it. It was perfect. It fitted exactly the views of my hon. friend the Minister of Finance and Mr. Hays, and the only people it does not seem to fit are the public of Canada who have to pay for it.

Mr. FIELDING. We do not agree with you there; we think it suits them.

Mr. HUGHES. Who constituted the company referred to by the Minister of Railways in a speech prior to the elections, when it was rumoured that the Grand Trunk Pacific were going to throw up the contract?

Mr. FIELDING. I have no recollection, I do not think I heard of it.

Mr. HUGHES. What is the character of the bridges and trestles?

Mr. FIELDING. I leave that to the engineers.

Mr. HUGHES. Will the minister get that information?

Mr. FIELDING. I will consider it.

Mr. HUGHES. Perhaps he had better do more than that.

Mr. FIELDING. All I can do is to consider it.

Mr. FOSTER. It would be wiser to do more. All he has to do is to find out the nature of the bridges and trestles, whether the bridges and trestles are of steel and the culverts of stone or wood.

Mr. FIELDING. If my hon. friend will put a specific question I will endeavour to get the information.

Mr. HUGHES. I put a specific question in each case.

Mr. FIELDING. Very good, we will consider it.

Mr. AMES. Would the minister endeavour to obtain for us some evidence that will enable him to convince us that this is really a superior road? That is readily reduced to a question of profile and figures.

Mr. FIELDING. That is a fair question; I appreciate it.

Mr. AMES. We want to know about the grades, the curves and the character of the structures. Would it be possible for the minister to deal with the question raised in order that the House shall be permitted, either now or at some future date, to examine the statement containing the list of vouchers that go to make up the $35,000 per mile and that the House through one of its committees would be able to examine and take evidence to satisfy itself that the money has gone into the road?

Mr. FIELDING. I cannot answer that off-hand.

Mr. AMES. He will take that into consideration?

Mr. FIELDING. Yes.

Mr. AMES. Will he undertake to show what has been done with the 20 per cent payment on 10,000 shares of stock. We have been told that it went to the general purposes of the road. We would like something more specific. Where has it gone into the road and what is there to show for it? Would he also take up more definitely than has already been done, what will be the probable fixed charges in respect to capital investment for construction and to provide for what rolling stock has been placed on the road, what will be the fixed charges by way of interest on that section of the road and how these fixed charges will compare with the Canadian Northern and the Canadian Pacific Railway which run parallel to this road? It is a very important question because it will enable us to judge whether this company will be in a position to compete in grain rates or will be an active influence in keeping up grain rates.

Mr. FIELDING. If the roads are of different character I do not think such a comparison will be of much value. Of course if a better road is given, as we claim, it will have such increased hauling power that even although the fixed charges are more it will still be a profitable road.

Mr. AMES. It will still be a question of degree and of comparison.

Mr. HUGHES. The three roads, the Grand Trunk Pacific, the Canadian Northern and the Canadian Pacific Railway run through similar country. Each road may be perfectly level for a long distance and then there may be a short grade of 4-10 per cent on the Grand Trunk Pacific and of 5-10 or 6-10 on the Canadian Northern Railway or the Canadian Pacific Railway. In order to have the comparison a fair one, would the minister have his engineers state both in miles and in number the grades on the different roads?

Mr. FIELDING. I think the committee and the House are entitled to the fullest information as to the superior character of this road and any possible information on that question I shall endeavour to get. As to comparisons with other roads, that is a different proposition and we will have to hold it in reserve.

Mr. AMES. What steps are being taken by the Grand Trunk Pacific to provide their share of the funds for the construction of the mountain section?

Mr. FIELDING. They have some money in hand, as shown in the information supplied.

Mr. AMES. The minister cannot tell us off-hand how much money they have exclusively for the mountain section ?

Mr. FIELDING. I think the figures are in the printed statement, to which I would refer the hon. member (Mr. Ames).

Mr. AMES. Would it be pressing the matter too far if I asked whether any intimation has been given that further assistance of this character will be required regarding the mountain section ?

Mr. FIELDING. No such intimation has been received. Possibly, my hon. friend's suggestion that further assistance will be required may prove to be correct, but I have no such information now.

Mr. AMES. I can believe it to be quite likely that the railway company will come to the government again, inasmuch as they can borrow at a very much lower rate of interest from the government than they can by floating bonds. I would like to ask also: Where is the preferred stock today—has it been issued?

Mr. FIELDING. If that is not covered by the information already brought down, I will have to ask the hon. member to leave the question for further consideration.

Mr. AMES. It is not in this information. The question is what has been done under their right to issue $20,000,000 of preferred stock ?

Mr. FIELDING. I will have that looked into.

Mr. SPROULE. It would be interesting also if the minister could tell us who compose the Grand Trunk Pacific Town Site Company, how much land they purchased, from whom they purchased it, what they paid for it, and how much of that money went to the Grand Trunk Pacific Railway Company. Also, who compose the Grand Trunk Pacific Construction Company, and how much of the road is under contract to them ?

Mr. FIELDING. I will look into that matter and see if I can get the information for my hon. friend.

Resolution reported, read the second time and concurred in.

Mr. FIELDING moved for leave to introduce Bill (No. 128) to authorize a loan to the Grand Trunk Pacific Railway Company.

Mr. FOSTER. I suppose the Bill will be printed at once and distributed ?

Mr. FIELDING. It is in print now, and I suppose the printing for members can be expedited.

Motion agreed to, and Bill read the first time.

ADJOURNMENT—BUSINESS OF THE HOUSE.

Mr. FIELDING. In moving the adjournment of the House, I may state that a desire has been expressed by hon. members on both sides, that if we dispose of this business to-night, the House might not find it necessary to meet to-morrow. The government have every disposition to concur in that suggestion. But His Excellency the Governor General will attend to-morrow in the Senate Chamber to assent to the Supply Bill and other Bills that are ready, and it will be necessary for a sufficient number of members to be present to attend His Excellency. I would suggest that it might be agreed to have the House meet pro forma for the purpose indicated, but that, by common consent, no other business be taken up. It is hoped that such hon. members as remain in town will attend the pro-forma sitting in order that there may be a respectable quorum to respond to the knock of Black Rod.

Mr. AMES. Can the Minister of Finance do one thing more? I understand that a return has been called for with reference to the indirect liabilities of the government, which return was to be presented to-morrow afternoon. Can this be rendered available before we adjourn?

Mr. FIELDING. I think the information is available. If it be possible, we will have it brought down. Failing that, I will send it to the hon. gentleman during the recess.

Mr. GEO. TAYLOR. Many hon. members wish to leave town to-morrow morning before the House is called. May I ask the hon. Minister of Finance if it may be understood that to-morrow shall not be a session of the House so that it will not tell against the members in their fifteen days' allowance.

Mr. FIELDING. Whatever my disposition is, I am afraid I have not the power to assent to that suggestion.

Motion agreed to, and House adjourned at 11.25 p.m.

HOUSE OF COMMONS.

WEDNESDAY, April 7, 1909.

The SPEAKER took the Chair at 4.15 o'clock.

MESSAGE FROM THE SENATE.

Mr. SPEAKER. I have the honour to inform the House that I have received a Message from the Senate, agreeing to the following Bills, without any amendment, viz.:—

Bill (No. 79) An Act respecting the Canadian Pacific Railway Company.

Bill (No. 117) An Act for granting to His Majesty certains sums of money for the public service of the financial years ending respectively the 31st March, 1909, and the 31st March, 1910.

Mr. HENDERSON. Mr. Speaker, I notice that in reading the announcements from the Senate you say that the Senate has passed the Supply Bill 'without any amendment.' I beg to ask the minister if they have any right to amend it, or why they say that?

Hon. W. S. FIELDING (Minister of Finance). We had better accept the situation.

Mr. HENDERSON. I think the Senate is taking a little too much upon itself.

COAL MINERS' STRIKE.

Mr. GEO. TAYLOR. While we are waiting for the arrival of the Gentleman Usher of the Black Rod might I ask the hon. Minister of Labour (Mr. Lemieux) if he has received any late news from the west in reference to the coal strike? I see by the papers that there is a strike on in Alberta and British Columbia and I hear further rumours that it is likely to be settled. Perhaps the minister could give us some definite information.

Hon. RODOLPHE LEMIEUX (Minister of Labour). Mr. Speaker, in answer to my hon. friend I may say that on the third of April, I received the following telegram:—

Hosmer Mines, B.C., April 3.

Agreement between scale committee representing United Mine Workers and Operators' Association was reached at Macleod. This agreement was submitted to locals for referendum and was carried by majority of over 200 votes. Upon meeting at Macleod to execute agreement Sherman, president district 18, refused to sign agreement. Believe Indianapolis officials will instruct officials district 18 to sign agreement as made at Macleod and will insist upon its execution.

(Sgd.) LEWIS STOCKETT.

Since the arrival of this telegram I have received another stating that the officials of the International Union had accepted the agreement and had urged all the miners to abide by that agreement. I regret that I have not this telegram in my possession just now. It is at my office, but from what I learned this morning I believe that by the end of this week all the mines will be in operation. From what I understand there is only one man in Canada objecting to the agreement. All the miners have accepted the agreement reached at Macleod.

MR. MACKENZIE KING.

Mr. SPROULE. I think it would satisfy the curiosity of a good many people if the hon. Minister of Labour (Mr. Lemieux) could give the House any information regarding the whereabouts of the prospective Minister of Labour. The Minister might tell us whether he has been taken possession of by the Mikado or in what part of the habitable world he is resident at the present time, and, if ever, when he is likely to return.

Mr. HUGHES. Was he sent away to get rid of him?

Mr. LEMIEUX. I do not know to whom my hon. friend refers when he speaks of the prospective Minister of Labour. Probably he refers to some rumours in the papers that Mr. Mackenzie King might be Minister of Labour. That is only a rumour. My hon. friend wishes to know where that hon. gentleman is. Mr. Mackenzie King has attended the sittings of the International Commission appointed to look into the question of the suppression of the opium trade. I understand that the sittings of the commission are at an end and that Mr. Mackenzie King is presently in Pekin. He will sail for Canada very soon now and he will probably report to the House the result of his mission. From the information that we have in the department the mission has been highly successful, and there is every hope that the trade will be regulated in such a way that within a few years it will be completely suppresed in the far east, thanks to the attitude taken by the British authorities who are leading in that very efficient movement. I must say that Mr. King had rather an easy mission so far as Canada is concerned, because, as my hon. friend is aware, last year parliament passed legislation to suppress that trade. A few months were given to the traders of British Columbia to get rid of what opium they had in stock. That time having elapsed a few days ago, Canada is to-day probably the first country on the continent in which the opium trade is completely suppressed except for medicinal purposes.

Mr. SPROULE. The minister has not yet told us the whereabouts of that gentleman and as opium has a narcotic influence we may assume that Mr. McKenzie King is asleep somewhere.

Mr. LEMIEUX. My hon. friend is aware that Mr. Mackenzie King is never asleep, as he proved during last election.

Mr. HUGHES. What percentage of the mine owners and mine workers in British Columbia are British subjects owing allegiance to the British flag?

Mr. LEMIEUX. If the hon. gentleman will put that question on the Order Paper I will be glad to get a formal answer for him. There is something in the point that the trouble we have experienced in the west has been caused by the large percentage of foreigners there.

Mr. HUGHES. Sure.

THE OLD FORT, TORONTO.

Mr. FOSTER. I have received communications from certain associations in Toronto with reference to the old fort on the Garrison Common property, and I have not yet been able to place them formally before the House. These gentlemen fear that the street railway may be allowed to pass through the grounds and they have the idea that the government is now assenting to the transfer of the old fort property to the city without insisting on the condition that it shall not be used for other than park or exhibition purposes. I would ask the Minister of Finance if he would bring this matter to the attention of the Prime Minister, so that in the meantime, until I can present these petitions in a formal way, the government may do nothing which would lead to the result which these gentlemen fear.

Mr. FIELDING. I am not familiar with the case but I shall be very glad to draw the attention of the Prime Minister to it.

THE ROYAL ASSENT.

Mr. SPEAKER. I have the honour to inform the House that I have received from the secretary of His Excellency the Governor General the following communication:

Ottawa, April 7, 1909.

Sir, I have the honour to inform you that His Excellency the Administrator, will proceed to the Senate Chamber this afternoon at 4.15 o'clock, for the purpose of assenting to such Bills as have passed the Senate and the House of Commons.

I have the honour to be, sir,
Your obedient servant,
J. HANBURY WILLIAMS,
Colonel,
Governor General's Secretary.

The Honourable
The Speaker of the House of Commons.

A message was received from His Excellency the administrator by the gentleman Usher of the Black Rod as follows:

Mr. Speaker, His Excellency the Administrator, desires the immediate attendance of your honourable House, in the Chamber of the honourable the Senate.

Accordingly, Mr. Speaker, with the House, went up to the Senate Chamber.

And having returned,

Mr. Speaker informed the House that his honour the deputy of His Excellency the Governor General had been pleased to give in His Majesty's name, the Royal Assent to the following Bills:

An Act respecting the Kootenay Central Railway Company.

An Act respecting the Grand Trunk Railway Company of Canada.

An Act respecting the Collingwood Southern Railway Company.

An Act respecting the Brandon Transfer Railway Company.

An Act to amend the Animal Contagious Diseases Act.

An Act to amend the Post Office Act.

An Act respecting the Union Station and other joint facilities of the Grand Trunk Pacific Railway Company and the Midland Railway of Manitoba, at Portage la Prairie.

An Act to incorporate the Salisbury and Albert Railway Company.

An Act respecting the Huron and Ontario Railway Company.

An Act respecting the Alberta Central Railway Company.

An Act respecting the Southern Central Pacific Railway Company.

An Act respecting the Toronto, Niagara and Western Railway Company.

An Act respecting the Hudson's Bay and Pacific Railway Company.

An Act respecting the Guelph and Goderich Railway Company.

An Act respecting the Walkerton and Lucknow Railiway Company.

An Act respecting the Vancouver, Westminster and Yukon Railway Company.

An Act respecting the joint section of the Canadian Pacific Railway Company and the Grand Trunk Pacific Railway Company at Fort William, Ontario.

An Act to incorporate the Canadian Western Railway Company. (11.)

An Act to amend the Government Railways Act. (20.)

An Act respecting the Edmonton and Slave Lake Railway Company. (24).

An Act to amend the Railway Act. (21).

An Act respecting the Bank of Vancouver.

An Act respecting the Crawford Bay and St. Mary's Railway Company, and to change its name to 'The British Columbia and Manitoba Railway Company.'

An Act to amend the Dominion Lands Act. (8.)

An Act respecting the Winnipeg and Northwestern Railway Company.

An Act respecting the Burrard, Westminster Boundary Railway and Navigation Company.

An Act to incorporate the Western Canadian Life Assurance Company.

An Act to incorporate the British Columbia Life Assurance Company.

An Act to incorporate the Canada National Fire Insurance Company.

An Act respecting the St. Mary's and Western Ontario Railway Company.

An Act respecting the Athabaska Railway Company.

An Act respecting the Alsek and Yukon Railway Company.

An Act respecting the Abitibi and Hudson Bay Railway Company.

An Act respecting the Montreal Terminal Railway Company.

An Act respecting the Vancouver, Fraser Valley and Southern Railway Company.

An Act respecting the Mexican Land and Irrigation Company, Limited.

An Act respecting the Brazilian Electro Steel and Smelting Company, Limited.

An Act respecting the Canadian Pacific Railway Company.

An Act for granting to His Majesty certain sums of money for the public service of the financial years ending respectively the 31st March, 1909, and the 31st March, 1910.

On motion of Mr. Fielding, House adjourned at 4.50 p.m.

HOUSE OF COMMONS.

TUESDAY, April 13, 1909.

The SPEAKER took the Chair at Three o'clock.

CANADA SHIPPING ACT.

Hon. L. P. BRODEUR (Minister of Marine and Fisheries) moved for leave to introduce Bill (No. 131) to amend the Canada Shipping Act.

Mr. FOSTER. Explain.

Mr. BRODEUR. The purpose of the Bill is to add some words to the French version which were accidentally omitted in the translation from the English version of the Act.

Motion agreed to, and Bill read the first time.

CHARGES ON LOANS.

Mr. SAMUEL SHARPE (Ontario). I direct the attention of the Minister of Finance to the return brought down with reference to the expenses in connection with certain loans. It does not state the names of those to whom moneys were paid.

Hon. W. S. FIELDING. All these payments are made to the financial agents of the government, the Bank of Montreal. I do not think we have the names of the persons to whom the amounts are paid individually. The commissions are paid entirely to the Bank of Montreal and they arrange for the underwriting when underwriting is necessary. The advertising has been done through an advertising agency in London, and I suppose the details could be obtained.

Mr. SAMUEL SHARPE. There is a large item of £32,000 under the head of miscellaneous and other charges, and no particulars of that are given. I think we should have that information.

Mr. FIELDING. Is that in addition to the underwriting?

Mr. SAMUEL SHARPE. Yes.

Mr. FIELDING. I will have attention called to the observations of my hon. friend and see whether any further information can be obtained.

LOANS ISSUED SINCE 1907.

Mr. FOSTER. The Minister of Finance has not yet brought down the return with reference to the loans issued since 1907.

Mr. FIELDING. I will make inquiry. I was under the impression I had brought down all except one asked for by my hon. friend (Mr. Ames).

CENTRAL RAILWAY OF NEW BRUNSWICK.

Mr. FOSTER. Before the orders of the day are called I would like to ask the First Minister if in view of the report of the Royal Commission which has been issued in the city of St. John, N.B., and which to a certain extent affects two of the officers of the government, he has yet decided upon any course of action, or if he has anything to communicate to the House with reference to it.

Right Hon. Sir WILFRID LAURIER (Prime Minister). Mr. Speaker, I may say I have not seen that report. I have only seen extracts from it in the public press. At this moment I have no communication at all to make to the House.

NEGOTIATIONS WITH GERMANY.

Mr. MONK. I call the attention of the government to a telegraphic despatch in this morning's paper in reference to an article in the London 'Standard' which states that negotiations towards a treaty are going on between the Canadian government and Germany. I ask the Prime Minister if there have been at any time such negotiations, and if they are proceeding at present.

Mr. FIELDING. There are not nor have there been any such negotiations as those referred to. From time to time we have had opportunities of meeting gentlemen interested in German trade who have discussed with us the advisability of certain changes, but there are no negotiations; nothing which would correspond to the statement made in the press.

BUDGET SPEECH.

Mr. FOSTER. Is it the intention of the Minister of Finance to go on with his budget speech next Thursday ?

Mr. FIELDING. My present expectation is to bring the budget on Thursday. If anything intervenes to change that intention it will be announced to-morrow.

TARIFF CHANGES.

Mr. MONK. Is it possible for the Minister of Finance to give any information as to whether the government contemplates any changes in the customs duties? I specially refer to the duties on tin. This is a time of activity in that particular business; the farmers and the canning establishments are providing themselves with supplies, and as I have received many inquiries I bring the matter to the attention of the Minister of Finance.

Mr. FIELDING. If my hon. friend reflects for a moment, he will see from his own experience that it is never possible for a Finance Minister to make any statement as to the intention of the government in tariff matters except in the budget speech, and I shall have to ask my hon. friend to be patient until that is delivered.

Mr. MONK. I merely wished to ask the Minister of Finance if he could state that there would be no change in the tariff.

Mr. HUGHES. The Finance Minister, having become a protectionist, will surely see that the tin plate industry is protected.

THE WOOLLEN INDUSTRY.

Mr. HAUGHTON LENNOX. Mr. Speaker, I quite appreciate what the Minister of Finance has said, that he has locked up securely in his own mind the knowledge of the great benefits he is about to confer on Canada by the budget which he will bring down on Thursday next, and it is in order that we may improve, if possible, the text of the deliverance which he shall then make, and if possible bring about an improvement of conditions, that I propose to invite the attention of the Finance Minister for a few moments to the condition of the woollen industry of Canada at the present time. The importance of that industry very few, I think, will be disposed to question. There may or may not be some who feel some doubt as to the extent to which we can develop that industry. Speaking for myself, I am convinced that with proper governmental regulations there is in Canada a field for an enormous development of the woollen industry both as regards production and manufacture. As a farmer, of course my attention will be directed more particularly to the matter from the point of view of the farming industry; but I shall not forget that for an all-round industry we require not only the production but also the manufacture of wool. A business government, I presume, will keep in mind especially the main industry of the country. A wise business man, while giving regard to all details, will endeavour especially to conserve that which is his main source of income. Therefore I

think I am right in saying that above all other interests the interest of farming in Canada should be the main concern of a wise and prudent adminstration.

In the early days of the session, in answer to questions I asked, the government informed me that in 1908 we had 575,000 farmers; that there were maintained and supported directly by farming 3,788,000 people, considerably more than one-half of our entire population; that there was invested in farming in Canada $1,761,486,180; that the field crops of last year were of the value of $432,000,000; and that our export of grains, animals, and other farm products, amounted to $129,000,000, after supplying all our own home wants. Now, the greatest industry of the greatest nations of the world is that of textiles, among them being France, Germany, Belgium, Holland, Great Britain, and the United States, and it ought to be of concern to us to consider very carefully whether we can develope in Canada a great textile industry, and particularily that branch of it known as the woollen industry.

Great Britain, with a population of 44,000,000, has 5,000,000, or more than one-ninth of its entire population, engaged in the textile industry; and it is surely a moderate computation to say that in addition to supporting themselves, each of these will on the average support two others. If so, we have the result that in Great Britain the textile industry gives employment to more than one-ninth and gives support directly to more than one-third of the entire population of the country. In acreage, Great Britain is of course a comparatively small country; yet it has developed an enormous woollen industry, both as regards the production of wool and the manufacture of woollens. In 1907 the woollen manufactures of Great Britain amounted to $464,000,000, of which $185,000,000 worth was for export and $278,000,000 worth for home consumption. Let me interject here that important as is the export, it is even more vitally important that every country should be in a position to clothe itself, so far as the staples of clothing for its people are concerned. Britain, within its narrow boundaries, produces 131,000,000 pounds of wool annually, while we, with our almost illimitable territory, produce 12,000,000 pounds annually. Britain within its narrow confines,is able to support 30,000,000 sheep, while we in Canada, with our vast extent of country, can only support about 2,000,000 sheep, although in 1905, showing to what extent this industry has declined, Ontario alone had more than 2,000,000 sheep. Canada is at present importing upwards of $22,000,000 worth of woollen fabrics to clothe its people, almost every dollar's worth of which should be produced and manufactured in our own country, if we had a tariff suitable to the conditions of Canada.

France has directly engaged in the textile industry 2,008,000 people, supporting a population of 6,000,000 or 7,000,000 people, equal or more than equal to the entire population of the Dominion of Canada. Germany, as we know, protects everything, and it has engaged in the textile industry almost two to every one engaged in any other industry.

Coming to the United States, we come to a country similar in almost all respects to our own. The history of the United States should be our history practically, as regards the woollen industry. I know that there are some divergencies, but they are of such minor character that what the United States has done in the century that was hers, Canada in this century, which the Prime Minister says is our century, ought to do in the woollen industry for the people of Canada. The conditions in our maritime provinces and in our western provinces of British Columbia, Alberta and Saskatchewan are just as favourable to the production of wool as are those in the United States. In fact, a large and important element in the manufacture of woollens in the United States is derived from Canada. Among the best worsteds produced in the United States are those manufactured from Canadian wool. In fact the conditions in the United States are identical with those in Canada plus the protection they give their farmers on their native wool. That is about the difference reduced to actual analysis. It takes time for nations to realize what is in their interest. This government has had twelve years' time in which to realize it, and so far have failed to do so. It took time in the United States. There was a period when the United States was sacrificing its interests in favour of British wool manufacturing. As late as 1799 the United States was taking 40 per cent of the entire woollen export of Britain. As late as 1816—although the war of 1812 had checked the inroads and had made the United States, for the time being, realize the importance of being commercially independent of any other nation for its clothing—the United States were importing as much as an average of $70,000,000 a year from Britain. But the war of 1812 drew attention to the fact that it was necessary for the United States to do something. In the years preceding the war, in 1808, for instance, the United States was only producing a matter of 14,000,000 pounds of wool, but by the time the war was closing, it was producing 22,000,000 pounds. Now that country is producing 330,000,000 pounds and is manufacturing into woollens 500,000,000 pounds, so that the United States to-day, with conditions similar to our own,is actually producing upon its own farms two-thirds of

the entire wool which it manufactures into clothing. What are we going to do? The question is an important one, and the history of the United States is pregnant with information to show us what we ought to be able to do. I might say that in 1812, before the United States had taken reasonable measures to protect its trade in that respect, prices had, by reason of the war increased to an enormous extent. As a matter of fact broad cloth sold in that country at from $8 to $12 a yard, and merino rams sold as high as $1,000 each. After the war scare was over, the United States became careless again, and Britain again obtained a foothold there, with the effect that sheep sold as low as $1 a head, and they were importing from Britain to the enormous extent of $70,000,000 of woollen manufactures.

From the history of the United States, I shall proceed to refer, in a moment or two to the history of Britain in this matter; but I deduce this proposition, which I submit for the consideration of the government, that a really successful national woollen industry in Canada involves a profitable production of wool as well as profitable manufacture of woollens, and it should be the aim of the government to harmonize, unite and merge these two great interests. Speaking from a farmer's standpoint more particularly, I am convinced that the first essential is the production of wool. The production of wool is a native industry of Canada. It prospered in the early settlement of Canada before tariffs began to interfere with it; and Tory as I am—if you call me such—I am yet prepared to say that as yet, neither Conservatives nor Liberals—the latter used to call themselves reformers when I was young, but reformers have gone out of business—have done all they could for the basis of the woollen industry in Canada, which is of course the production of our native wool.

We have been protecting the manufacturers, and it is important that we should do so. They are the great source of profit from the raw material, the production of which cannot reach its climax of profit until it is manufactured into woollens in this country. Therefore I do not ignore the great importance of protecting the woollen industry, but I would point out that both parties have been beginning at the wrong end. They should begin at the foundation and not at the upper story. They should begin by encouraging the growth of wool, which is the basis of a healthy, substantial, progressive woollen industry in Canada. We have no end of millions for industrial enterprises in this country. We have millions for iron and steel bounties, but we have not yet had a square deal for the farmers with regard to their woollen industry.

What did Britain do in this matter—free trade Britain, whose example our hon. friends opposite are so prone to praise but not to follow? Free trade Britain was the victim of other countries for a time. She took a long time to wake up. Six or seven hundred years ago she was paying tribute to the continent in the woollen industry. At that time Britain, which now stands supreme in the woollen trade, was hardly in the running at all, and Belgium and Holland were then leading the trade of the world in that respect. They were spoken of as clothing the world and they were making clothing to a large extent out of woollens manufactured from the fleeces produced in Britain; so that those countries were reaping a rich reward while the British were practically the hewers of wood and drawers of water or rather the clippers of wool for the continent. To such an extent was this the case that the expression 'rich as a Count of Flanders,' was generally used to describe the flourishing condition of those who were deriving large profits from raw material exported from Britain to be manufactured into woollen goods on the continent. Well, I have no objection that my right hon. friend the Prime Minister, who is practically the King of Canada at present, should follow the example set him by some of the Kings of Britain and do something in this matter.

King Henry II. and King Edward I. tried to do something in this matter. But it was to King Edward III. that we owe the establishment of that great industry in Britain, the textile industry. He saw that Great Britain could never be supreme—and it never would have been supreme, either commercially, navally or nationally—if it continued under the system that prevailed in the twelfth and thirteenth centuries, the system of exporting its fleeces for manufacture abroad, and buying back the goods at enhanced prices to clothe its people later on. So, King Edward III. took measures, and most effective measures. He first encouraged Flemish wool growers to come in considerable numbers and establish themselves in Great Britain. He then sent emissaries to the continent and placed such inducements before the people there as led large numbers of Flemish artisans and woolworkers to come and settle in Great Britain. All this was not accomplished without much negotiation and deplomacy or without marked hostility on the part of some sections of the people of Great Britain; as members of the House will recollect, thousands of these Flemish artisans were driven out by the hostile artisans and labourers of Great Britain. But the King persisted, and the government persisted too. And they went farther; they enacted a law which stands, perhaps at the very base of all the prosperity of Great Britain in connection with textiles, and which is probably the

most drastic piece of protective legislation that has ever been enacted in any country. This was enacted in free-trade Britain in the reign of King Edward III. It provided that no Welshman, Irishman or Englishman—I do not know why it specifies the classes, but I give it as it is in the statute—should export wool or fleeces from Great Britain under penalty of death. And so the textile industry of Great Britain had its foundation and its growth. Statute succeeded statute, down through the various reigns, prohibiting the export of textile machinery, protecting and guarding the secrets in connection with the woollen industry and otherwise giving to the industry the assistance of the law. This continued down through the centuries until the reign of Queen Victoria and to the year 1854. And so it was only by centuries of protection of the most drastic character that Great Britain was able to build up its textile industry until it felt that for a time—and that time is now nearly exhausted—it could defy all trade competitors wherever they might be. And thus we see that the textile industry of Great Britain, like that of the United States, was fostered and built up by means of trade and tariff laws. It is clear that the conditions of Canada and the United States at least are so similar that what was done in the United States we can do in Canada by proper adjustment of our statutes. If that be so, then it becomes merely a question of what are the government going to do in this matter for the interests of Canada? There are a number of practical men here in the House, and these men know that one of the great ultimate profits in manufacturing to-day is through the utilization of the by-products. This may not be the largest profit in a manufacturing business, but it is in a sense the unexpected one, almost the unearned one, and it is one of the most important in connection with any manufacture. It is important that we should grow wool in Canada even if we do not manufacture it. It is important that we should grow wheat in Canada, although a large portion of it is exported in the form of wheat instead of being first converted into flour. It is important that we should bring the logs from the forest, even if we export them in that form. But it is far better, as everybody knows, if we can carry the process further and export the finished product in every case. The great national by-product of the raw materials of Canada is secured by the manufacture in Canada, as far as possible, of the raw materials into the finished article. In this way we shall increase the population and multiply demand. There will be more to be housed, more to be fed, more to be clothed, more to be carried, more to be lighted, more to be provided for in every way. In this way, you will secure that result which Conservatives have been trying to point out to Liberals for so long, which we tried to impress upon them for eighteen years while they were in opposition — that by this means we can enormously benefit the country nationally through extending and increasing the home market and benefiting our entire population. It would be as wise for us to export our wheat and import it back in the form of flour, paying for the carriage and paying for the foreign manufacture, as to export our wool and buy it back in the form of clothing, whether made up or otherwise. We cannot build up a great woollen industry so long as we export our fleeces and buy them back as manufactured goods. We must form a full partnership union—to borrow a phrase from an hon. member of this House—between these two great interests; we must not only raise wool, but we must spin it and weave it and wear it, if we are to develop a great and prosperous, all-round woollen industry in Canada.

If we survey our situation in Canada we have every reason to believe that we can develop a great woollen industry in this country. I would call the attention of the Minister of Finance to the fact that we have in Canada immense areas which are especially adapted to the growth and production of wool, but which are, perhaps, not adapted for any other profitable use. I have endeavoured to ascertain the extent of land of that character in Canada, but I have not been able to secure any very definite information upon that point. However, every one who takes any note of the conditions in the country is aware that we have immense areas of the kind I have described. Another important feature in favour of wool-growing in Canada is the peculiar immunity from disease of Canadian sheep. It is an absolute, well-established fact that perhaps in no other country in the world are sheep as free from disease as they are in Canada. As a matter of fact, it has been ascertained, and this information will be found in a publication of the Department of Agriculture, that herds imported into Canada and which had suffered from disease in other countries for generations have, after two or three generations in Canada, become entirely free of disease. Then, too, the exceedingly high quality of the mutton produced in Canada is an important factor. I admit that it is not equal in texture or in flavour to the English mutton, but it is equal to any other mutton in the world. To-day it is greatly sought after by people in the United States, hotel-keepers and others who want a high class article. That is notably the case in the maritime provinces where every fall purchasers for American hotels buy large quantities of mutton. Although there has been some doubt as to the quality of our wool, it is well established that we can grow not only

the coarser, but also the finer grades, particularly since the west is opening up and we are now producing an excellent quality of wool which is being used in the United States. I do not know whether the Canadian woollen manufacturers are doing all in their power to assist the Canadian producer by using his wool. Then we have the important factor to which I have already referred, that our conditions are similar to those in the United States where they have developed an enormous woollen industry.

The last, and perhaps the most important fact, is that Canada contains, in a sense, the last great fields, the last sheep walks of the world. We know that as agriculture becomes more settled, the sheep walks are more circumscribed. That is the case in Australia and in the United States, and notably in England and on the continent of Europe; but for years, and I venture to say for scores and for hundreds of years, as we spread out and carry our railways further into the interior and the remote regions of Canada, more and more, we will open up valuable fields where we can produce wool with great profit to the people. I venture to predict that a business government, whenever it comes into power in Ottawa, if this government will not rise to the occasion, will so encourage and develop the woollen industry that it will become a great factor in planting on this northern half of the continent one of the greatest nations in the world.

Woollen manufacturing has succeeded in the United States and it succeeded here as long as the wool farmer and the manufacturer worked in harmony. It was a native industry with the French colonists in Quebec and Nova Scotia years ago, and with the English colonists in Prince Edward Island, New Brunswick and Ontario; they were successfully producing their own wool and manufacturing it into clothing. The industry prospered until thirty years ago, when the laws of Canada virtually divorced the interests of the farmers and the manuacturers. Now we are losing ground; I do not think there can be much doubt about that. It could hardly be otherwise. No attention is paid to this industry, the government knows it, they know they have been jollying the farmer and jollying the manufacturer. There is perhaps no greater instance of that than the speech of the right hon. gentleman at the manufacturers' convention at Montreal. But they have been doing absolutely nothing, and year after year these great industries of wool growing and wool manufacturing have been losing ground. The farmer has been keeping fewer sheep, producing less wool and receiving less money for it; he has been going out of the business because there has been no profit in it. The manufacturers, year after year, have been going behind; factory after factory has been closing up and selling its machinery, as this Montreal factory is now selling its machinery and returning it to Great Britain. It could hardly be otherwise, because when I asked the Minister of Customs the other day for statistics in reference to the woollen industry the minister, always accommodating, always kind, had to confess to me that he had no information; that there were no statistics and nothing available.

I find in a copy of the Yorkshire 'Post' of February 24 last, which was sent to me, a dispatch from Ottawa of the 11th of February, reporting a meeting of the Dominion Sheep Breeders' Association. These gentlemen have been gauging the situation and have come to the conclusion that this government are doing nothing and do not appear to be awake to the situation at all. The report reads:

> The Dominion Sheep Breeders' Association, acting on this advice, appointed a committee in January to wait upon the Minister of Customs to present the case for the protection of raw wool. At the annual meeting of the association, held in Toronto last Friday, this committee, whose chairman was Mr. John Campbell, president of the association, presented its report, which was read by its secretary, Col. D. A. McCrae. The committee, said Colonel McCrae, had been sympathetically received by Mr. Paterson, Minister of Customs, but found that both Mr. Paterson and his staff were lamentably unfamiliar with the actual situation of the wool trade. In Mr. Paterson's opinion, little could be done to remedy the situation——

Very much like the fly on the wheel policy of some years ago.

—he informed the committee, unless special legislation were enacted by the Dominion parliament——

Why don't you get a hustle on and enact the legislation if it is necessary? Why don't you do something for the sheep breeders of Canada? That is what I am after. We have not yet had the budget speech, and I have a kind of faith that even at the last hour the Minister of Finance may repent and see the wisdom of doing something for the wool grower and the woollen manufacturer of Canada.

Mr. FIELDING. What is it that my hon. friend asks to be done?

Mr. LENNOX. Oh well now, that is all right.

Mr. FIELDING. I knew that was all right.

Mr. LENNOX. That is all right. I did not want to move a vote of want of confidence in this government to day, but I may say that as far as my heart goes I could do it all right.

Mr. FIELDING. Hear, hear; nobody doubts that.

Mr. LENNOX. It would be perfectly right, but in the end I am going to summarize what I think the government ought to do. If this government do not know what ought to be done after all the interviews they have had with woollen manufacturers and sheep breeders' associations and representatives of the woollen industries generally in Canada it is time that they would leave and I think it is time now. I think there is good ground for believing that as these gentlemen, whilst they were out of power, failed to appreciate the conditions which would bring prosperity to Canada, so now they are not able, as regards the woollen industry, to appreciate the situation. Let me illustrate the matter, by quoting the following figures with reference to the sheep industry in Ontario, which is the only province for which we have statistics;

Number of Sheep in Ontario.

1884	1,890,733
1895	2,022,735
1907	1,106,083

In all Canada to-day we have about two million sheep less than we had in Ontario in 1895. We have had a shrinkage, since 1895, of 45 per cent in the number of sheep kept in Ontario, while in other lines agriculture is profitable. It is prospering in spite of the action of my hon. friends opposite, as the following figures will show:

Horses.

1884	535,953
1895	647,696
1907	725,666

Milch cows.

1884	710,519
1895	888,228
1907	1,152,071

or an increase of 30 per cent in Ontario.

Pigs.

1884	916,158
1895	1,299,072
1907	2,049,666

Increase 58 per cent. We are losing ground in the sheep raising industry and we are losing ground notably and dreadfully in the matter of our manufacturing facilities. In 1899 we had in Canada 270 woollen mills in pretty steady operation, I believe. Now he have 190. We have lost 80 or 30 per cent of the lot. There has been a shrinkage of 30 per cent in the number of woollen mills in Canada, and a shrinkage in output of, I venture to say, at least 50 per cent.

My hon. friend the Finance Minister asked me what we would propose. Well, we are prepared to take upon ourselves the burden of doing what is in the best interests of Canada at any time, but I would propose that the government should do something that would prevent this industry, as far as the farm is concerned, from languishing from year to year. It is a necessary adjunct to the farm, and I would commend to the hon. gentleman a sentence from a pamphlet on wool and woollens which I dare say the Minister of Finance has read, and which I regard as a very careful and clever statement upon the subject. It is by Mr. E. B. Biggar. I quote as follows:

> The foundation of the woollen industry is wool, and the protection that Canada needs to re-establish this industry is a system that will begin with the sheep-raiser and continue by progressive stages to the spinner, the weaver and the knitter, and on to the clothing manufacturer.

I will read another sentence from the 'Yorkshire Post', and this is in connection with the position that the Dominion Sheep Breeder's Association take upon the question. The paper says:

> The argument of the advocates of duties on wool was, that if, along with duties on raw wool, the manufacturers were protected by compensatory duties, then there would spring up all over Canada a great many factories for the manufacture of worsteds, for which purpose the wools grown in Canada were especially valuable. They were at present being shipped into the United States, and were used there for the manufacture of what were described as 'the best clothes in the world.' There was no reason why the wool growers and the wool manufacturers should not be able to work in harmony to bring about a revival of what ought to be one of the greatest industries of the country. It was therefore resolved that the committee which had been appointed to interview the authorities at Ottawa should appoint a sub-committee to meet the representatives of the wool manufacturers and discuss the situation together.

As to what would happen as the result of our protecting ourselves, protecting the farmers and the industries of Canada, I want to read a line or two quoted from an interview in the 'Dewsbury District News' of September 26, 1908, with a Batleyite manufacturere, a very prominent manufacturer in England. He says:

> The near approach of the general election in Canada gives rise to a good deal of anxiety in their country. It is well known here that Canadian manufacturers are suffering most acutely from British competition.

That is the position as they view it in England. Then, after some other questions he is asked:

> 'Would it not be worth your while to establish mills in Canada?' 'Most decidedly' was the ready answer. 'We have spent a lot of money in recent years on new machinery. If we had put that plant down in Canada we could have made big profits, assisted by the present tariff, and if the tariff wall is raised so high that our goods are shut out, you will

see new mills opened in Canada by English firms, who will beat the Canadians on their own grounds.'

Sir WILFRID LAURIER. Hear, hear.

Mr. LENNOX. I say 'hear, hear' with all gusto in response to my hon. friend. In other words if you protect our people, instead of protecting the people of Britain and other countries—and charity in this respect begins at home—you will have with respect to this industry what happened with reference to kindred industries in the United States, when 130 branch industries of the United States—such as the Deering Harvester concern—established their works in Canada. This Batleyite manufacturer says that if we had been ready to protect ourselves, or if in the workings of Providence the Conservatives had come into power and had asserted what is in the interest of the people of Canada, the English manufacturers would have established their mills in Canada. He says:

The Canadian manufacturers must not think that protection will save them. If they cannot make cloth at the price at which it ought to be made they will be driven out of the business by stress of competition, even if we are compelled to build factories in Canada to enable us to do it.

My own firm is prepared to open a mill there next year if such step is necessary to protect our interests in that country and to offer inducements to our employees to go there.

The right hon. gentleman must realize, the Minister of Finance must realize that you have only to adopt the square deal towards the people of Canada, and instead of having foreign goods, or even goods from Britain coming in and closing up our factories, you will have healthy competition in Canada, no increase in price, and you will have a large number of factories from England and elsewhere establishing branches and building up an immense woollen trade here. Then he touches a crucial point, and I commend this to my right hon. friend; he says:

The worst of it is that high protection tariffs drive industry out of our own country and that means loss to each of our local authorities through reduced revenues for gas, electricity, and in rates, and loss to the shopkeepers.

High protective tariffs in Canada entail loss on the foreign country, and on Britain, and the result is, as he says, that they have to transfer their industries into the protected country, and so the municipal revenues are transferred to the protected country. That is an item worth considering. So it is that if you will give reasonable and adequate protection to the industries of Canada you will be securing for Canada that great national by-product that results from the manufacture of the raw material into the completed article within our own country. I am not an expert in the woollen industry, but I pose as being a reasonably fair farmer. I believe that we farmers have to some extent been blameful ourselves, that we have not been doing everything we could in the way of bringing wool to the market in good shape, and I believe also that the manufacturers could have done more than they have done.

But there are incidental gains in sheep raising that should not be lost sight of. For instance, there is the extermination of weeds. The Minister of Agriculture, a farmer like myself though probably not such a tiller of the soil, will appreciate that sheep will do more than all the men you can employ to exterminate weeds. Then, there is the renewal of the fertility of the soil by raising large flocks of sheep. There is also to be considered the very important question of the health of the people. You remember the learned discussion we had here a few weeks ago about preserving the health of the people; the way to do that is for the people to eat more mutton. What makes Britain what she is; it is largely the eating of mutton.

Sir WILFRID LAURIER. I thought it was roast beef.

Mr. LENNOX. With a little roast beef added occasionally. Somehow or other we don't eat mutton in Canada to the extent they do in other countries. But, I am told by doctors—and I do not care to depend on the doctors, more than I can help, but I have to take their word in this case—I am told by doctors that there is no animal food so good as mutton. There was an inspection of animals in the United States in 1905 and of 8,000,000 sheep examined only 27 were affected with tuberculosis, whereas, of 6,000,000 cattle inspected 11,000 were affected, and of 25,000,000 hogs 207,000 had tuberculosis. For one sheep affected there were 555 cattle and 2,390 hogs, and yet the people will eat pork. I believe that the history of countries similar to Canada, particularly the history of the United States, shows that we can build up a great and profitable woollen industry here. I had intended to read from 'Sheep Husbandry in Canada,' issued by the Department of Agriculture but it will take less time if hon. members read it themselves. I believe it is prepared by Dr. Rutherford, anyway it is issued by the department and presumably reliable, and it shows that there are great areas of land in the various provinces fit for raising sheep, and that the conditions in Canada are such as to enable us to establish a large wool producing industry. We have a duty on wool but it seems to be a farce. In 1907 there were 8,000,000 pounds of wool imported, and I am told by those who profess to under-

stand that 6,500,000 pounds of that should have been dutiable, and yet the return brought down by the Minister of Customs shows that we only derived a duty of $6 from all the wool imported into Canada in that year. I want to say as emphatically as I can that even at this late hour the government should do something to prevent the wool growing and the wool manufacturing industries from being wiped out. There is no doubt in my mind, there is no doubt in the mind of any thoughtful person, there is no doubt in the mind of any one who studies the conditions, that we can build up in Canada an enormous industry in the production of wool and in the conversion of that wool into clothing. And, although the quantity we are exporting at present is not very large because our total clip of wool is only 12,000,000 pounds, yet we can increase it so enormously that we can practically clothe our own people with wool grown in our own country. I do think it is high time for the government to cease jollying these two great industries. The government is trying to satisfy them with empty statements every time these people come to Ottawa, and yet the government does nothing. I want to read a line or two from an eloquent speech delivered by the right hon. the Prime Minister—the right hon. gentleman's speeches are always eloquent and graceful—at the Manufacturers' banquet in Montreal last year when the elections were coming on. He said:

> Their argument is that if the quality of British goods were equal to the quality of Canadian goods they could compete, but they say, that under the tariff the British manufacturer is able to send to Canada a certain class of article which is inferior in quality, though shining in appearance, and seductive to the customer, but worth less than the money he pays for it; in other words, that the goods which are sent over from Great Britain to Canada are shoddy goods, made up of a little wool and a good deal of tops and oil and waste, cobwebs and refuse, and similar things, which are given to the innocent Canadian consumer.

I want the House to note particularly how they are made up—of cobwebs and refuse and similar things—because of the advice my right hon. friend afterwards gives. Summing up, he said:

> If, after all, the man or woman, deluded or not deluded, chooses to buy the cheap shining goods, why, in the name of everything that is proper, do you not give him or her the cheap shining goods? Why is it that you cannot produce what is produced by the British manufacturer? Well, sir, if it be that the conscience of the Canadian manufacturer is too severe, that they will give only pure wool and nothing else, I say that is not business.

That is the advice my right hon. friend gives to the manufacturers and the people of Canada; and he opens that speech by saying that he is going to have a heart-to-heart talk with them. The heart-to-heart talk, all boiled down, is this: The British manufacturers unload these goods, made partly of wool, but considerably of cobwebs and refuse; you the Canadian manufacturers should adapt yourselves to the conditions, go into the same line of business, and when the innocent Canadian consumer, deluded or not deluded, comes to buy, give him the cheap shining stuff, and if your conscience is too severe for that, all I have to say is, 'that is not business.'

Mr. WM. THOBURN (North Lanark). Mr. Speaker, as a new member of this House, I crave the indulgence of the members for a short time while I discuss this question in which I am so very much interested. The remarks which I have to make may not be clothed in that grammatical form which is familiar to hon. members on both sides, owing to the fact that I have not been blessed with a college education nor with a grammar school education, nor even with an ordinary common school education. I have had to earn my living since before I was ten years of age; so that if the hon. member for South Simcoe (Mr. Lennox) is a fair specimen of the farming community of this country, I claim to be a fair specimen of the working men of this country. Now, Mr. Speaker, the remarks which I have to make refer to a very large number of the working men, the working women, the working boys and the working girls of Canada who are engaged in the woollen industry. My remarks are not made from a theoretical standpoint or from what I have heard or read, but they are made from 28 years of hard practical experience. I have been here on several deputations to this government asking for a revision of the woollen tariff. I do not know whether the hon. Finance Minister is going to ask me before I am through what it is we want: if he is, I will answer him to the best of my ability. Although several deputations on behalf of the woollen industry have waited on the government during recent years, nothing has been done by the government other than to send to Great Britain a commissioner to investigate the causes of the difference in cost of manufacture in Great Britain and in Canada. I have the report of that commissioner, and I will say on behalf of the woollen manufacturers of Canada that we are thankful that the government have done even that much, because if they take the trouble to examine this report, they will realize the great disadvantage under which the Canadian woollen manufacturers labour as compared with the woollen manufacturers of Great Britain. The report is addressed to Mr. John Mc-

Dougald, Commissioner of Customs, Ottawa, Canada, and it says:

Inclosed herewith is a complete list of wages that are now being paid in the districts of Bradford, Leeds and Huddersfield to operatives in the manufacture of woollens and worsteds, when paid by the day or by the week.

After going very fully into the cost of the various branches of manufacture, the report says:

In order to make a comparison between the cost of manufacturing in Canada and in Great Britain, it would, in my opinion, be necessary to take into account the following items: 1, wages; 2 more expensive factory buildings; 3, extra cost of heating; 4, additional buildings; 5, extra capital employed in carrying larger stocks; 6, higher rate of interest on money; 7, increased cost of machinery; 8, more expensive motive power; 9, owing to Canadian mills having a limited market, they are compelled to show a large number of designs each season, and manufacture from comparatively short warps, which interferes with production and increases cost; 10, the specialization which is so general in Yorkshire has many advantages in lowering the cost of production.

In order to ascertain the actual difference in the cost of producing goods in Great Britain and in Canada, I have gone to the trouble of getting comparisons of five of the principal items enumerated in this list: 1, wages; 2, higher rate of interest charged in Canada as compared with Great Britain; 3, extra cost of fuel; 4, more expensive factory buildings; 5, increased cost of machinery. I took that report to a woollen manufacturer, who has a factory similar in size to the one on which the commissioner apparently based this report, that is, a ten-set mill, or one with ten sets of cards. I took it to the Rosamond woollen company mill of Almonte, which is conducted on the best principles, a mill whose exhibit of tweeds at the Centennial Exhibition in Philadelphia captured the gold medal against all American competition.

A woollen mill is divided into some eight or ten different parts. I have taken the five principal parts and made a comparison in respect of these between the factories in Great Britain and those in Canada. There are what we call the dye-house, the scouring plant, the carding room, the spinning room, the weaving and finishing room. These are the five principal rooms. While there are several others, these are the most important and are the ones with respect to the operation of which I have compared the prices. Here are the wages given by the commissioner, whom we sent to England, as paid in Great Britain and those paid for similar help in Canada. First, take the dye house. In Britain the overseers receive $12.16 per week. In Canada we pay them $20 per week. In England, the labourers who work under the overseers, receive from $5.16 to $7 per week. In this country we pay them $8 per week. In the carding room, the overseers in Britain are paid from $14.60 to $17.04 a week and in this country they get $24 per week. Their under help receive in Britain $6 per week and in this country $8. The women and girls employed in those rooms receive in Britain $3.65 per week and we pay them $6.16. In the spinning department, the overseers receive on the other side $9.73 a week and in this country $18 per week. The men working under them receive $3.40 per week in Britain as compared with $7.40 per week in this country. In the weaving department, the overseers receive in Britain from $12.16 to $13.38 per week and we pay them $18. Their assistants get on the other side $4.87 to $6.33 per week as compared with $11.20 on this side. In the finishing department, the overseers in Britain receive $8.52 to $9.73 per week and we pay them $18. The boys and girls in the different departments in the finishing room, receive in Britain from $2.43 to $2.92 per week, whereas we pay them from $5.40 to $6.16. Then the mechanics are paid in Britain $8.36 per week whereas here they get $10.12.

Those are the differences in wages paid in the five principal branches in a woollen mill, comparing the two countries. A very important question, to my mind, was to find out what difference that would make, comparing a mill of this country with one of similar size in the old land. I asked the Rosamond Woollen Mill Company if they would kindly let me know what their annual pay-roll amounted to. They replied that it amounted to $82.000 per annum, exclusive of office help. The difference in the rates of wages between the two countries, taking it at a very low average, would amount to 50 per cent in favour of the mother country, and in that average I think I am rather under the estimate according to the commissioner's report. How does that work out in a mill, the size of the one I have referred to? The Rosamond Woollen Company pay $82,000 in wages per annum. A mill of similar size in the old country would pay only $55,000 per annum. In other words if you add 50 per cent to the $55,000 you have $82,000. So that a mill of the size of the Rosamond Woollen Mill in Canada is paying $27,000 a year more in wages than a mill of similar size in Great Britain.

The next item that struck me is the difference in the cost of money in Canada as compared with Great Britain. Nobody knows that difference better than the hon. the Minister of Finance. When I say that it takes a pretty solid industry in Canada to get money at 6 per cent, I am putting the rate as low as possible. How does that compare with the rate in Great Britain? I

have had money myself in an indirect way on goods shipped to this country, sold strictly on a cash basis, from the time the goods were shipped until the money was paid, and I was charged a rate of 2½ per cent per annum. But I am basing my calculations on a rate of 4 per cent in the old country, which I think is reasonable compared with 6 per cent in Canada. How does that work out in a plant the size of the one I have referred to? They have in use in that concern no less than half a million dollars, which, at 6 per cent, gives $30,000 interest per annum. A concern requiring the same amount of money in the old country can get it at 4 per cent or $20,000 interest, would have to pay $20,000 in interest, showing a difference against the Canadian manufacturer, in the case of a mill of similar size, of $10,000 per annum. The next item is the cost of fuel. In the old country, fuel costs exactly one-half, perhaps a little less, what it does in this country. A mill, such as the one I have referred to, uses $6,000 worth of fuel in a year. A mill of similar size in the old country will consume $3,000 worth of fuel. In other words it costs the Canadian manufacturer $3,000 more for fuel than it does the British manufacturer and he has to use more. The next item is the cost of buildings and machinery. Let me cite an actual occurrence. A couple of years ago the Rosamond Woollen Company advertised for tenders for the erection of a large weaving shed. The building was to be a large one of either brick or stone covered with iron. The lowest tender was $28,000, and the parties thought the price so enormous that they gave up the idea of erecting the building. Shortly afterwards one of the members of the firm had occasion to visit the old country for the purpose of purchasing some woollen machinery. While there in conversation with some manufacturers, he happened to refer to the building of this weaving shed. They asked him to submit plans and they would get an estimate. He gave them the dimensions, and to his utter astonishment, the estimated cost was $18,000 for a building for the construction of which $28,000 was the lowest bid on this side. That makes a difference between the two of 55 per cent. How does that apply to a plant similar to the one I have referred to? The cost of the building in that town was $130,000—a magnificent stone building, no better in the Dominion for its size. But in the old country a building of the same proportions would cost 55 per cent cheaper.

In other words, a building that, in this country, would cost $130,000 could be built in the old country for $84,000. There is the difference in that item alone, of $46,000. The interest on this amount is $2,760 a year. The next item is the machinery. In that plant, the machinery cost $150,000. I think there is about 37½ or 38 per cent difernce in the cost of machinery in Canada as compared with the old country. It may not be quite that now, but at the time these mills were supplied with machinery the difference was actually greater, the Canadian manufacturer has to pay for cases and freight delivered to Liverpool from the place of manufacture 12½ per cent, and when you add whatever duty there is and freight, it makes it, I think, not far from the figure I have given. Take this plant of $150,000 and deduct 37½ per cent, and you get $106,000. In other words, it costs $44,000 more to supply a mill of this size with machinery in Canada than it does in Great Britain. The interest on $44,000 is $2,640. So, with $46,000 extra for the building, and $44,000 extra for machinery, you have $90,000 as the added cost of such an establishment in Canada over the cost of a similar establishment in Great Britain. In summing up the annual expenditure, the difference in wages, the difference in the rate of interest, the difference in cost of fuel, the difference in interest charge because of extra cost of building and machinery, we find a total of $45,400. That is the amount, in round figures, which it costs the manufacturer in this country to run a mill like that in Almonte more than it would cost to operate a similar mill in Great Britain.

Now, there has been a good deal said in this country about inferior machinery. We are told that it is because the Canadian manufacturer has inferior machinery that he cannot produce cloth as cheap or as good as the manufacturer in the old country produces. I deny that charge, and I speak from experience. I venture to say that, in proportion to the machinery we have in operation in Canada to-day, we have just as good machinery if not better, than they have in Great Britain. And I would like nothing better than to have the right hon. Prime Minister (Sir Wilfrid Laurier), the Minister of Customs (Mr. Paterson), and the Minister of Finance (Mr. Fielding) visit the manufacturing town of Almonte and see if what I say with reference to machinery is not correct. These gentlemen may say: There is no use in our going there, because we are not judges of woollen machinery. I meet that argument by asking them to bring with them the best expert woollen manufacturer they can find in the Dominion of Canada, and see if he does not bear out my statement with reference to the character of woollen machinery used in this country.

Now, Mr. Speaker, you can understand, from the figures I have given, how difficult it is for the manufacturers in Canada to compete with the manufacturers in Great Britain. I do not know whether

any of the hon. members opposite have ever visited the manufacturing districts of Great Britain; but I have done so, and I know that it is a sorry sight to see the operatives coming out of these woollen mills, wearing wooden shoes and with shawls over their heads, not as well clad as the squaws of our country are. Compare this with the manner in which our operatives are clothed; compare the homes of these people in Bradford and other manufacturing districts in Great Britain with the homes of the workers in woollen mills in Canada, and I do not think any member of this House would wish to see our operatives compelled to live in such homes as those occupied by the operatives of these great manufacturing districts in Great Britain. But I can say this also, give the Canadian working man the same chances as those enjoyed by the working man in the old country and he will produce goods faster and I think better. For some reason or other, we have to work faster in this country than they work in the old country. What the reasons may be, it is a little difficult to say, but I know, from what I have seen, that the fact is as I state. Possibly, some of the hon. members opposite, or some on this side of the House have travelled in Great Britain. If so, they can hardly help having noticed that the manner of working there is much slower than it is in this country. I went through Great Britain once in the harvest time, and I saw more help in one harvest field there than you would find in five harvest fields in this country. Help is so cheap that there is no difficulty in getting abundance of it. One of the most amazing things—speaking from a Canadian standpoint—I saw in travelling through the British agricultural districts was a man ploughing in the field driving three horses, tandem. I suppose every Canadian will know what I mean when I say 'tandem,' with two boys leading the horses. To the Canadian eye, nothing could be much more ridiculous. I will guarantee to take a Canadian boy of seventeen years old, put him behind the plough with a span of horses, and he will do more work in a day than that man was doing with his three horses and two boys. There is the difference between the workman in Canada and the workman in Great Britain.

Hon. WM. PATERSON (Minister of Customs). I should be sorry to interfere with the course of the hon. gentleman's (Mr. Thoburn) argument, for, I know this is his maiden speech, and he is speaking well. But, if he will permit me a question at this point, I would ask whether he has taken into calculation the very element of which he speaks? The figures he gave were based on the weekly wages here and in England. Does the Canadian manufacturer, with double the wages, get double the product out of his operatives? Does the hon. gentleman see what I mean?

Mr. THOBURN. No, I do not quite catch it.

Mr. PATERSON. I understand the hon. gentleman's argument to be that a Canadian workman will produce far more work in a certain number of hours than an English workman will produce. The hon. gentleman's comparison, I think, was with reference to the weekly wages of the operative in Canada and the operative in England. That has a bearing on the case because if the Englishman who gets $6 a week turns out, we will say, 10 yards while the Canadian who receives $12 a week turns out 20 yards, the product is the same as far as labour is concerned.

Mr. THOBURN. Such a difference is an utter impossibility because the product of an employee in a woollen factory is principally turned out by machinery; it is not the same as two labourers working in competition; it would be impossible to get the machine to turn out double the quantity in this country that it would in England.

Mr. SPROULE. The machine runs at the same rate in England as it does here.

Mr. PATERSON. Then the difference in wages is nothing.

Mr. THOBURN. There is little hand work in a woollen mill, it is practically all machine work. I was struck by an item which I read in the 'Glasgow News' in reference to our Canadian athletes. In discussing the Canadian curlers, it said:

> One cannot attempt to explain away the Canadian superiority. These are the real wizards of the game. The Canadian curler is the product of the Canadian climate and he cannot be produced north of the Tweed.

Whatever applies to the Canadian athelete as the result of our climate, applies in every sense of the word to the Canadian workman. Give the Canadian workman the same chance as the workman of Great Britain and I think he will defy the world as to the quality and the quantity of the work he will turn out.

Mr. FIELDING. What does the hon. gentleman mean when he says to give the Canadian workman the same chance? I do not want to interrupt my hon. friend who is speaking with great interest and with a knowledge of the subject, but what does the Canadian workman lack?

Mr. THOBURN. He lacks labour. All I ask the Finance Minister is to give labour and that is all the Canadian workman is asking for. It is on their behalf that I plead this afternoon, on behalf of

the thousands of workmen in the woollen industry who are idle.

Mr. FIELDING. I do not see the point of my hon. friend's argument, I confess.

Mr. THOBURN. Another mistaken idea is prevalent in this country, that if you increase the duty you will increase the cost of the article to the consumer. That does not always follow. I am not speaking on behalf of woollen manufacturers generally in making this statement but I speak on my own behalf. I am not so very anxious whether I get an increased price for the article I am producing; all I am begging for is a market for the article I am producing. Let me illustrate. Supposing that one of the ministers was engaged in manufacturing, that he had a firm producing $1,000,000 worth of goods and that he was making a fair living and a reasonable profit. Then suppose that, say, through the introduction of a preferential clause, $500,000 worth of such goods as he was producing were allowed to enter this country and to get into the hands of his customers. Not because they got any more for the goods than he did, but from the very fact of their coming into this country, they would deprive him of one half of his customers, they would deprive one half of his workmen of their employment and what benefit is derived? That is the point I want to make so far as the increased duty is concerned. The hon. gentleman asks, what are you asking? I have not yet asked an increased duty but that is what I am aiming at, not so much that it will increase the cost of the article but that it will give a market for the goods I am producing. Let us go a little further. Supposing the re-arrangement of the woollen tariff did mean an addition of 5 cents a yard in the cost of the cloth for a suit of clothes—and even one half of five cents a yard would be a handsome profit for a woollen manufacturer who had a large factory. But suppose it did make a difference of five cents a yard, what difference would that make to the man buying a suit of clothes? Just 35 cents. How many men in Canada would object to paying 35 cents extra for a suit of clothes provided you give all the men in this country plenty of work? Not one in the whole Dominion. It would be almost a calamity to the people of Canada if they had to depend entirely upon foreign woollen manufacturers. We know from experience that when all Canadian factories of any kind are closed the cost of the article is bound to advance. Let me give you an illustration from practical experience. From 1870 to 1880 I was engaged in mercantile business and hon. members will remember that at that time the burning question was the tariff on sugar. There were only one or two sugar refineries in Canada but they were producing a first class article. The wily government of the United States, in an effort to close out that industry in Canada, paid the American sugar refineries an export bounty on sugar. What was the result? In 1877 we had to sell what we called a good article of brown sugar at 10 cents a pound and we thought we were selling it cheap. We sold it at 10 cents so long as there was competition between the Canadian manufacturer and the American manufacturer. The Canadian manufacturers waited on the government again and again in an effort to have that tariff so arranged that they could compete with the American manufacturer who was receiving an export bounty, but they could get no redress from the government of that day, and not a single Canadian refinery continued running, they had to close their doors. What was the result? It was utterly impossible for us to sell a pound of brown sugar at that time for less than 12½ cents. It may be a matter of surprise to hon. members of this House perhaps to know that only so recently as 1877 they paid 12½ cents a pound for brown sugar. But, such is the fact.

Mr. SPROULE. And after the duty was put on it was sold at from four to five cents a pound?

Mr. THOBURN. Yes. You know what the prices have been since you have had good healthy competition. So much with reference to competition in the manufacture of woollen goods. My contention has always been that the Canadian manufacturer is as great a benefit to the Canadian farmer as it is possible for one interest to be a benefit to another. I do not know that I was ever more interested in listening to a speech than I was the other night when the hon. member for Cape Breton (Mr. McKenzie) was advocating so zealously and so well the protection of the Nova Scotia coal mines. I thought, Sir, that that was one of the most patriotic speeches, one of the best speeches from a protectionist standpoint that I have heard for a long time, and I can only say that if it were to come to a vote in this House, although I am a consumer of coal in my business, I would not stand up in my place only once, but I would stand up twice, and, if the Speaker would allow me, I would stand up three times to vote with the hon. member for Cape Breton. Let me quote a few of his words:

While it is the interest of this country that capital should be safeguarded and capitalists the world over be given the assurance that in Canada we have a parliament and parliamentarians who always keep their eye upon the best interests of those who are willing to invest their capital in this country it is equally in our interest that we should likewise keep in mind the men, women and children who are dependent upon this particular industry in

every part of Canada, and in doing this we are likewise improving the position of those who invest capital in Canadian industries.

I would like to ask, Mr. Speaker, if there is anything more applicable to the Canadian woollen industry than these words as applied to the Nova Scotia miners? Then he goes on:

I would submit, Sir, that while it may be a hardship in some cases to buy coal, as we sometimes consider it dearer than we would like to pay, we should not forget that the people of the great country to the south of us have pursued the policy which I am advocating. The people in the New England states have no coal, they have to receive their coal from the west and they pay a higher price than they would have to pay for Nova Scotia coal. Still, there is enough national spirit——

That is what I like to hear.

—to induce them to bear with any little extras they would have to pay in order to develop in the west great coal centres and keep the trade within their own bounds.

I could not use language as eloquent as that in behalf of the Canadian woollen manufacturers. I only wish I could, but I am quoting the hon. gentleman's words to help me in my argument. Then:

I regret that this winter they have not been kept in continuous employment——

Referring to the employees engaged in the Nova Scotia coal mines.

—because of this displacement of Canadian coal in the home market by American coal.

I regret exceedingly that the woollen operatives in the manufacturing centres of the Dominion of Canada are not employed continuously and that a great number of them were not employed at all during the winter months through which we have just passed. But, Sir, further on he says in closing his address:

I have presented my views and these statistics to the House in the hope that the government will take into serious consideration the circumstances of those who are dependent on this trade for a means of livelihood as well as those who have had the courage and the enterprise to invest millions of dollars in the development of our coal areas in Nova Scotia and elsewhere in Canada.

That is what I am asking the government to do. I am asking the government to take into consideration the men who have invested their millions of dollars in the woollen industries of this country. I was pleased with the reply the hon. Minister of Finance (Mr. Fielding) made. He said:

I do not imagine that my hon. friend (Mr. McKenzie) desires to divide the House on this question to-night, especially as there is a very slim attendance of members present. I take it for granted that the purpose of his motion was to have an opportunity of presenting these very interesting statistics to us and to urge, if it be necessary to urge, the importance of this great mining industry. There will be no difference of opinion in that respect.

I hope and trust that there will be no difference of opinion between the hon. Minister of Finance, the Minister of Customs and myself with reference to this great woollen industry. It seems to me that every man in this House, irrespective of politics, is a national policy man, is a protectionist, when it is touching anything in which he is personally interested. Not only did I read with pleasure the speech of the hon. member for Cape Breton, but I have noticed the following proposed resolution by the hon. member for Wentworth (Mr. Sealy) on the Order Paper:

That in the opinion of this House, so long as the Canadian tariff affords, incidentally or otherwise, a considerable degree of protection to manufacturers, some protection may fairly and properly be afforded by our tariff to Canadian agriculturists and stock raisers upon hogs, hog products, garden vegetables and such other items as it may appear possible to so protect with advantage to the agriculturist, and without undue injury to the Canadian consumer.

With reference to the very items that the hon. gentleman proposes to have protected, to my certain knowledge, no greater protection could be given to the Canadian farmer than that which he would secure by establishing and maintaining the woollen industries of this country. I know for a fact that in the town in which I live, the town of Almonte, the woollen manufacturers have paid out millions and millions of dollars for farm products, a large portion of which would not otherwise have been sold at all, it would have gone to waste. They have paid for wood alone, which in the early days would have been burnt in log piles, millions and millions of dollars. They have paid millions and milions of dollars to the farmers for the product of their orchard and gardens which could not be exported from this country. I claim that the manufacturers are as great a benefit to the farmer as it is possible for them to be from the fact that they buy such a large quantity of the products of the farm that cannot possibly be exported.

There are thousands and thousands of farmers in this country who cannot raise grain for export and who make out of the manufacturing industries of this country a living which in their absence they could not make. Speaking from the standpoint of a woollen manufacturer, and I know whereof I speak, I would ask the Minister of Agriculture if there is any branch of agriculture more profitable to the farmer than sheep raising? Let me give an illustration of that. Take a farmer having 100 sheep and at the very lowest estimate there would be 100 lambs. In our neighbourhood last year the lambs

sold for $5 each, giving the farmer $500, and the lowest calculation would be one dollar's worth of wool for each sheep, giving another $100 or $600 in all, from the 100 sheep. Does the Minister of Agriculture think there is any other branch of farming which will give the farmer the same return for such a small capital invested and such small labour as would be bestowed on these 100 sheep? The hon. member for Simcoe (Mr. Lennox) dealt with the question as to the price of wool very lucidly and very ably, and I quote from the Montreal Trade Bulletin of a few days ago the following:

Canadian Wool and the Tariff.

The present tariff is about as discouraging recently at 12c. to 13c. About fifteen or he can get for his washed fleece in the west, is about 14c. to 15c., whilst we hear of sales recently at 12c. to 13c. About fifteen or eighteen months ago the farmer was getting from 27c. to 28c. for his washed fleece, whilst to-day he has to be content with the unprofitable returns of those figures cut in two; and the grim irony of the whole thing at present is, that our farmers are mainly dependent upon the highly protected American market as an outlet for his product. The tariff is not affording the farmers a chance to raise wool profitably, nor have the manufacturers a fair show to compete with foreign goods.

Let me give to the House an illustration of the fluctuations in the price of wool in say a period of 12 months. It may be a surprise to a goodly number of you to know that from our own Northwest Territories there come annually about 1,300,000 pounds of wool. The sheep industry is only in its infancy in that country. I am engaged in a woollen business in which I use exclusively almost Northwest wool, and I am proud to say, whatever the cause of it may be, they produce in the Northwest Territories a quality of wool such as cannot be produced in any other part of the Dominion. Until I commenced to use the Canadian Northwest wool I was using wool imported from the Cape of Good Hope, and to the credit of our own northwestern farmers be it said that they are now raising a wool nearer the texture of what we call fine Cape wool than we have been able to get from any other part of Canada. A short time ago the price of that wool was 20 cents a pound, and the 1,300,000 pounds brought to the farmers $260,000, but this year the price of wool is 14 cents per pound, or less, and on the same basis of production it would only bring $182,000 or a loss in one year to the farmers of Saskatchewan and Alberta of $78,000. Why does this state of things exist? I will tell you, and in doing so I will have to treat of a personal matter. The principal mills using that class of wool in Canada were the flannel mills, one of which I own and operate. The personal aspect of the case is this, and it is something that affects me and you cannot blame me for referring to it—when the government saw fit some years ago to insert that preferential clause in the woollen tariff I had no doubt that their idea was a good one and possibly the government expected that by giving that preference Great Britain would give us something in return. But, Sir, so far as I know Great Britain has never given us one dollar in return. On the other hand I will tell you what that preference has done for us. It has allowed millions and million dollars worth of manufactured goods to come into the country that were not coming in before. It has taken millions of dollars of wages out of the pockets of the working man, and the working woman, and the working boy, and the working girl of Canada and placed it in the pockets of the working classes of Great Britain. Let me bring the question still nearer home to myself. When, some years ago, for reasons best known to themselves the government changed that tariff, and restored part of the preference to tweed manufacturies, but they discriminated against the manufacturers of flannels and blankets. I now appeal personally to the Prime Minister, because I think from the very bottom of my heart that if he takes this matter in hand he will have it rectified. Nor am I speaking now so much for myself as for the Canadian woollen industry generally. The point I want to make is this: the flannel manufacturers of this country have been fighting with the whole force of that preferential clause against them, and I have come down here more than once with other flannel manufacturers and waited upon the government, and we thought we were not asking any favour, for all we asked was to be put on the same footings as other woollen manufacturers, we being woollen manufacturers in every sense of the word. But, for some reason or other our request was never granted. And what has been the result? Two flannel mills in my own town have closed down, and the demand for that Northwestern wool has fallen off, and the loss has amounted to a sum of $78,000. I cannot make my statement any plainer. I can only say in conclusion that I have seen the day, before I was a manufacturer of woollen goods, when we paid in Ontario as high as 52 cents a pound for Canadian wool. It may be a surprise to many members of this House to hear that, but it is a fact. In those days all the small mills in Canada were in operation and they were using Canadian wool. But, unfortunately, goods not anything like equal in quality, came into this country and from time to time these smaller mills which use the Canadian wool were forced out of existence so that to-day there is hardly a small mill in the Dominion. From 52 cents per pound the price of Canadian wool has gradually decreased, and I say right here, and I am glad I did not

forget it, that no fine wool imported into the Dominion of Canada has decreased in price in the same ratio as has Canadian wool. I can come to no other conclusion than that the reason for that is that we have closed up the mills in this country that were using Canadian wool : It is worth to-day only from 12 to 16 cents as compared with 52 cents a few years ago.

Now, I am thankful to the members of this House for the very kind attention they have paid to my remarks. I do earnestly beseech of the government to rearrange the woollen tariff, by increasing the ad valorem duty a little, and by putting a specific duty on the shoddy goods coming to this country, so as to give some relief to the working class for whom I am pleading this afternoon.

Mr. CHARLES L. OWEN (East Northumberland). Mr. Speaker, I am glad to know that we are all learning. I was not aware until this afternoon that the hon. member for South Simcoe (Mr. Lennox) was a farmer, or that the hon. member for North Lanark (Mr. Thoburn) was a labouring man. The woollen question is a very important question. I have been engaged in the woollen industry all my life. I do not claim to be a manufacturer; I have simply been a labourer in the woollen industry from the bottom to the top. We cannot at the present time manufacture in Canada all the classes of woollen goods that we import; but there are certain classes of those goods that we can manufacture. Last year we imported $20,962,753 worth of woollen goods. I claim that we could have manufactured about half of that in Canada. The question always comes up, does the consumer pay the duty? I claim that he does not always. Previous to 1878, during the time of the Hon. Alexander Mackenzie's government, we had a duty of only 17½ per cent. on woollen cloth, and in those days we received for staple goods, six-quarter, fifty-four inches wide, from $1.45 to $1.50 a yard. In 1885, after the National Policy had been in effect for some years, we sold the same class of goods, made from the same class of material, at from 90 to 95 cents a yard.

Mr. A. W. SMITH (North Middlesex). Can the hon. gentleman tell us what the farmers got for their wool in 1878?

Mr. OWEN. For the class of goods I speak of we were not using wool grown in this country.

Mr. A. W. SMITH. The farmers were raising it.

Mr. OWEN. The goods I am talking about were made from imported wool. All-wool gray flannels, 28 inches wide, sold previous to 1878 at from 37½ to 40 cents a yard; in 1885 the same goods sold at from 28 to 30 cents. Navy blue flannel, 28 inches wide, which sold previous to 1878 at from 42½ to 45 cents a yard, sold in the years from 1885 to 1889 at from 30 to 32½ cents a yard. You may wonder why we were able to sell these goods at these prices. It was because we virtually had the Canadian market to ourselves, under the duty of 30 per cent ad valorem on cloth, and the specific duty of 10 cents a pound. Every machine in the mill was run to its utmost capacity, the demand was so good. From 1885 to 1889 I was managing a ten-set mill, the output of which amounted to from $260,000 to $275,000 annually. In 1901 and 1902 the annual output of the same plant dropped down to $160,000—why? Because foreign goods were allowed to come in more fully and there was a diminished demand, and every machine was not run to its utmost capacity. Now, there has been a great deal said about shoddy goods. I think it would be better for the people at large if shoddy goods were barred altogether from coming to this country. Shoddy is made from mungo, and in many cases from the filthiest rags that can be picked up. Disease has been brought to this country in shoddy. In the districts in England where shoddy goods are made, you will find the people who labour in the shoddy mills diseased from head to foot, because they are always working among mungo and filthy rags. If a man who wears shoddy goods visits his neighbour on a cold winter night and sits near the stove, his clothes will smell like a filthy oil barrel. I hope the manufacturers of this country will never be compelled to manufacture this class of goods. With regard to Northwest wool, I had the honour of being the first manufacturer in the province of Ontario to use it, and I wish to say that that country is adapted to the raising of fine wool, as good wool as can be raised in the Cape of Good Hope or in Australia or in Montevideo, and it would be of great benefit to the farmers of the Northwest if there were a market for it. I remember when we paid from 15 to 16 cents a pound for what we called half-breed wool, and from it made beautiful tweeds, of about twenty-ounce weight, which we sold for 80 cents a yard, and there was a good demand for it. We have at the present time a duty of 30 per cent on cloth. I would not advocate increasing that duty, but I would put on a specific duty to keep out shoddy goods. There are mills in England which manufacture these shoddy goods from January to January, and there are other mills which run on doeskins or broadcloth all the year around, without a change. They do that because they have an immense market. We could not do it here, because our market is small at present. But if we encourage manufacturing in our

own country, our home market will become larger. To show the value of a manufacturing plant, I may say that when the Trent Valley Mill was established 28 years ago in the town of Campbellford, where I live, the town had a population of 1,100; now it has a population of 3,000. During that time the mill has paid out in wages $1,000,000, and although the town gave it a bonus of $10,000 and exemption from taxes for ten years, it has during that time paid $30,000 of taxes, not to speak of the taxes paid by the employees.

You can see the benefit which that plant has been to the town of Campbellford. It has increased the population of that little village from 1,100 to 3,000 souls. Campbellford is the market town of East Northumberland. The farmers drive there with their vegetables, and no man ever came to the town of Campbellford and went away with his load unsold. That is because the people there are employed in its manufacturing establishments, and it is they who buy the products of the farm to a very great extent. In every town where there is a large manufacturing establishment you have a great market for the country miles around. Campbellford is the market town for East Northumberland. I shall not take up more time, as my hon. friend from Simcoe Mr. Lennox) and my hon. friend from North Lanark (Mr. Thoburn), have very well covered the ground, but I wish merely to raise my voice on behalf of a little more protection for our woollen industries, that is if you wish to keep them in the country. Many woollen mills have gone to the wall and millions of dollars have been wasted, and it has been proven that during the years when the national policy was in existence, woollen clothes were cheaper to the consumer than they are to-day or than they were previous to 1878. So that I think that in protecting our manufacturers, we are protecting our farmers. The farmer is the bone and sinew of the country, he is the great producer, but the farmer and the manufacturer must go hand in hand. The one cannot get along very well without the other. Let me point out that we are building through my riding the Trent Valley canal, which is bound to develop thousands of electric horse-power in the near future, and we want manufacturers to come and locate their establishments along the canal banks. Our people are looking forward to seeing city after city on the banks of the Trent Valley canal, but we need a little more protection before we can hope for any increase in the number of our manufacturing establishments. I hope the government will give this matter their earnest consideration; and if they do, they cannot but come to the conclusion that the woollen industry should have a little more protection than is now given it.

Mr. OWEN.

Mr. WILBERT McINTYRE (Strathcona). I propose, Mr. Speaker, to take up but briefly the time of the House in discussing this very important subject. Having listened with great interest to the speakers in favour of the resolution, it seems to me that the question before us is that of revivifying the old national policy. It is again the question of higher protection and bolstering up manufacturing industries. I ask if that is really the principle on which our national prosperity depends. My hon. friend from South Simcoe (Mr. Lennox) and from North Lanark (Mr. Thoburn) tried somewhat to disguise the situation. They came before the House, the one as a farmer and the other as a labourer, and each wanted something done for the particular class of which he posed as a champion. But I am in the judgment of the House if the whole burden of their song was not a plea for special legislation on behalf of a special class, and of a class which seems to be doing, to say the least, as well as the average farmer. We were wont to think of my hon. friend from South Simcoe (Mr. Lennox) as a lawyer, and consequently might feel justified in regarding any argument from him as not altogether disinterested and consequently open to suspicion, but when we now find him posing on the floor of this House as a farmer, I presume we must necessarily take him at his word. But at the same time I cannot see that his argument for the farmer was as strong or convincing as he would like to have it. The fact of my hon. friend declaring that the proposition before the chair would be beneficial to the farmer is not proof. His whole argument must be based on the supposition that an increase in the protection to this particular manufacturing industry would mean the payment to the farmer of higher prices for his wool. But how would our farmers be paid higher prices for their wool unless you shut out foreign competition? So that we have my hon. friend practically pleading for a duty on wool. On the other hand the hon. member for North Lanark (Mr. Thoburn) speaks more particularly as a manufacturer, and as such a condition of things beneficial to him must be a cheap raw product and a dear manufactured product.

Mr. J. A. CURRIE. Not necessarily.

Mr. McINTYRE. That must be the condition if he is going to increase his production. The manufacturer wants protection. For what purpose? My hon. friend says to preserve the home market. But that must necessarily be, to a large extent at least, a subterfuge, because the thing he really wants is to shut out the finished foreign product from coming into competition with his own. There we have the old anomaly of protection. When you increase

protection on the raw material, you must end by increasing it on the manufactured product, and thereby necessarily leave the farmer in the same position as before. If the argument of my hon. friend from Simcoe as a farmer, and that of my hon. friend from North Lanark as a manufacturer, obtain, I cannot see how the farmer is going to be benefited. The benefit to the farmer, as outlined by the hon. member for Simcoe (Mr. Lennox), resolves itself into this, namely, that the increased demand for the raw material by the manufacturer, would necessarily benefit the farmer. But it must not be forgotten that in this country we have a rather rigorous climate which necessitates our purchasing large quantities of prepared woollen goods. Now the mere pittance which an increase in the tariff would give the producer of the raw material would be more than swamped by the extra amount he would have to pay for the prepared article. On behalf of the people in my county, I say that it is not the duty of the government to make it hard for the people who are struggling for an existence to buy the necessaries of life. It is not on these articles of woollen clothing that our present tariff should be made higher. At present we have a duty of 30 to 35 per cent on these prepared articles, and it seems to me that in exacting that duty we are bolstering up pretty well and taking pretty good care of our manufacturers. Since these hon. gentlemen appear so anxious on behalf of the labourer and the farmer, I would ask them if the living conditions of the average farmer on a homestead compare in any way, as regards luxuries and advantages of life, with those of the manufacturer in the city?

But we are told that our manufactories are the means of supporting a large working population. But the hon. member for North Lanark (Mr. Thoburn) himself pointed out that the conditions of labour in this country are vastly in advance of those in the old country, and he proposes to bring our labouring classes into somewhat the same condition. He wants cheaper labour. The fact is that every man who wants protection for his particular industry and who has some personal and peculiar advantage to gain by taxing other people, is in favour of the national policy. I do not believe it is a 'national' policy to support any particular class to the disadvantage of the great classes. I do not believe in raising the tariff for the sake of protecting an industry whose decadence—assuming that it is going backward—is due to the natural conditions that exist. The maintenance of an industry in this country must depend on whether the national resources are sufficient to support that or not?

Mr. EDWARDS. Will the hon. gentleman permit a question?

Mr. WILBERT McINTYRE. Certainly.

Mr. EDWARDS. What does he think about the bounties on iron and steel?

Mr. WILBERT McINTYRE. I am not discussing the bounties on iron and steel. I am quite willing to give my opinions on that subject at the proper time. There is a rule in this House to the effect that speakers should confine themselves to the matter under discussion.

Mr. J. A. CURRIE. What about the duties on agricultural implements?

Mr. WILBERT McINTYRE. There is a rule in this House that speakers should confine themselves to the matters under discussion, and we are not discussing the duties on agricultural implements just now. But if he wants my opinion on that subject, I may inform him that I am not in favour of duties on agricultural implements and never have been.

Mr. THOBURN. For the information of the hon. member for Strathcona (Mr. Wilbert McIntyre) I may say that his remarks indicate one of the difficulties that have always existed in this discussion—there is such a wide misapprehension of the facts. The hon. gentleman says that he believes the woollen manufacturers have a protection to the extent of 30 or 35 per cent. I want him to understand that I have been struggling under a duty of only 22½ per cent.

Mr. WILBERT McINTYRE. I understand that the hon. gentleman (Mr. Thoburn) is a manufacturer of blankets.

Mr. THOBURN. No.

Mr. WILBERT McINTYRE. However that may be, I believe I am correct in saying that the main articles of woollen manufacture are dutiable to the extent of 30 or 35 per cent.

Mr. HUGHES. No.

Mr. J. A. CURRIE. Will the hon. gentleman allow me to ask him a question? Can he tell us the price of blankets per pound, retail, in Winnipeg?

Mr. WILBERT McINTYRE. If the hon. gentleman will ask a question pertaining to what I am discussing I will answer him. I am not a merchant in Winnipeg, as it happens, and I am unable to give him the information he asks for. The point is this: The principle of high protection is one, it seems to me, which we must shun if the development of this country is to be what we desire it to be. We tried high protection for eighteen years, and a pretty bitter trial it was. The hon. member for South Simcoe (Mr. Lennox) says that for eighteen years they have been trying to educate this House how to legislate for prosperity.

Mr. LENNOX. Excuse me; I referred to the eighteen years when the party now in power were in opposition and were denouncing the national policy.

Mr. WILBERT McINTYRE. I understood the hon .gentleman to say that they were trying to educate this government with regard to the tariff. I can only say that we have had greater prosperity since we changed the tariff than before.

Mr. HUGHES. What do you call 'high protection?'

Mr. WILBERT McINTYRE. I know that the hon. member (Mr. Hughes) entertains the idea that we still have high protection. So long as he and his friends are happy in that delusion, and we get the benefit of the other, I do not see why either of us should complain. The prosperity of this country, in my estimation, depends to a very great extent on the development of western Canada; and I state again, as I have stated before, that when you initiate a policy in this country which increases the cost of the necessaries of life and entails hardship on the people who are developing this country and producing wealth as no other class are, you are stepping aside from the true function of national government. Hon. gentlemen opposite ask us: 'Why not look at this from a national standpoint?' And yet we find them speaking of this or that particular town or village, or the number of employees engaged in a single manufactory. I am not against manufactures. It is to the interest of the country that manufactures should develop, and they will develop naturally as the country develops, and without entailing hardship on the people as a whole. Surely when the farmers of this country have no protection, and when protection means that you put upon the farmers, who are the basis of the wealth of this country, burdens and restrictions, it is time for us to make known our opposition to legislative enactments of that kind. I trust that when the Minister of Finance (Mr. Fielding) comes to discuss this matter in his budget speech, we shall find that there is no change, or, if there be a change, that it is one toward a lower rather than toward a higher tariff. I think I speak for the majority of the people west of the Great Lakes; I am confident that the people in that part of the Dominion do not want a higher tariff. We have heard it said many times by hon. members on the other side of the House that the future prosperity of this country depends on the prosperity of the country west of the Great Lakes. That being so, it would be clearly unwise for this government to impose duties which, while possibly benefiting a certain manufacturing town or certain manufacturers, would injure the very people to whom we look for the substantial future progress of the country.

Mr. HUGHES. May I ask the hon. gentleman (Mr. Wilbert McIntyre) is he in favour of protecting the pork industry?

Mr. WILBERT McINTYRE. I may remark to the hon. gentlmean (Mr. Hughes) that the pork industry is not under discussion.

Mr. RICHARD BLAIN (Peel). I listened with a great deal of interest to the presentation of the case by my hon. friend from South Simcoe (Mr. Lennox) and from my hon. friend Mr. Thoburn from North Lanark. The hon. member for Strathcona (Mr. Wilbert McIntyre) has endeavoured to leave the impression with the House that the members on this side who have spoken on this question are in favour of a very high tariff for Canada. For my part, I am in favour of a tariff high enough to keep out of Canada every dollar's worth of goods that we can successfully grow or manufacture in Canada; and I think that it is in the interest of the people that the government of the day, finding that, last year, according to the figures given by my hon. friend from South Simcoe, there was $21,000,000 of woollen goods imported into Canada, the raw material for which could have been grown and the goods themselves manufactured in Canada, should see to it that Canadian interests are taken care of. This should be done by the Minister of Finance in the budget which he is to bring down in a few days. I am one of those who believe that it is possible to have a protective tariff that will assure the Canadian manufacturer our own Canadian market, under which consumers will be able to purchase their goods at low prices. If I were to take up the time of the House reviewing the national policy from its introduction in 1879, down to the time when hon. gentlemen opposite came into power in 1896, I am sure I should have no difficulty whatever in proving to the satisfaction of the majority of people of this country that when the national policy was introduced we were importing large quantities of goods from the United States and other countries, and that within a few years factories were established in Canada to manufacture these goods, and yet the goods thus manufactured in Canada were cheaper to the consumer than were those which had been imported before the national policy was introduced.

My hon. friend from Strathcona (Mr. W. McIntyre) in his remarks revived an old question. My hon. friend, of course, is not very sincere in his low tariff principles. I am quite sure of that because last year my hon. friend from Souris (Mr. Schaffner) introduced a resolution to re-

duce the tariff on agricultural implements from 17½ per cent to 10 per cent. Where were my hon. friend's principles then?

Mr. W. McINTYRE. Does the hon. gentleman intimate that I voted against that resolution?

Mr. BLAIN. My hon. friend thought he would get me into the box of saying that he had voted against that resolution. My hon. friend declares in this House from year to year for a lower tariff to meet, I suppose, the wishes of the farmers of western Canada, and yet when an opportunity presented itself to vote for such a resolution my hon. friend was not in his place and he cannot say that he voted for this resolution. Of course my hon. friend's electors will have their own opinion of that kind of a representative.

Mr. W. McINTYRE. Hear, hear.

Mr. FIELDING. How did my hon. friend from Peel (Mr. Blain) vote?

Mr. BLAIN. The Finance Minister is not questioning me now, I will have to answer that later. For myself I am not on one side to-day and on another side to-morrow. From the moment I took my seat in this House and before that I was a strong advocate of protection for the manufacturing and for the farming interests of Canada and I am in the same position to-day. I may say to the Minister of Finance (Mr. Fielding) that I have had the honour of moving several resolutions calling for an increase in tariff in the interests of the farmers of Canada.

Mr. FIELDING. I had forgotten about the agricultural implements, I was asking for information.

Mr. BLAIN. My hon. friend does not require any information from me upon the question of tariff. He understands it very well. The only complaint we have against my hon. friend on that question is not that he does not understand it, but that he fails to act in the interests of the people of Canada. The question before the House is an increase in the tariff that will incidentally help the manufacturer and give him a larger market in this country instead of allowing the market to be supplied by manufactured goods from the United States, Great Britain and other foreign countries. On the other hand my hon. friend from South Simcoe (Mr. Lennox) has a declaration in the interests of the farmer. Personally I am in favour of both these propositions; I will vote for any resolution that will increase the duty upon the products of the farm and for any reasonable increase of duty upon goods which we can manufacture in Canada that will keep out foreign goods. That is my position, I have always occupied that position and I have no change to make this afternoon.

My hon. friend from Victoria has mentioned the question of pork. I would say to the Finance Minister that during this session he and the first minister have had a large deputation of the swine breeders of Canada asking them to remove the inequality between the Canadian and American tariffs on this question. Whether the hon. Minister of Finance will do that I suppose we will not know for a few days, but while he is considering it may I remind him of the condition of the pork industry in Canada during the past twelve months. The imports of pork from the United States alone in the year ending March 31, 1908, were as follows:

	Pounds.	Value.
Bacon and hams, shoulders and sides..	7,276,730	$ 847,215
Pork barrelled in brine..	8,849,779	693,071
Total..	16,126,509	$1,540,286

Now look on the other side of the picture. How much pork did the Canadian farmer send to the United States? I answer from the trade returns for the same fiscal year ending March 31, 1908. We exported to the United States the following quantities of pork:

	Pounds.	Value.
Bacon..	4,381	$ 834
Hams..	6,425	870
Pork..	130,774	16,242
Total..	141,580	$17,946

Subtracting the total exports from Canada to the United States from the total exports from the United States into Canada for that fiscal year we find a total balance of trade in pork against the Canadian farmer of 15,984,929 pounds, value $1,522,340.

The complaint of the swine breeders and farmers—and I think they have a just ground of complaint—is that when the American farmer comes to this country with his pork he is confronted with a duty of two cents a pound; but when the Canadian farmer approaches the border line of the United States he is confronted with a tariff of five cents a pound, more than double the Canadian tariff. The Swine Breeders' Association are not complaining particularly about the condition of things in Canada but they feel that they are not being fairly treated. They do not ask for a duty of 5 cents a pound, equal to the American duty, but they do ask that the government should impose a duty of four cents a pound as against five cents in the United States and then the farmers would be quite satisfied with the condition of trade. Surely that is a reasonable request.

Mr. FIELDING. My hon. friend's argument is that we should adopt the American rate of duty, or something near it, because it is the American duty. If that is a good argument in relation to pork, is it not equally good for every other item in the American tariff? What is the difference?

Mr. BLAIN. The farmers of this country and the gentlemen in this House who agree with me upon this question will expect the Finance Minister to meet the wishes of the farmers. If he does not then he must give up making special appeals for the farmers' votes.

Mr. FIELDING. The party which appeals to the farmers of this country for the adoption of the American tariff will not receive their approval.

Mr. BLAIN. A deputation of my hon. friend's own political supporters was here the other day asking for this change. A gentleman who was a candidate in my own county a few years ago and who had the honour of a seat in this House for many years, was an ardent free trader in those days, but I noticed that my friend was one of a deputation who asked the government to put a higher protection on pork. What about my hon. friend from Wentworth (Mr. Sealey)? I had the honour of hearing my hon. friend up in his county supporting the free trade government, so-called, and when my hon. friend came to this House, a few weeks ago, he placed on the Order Paper a notice, as read by my hon. friend from North Lanark (Mr. Thoburn) this afternoon, calling for higher protection on pork. My hon. friend is a convert as well. So, on the other side of the House, we have converts to the National Policy. That is the policy I am in favour of myself, the policy that I think is in the best interest of the people of this country. Some of our hon. friends from the west say that they do not want a higher protective tariff. May I suggest that the people of Ontario and eastern Canada are consumers of what they grow in western Canada? In almost every farm house in Ontario there is to be found flour manufactured from wheat grown in western Canada. That is a change that has been brought about in the last few years. We are not complaining about that. The wheat of western Canada has taken the place of our own wheat. We are quite willing to continue to consume the wheat and flour of western Canada provided it is grown and manufactured in Canada. But, at the same time we think that the people of western Canada should be willing to accept a reasonable protective tariff, so that, instead of the $21,000,000 worth of woollen goods that were imported last year from Great Britain, the United States and other countries, instead of the wages being paid to people in England and foreign countries, the wool might be grown on our own farms, in western Canada if you will, and the wages paid to our own people; so that the operatives, instead of being employed in Great Britain and the United States, might be employed in our own Canadian manufacturing establishments, and so that the farmers of Canada might grow wheat and other cereals to feed the large number of people who would be employed in connection with the woollen industry but who are at the present time out of employment.

At six o'clock House took recess.

After Recess.

The House resumed at eight o'clock.

PRIVATE BILLS.

CANADA LIFE ASSURANCE COMPANY.

On the order being called for further consideration in Committee of the Whole of Bill (No. 56) respecting the Canada Life Assurance Company.—Mr. Clarke (Essex).

Mr. SAMUEL SHARPE. I would move that this Bill be referred to the Banking and Commerce Committee, for the reason, first, that the opinion of the Minister of Justice may be considered, and for the reason in the second place that as the promoters of the Bill are advertising it, the policy-holders will wish to be heard before the committee. I do not think the Bill should be left on the Order Paper.

Mr. SPROULE. I understand they have given notice to reintroduce the Bill. The Bill cannot be dropped from the Order Paper, but why should it be referred back to the committee as it is practically dead?

Mr. SPEAKER. It has been the custom lately not to proceed in the absence of the hon. member in charge of the Bill.

Mr. HENDERSON. You cannot proceed with it at all.

Mr. SPEAKER. It will stand in the meantime.

CANADIAN NORTHERN QUEBEC RAILWAY COMPANY.

Consideration of amendments made by the Senate to Bill (No. 38) respecting the Canadian Northern Quebec Railway Company.—Mr. Dubeau.

Mr. SPROULE. Explain what the amendments are.

Mr. J. A. DUBEAU (Joliette). (Translation.) Mr. Speaker, the only information I have regarding the section which has been added by the Senate, as section 3 of this Bill, is the following: The company is anxious to build a line of railway from

Hedleyville to Montmorency river, near the mouth of Laval river; that is to say, over a distance exceeding six miles. That section has been added because, under the Railway Act, the company has no right to build a branch line more than six miles long. I understand that the distance between these two points is a good deal more than six miles. As regards the second amendment, I would prefer that its consideration be postponed in order that I may obtain the requisite information.

3. The Canadian Northern Quebec Railway Company may construct a line of railway from a point on its line at or near Hedley ville, thence in a generally easterly direction to a point on the Montmorency river near the mouth of the River Laval.

4. The limit to the amount of the securities which the Canadian Northern Quebec Railway Company may issue and secure under sections 136 to 146 of the Railway Act, both inclusive, shall be a total of thirty thousand dollars per mile of the line hereby authorized and of all lines heretofore authorized to be constructed or constructed by the company or its predecessors by amalgamation, including the amount of the securities heretofore authorized; and such securities may be issued only in proportion to the length of such lines of railway constructed or under contract to be constructed.

Mr. SPROULE. Evidently the following new clause has been inserted by the Senate.

Mr. BRODEUR. As to the first amendment, under the terms of the Railway Act the railway company can construct a branch not longer than six miles, but this branch being more than six miles, power had to be given in the Bill. The hon. gentleman in charge of the Bill has not been informed as to the reason for the other amendments; but he will make inquiry and in the meantime I move the adjournment of the debate.

Motion agreed to and debate adjourned.

SECOND READINGS.

Bill (No. 123)—from the Senate—respecting certain letters patent of the American Bar Lock Company.—Mr. Macdonell.

Bill (No. 124)—from the Senate—respecting the Ontario Hudson Bay and Western Railway Company.—Mr. Schell.

Bill (No. 125)—from the Senate—respecting the Algoma Central and Hudson Bay Railway Company.—Mr. Schell.

Bill (No. 126)—from the Senate—respecting the Jolliette and Lake Manuan Colonization Railway Company.—Mr. Dubeau.

SUPPLY—THE WOOLLEN INDUSTRY.

Mr. BLAIN. Mr. Speaker, at six o'clock I was urging that the government should increase the tariff on pork coming into this country, in the interest of the Canadian farmer. I notice that when this question of tariff is up for discussion in the House, hon. members from the west sitting on the government side are continually attempting to set the farmer against the manufacturer; but I believe that when we are protecting the manufacturer we are at the same time protecting the farmer. In my opinion it is impossible to enhance the interest of the one without assisting the interest of the other. In former times during the discussion of the national policy, when our hon. friends opposite were or were supposed to be free traders, attempts were made to array the farmers against the manufacturer and mechanics; but now that our hon. friends have reluctantly adopted some measure of protection as their policy, surely it can be said that the whole Canadian people are in favour of the tariff to protect Canadian interests. I am in favour of protection for the farmers of Canada, and I believe that if the Finance Minister were to increase the duty on pork, the $1,000,000 that went out of Canadian pockets last year to United States producers, would be used in purchasing Canadian pork, in the interest of the farmers and all the people of this country. There was a time when the far west and the far east of Canada were separated to a greater extent than they are at present. We have spent large sums of money and given largely of our lands to aid in the construction of railroads between the east and the west. Before these railroads were constructed, I could readily understand people in British Columbia favouring a tariff that would allow them to import such products or manufactured goods as they required from the United States; but since we have constructed these lines of railway, I believe that when there is scarcity in any article in one part of Canada, we should supply that article from some other part of Canada rather than import it from the United States. A deputation of market gardeners waited on my hon. friend the Minister of Agriculture a short time ago pointing out that there had been sent last year from the centre of the province of Ontario large quantities of vegetables to Sydney in the province of Nova Scotia. If there is a scarcity in any product, hay for example, in one part of Canada, it is not likely that the same scarcity will be found in every other part of Canada. My hon. friend the Minister of Customs stated this session in answer to a question that there were imported into Canada last year 1,696,115 pounds of blackberries, strawberries, raspberries and gooseberries. Is there a man in this House who would suggest that every dollar's worth of these could not be grown on Canadian farms? Surely there is not. We allow bananas and oranges, which because

of our climatic conditions cannot be grown in Canada, to come in free of duty, and there will always be sufficient of these to keep the prices of other fruits down to a moderate point in the interest of the consumer. The farmers of Canada realize that wherever there are prosperous towns with manufacturing concerns employing a large number of hands there are good markets for their products, and therefore they have learned that you cannot separate the interest of the farmer from that of the workingman and the manufacturer, that when you are protecting the one you are protecting the other.

The figures given by my hon. friend from South Simcoe (Mr. Lennox) this afternoon show clearly that the sheep raising industry in this country is diminishing, though we have millions of acres of land well suited for grazing and caring for sheep. Yet, that important industry is diminishing because of the condition of the tariff. I think that is a matter that should engage the very serious attention of the Minister of Finance (Mr. Fielding), who is always a very good listener to statements that are made, but is rather slow to move, even in the interests of the farmers. I think that, within the last five or six weeks, a golden opportunity has presented itself which, however, this government has allowed to pass. A presidential election was held in the United States a few months ago, the tariff being an important subject of discussion in that election—it is always an important question there as it is here. It was declared by the candidate who was afterwards elected president that a special session of Congress would be called to discuss and revise the tariff. That special session has since been called. That was a golden opportunity for this government to make an effort to have removed some of the inequalities of tariff as between Canada and the United States. I remember the statement made by the Minister of Agriculture (Mr. Fisher)—that, when his party came into power, they would seek and would easily find a greater market for the products of Canadian farmers. One would think that, with such an opportunity as this, the minister would have acted, especially when he finds such inequalities of tariff as these—duty on hay coming into Canada $2 a ton; duty on hay going into the United States $4 a ton; duty on barley coming into Canada, 12 cents per bushel; duty on barley going into the United States, 30 cents per bushel. These inequalities should engage the attention of parliament, and especially of the Minister of Agriculture, whose duty it is to take care of the interests of the farming community. And might I suggest that this would be an important study for the Minister of Customs (Mr. Paterson), for he is a foremost politician in Ontario, and whenever there is a cry for the farmers at election times, he is always ready to appeal for the farmers' vote. In days gone by—days that he has forgotten, no doubt he used to say ; 'What is the use of duties on farm products ? 'Farmers cannot be protected. When we get into power we will remove the duties.'

Mr. PATERSON. I do not remember saying that.

Mr. BLAIN. Why, a member of this government, Sir Richard Cartwright, made the statement—

Mr. PATERSON. But that is not I.

Mr. BLAIN—that protection is almost equal to highway robbery, and that when his party came into power they would abolish it.

Mr. LANCASTER. And he is still in the Cabinet.

Mr. FIELDING. And my hon. friend's (Mr. Blain) complaint is that we have removed too much of it.

Mr. BLAIN. My hon. friend (Mr. Fielding) must not misunderstand me. I am pointing out the attitude of my hon. friend the Minister of Customs (Mr. Paterson) when he was in opposition and now when he is in the government.

Mr. PATERSON. I do not remember saying that.

Mr. BLAIN. Of course not. The hon. gentleman does not remember making a charge against the late government, when he was on this side, that it was useless to send a tariff commission throughout the country to find out the condition of trade.

Mr. PATERSON. No; I do not remember that.

Mr. BLAIN. I quoted the hon. minister's words in this House not more than a session or two ago, and I will take the opportunity, before the session closes, if he wishes it, to read to him his very words. He condemns the Liberal-Conservative government for appointing a commission to go up and down the country and find out the condition of trade, but a few years passed and he himself was a prominent member of exactly that kind of a tariff commission.

Mr. LENNOX. But they forgot the evidence when they came to report.

Mr. BLAIN. Yes, they are always ready to collect evidence, always kept an open door to receive deputations, and especially ready to appeal to the farmers in this House and out of it. But when a deputation of farmers calls upon this government, as they did the other day, to urge

upon them changes in the pork duties, pointing out that millions of pounds of pork come into Canada from the United States, interfering with the development of the pork trade of Canada, and asking, not that a tariff be a adopted equal to that of the United States, but only a duty of four cents per pound as aginst five cents per pound, the American tariff, we being six and a half million people against eighty-five million there, the hon. gentleman turns a deaf ear to them, unwilling to change our present duty of two cents per pound to four cents per pound, though the farmers of this country are so deeply interested in the question. I have no disposition to array the farmers against the manufacturers, for you cannot protect one without protecting the other. It is to the interest of the farmers of Canada, especially of those who are engaged in the production of small articles such as strawberries, potatoes, celery and many others that I could mention, to have a tariff equally as high as that of the United States in order to protect the farmers of this country against the surplus products that are sent in from time to time from the south.

It has often been said that under a tariff for the protection of manufactures, there would be combines to keep up prices and compel the consumer in Canada to pay these prices. I have no sympathy with combines; I believe that when manufacturers combine to raise prices the government should step in and, if necessary, take away their protection for the time being until they are ready to give proper prices to consumers But it is absolutely impossible to have a combine amongst the farmers—I think that statement will go without contradiction. If you have twenty manufacturing establishments turning out a given kind of goods, it is possible for them to get together and agree upon prices; but with millions of farmers producing the various kinds of farm products the government need not fear any combine in these articles. Therefore they can very safely give them a fair measure of protection so that the farmers, who are the taxpayers in the main, and at least as much interested in the development of Canada as any other class, should be treated on a par with other classes while there is protection in the country. I appeal particularly to my hon. friend the Finance Minister to revise his tariff. We pointed out to my hon. friend the necessity of doing this when we were enjoying buoyant revenue. I myself moved a resolution or two in the interests of our market gardens. I pointed out that it was in prosperous times that the government should alter the tariff in the best interests of our farming community. But my hon. friend was then too busy counting his dollars and to-day finds himself confronted with deficits. He has allowed the day of grace to go by. He has had $75,000,000 of surpluses since his party came into power. That was the time to alter the tariff. That was the time when the farming interests could be better taken care of than now. We urged the Finance Minister from this side to take that course, but he turned a deaf ear to all our arguments, and we again find it our duty to point out to him that several industries, in which our farmers are particularly interested, such as wool; pork market gardening, require better protection; and I am one of those who believe that if better protection be given, the people will not be the losers. I do not think there is a farmer in all Canada who will say that the tariff in the United States should be double what it is in this country. Our people believe in British fair play and that is what we are asking for. There was a time when certain agricultural products, for instance barley, had a market in the United States, and our farmers benefited by that market. But when the McKinley tariff put the duty at 30 cents a bushel, some of our farmers thought they were ruined. However, our farmers continued to grow barley and also paid attention to other agricultural pursuits, and instead of sending our barley to the United States we consumed it on our own Canadian farms in the production of beef and in other industries in which our farmers are engaged.

The former member for Toronto (Mr. Brock) pointed out some years ago to the Finance Minister that if something were not done for the woollen industry, millions of capital would be lost. The reply from the other side and in the public press was that the reason why the woollen industry in Canada did not prosper was because its machinery was not up to date but antiquated and not to be compared with the machinery in the American and British establishments. Well, my hon. friend from Lanark (Mr. Thoburn) who is a practical man, engaged in the business, pointed out this afternoon that the machinery in our Canadian establishments is equal to that in the factories of Great Britain and the United States. That such is the case must be evident because the machinery to be found in the woollen industries of Canada is chiefly manufactured in England and the United States and not in Canada; and no one who is investing his capital in the woollen industry would use it to purchase antiquated machinery. Therefore we no longer hear that argument advanced. My hon. friend (Mr. Thoburn) also pointed out that the wages paid in our Canadian woollen industry were much larger than those paid in the British factories. Surely it is in the interests of our people that we should pay a liberal wage to those engaged in our manufacturing industries. That is in the interest of everybody. This allows our mechanics to pay better prices and consume larger quantities of farm products

and every other class of goods manufactured and grown in Canada. Therefore my hon. friend the Finance Minister, even at this late day, should see that some relief is given the woollen industry so that its raw products will be more profitable to our farmers and that the wages will be paid our own Canadian people, and we shall not import any class of goods which we can manufacture ourselves.

I do not want to repeat what has been so well said by my hon. friends who preceded me or to burden 'Hansard' with figures, but I want to emphasize the fact that the government will not find it to their advantage to neglect the farmers any longer. Our farmers are now manufacturers themselves; and when the government try to draw a distinction between the interests of the farmers and those of the manufacturers, they will find that our farmers realize that in protecting the manufacturers we are protecting the agriculturists, that there must be no western or eastern Canada, that we must manufacture in Canada all we require, grow on Canadian farms what we consume, build up Canada by tariffs in a way that will enable our farmers to raise on their farms what we consume in Canada and furnish our manufacturers the opportunity of manufacturing everything we are capable of manufacturing within the limits of our own country, and thus pay wages to our own people and keep the money in our own country.

Mr. W. O. SEALEY. I desire to draw the attention of the House to a notice of motion which has been on the Order Paper for some time back, but which, owing to various circumstances, could not come up for consideration according to the rules of the House. This resolution, proposed by myself, to be seconded by Mr. Turcotte, the hon. member for Quebec county, is as follows:

That in the opinion of this House, so long as the Canadian tariff affords, incidentally or otherwise, a considerable degree of protection to manufacturers, some protection may fairly and properly be afforded by our tariff to Canadian agriculturists and stock raisers upon hogs, hog products, garden vegetables and such other items as it may appear possible to so protect with advantage to the agriculturist, and without undue injury to the Canadian consumer.

Whether we are free traders, revenue tariff men, or national policy protectionists would seem to matter little because the policy of Canada has been settled for the next four or five years upon a revenue tariff basis and it would appear to be our duty whether we entirely approve of this policy or not, one and all to join in and produce the best possible results for Canada and her people from that revenue tariff. And as our agricultural interests are by far the greatest individual interests in Canada, it would only seem fair that the revenue tariff should be applied to preserve the home market for the home produce along agricultural lines, to equally as great an etxent as along manufacturing or any other lines, without asking for any special favours, but just equal consideration. Then if we are agreed upon that, the only reason I can see why we have not got it, is because as agriculturists we have not unitedly and forcefully asked for it, and without complaining or interfering with any other branch of industry, I may be permitted to illustrate the situation as it seems to me, along agricultural lines, as applied to the hog industry. During the years just previous to 1907, when times were good in the United States and still better in Canada, the United States surplus product interfered but slightly with us; as they had a fairly good home market they were not so anxious to look around for places in which to realize on their surplus products. During that time the hog product on foot brought an average in Canada of about seven cents, which made hog raising a profitable branch of agriculture. The supply then was sufficient for Canada's requirements and we also had a very large surplus for export to Great Britain. When the financial panic occurred over the world generally and less seriously in Canada than in any other country, the United States holders, packers and speculators generally looked about for a place in which to unload, with the result that with the very low tariff against their products entering Canada they were able to unload in this country at a considerably reduced or slaughtered price, but a price at which it paid the Canadian packer and speculator to buy from them. About that same time the filth scandals were exposed in Chicago and this created a distaste for United States products in Great Britain. The result was a further surplus of hog products in the United States. A rigid inspection was imposed upon all hog products being exported to Great Britain and millions of pounds were rejected, not altogether on account of disease but owing to the inferior quality, and this meat was slaughtered in both the United States and Canadian markets. This had the effect of bearing down the price in Canada to five cents or less on foot. It might reasonably be supposed that that condition would help the consumer to some extent, but we find that since the price of hogs declined from seven cents to five cents on foot the price to the consumer went up at least two cents. Thus the tariff conditions seem to give the packer and speculator generally an opportunity to arrange his combine or agreement so that his knife could cut both ways; he was able

to reduce the price to the producer and increase the price to the consumer. That condition of affairs we do not think should exist and I do not think it would if we had a slightly higher tariff, say four cents a pound. The two cent tariff serves very well while times are good in the United States, when they are not seeking for a market, especially a dumping market, for their surplus products. But we know that in the United States they have a Wall Street in New York and a wheat pit in Chicago. We know that the Bulls, as they are called, control these markets largely for 25 days in the month on the average, but for the one remaining day in the month we find that the Bears get on top and they invariably force the price of pork down by two, three or four cents per pound with the result that Canadian packers, who have their agents there, buy sufficient supplies on these bear days to tide them over until the next bear day, so that it pays them to import and pay the two cent duty. If we had a tariff of four cents that would not be practicable or possible, and the benefit to Canada would be enormous.

It may be said, it will probably be said to-night, that the Canadian farmers and producers of hogs cannot furnish enough for the home requirements and the export trade, but as against that during the years 1904 and 1905, when we were exporting pork products to the extent of $12,000,000 to $15,000,000 annually to Great Britain, we were importing only about $500,000 worth of hog products. Since that time our imports have increased from half a million dollars, until in the last fiscal year ending March 31, 1908, we imported two million eight hundred and some odd thousand, almost three million dollars' worth of hog products, and yet the Trade and Commerce returns show that our exports had decreased from nearly $15,000,000 down to almost $10,000,000. The Customs returns show that the imports are constantly increasing and that for the six months from June to December of last year we imported one million seven hundred and seventy thousand odd dollars' worth; if the same rate of increase continues to the end of the year, we will have imported this year about $3,500,000 worth. I estimate that to supply the Canadian market with the quantity of pork products of the various classes which we now import, the product of about one million more hogs would be required. If we had one million more hogs supplied in Canada even at an increased cost it would not increase the price to the consumer a particle. To illustrate, three months ago the price of pork in Canada was five cents on foot. To-day it is eight cents on foot, but I venture to say that the price has not increased a particle in any retail store, in fact I see by the price in the windows that it has rather decreased. If one million more hogs were slaughtered in Canada they would provide for the higher class cuts that are imported at the present time and in addition would provide a very large quantity of the cheaper cuts, not suitable for curing and exporting, which would require to be sold at home.

At the present time the packers have scarcely enough of these cheaper cuts from the animals that they have to slaughter to supply the home market, with the result that they are able to charge about what they like, or from two to three cents more than is charged in the United States. If a million more hogs were produced and slaughtered here they would have the cheaper cuts, not of inferior quality but the cheaper cuts not suitable for curing for export but to sell at home. That would create rather a surplus instead of a shortage in our home supply. We would find our packers, instead of having a combine to increase the price, rivalling each other to get rid of that class of product and they would thereby reduce the price to the consumer in Canada. In fact the price to the consumer in Canada does not bear a fair proportion to the price the farmers are paid for his raw product. For the past couple of years, as far as my observation goes, considering the markets in Buffalo and Hamilton with reference to the freight rate to be about equi-distant, the price paid has been half a cent on an average higher in Buffalo than in Hamilton. According to the price reports that the Department of Agriculture here have turned out we find that to have been the case to quite an extent. I have these figures here if my word is doubted.

Mr. J. A. CURRIE. Would the hon. gentleman say what his authority is for these figures?

Mr. SEALEY. My authority is the price section of the Department of Agriculture.

Mr. J. A. CURRIE. Of this government?

Mr. SEALEY. Of this government. That same price department shows that notwithstanding that a higher price is paid for the raw material there than here, the wholesale price to the dealer in the United States, is, on the average, about two cents less than in Canada and the price to the consumer about three cents less. That all goes to show that the Canadian packer, whether he cannot handle the business as cheaply or not, requires for his purposes about two or three cents more than the United States packer. To my mind the Canadian packer is just as good a man as the United States packer and I believe he can do business just as satisfactorily, just

as well and just as profitably on the same margin between the cost and sale prices. I have no disposition to interfere seriously with or injure the packer in any way, but I do think he is taking out of the customer too large a share altogether in proportion to what he is giving to the producer, and I believe that the producer should have a more equitable share.

Mr. LENNOX. The higher the tariff the smaller the price.

Mr. SEALEY. It may be said and argued that the United States price and the Canadian tariff as between Canada and the United States would have no bearing upon the price of the hogs, or of the pork, because, as we export considerably more than we import, our export price, or the Liverpool, or British price generally would rule. But the same price reports that I referred to a moment ago will go to show that while the price to the wholesaler in Canada is two cents higher than it is to the United States wholesaler, the price in Liverpool is from two to three cents less. The conditions are to-day that if pork is packed in this vicinity, if the freight is paid from here to Montreal or Quebec, if the ocean freight is paid and it is put on the market at Liverpool, I can go to Liverpool, buy that same pork at the market price there, pay the freight back to Ottawa, open a store next door to that of the packer and if the present prices are maintained I can undersell that store and make a good business profit out of the transaction. That condition of things should not exist and if it continues to exist it is a pity that the farmer, the actual producer, should not get his fair share of that difference.

Our western friends will feel that an increase in the tariff might seriously interfere with them and affect the cost of their supplies. To my mind I do not think it would. Our western friends are to-day producing quite large quantities of pork, and I think it will only be a short time before they will be producing all they require in the west. In fact, I think they are doing so to-day, and that they will have pork to export before very long. Another reason why I think we are able to produce more than we require and have a considerable amount for export is this: During the years 1904 and 1905 and for some time previously we were struggling in the British market to make a reputation, and, by that reputation, get a more profitable price. The Danish pork in the British market is regarded as the best pork and it commands a higher price. It brings about four cents more than United States pork, and Irish pork ranges about the same. Previous to 1897 our Canadian pork had improved in quality and in taste to the extent that we were getting about three cents more than the United States product would bring. Since that time large quantities of United States pork have been imported into Canada, and as far as it can be traced considerable quantities of it passed on through and were exported in the hope and with the actual result at times of realizing the better price that Canadian pork demands of three cents per pound. They pay two cents duty on coming into Canada, pay the freight over, realize three cents and make an extra profit of one cent. That has continued for some time. The American corn-fed pork of an inferior quality has been going to the British market to such an extent that it has dulled the taste of the Britishers for the Canadian pork, so much so that we find to-day that Canadian pork has backed down to about the level of United States pork, and in some cases less. By the introduction of American pork here we have lost the splendid reputation we had built up and enjoyed for a number of years, and I think our western friends could afford to join in this movement to protect the enviable reputation which they enjoy at the present time. They are producing in the west large quantities of wheat-fed pork. That wheat-fed pork makes the sweetest hams and bacon, being equal to the pea-fed product with which we built up such a reputation, and perhaps surpassing it to some extent. Unless that reputation that they are building up in the west is safeguarded they will perhaps meet the same fate that we have met here in Ontario. Within the last year, as far as I can gather from the trade and commerce returns, while we imported of pork products nearly $3,000,000 worth we only exported about $5,000 worth. The average invoice price of imports of hams and bacons was about ten cents, while mess pork averaged seven and three-quarter cents, whereas the average market quotation is about two cents higher than that or a little more. The $5,000 worth shipped from Canada to the United States was entered at about seventeen cents a pound. As far as I have been able to trace these exports they are the exports of hams produced at Edmonton, recently of this wheat-fed brand, and I gather they have been sold at seventeen cents a pound; five cents duty has been paid upon them when shipped to Chicago, making the cost twenty-two cents a pound. One cent per pound for freight is twenty-three cents, and two cents for the merchant's profit is twenty-five cents. These hams are sold to people who can afford to pay twenty-five cents a pound in preference to American products, which they can buy at fifteen cents a pound. I take that as evidence that the reputation of our western pork is well worth preserving, and when in a short time our friends from the west produce all they require for

their own consumption then it may be safely said that they will not suffer by an increase of duty. If they can assist their Ontario friends without any detriment to themselves I am sure they will be only too glad to do so.

Mr. OWEN. Do you say that your experience is that where the duty was increased the price of the commodity was increased.

Mr. SEALEY. We have had no experience of the increase of duty on pork, but I can say that the decrease in the price on foot from 7 cents to 5 cents did not decrease the price to the consumer, but on the contrary the market returns show that price was increased during that period. Then, during the last three months when the price rose from 5 cents to 8 cents the cost of the article to the consumer has not been raised. Judging from this it would seem to be apparent that if we had a duty of 4 cents instead of 2 cents the price to the consumer would not be affected. I do not say it would apply to all articles in that way, but I do say that with the cheaper cuts that would be provided for our home market, if our packers slaughtered an extra million hogs a year, then, that class of meat being more than our home market would demand, a competition would be created that would decrease the price to the consumer. I may be wrong, but still I am firmly convinced that would be the result. The figures I have before me show that last year there were slaughtered 1,100,000 hogs (not including the returns from Montreal and some other places), and if an extra million were slaughtered it would about double the business of our packers. That being so, I am sure the consumer would probably get a cheaper article than he is getting to-day. There is no reason why the packers and producers should have any quarrel; indeed they have not except that the producers feel that under present conditions the packer is able to so manipulate that he gets all the profit, and that when it is possible for him to do so he puts the price down to less than a fair living price for the producer. It may be argued by some that if this condition were brought about, agriculturists who buy lard, a by-product of the hog, might have to pay a couple of cents more per pound for it. I do not believe that would be so, but even if it were the average 200 pound hog produces about 15 pounds of lard, and if the farmer paid two cents more for his lard and bought all the lard in the hog it would cost him 30 cents additional, whereas, if he were selling the hog to the packer, as most farmers do, and got 2 cents a pound more for it he would be $4 ahead, and it would be a very profitable transaction for him. I make a definite suggestion for the benefit of the powers that be in connection with the pork industry, and I ask for an increase of 2 cents a pound in the duty. I trust that in their wisdom they may see their way clear to make that increase. I have been much interested in the discussion on wool, and I notice that the hon. member for Simcoe (Mr. Lennox) who spoke as a farmer seemed to be more particularly anxious about getting the manufacturer an increase of duty of so much per yard on cloth and so much per pound on yarn. I failed to hear him make any direct statement as to what he would do about the duty on wool. Then, the hon. member (Mr. Thoburn) while he boasted as wishing to benefit the farmer, he thought the best way to benefit him was through the manufacturers getting considerably more protection on their products. He was looking after the manufacturers while he professed to be championing the interests of the farmers. The other gentlemen who spoke reasoned about the same way, but if they were interested in the farmers' side of the question one would expect them to be more definite. Our present tariff on wool is 2 cents for the preference, 2½ cents for the intermediate, and 3 cents for the maximum, and I think the way to benefit the farmer would be to double that duty from 2 cents to 4, from 2½ to 5, and from 3 to 6 cents. That is getting it right down to where it will benefit the farmer, and I have no fear that the manufacturer will look after himself. There is a definite proposition that will benefit the farmer.

Mr. LENNOX. Why don't you go higher?

Mr. SEALEY. If necessary for the welfare of the farmer do go higher.

Mr. HERRON. We will take you into our party.

Mr. SEALEY. My friend here remarks that I will soon be fit for his party, but so far as I remember the national policy days, while the Conservatives talked about the farmer it was the manufacturer who got all the tariff favours.

Mr. BLAIN. The present tariff on pork was put on by the Liberal-Conservative party.

Mr. FIELDING. Then why are you blaming us for it?

Mr. SEALEY. The Liberal party re-arranged the tariffs and reduced the customs duty on many of the necessaries used by the farmers, but all the same I do say that probably the Liberal government have not protected the farmers quite enough. I do not think that either of the political parties have given the farmers as much as they

should have had, and although our Liberal friends have done the better of the two I am anxious to see them go further still. The growing of vegetables is an industry which is of increasing importance, and I believe that without serious inconvenience to the consumer an increase of the tariff along some lines would benefit the producer. Take, for instance, strawberries, on which there is a specific duty of two cents a box. It is said that that is equivalent to 40 per cent when strawberries are five cents a box. Well, that would be a first-rate tariff at that price. But at that time there are no strawberries coming in from outside, and it is the competition in our local production which brings the price down to that figure. When the tariff prevails, it is at a time when strawberries come in at anywhere from 25 cents to $1.00 a box. Two cents on strawberries at $1.00 a box is two per cent, at 50 cents a box it is four per cent, and at 25 cents a box it is eight per cent. If we can justify a tariff of 40 per cent when the consuming masses are buying berries, I do not see how we can justify two per cent, four per cent or eight per cent when imported strawberries are a luxury rather than a necessity; and if it is proper that our tariff should be imposed on luxuries, it does not seem to me that a better article could be found for the purpose than that particular article. It may be said that a 40 per cent or 25 per cent tariff on strawberries at the higher prices would prevent them coming in, and that we would get no revenue under it. With the small tax of two cents a box, there is not very much revenue; but a higher tariff would have one of two effects; it would either bring a greatly increased revenue, or it would reserve the appetites of the people who care for this luxury for the time when our Canadian berries come in, and when a duty of 40 per cent would afford a good profit for our growers, whereas they get no profit on berries at five cents a box. The same argument applies to cabbages, melons and other things. The duty on cabbages is thirty per cent, and at certain seasons of the year, when the early-ripening cabbages of the states to the south are produced in large quantities, they are brought into Canada. But we suffer seriously from imported cabbages when their crop is nearly finished and they ship them in by the carload at as low as $6 a ton, which, with the duty of thirty per cent, amounting to $1.80 added, makes a total cost of $7.80 a ton. The average cabbage weighs about five pounds, or 400 to the ton. That would be 400 for $8, or two cents each. The cabbages that are brought in at that season are generally of very inferior quality, but their importation has the effect of enabling the merchants to say: 'I can buy cabbages for that, and if the local producers do not furnish a first-class article at as low a price, we will import cabbages from the States.' With a tariff of three cents per head on cabbages, I do not think the average consumer would pay any higher price, while the duty would ensure to the local producer his own market when the later cabbage comes in. I believe a re-arrangement of the tariff in that respect would benefit the producer without injuring the consumer a particle. Another reason why I think the farmers should have some further consideration in the re-arrangement of the tariff is in connection with the recent French treaty. While I look for immense benefits to Canada as a whole from that treaty, one of the concessions made by Canada was in favour of French wines, which our grape producers, whether rightly or wrongly, feel has injured them seriously. They feel that in that respect their best interests have been sacrificed. Whether it will work out in that way or not, I am not quite clear, but that is the impression on their minds. These are some of the reasons why the agricultural interest should have more consideration in the arrangement of the tariff. I believe it would be thoroughly satisfactory to our manufacturers and our workingmen if they were occasionally perhaps compelled to pay slightly higher prices for agricultural products. To-day the average mechanic working in a city, without anything invested, if he has steady employment at the average wage going, which is pretty fair, is able to bring up and educate his family with greater ease than his country cousin is able to do. The special advantage of the agriculturalist is that he is independent and at all times is proof against starvation, which is not always the case in the city. But in a general way I am satisfied that our manufacturers and city consumers would welcome a better condition of things among our farmers. I believe I am voicing the views of the great majority of the agriculturalists of Canada and of a large number of the representatives of Canada in this House. As evidence of that I take the liberty of reading a resolution passed a year ago by the Swine Breeders' Association:

Whereas the pork producing industry is a very large and important one along agricultural lines in Canada at the present time, and we appreciate the efforts of the government in re-arranging the tariff so as to encourage its growth and improvement during the past, the results of which have been most satisfactory until recently, when we find that in the face of the present tariff large quantities of United States pork are coming into Canada, thereby reducing the Canadian price to producers of live hogs to such an extent, that under present conditions the industry does not offer a livelihood and in order that effort be made to remedy this condition of

things, it is hereby unanimously resolved that we, the undersigned, members of the Swine Breeders' Association of Canada, request the Hon. Mr. Fisher, Minister of Agriculture, to cause immediate inquiry to be made as to the qualities of pork of various forms coming into Canada at present from the United States; also inquiry as to the tariff head under which it comes, as well as investigating the correctness of the price, weights, &c., as represented for tariff purposes and also that inquiry be made from those importing same as to the profitable business results of such transactions, and if after so doing all these matters prove correct and regular, then we can only conclude that at the present time Canada is being made the slaughter market for over production of the United States, and therefore the Anti-Dumping clause Tariff should apply or otherwise the tariff should be raised, for while we are all moderate tariff men, yet we believe that on any line the tariff should be fixed as to regulate the trade of so important an industry most favourable to encouraging home production, for with the present prices the packer receives in Britain as well as the present prices to the consumer in Canada the home producer should be receiving more than present prices per pound on foot.

While we hesitate to trouble your department in the matter we are prompted to do so by the alarming circumstances that there is 50 per cent less hogs produced to-day than there was six months ago, entirely as a result of low prices and the unfair competition, whereas if properly encouraged the resources are quite capable of producing double the quantity of six months ago instead of half.

In the above matter we feel conscious that being agriculturists ourselves and in close touch with the agriculturists generally that we are voicing the sentiment of every farmer in the whole Dominion or at least 95 per cent thereof, and if you deem it advisable definite assurance as to this would be forthcoming by petitions, signed by almost every farmer in the Dominion.

The packers can buy a stock of United States goods on a low market and tide themselves over until conditions are favourable to stocking up again. The fact of the United States being able to produce corn much cheaper than we can in Canada puts them in a position to trade on a par with us after paying the two cent duty.

While the matter is up, we deem it advisable to draw your attention to the splendid reputation Canadian pork has in Britain and to the importance of guarding this reputation and providing for the profits accruing therefrom coming directly to the Canadian producers and in that way avoiding the possibility of packers who own packing houses in both the United States and Canada as well, drifting a part of this profit to the United States by way of substituting the United States product for Canadian, made possible by the lack of thorough branding of the Canadian product, so the British consumer who is so anxious to support the made-in-Canada sentimental preference, as well as the actually better quality from being deceived by the substitution of the United States product.

In that connection the Minister of Agriculture did take considerable trouble and did cause a more rigid inspection to be made at the border and did improve the situation to quite an extent. The Minister of Customs also looked into his department and caused a more careful watch to be put on the entry price. When an article pays a specific duty, the average customs officer thinks it does not matter at what price it is entered; but if the dumping clause be applied, it is important that the entry price should be closely scrutinized. That pork is bought and entered under value can be established by the fact that at certain ports, where the people are not on to the racket of the bear market in Chicago and Wall street, we find small quantities of mess pork, for instance, entered and invoiced at 10 cents or a little more, whereas we find that the average of the year at other ports is down to seven and three-quarter cents per pound. The reason is that the price of some bear day is taken, and as any one can buy at that price on a bear day, the application of the dumping clause is not so easy to enforce. If it be difficult to enforce on that account, that is another reason for a little increase in the tariff which would counteract the practise of constantly buying on that bear day only and entering the pork at that low price. The Minister of Finance promised to take the matter into his serious consideration, but if the other two departments fail to bring about satisfactory results I hardly know whether we can expect something from the hon. gentleman or not. However, representations have been made and the circumstances and conditions are known, and I do hope that the Minister of Finance will see that there is something in the budget speech for the agricultural interests, especially along the line of pork, vegetables and fruit, and others that could be improved and remedied without unduly injuring the consumer.

True, with rural delivery, 2 cent postage, &c., the government are doing well for the farm life comfort, but another step could be taken, by extending the same protection to farmers as to manufacturers, and in this way take one large step farther forward.

As to the packers, from the drift of my remarks it might be said that I am hostile to them, but I assure you, Mr. Speaker, that I have nothing but the kindliest and best feelings for them, and if my views should prevail, I believe their business would double. And if they made a little more than half their present profit on double the business, they would still be ahead at the end of the year.

Mr. J. A. CURRIE (Simcoe). Is it not a fact that half the packing houses in the country are running at half time now?

Mr. SEALEY. I think that is true, but I believe they would be running at full time if they had paid the 6½ cents instead of cutting the price down to 5 cents, or less than the farmers can produce pork for. When our packers are paying less for their raw material than the packers in Buffalo and are charging 2 cents more to the wholesale and 3 cents more to the retail dealers, there is no reason why they should not be running at half time. It would be better for them to pay the higher price and encourage our farmers to produce the pork. In 1904 and 1905, when we were not bothered with this stuff coming in, we produced more than sufficient for our own requirements, whereas to-day we export millions less and import three and a half million pounds more. Of course the excuse given by the packers is that the hogs on foot are not produced here, but by way of evidence on that point let me just read a report from the 'Farmers' Advocate':

A Side Light on the Packing Business.

As a result of a friendly action at law, brought by the executors of the estate of Mrs. Wm. Davies against several interested parties, statements have been recorded showing that the value of stock (shares $100 par value) in the provision business of the William Davies Co., Toronto, is placed at from $300 to $400 per share, and that during thirteen years past the dividends on the stock have ranged from 15 per cent up to 120 per cent per annum.

In placing the value of the stock, information was provided the court to the effect that the stock was worth $300 on January 12, 1907, and that J. W. Flavelle had paid $400 per share for stock during the past year.

A table was also placed in evidence, showing the dividends which the stock has paid during the past thirteen years to be:

For the year ending March 31, 1893, 65 per cent; 1894, 34 per cent; 1895, 40 per cent; 1896, 45 per cent; 1897, 100 per cent; 1898, 120 per cent; 1899, 82 per cent; 1900, 60 per cent; 1901, 27½ per cent; 1902, 27½ per cent; 1903, 15 per cent; 1904, 30 per cent; 1905, 41 per cent; 1906, 25 per cent.

Surely when this business was paying these handsome dividends, it does not seem to me that they have good cause for saying that Canada cannot produce the raw material they require and that their factories are running half time. These dividends warrant their paying better prices. The prices they actually receive warrant their paying better figures. If they paid a fair price, consistent with the conditions I have shown, there would be a superabundance of pork or hogs on foot produced in this country. The article goes on to say:

On a capitalization of $750,000 this would mean that in 1906 the company made a profit of $187,500. The capitalization in 1898 was smaller, but at the same capitalization the profit would have been $900,000.—Toronto 'World.'

The Davis Packing Company slaughtered last year only 260,000 hogs and $900,000 would be nearly $4 per hog.

Mr. J. A. CURRIE.

I do not think I can be accused of being unfair to the packers. I have stated their side of the case as fairly as I could and in the way it appeals to me and in which it should be fair to them. I have another resoultion, passed at the recent meeting of the Vegetable Growers' Association of the Niagara district:

We, the members of the Ontario Vegetable Growers' Association in convention assembled, respectfully submit that the protection now afforded Canadian vegetable growers is insufficient, and that we simply ask that even-handed justice be accorded us. The tariff imposed by the United States government is, on some of our products, prohibitive, and our door is practically left wide open. We would, therefore, respectfully urge that the federal parliament, now in session, place the same tariff tax on the products of our competitors as they impose on ours, and that a copy of this resolution be forwarded to Rt. Hon. Sir Wilfrid Laurier and Mr. R. L. Borden.

The Ontario Association writes as follows:

The Ontario Vegetable Growers' Association ask that the customs tariff on vegetables be made specific instead of ad valorem, which we believe would prevent our markets from becoming a dumping ground for culls, as they are at present. We would advise a specific duty equal to 30 per cent on a fair cost of productions, on the market value of average quality on vegetables imported, which would not prevent the importation of vegetables at times of scarcity, or when the Canadian grower cannot supply the demand; the market price being high at such times the specific duty would be smaller relatively.

A specific duty would prevent our market from being flooded with the surplus or damaged products sent here at a low valuation, at a time when Canadian growers are prepared to supply an abundance of fresh grown products. At the same time it would improve conditions for the Canadian consumer by improving the quality of the goods imported.

We also wish to draw your attention to the fact that a very large part of Californian grown vegetables imported into Canada are produced by Chinese labour, especially is this the case with celery, practically all of which is grown by them, and the low price at which it can be invoiced at point of shipment is largely determined by that fact.

The parliament of Canada having imposed, and we believe rightly so, a tax of $500 on this class entering the Dominion, as a protection to Canadian labour, it appears to us unfair that the product of such coolie labour should enter into competition with the product of the Canadian vegetable grower, and by an ad valorem duty evade the protection which our laws are intended to afford. We would ask that the following duty be imposed on the vegetables mentioned, viz.:—

Cabbages.. .. .. 2 cents per head.
Celery.. .. .. .. 20 cents per dozen.
Onions.. .. .. .. 20 cents per bushel of 50 lbs.

THOS. DELWORTH,
Weston, Ont.

Now, it may be said that the vegetable growing industry in Canada is small. Perhaps it is, when compared with our great agricultural interest, but it is a development of agriculture, and the more encouragement it receives the better field is left for general agriculture. But it is by no means so small as a hasty glance would lead one to believe. I am sorry I cannot, at the moment, quote the amount invested in vegetable growing, but it is equal to about half the investment in manufactures in Canada; it is something enormous, something wonderful; and in view of its great importance and of the number of people to be benefited without injury to the consumer, I trust the Minister of Finance will take it into his serious consideration, and that when the budget comes down we shall be able to welcome the benefit. While it is true that considerable increases of duties, as a general thing, may encourage combines, I am confident that, in this case, the increases asked for would have exactly the opposite effect. While there has been some slight inquiry into the pork packer's combine, success has not been attained in actually securing a conviction, though success has gone to the extent of disorganizing their methods somewhat when the Crown Attorneys and other officers whose duty it is to follow this line have got after them. But it requires constant pursuit and constant vigilance to prevent their methods from playing greater havoc with the pork-producing industry than they do. I think we have clearly proven that this case of pork industry is one in which the theory of the export price governing the situation does not apply, for the facts show that, while, three months ago, the prices in Liverpool was slightly higher than here, when the price here went down the price went up in Liverpool.. In view of what I have said—that the agricultural interest must to some extent, bear the advantage given to the manufacturing interest and to the iron and steel industries, both by way of tariff and by way of bounty, and that the agricultural interest itself represents such a very large portion of our population—it does seem to me that it should receive thorough and careful consideration. In fact, I am satisfied that it is receiving that consideration. But it is results that we would like to have, and we would like them quick. I hope we shall get them the day after to-morrow when the hon. Minister of Finance brings down the Budget.

Mr. T. S. SPROULE (East Grey). My only object for detaining the House for a short time on this question is the important interest involved in it, and the important class primarily affected. I do not propose to touch on the pork question, except incidentally, or to attempt to follow the hon. member for Wentworth (Mr. Sealey) in his argument, for he has covered ground which was not contemplated when this subject was introduced, the matter brought forward for discussion being the case of the woollen industry. But I cannot refrain from congratulating my hon. friend (Mr. Sealey) that, after the missionary work of twenty-eight years , in him we have succeeded in converting an extreme free trader into a thoroughly up-to-date, approved protectionist.

Mr. SEALEY. Only so far as agriculture is concerned.

Mr. SPROULE. The hon. gentleman (Mr. Sealey) is an example of the kind of protectionist we find on the other side of the House; they are invariably protectionists in matters affecting their own interest, but free traders in matters affecting the interests of others. But that is not consistent, it is not proper; it is not fair. The principle of protection must be right, or it must be wrong; if it is right it must apply all round, if it is wrong it must be discarded all round. If it is right it must be applied all around and if it is wrong it must be discarded all round—protection cannot be right as applied to the farmer and wrong as applied to the manufacturer. The principle is either right or wrong. We hold that it is a correct principle for the conditions in Canada and therefore we have agitated it and supported it.

I was glad to hear the hon. member (Mr. Sealey) discard a theory that we heard advanced many times in this House by the Hon. John Charlton. Mr. Charlton was the father of that argument which was presented to this House time after time as absolute evidence that protection on agricultural products could not raise the price that the farmer would receive for those products because we raised more than we consumed, and therefore had to export and that the price received for what was exported always regulated the price of the whole product. The hon. member says to-night that that is not so. I agree with him, and members on this side have said that over and over again. His friends have advanced that argument hundreds of times in and out of this House. The argument was fallacious, unsound, illogical, and I am glad to know that the hon. member at last realizes this.

My sole reason for touching this question to-night is its great importance to the agricultural class. We are told that the agriculturists represent about 750,000 farmers in this country. If they represent that number directly they represent about five times that number indirectly; consequently they must represent over two millions and any question that affects 2,000,000 people must be important to Canada. It is an opportune time to deal with the wool and sheep question, which is of deep interest to the agriculturists. The Finance Minister (Mr. Fielding) will make his budget speech

in a few days and what we are afraid of is that the many representations and appeals that have been made to him by protectionists as well as by free traders may not have convinced him that it is his duty to give better protection to the sheep raisers and manufacturers of woollen goods in Canada.

Last year we raised in Canada about 16,700,000 pounds of wool. That represents a very substantial return to the farmers of Canada. Washed wool last year averaged about 16 cents a pound, so it represented at least $1,000,000 to the farmers of Canada. We do not know the amount realized from sheep in addition to that but we do know that there are to-day over two and three-quarter million sheep in Canada, and if you value them at $5 a head they represent between $12,000,000 and $15,000,000. The farmer derived from this source last year $1,000,000 in wool and probably $2,000,000 in mutton.

The hon. member for South Simcoe (Mr. Lennox) presented clearly to the House the value of sheep raising to the farmer. First, sheep raising does not require a high degree of intelligence; second, sheep require little care; third, they are great foragers, and for nine months out of twelve provide their own food; fourth, they are valuable weed destroyers and every good farmer likes to have a number of them on his farm to destroy the noxious weed seeds; fifth, they require but little care and will thrive where cattle cannot live; sixth, they are the best fertilizers of any animal, they fertilize the land thoroughly and evenly. For all these reasons, sheep raising is a highly valuable adjunct to farming.

We are asking that the government raise the duty upon woollen goods and do something for the manufacturers of wool. Why do we ask that? Because every year since this government came into power men engaged in that line of business have been failing. I wonder if the Minister of Finance has examined the list of woollen factories that have gone down in the last 12 years during which he has been in power and has been every year plied with arguments to induce him to assist these manufacturers. I have here a list prepared by the Hamilton 'Spectator' some time ago from which I find that no less than 61 factories have gone down in 12 years. Over 3,500 operatives have thus been thrown out of employment. If every operative is the head of a family, and most of them are, this would represent at least 15,000 people who were dependent upon work in these establishments and who are in a state of starvation to-day if they have not been able to turn their hands to some other line of money-making. The breadwinners on whom these people were dependent have been deprived of their means of livelihood and have been obliged to go into some other line of business. Let me read to the minister a list of the factories that have been broken down by the policy of this government in reducing the duty on woollen goods coming in from England. The factories are as follows:

Place.	No. of Mills.	No. of sets of cards.	Employees.
Hamilton	1	2	50
Merritton	1	2	50 to 60
Brantford	1	2	50
Tilsonburg	1	2	25
Caledonia	1	4	100
Simcoe	1	2	30
Vienna	1	2	25
Aylmer	1	2	25
Union	1	2	25
Ridgetown	1	2	30
Ruthven	1	2	30
Chatham	1	2	30
Dresden	1	2	30
Glencoe	1	2	20
St. Mary's	1	2	35
Clinton	2	4	100
Wingham	2	4	100
Blyth	1	2	30
Strathroy	1	7	250
Sarnia	1	2	30
Woodstock	1	2	35
Ancaster	2	6	200
Hespeler	1	20	600
West Flamboro	1	2	600
Waterloo	1	8	250 to 300
Elmira	1	2	30
St. Jacob's	1	2	30
Hawkesville	1	..	15
Orangeville	1	2	30
Fergus	1	2	30
Elora	2	6	150
Canning	2	2	30
Mildmay	1	2	30
Walkerton	2	4	100
Paisley	2	4	40
Port Elgin	1	1	15
Harriston	1	1	15
Clifford	1	1	10
Palmerston	1	1	25
Streetsville	2	9	250
Markham	1	4	100
Columbus	1	4	100
Peterborough	2	6	150
Campbellford	1	4	75
Belleville	1	2	30
Napanee	2	4	75
Gananoque	1	2	30
Cornwall	1	2	200
Port Elmsley	1	2	30
Almonte	1	10	300 to 350

There are 61 villages and towns in Ontario that have suffered and suffered severely by virtue of the policy introduced and carried out by the present government. Although they have been appealed to year after year.

Mr. SEALEY. Would it be in order for me to make a little correction?

Mr. SPROULE. After I get through.

Mr. SEALEY. I would like to draw attention to the fact——

Mr. DEPUTY SPEAKER. The hon. gentleman (Mr. Sealey) can only ask a ques-

tion with the leave of the hon. gentleman who has the floor.

Mr. SPROULE. He does not want to ask a question but to make a speech and I think it is rather out of time to break in now. I listened to the hon. gentleman saying a good deal that I did not agree with but I did not interrupt him. I am taking the list as it appears here and I assume it to be correct. As far as I know it is correct. I am taking it as it has been published to the world by the Manufacturers Association. What has thrown these three thousand operatives out of employment, what has injured these 61 towns and villages in Ontario, what has deprived the farmers of the country of the additional market for their produce to the extent of millions of pounds of what it would have been if these factories were in operation to-day? What has done all this? It is the special preference given to England on woollen goods by the present government. It is the refusal of the Finance Minister to come to the assistance of the farmers and woollen manufacturers of the country and put up the duty to such an extent as would save these industries that have gone down. They have gone down. Who is suffering? First the man who has his money in the machinery is suffering. The machinery is either sold for scrap iron or is rusting out. These spindles and these looms are not in operation. Then the operatives who were supporting their families have been thrown out of employment. The farmers have been deprived of the opportunity of feeding these people and of obtaining a better market price for everything that they produce on the farm and which was consumed by these industries or by those employed in them. It injures directly and indirectly, first the men who are supporting their families, second, those who have money invested in the machinery and, third, the farmers who are deprived of that additional market. Yet the government are absolutely indifferent to the wants of the people. Is it not about time that we should try, by some means or other, to make a stronger impression upon the Minister of Finance than has been made heretofore? He has been obdurate up to the present time. He is about to make his budget speech. He has told us over and over again that he cannot announce in advance what he is going to do with the tariff, whether he is going to raise it or lower it. We are trying to urge him to raise it and we are plying him with arguments why he should do so because we believe it important in the interest of the people that he should raise the tariff. Take the town of Hespeler alone; two mills have gone down there. They have been obliged to shut down. What was invested in these two mills. The people that were running these mills had invested $750,000 in them and they were employing over 600 hands. Take 600 operatives out of any small town and see how it paralyses the place, see how it reduces the consumption. These families must move away because they are educated in that line, they will follow it and if they are denied the opportunity to labour at home many of them will go to the United States to secure work. If they are deprived of employment in Hespeler they will go somewhere else and if they go to Almonte and find the factories are closed there they will ultimately be driven to the country that gives them employment in this line. See what it means to that small town. This is one of the live towns of this country inhabited largely by Germans. What does it mean to have $750,000 worth of machinery thrown out of operation? There you have 600 hands out of employment and a consequent loss to the farmers who supply the wool to keep the factories going, and who supply the other products of their farm to feed the working people. In that one small town the farmers' market has been reduced to the extent of at least what is necessary to supply 1,800 people. Take these 61 towns and look what it means in the aggregate to the province of Ontario. And yet, although the woollen mill owners and the farmers have appealed to the Minister of Finance and the Minister of Customs over and over again and told them that the industry was going to the wall, they remain obdurate. We make a last appeal to them to-night. I can tell the Minister of Finance that there was no more potent argument than this in favour of the Conservative policy in my last campaign, and night after night many reformers told me that they were surprised their friends were so indifferent to the interests of the farmers. We appeal to the government on this question for the last time to-night. We tell the Minister of Finance and the Minister of Customs that if they do not take action that industry will go to the wall as sure as the sun rises and sets, and the time will come when many of the friends of the minister, protectionists as they are to-day, will be so disgusted with the policy of the government that they will vote against them in hundreds, and sooner or later the government will reap the reward of its ill-designed policy. Most of the farmers in my constituency raise sheep and I myself have experience in that branch of agriculture. A few years ago I sold out a flock of 150 sheep because they did not pay. Unwashed wool was running from seven to eight cents, and washed wool from 14 to 16 cents per lb. Last year washed wool was 26 cents or 27 cents but we may take it at an average of 15 cents for many years, and while lambs are worth $5 each when they

weigh over 40 pounds in the spring of the year, in the fall they are only worth $3, and sheep raising does not pay at these prices. Why is wool so cheap? It is because we are importing 6,000,000 pounds annually and killing off the factories that use the long Canadian wool. There are not nearly as many sheep in Canada now as there were years ago, and the number will be getting fewer in the future. The shoddy imported goods are taking the place of the solid woollen goods which were formerly made out of Canadian wool. You can buy cheap horse blankets all over the country, and although they appear all right they are simply made out of shoddy, and in a few months they fall to pieces. So long as they are cheap they will be bought.

Mr. FIELDING. Once only; my hon. friend will not do it again.

Mr. SPROULE. I bought them once and only once, but I have seen them all over the country. It seems to be human nature, especially when money is not plentiful, to buy a cheap article although in the end it may not be as good value as the more expensive kind. As long as you give that British preference as it is to-day, and allow these shoddy goods to come in, so long will the woollen manufacturers of this country suffer and the farmers suffer with them. Last year we imported $22,894,000 worth of wool and woollen goods, and there is not the slightest doubt whatever that under paternal protection three-fourths or four-fifths of the woollen goods would be made at home, giving employment to labour and giving better markets and better returns to the farmer. Sound economic principles require that each should work for the other; we are not living for ourselves; the artisan in the woollen factory works for me as I work for him, and the wise policy is that the people of a country should work within themselves to produce everything within the country that it is possible to produce. It is because we are not doing that in Canada that I appeal to the government to-night. If we pursue that policy we will be doing what is best for the farmers, and for the settlers who will get into our illimitable western regions to raise sheep by the millions; we will be doing good to the manufacturer and to the artisan who must support his family from the product of his labour. If we pursue that policy we will be helping along the progress of our country. I trust the scales have at last fallen from the eyes of the Minister of Finance and that he has come to the conclusion at last that he should be a protectionist.

Mr. PATERSON. My colleague the Minister of Finance has never shown indifference to any of the deputations that waited upon him, nor has he been indifferent to the remarks of the hon. gentleman (Mr. Sproule) and others who have spoken to-night. But if they are really desirous of having a duty on wool would he have any objection to state what that duty should be?

Mr. SPROULE. Personally I cannot say because it is a question that would require to be figured out very accurately by experts. We do not know that all who are regarded as experts say that this duty is necessary. It is not for us to say how much or how little the duty shall be raised.

Mr. PATERSON. The hon. gentleman says that wool is selling at 16 cents when it should sell at 25 cents or 26 cents, but the figures presented to us show that it is selling at a much lower figure.

Mr. SPROULE. Unwashed wool is selling at seven cents or eight cents.

Mr. PATERSON. Yes. Now, is it the idea of the hon. gentleman that in order to increase the price to the former figure there should be a duty of 10 cents a pound?

Mr. SPROULE. I do not know how much it would take.

Mr. PATERSON. The hon. gentleman is finding fault with us, and he should have thought that out.

Mr. SPROULE. I know that all this wool is supplied by some other country. If we were making all these woollen goods at home, our factories, instead of using about 12,000,000 pounds of wool, as they are doing to-day, would be using between 30,000,000 and 40,000,000 pounds, and the result would be that our farmers would get a little better price for their wool and what is coming in would be kept out.

Mr. PATERSON. The American tariff imposes a duty of 10 or 12 cents a pound on wool. I would like to ask the hon. member for North Lanark: supposing 10 cents a pound were put upon wool by our tariff, what would have to be the tariff on manufactured woollen cloths which now bear 30 per cent?

Mr. THOBURN. It would require some little figuring to say exactly what the corresponding duty should be; but if the duty on wool going into the United States is ten cents a pound, then, as far as I can see, we would want the same duty on the manufactured article that is imposed on the manufactured article going into the United States, whatever that duty is.

Mr. FIELDING. That is 100 per cent in some instances.

Mr. THOBURN. If you put the same duty on wool that the United States puts

on, why should we not have the same duty on the manufactured article? I am not advocating that, but I am asking that question.

Mr. PATERSON. I only want it to be known to the people of the country what duty must be put on wool to protect the farmers, according to the ideas of hon. gentlemen opposite, and what duty must be put upon woollen cloths. If the people of the country will have to pay 70 or 80 per cent on their woollen cloths, they ought to know it. Does the hon. gentleman think that the people of the country, the farmers and the workingmen, would ask for that?

Mr. J. A. CURRIE. The hon. gentleman forgets that it would be very easy to carry the ten cents a pound on the finished goods coming into the country. That has been done before, and that is the plan adopted in the United States in a number of cases.

Mr. PATERSON. But you want to reduce it to an ad valorem basis to see where you are.

Mr. J. A. CURRIE. The hon. gentleman is all ad valorem. He never thinks of putting on a specific duty. It is not necessary to reduce a specific duty to an ad valorem basis. If it is a specific in the one case, why should it not be in the other?

Mr. TALBOT. If you put a duty of ten cents a pound on wool, would not the cheaper quality of woollen goods be taxed higher than the other?

Mr. J. A. CURRIE. The hon. gentleman's question answers itself.

Mr. LENNOX. Has the Minister of Customs forgotten all the statements put before him and the other members of the government by the various parties interested, dealing with the very questions which he is now discussing? For instance, the Sheep Breeders' Association came here and represented what duty they wanted on wool; and the manufacturers have been here time and again representing what they thought ought to be done. Has the Minister of Customs forgotten completely what these gentlemen have been representing to him?

Mr. PATERSON. No, I have not forgotten.

Mr. LENNOX. Then I do not think the hon. minister needs information.

Mr. PATERSON. The manufacturers did not propose any duty on wool.

Mr. LENNOX. They proposed a duty on what they were interested in, and the sheep breeders proposed a duty on wool when they waited on the minister.

Mr. PATERSON. I had an interview with the sheep breeders within a week, I think.

Mr. J. A. CURRIE. I must call the attention of the Speaker to the fact that all this is irregular. There is a debate going on, and a number of members wish to speak.

Mr. DEPUTY SPEAKER. The point of order is well taken, but it was the evident desire of the House to have these questions discussed, and I have not interfered.

Mr. PATERSON. As a matter of courtesy I may be allowed to reply to the hon. gentleman's question. I had an interview with the sheep breeders within a week, and their representation was that if there was a higher duty placed on woollen goods, there must be a duty placed on wool. I therefore ask the hon. member for North Lanark if the woollen manufacturers would not be in a worse position under such circumstances than they are now, with free wool and a reasonable duty on woollen goods?

Mr. THOBURN. If I may be permitted to answer the hon. gentleman, I may say that I pointed out clearly that when the woollen industry of this country was in a flourishing condition, there was a much higher price paid for wool, with the duty as it is at the present time. If the hon. gentleman will take my advice and rearrange the tariff on woollen goods, I cannot see why that state of affairs should not come around again, from the natural demand that will be created by the increased manufacture of woollen goods in Canada, and the increased price of wool to the Canadian farmer. I pointed out that there was a time when we paid as much as 52 cents a pound for Canadian wool, with the duty just the same as it is now. Why were we able to do that? Simply because the mills were all in operation, using Canadian wool. But owing to the change in the tariff on the manufactured article, there has been such an importation of English woollen goods into this country that they have displaced the demand for Canadian wool, and consequently the price of Canadian wool decreased until it has reached the price at which it stands to-day. Just what corresponding duty would be required on the manufactured article if you put ten cents a pound on wool I am not prepared to say. I am not engaged in the manufacture of tweeds; I am engaged in the manufacture of flannels, and speak from that standpoint; but I would not like to speak for the general manufacturers of tweeds in the Dominion of Canada.

Mr. A. W. SMITH (North Middlesex). Mr. Speaker, as a farmer and a producer

of wool I would like to say a few words on this question. I notice that there is a tendency on the part of hon. gentlemen opposite to extol the position of the farmer as compared with that of other classes, and to call upon the government on every possible occasion to do something for him. That is all very fine if it were only genuine and honest, but the trouble is that whenever they call on the government to do something for the farmer we find a rider attached to their proposition, the effect of which is that for every $5 bill the farmer will get, which in the end is likely to prove worthless, he is asked to contribute $10 or $20 out of his own hard earned money.

In this proposition regarding the great woollen industry, there have been some statements made by hon. gentlemen opposite which I should like to correct. For instance, they have made several references to what the sheep breeders have asked from the government. Well, I am myself interested in the sheep industry, probably as much as any other man in the Dominion, and I am in a position to speak with a knowledge of the business at first hand. When a deputation of the sheep breeders waited on the government they submitted the proposition, as the Minister of Customs has stated, that if any bounty or increase in the tariff were to be given the manufacturers, a corresponding bounty or increase should be given the producers of wool. But at the same time they pointed out that, in their opinion, it was a matter of very grave doubt whether any imposition of duty on wool would be of any benefit to the farmers of this country. In that connection I wish to express my most emphatic approval of the opinion that we cannot put a tariff on wool which is going to be of any benefit to our producers. If we follow up the argument of the hon. member for Simcoe (Mr. Lennox), who has said that a duty on foreign woollens would increase the manufacture of Canadian woollens and thereby benefit our farmers, we will find that that theory was exploded long ago. As the hon. member for Peel (Mr. Blain) has said, the Conservative government, during the eighteen years it was in power, took upon itself to teach the Canadian people what tariff protection was going to do, particularly for our farmers and incidentally for the people at large. But what was the result of their teaching? I sincerely trust we shall never have a repetition of that eighteen years rule which ended so disastrously to our farmers. It was the hon member for North Lanark (Mr. Thoburn), I think, who said that the duty simply meant a trifling matter of 35 cents to 40 cents per suit of clothes which a farmer would have to pay extra to our Canadian manufacturers. Let me tell that hon. gentleman that at the end of that eighteen years it was a very small revenue which the manufacturers of woollen goods of any description got from the agricultural community, because it would take the accumulated savings of years to enable the farmer to be in a position to purchase that suit of clothes. When he only got 15 or 16 cents a bushel for his oats; when he had to draw his wheat to market and sell it at 45 to 50 cents; when a buyer could take the pick of his horses at any price he was willing to pay, and when he got correspondingly low prices for his cattle, and had to sell his lambs at $2 to $2.50 a piece, then was the time when he felt that the eighteen years of teaching along the line of protection had brought him nothing but disaster.

Mr. BLAIN. What has this government done to increase the prosperity of the farmer by the way of changing the tariff?

Mr. A. W. SMITH. I shall endeavour to answer that question. When the present government appealed to the people to give them control and the opportunity to improve our condition, they promised to reduce the tariff where possible and in that way make it easier for our farmers to succeed in their business.

Mr. LENNOX. We never heard any of those statements.

Mr. A. W. SMITH. My hon. friend must have been living very far back in the back woods if he did not hear them. I recollect quite well hearing them. In fact, I made the statement myself that such and such things would follow if the Liberals were allowed to take the reins of power. Well, some hon. gentlemen have spoken about a commission going to the people and asking what should be done. As soon as the present government came into office they took just such a course. I myself had the privilege of appearing before that commission on more than one occasion to represent the interests of the farmers, and the result was the tariff was removed entirely from quite a large number of products which the farmer required and lowered in the case of a great many others. A corresponding decrease in the duties on the raw products of the manufacture was made, the wheels of commerce were set in motion again, and prosperity came back to the farm. As an actual result we have had for several years great prosperity among our farming community. They do not expect to become millionaires, but they do claim the privilege of enjoying a good fair living and making probably a little more than they need for the actual wants of themselves and their families.

The hon. member for Peel (Mr. Blain) has suggested that after a very high tariff was put on woollens in the United States,

prosperity followed and that on the other hand, under the 25 or 30 per cent tariff in favour of woollens manufactured in Canada, our sheep industry has become practically paralysed. I wish to point out to the hon. gentleman that in the United States, with their very high tariff, there has been a corresponding decrease in the number of sheep. These things do not hang together very well. I desire to point out, further, that our sheep industry does not depend upon the price of wool. We produce sheep not for wool but for mutton products. These are more profitable than any other class of sheep we can raise on the farm; we can raise them more cheaply and they command a higher price. The hon. member for South Simcoe (Mr. Lennox) at great length dealt with the advisability of sheep raising and how profitable it was, and then he wound up by saying that we had discarded sheep because they were not profitable. That has not been the experience of the sheep raisers of this country. The sheep raisers have found, as I have said, that if they raise the proper class of sheep, the class demanded by the market, they can make the industry more profitable, and make larger gains out of it, and do it with less work.

Mr. SPROULE. If that be the fact, how does the hon. gentleman (Mr. A. W. Smith) account for the reduction in the number of sheep as compared with a few years ago?

Mr. A. W. SMITH. I will try to answer that question also. One of the principal reasons for the reduction in the number of sheep in this country is the lack of protection from dogs.

Mr. HENDERSON. Dogs with two legs?

Mr. A. W. SMITH. No, dogs with four legs. Efforts have been made by the farmers for many years, through their associations, to induce the provincial government to put a law upon the statute-book of Ontario—and I believe the same has been sought in other provinces—that will protect the sheep from the ravages of dogs. When dogs get into a flock of sheep, though they may kill only four or five out of the whole flock of perhaps a hundred, the loss is not so much in those that are killed as in the loss of flesh and loss of constitution caused by sheep being overheated and over excited by the worrying of the dogs. There is another reason for the reduction of the number of sheep in the older provinces, and that is that it is found that better fencing is necessary in order to keep sheep. When the farmers were allowed to pasture their sheep on the roads there was less necessity for fencing their farms. In the old days, when there were plenty of rails, the farmer could keep his sheep wherever he liked, because a rail fence is sheep proof, but the ordinary wire fence is not sufficient to keep sheep, and consequently it is necessary to put up more expensive fencing or go out of the sheep business, and many farmers prefer to go out of the business. These are two of the principal reasons why the number of sheep has decreased in this country.

Now, I do not wish to speak at length, but simply to say, from the farmer's standpoint, that we do not want more protection given to the woollen industry. With duties of practically 30 per cent—for, I understand that the preferential tariff does not apply to all the goods imported—and with practically free wool (only $6 was collected in duties last year)—if the manufacturers are not in a position to stand with this rate of protection, the only conclusion we can come to, I think, is that our country is not suitable for this business. But we know that the manufacturers that make the best class of goods from wool the produce of this country are doing well. A great proportion of the wool produced in this country goes to the United States, and is used in the mills there for the production of this class of goods, worsteds. If the woollen mills of this country would use the wool that we produce, they would be in the same position as the woollen mills in the United States.

Mr. SPROULE. How is it then so many of them break down?

Mr. A. W. SMITH. Because they are trying to make goods that they cannot make at a profit. If they would manufacture the worsted goods for which they could find a market, and in which they could compete with other countries, they could keep their mills running. The hon. member for North Lanark (Mr. Thoburn) spoke of the difference in the value of labour in Canada and in Great Britain. I think he represented the matter very fairly when he said that one good Canadian was capable of producing more valuable results of labour than the three he saw engaged in certain work in Great Britain. The hon. gentleman told us of seeing in Great Britain a man and two boys running a plough, doing work which one good Canadian boy of seventeen years old would do. I am happy to say that a Canadian boy, in the country at least, is a man for all practical purposes. While wages here may be higher, the Canadian labourer, whether he be engaged in running machinery or in other labour is capable of producing a greater result than the labourer in the old country, about in the proportion that the hon. gentleman stated. In the illustration the hon. gentleman used, the work done was ploughing. I would like the hon. gentleman to understand that this is the machinery on the farm; he is working machinery, and is able to handle these three horses—or four, or even a larger number if necessary as is frequently done in the west—one boy would use that machinery quite as well as three or four in England.

The same thing, I believe, will apply in the woollen manufacture as on the farm. One good Canadian will be as good as the three who are employed over there. Therefore we do not stand in as bad a position proportionately as the hon. gentleman would represent.

I would like further to correct the statement of the hon. member for South Simcoe (Mr. Lennox) that the committee appointed by the Dominion Sheepbreeders' Association to meet with a committee appointed by the Manufacturers' Association to endeavour to come to some amicable arrangement by which they could meet the government on common ground, had reported and that their report was as he read. That committee have not reported at all. They were appointed to report to the Executive Committee of the Sheepbreeders' Association. I chance to be one of the Executive Committee—

Mr. LENNOX. I read from a report that was communicated to an English paper on February 11 of a meeting that had taken place two days before in Toronto, at which a committee was appointed to confer with the Manufacturers' Association, but I did not carry it further as I had no information on that point.

Mr. A. W. SMITH. That committee have not reported. They have endeavoured to meet the manufacturers on a common ground, but have absolutely failed to get anywhere near them. The resolution mentioned by my hon. friend as having been passed by the Sheepbreeders' Association was offered to the association by Mr. Biggar, the editor of 'Textile Fabrics,' but it was not passed or endorsed by the meeting except that because of that resolution as representing the views of the manufacturers the Sheepbreeders' Association appointed a committee to meet a committee from the woollen manufacturers to see if they could not come to some arrangement: the resolution was not adopted by the Sheepbreeders' Association.

The hon. gentleman from South Simcoe gave the number of farmers in porportion to other occupations in Canada and then proceeded to speak of the great benefit that was to come to these farmers through the imposition of a higher duty on wool. It would be very difficult indeed to persuade the farmers of Canada that it was to be such a benefit to them and I would suggest to the members of the opposition that if they wish to become popular with or to be endorsed by the farmers when they appeal to them for election, they must drop very largely the idea that they can make the farmers believe that by giving them one dollar and taking five from them they will make the farmers wealthy.

Mr. HENDERSON. We do not need to drop that idea. we never had it.

Mr. FIELDING. You do not put it in that plain form.

Mr. A. W. SMITH. That proposition is involved in the speeches made to-night by the hon. gentlemen. You cannot possibly benefit the manufacturer if you keep the duty on the raw material the same as that on the manufactured goods; you must give him a sufficient additional duty to make up the disadvantage under which he says he is working and give him a profit or the change will be of no benefit to him. I believe that the woollen products manufactured in Canada last year were worth some $6,000,000 and there was collected in duty on woollen goods coming into this country about $7,000,000. It would surely not be fair for the sake of that $6,000,000 of manufactured goods to ask that the $7,000,000, already $1,000,000 greater than the annual product of our woollen mills, should be increased and that we should be asked to pay $8,000,000 or $9,000,000 or possibly $10,000,000 in duty. That would be absolutely unfair to the farmers of this country and they would not accept such a proposition. The farmers of Canada are thoroughly conversant with the affairs of this country, and when any one endeavours to make them believe that black is white that person is going to be very much left; they will not accept that statement from the opposition in any case.

Mr. SPROULE. Did I understand the hon. gentleman to say that you could not convince the farmer that the duty was going to help him?

Mr. A. W. SMITH. Yes.

Mr. SPROULE. Then how does the hon. member account for the fact that when the duty on pork was raised, within two years the importations were reduced from $21,000,000 to between $7,000,000 and $8,000,000? Did that convince the farmer that it did him any good or not?? If it did the farmers no good, does the hon. gentleman think the present government were right in continuing that same rate of duty up to the present time?

Mr. A. W. SMITH. The only benefit that it could have conferred upon the farmer was to increase the selling value of what he produced. As a matter of fact six months after that duty was put on the price of live pork actually dropped to a lower figure than it was before that duty was put on.

Mr. SPROULE. Was it not rather due to the fact that it increased the market at home to the extent of about 15,000,000 pounds for his product?

Mr. A. W. SMITH. No, it could not have done that at all. The export price in the old country is the one that governs the price of our pork here.

Mr. SPROULE. If he sold a million pounds of pork and had two cents a pound on that and if after the imposition of the duty he sold 10,000,000 pounds he would not have ten times as much?

Mr. A. W. SMITH. As a matter of fact the production of pork did not increase by 10,000,000 pounds.

Mr. SPROULE. Yes it did.

Mr. A. W. SMITH. No, we just exported that much less.

Mr. SPROULE. There is where it actually came in. It did increase.

Mr. DAVID HENDERSON (Halton). Mr. Speaker, it is not my intention at this late hour to make any lengthened remarks on what seems to me to be a very intricate question. We have listened this afternoon to what was, to my mind, one of the most valuable speeches that I ever heard delivered in this House on a practical question. I refer to the speech delivered by the hon. member for North Lanark (Mr. Thoburn). I have listened to a great many speeches in this House, but I have never listened to one, from a practical standpoint, that conveyed the idea better than the speech of the hon. gentleman and I want to congratulate him upon his deliverance. There are other hon. gentlemen here whom I would like to congratulate, my hon. friend and neighbour from Wentworth (Mr. Sealey) has certainly made a most astounding turn. I remember, a few years ago, going over to the county of Wentworth when that hon. gentleman was a candidate for parliamentary honours in opposition to Mr. E. D. Smith. I remember well spending some days in the endeavour to educate his constituents along the lines of protection to the hog, fruit and vegetable industries. I am glad to think that some of my remarks have come to have weight with the hon. gentleman. He comes out to-night practically as a full grown protectionist with reference to agricultural products, fruits and vegetables. He has only to go one step farther until he will be duly qualified to vote with us on this side of the House. I am sure we congratulate him for the progress he has made. I am sorry I cannot say so much about my hon. friend from Strathcona (Mr. McIntyre). He seems to be groping in the dark yet; in fact, he is very far in the dark. He had the impression that practically nothing but free trade would suit the country. He does not see any use in tariffs. He does not know any reason why there should be such a thing. He has a great deal to learn yet along the line of legislation. But I hope if he only pursues the study he will become a follower of my hon. friend from Wentworth. The hon. gentleman who sat down a few moments ago (Mr. A. W. Smith) certainly made some astounding statements. My memory may be short. I may have forgotten a great deal that occurred during the long eighteen years when that hon. gentleman and his friends were wandering about in opposition wondering when they were going to reach the goal of power. I may have forgotten a great deal but I confess that I was not aware that 16 cents per bushel for oats represented the value of that commodity during that time or during any particular period of that time. Would it be fair of me, in answer to the hon. gentleman, to say that on the 20th June, 1895, whilst the Liberal-Conservative party was in power, wheat, in the city of Toronto, sold at 20 cents a bushel higher than it did in the city of Liverpool? I might make that statement and make it truthfully. The market reports will verify what I have said, but for me to say that during the entire regime of the Conservative party that was the fact, would be an entirely different thing. I would not desire for one moment to convey any such idea. My recollection is that during these years we had fairly good prices for the products of the farm and I am sorry to hear the blue ruin speech that the hon. gentleman has delivered or to see the terrible picture he has painted. It makes me feel sorry to think that we were so poor during all those eighteen years. Yet I never realized it. I was in business during those eighteen years and business was always very fair I thought. We had nothing special to complain of.

Mr. A. W. SMITH. Will the hon. gentleman allow me to ask him a question?

Mr. HENDERSON. I have no objection but I do not wish to continue the debate for any length of time.

Mr. A. W. SMITH. Will the hon. gentleman give an approximate idea of the value of farm lands in 1878 and in 1896?

Mr. HENDERSON. I did not come prepared to give the approximate value of farm lands either in 1878 or in 1896, but I can tell the hon. gentleman that this country was mighty flat and the people were pretty much dissatisfied away back in 1878. They embraced the opportunity of making a change whenever the opportunity occurred and when they did make a change they held on to it. They never seemed to regret for eighteen years and they never did regret it along the line of the fiscal policy. We all know that the Conservative party were not driven out of power on account of their fiscal policy. It was something else that caused them to loose their hold on the government of the country. The hon. member for Middlesex made a very strange statement here to-

night. I understood him to tell the House how much the Liberal party had done in the way of placing raw material on the free list to assist the industries of the country. I confess I do not know what raw material they have placed on the free list.

Mr. W. McINTYRE. Corn, binder twine and fence wire.

Mr. HENDERSON. The most iniquitous kind of protection is, so the Liberals told us, a bounty. And to-day the government is compelling the farmers to put their hands into their pockets and hand over their money to the manufacturers of binder twine. Is the hon. gentleman who interrupted me proud of that? let him go and tell the farmer if he is. Short wool, raw cotton, and almost all raw materials that enter into manufactures have since 1878 been practically on the free list, and I do not know of any special article that the Liberal government has placed on the free list that would materially assist the industries of this country. The hon. gentleman from Middlesex (Mr. Smith) told us what the Liberal party had done to improve the condition of the people, but I wonder if he knows how much change in the tariff they did make. Let me tell the hon. gentleman just how much the tariff has been changed, in the words of the Finance Minister, who, speaking in the House, said:

> It was of the utmost importance that we should maintain a strong financial position, and in view of the uncertainties as to the amount of revenue that might be produced by this lower rate of taxation it became necessary that we should take some steps to make good any possible loss that might result. It was thought that it might fairly be met by providing for the raising of some additional taxation in order to balance, or make good, the loss occasioned by the reduction of duties —it was necessary to have an increased revenue in certain directions when we were to lose revenue in other directions.

According to the Finance Minister the government were taking a little off here and putting on a little there, and I am not sure that they did not put on more than they took off. In the last revision the government was very particular to put a little more on than they did take off. The Conservatives left a duty on grey cottons of 22½ and the Liberals increased it to 25, and white cottons which were at 25 were left at 25. But two years ago in regulating the preferential tariff they increased the preferential duty on the white cotton and reduced it on the gray, they being shrewd enough to know that there was more white than gray cotton imported into Canada, and so they increased the duty on the article of which there was a larger importation, so as to get a larger revenue. I want to say a word about the British preference, and I am glad to hear it spoken of as a British preference, because I don't suppose it ever was intended to be a Canadian preference. I have always understood it was given exclusively for the benefit of the people of Great Britain. Some people think we get goods into Canada at a lower rate of duty, and we do, but the main question is do we get goods at a lower price. Do you think the manufacturer in Great Britain does business for the fun of it? If he knows he can send his goods into this country at a better price he is certainly going to exact it, and if you put coloured cotton at 35 per cent when it was formerly 30 per cent, and leave the British preference at 23 per cent, do you think the British manufacturer, knowing that we cannot import this cotton from any other country less than 35 per cent, is going to be foolish enough to send his goods into this country at a low price? Not by any means. I visited the old country some years ago and I was astonished to see how they understood our tariff system. They appear to watch it more closely than we ourselves do. They know exactly when to put on the price and when to take it off, and for my part I can never conceive of a British manufacturer, knowing that we cannot import goods of the same class from any other country at a lower duty than 35 per cent, shipping his goods to this country at 23 per cent unless he exacted from the purchaser a very much higher price than he otherwise would.

Mr. PATERSON. How does that work with reference to woollens?

Mr. HENDERSON. Do you mean woollen goods?

Mr. PATERSON. Yes.

Mr. HENDERSON. I intend to make special reference to woollen goods in the budget debate, and I think myself the time has come when a readjustment of the tariff on the woollen goods is required.

Mr. PATERSON. My question was: if the English manufacturer takes advantage of the preference to sell his cotton goods at a higher rate, will he not do the same thing with woollen goods?

Mr. HENDERSON. I trust the hon. gentleman will not consider me discourteous if I do not answer to-night, because a reply might involve longer time than I have to speak. But I will deal with the question at no distant date, and I think myself there is a good answer to it. I cannot attempt to discuss the woollen industry side by side with the hon. member for Simcoe (Mr. Lennox), who has made a special study of it, and the hon. member for Lanark (Mr. Thoburn), who has rare technical knowledge on the subject. He made a speech this afternoon which I think was a splendid speech. I heartily endorse what

he said. I have enough knowledge of mercantile business to appreciate fully the advantages which he contends would come from a change in the tariff on woollen goods. I have always regretted very much the change that was made at the time the British preference was introduced, because I felt that it was not in the interest of the people of Canada, though it may have been very materially in the interest of the old land. With regard to the reduction of duty on hog products, I can well remember the time when there was a duty of only one cent a pound on hogs coming from the United States. It was afterwards raised to two cents, but later that was reduced to one and a half cents. I was glad when the duty on hog products, such as lard, bacon and hams, was raised to two cents a pound. It has been a great boon to this country. Whatever has been the cause of the present depression, or whether an increase of duty would help it, I am not prepared to say, but I think we are importing too much of American hog products. Why should we import into Canada in one year 11,000,000 pounds of lard? Does not this country possess productive powers enough to produce that? We imported also 7,335,000 pounds of other hog products, such as bacon, hams, shoulders and sides. I think we should arrange our fiscal affairs so as to prevent the invasion of our market by that large quantity of hog products. Of pork in barrels we imported last year 9,204,247 pounds. Altogether our market was invaded last year by hog products to the extent of 28,325,695 pounds, according to the Trade and Navigation returns. Every pound of that ought to have been produced in this ccuntry. I do not mean to say that I would favour a tariff that would keep everything out. I am not one of those extreme protectionists by any means. I claim to be a moderate protectionist.

Mr. PATERSON. Not like the member for Peel (Mr. Blain).

Mr. HENDERSON. I do not know that the member for Peel is so very extreme. I am sorry the Minister of Agriculture is not in his place. He went into my county during the recent election to speak at a great mass meeting. Four lines of railway coming into the county town, from the east, the west, the north and the south, were induced to give special rates in order to gather a large crowd to hear the Minister of Agriculture, and one of his grievous complaints against me was that I was a high protectionist. He told the farmers that I was willing to put a Chinese wall around the country. The Minister of Customs nods, but he would not say it just as the Minister of Agriculture said it. The Minister of Agriculture referred to a remark which I made here some years ago, but he was not fair enough to me to say that the remark was applied only to agricultural protection. My hon. friend from North Middlesex (Mr. A. W. Smith) warns me and others to be careful not to ask the farmers to support anything like even moderate protection; but I may tell him that this terrible assault upon me by the Minister of Agriculture, which you might have considered sufficient to have driven me from the House of Commons forever, only resulted in my majority being increased fifty per cent. I am not afraid in my county to talk about increased protection on hogs, on apples, on vegetables, on a variety of things. Our people appreciate that sort of thing. So strongly has that feeling got abroad in the county of Halton that it is actually overflowing into the county of Wentworth, and if my hon. friend the Minister of Customs is not careful we may soon capture that riding with our protectionist ideas, because the farmers there want to have the privilege of raising more hogs, more fruits more vegetables. I heartily endorse what the hon. member for Wentworth (Mr. Sealey) has said; I think he is wise in taking the line he has done, because it is the line along which I believe his constituents would want him to go. I hope and trust the minister will not turn a deaf ear to the appeal that hon. gentleman has made. There must be justification for it when a gentleman of the standing of my hon. friend feels it to be his duty to stand before this House, and, in the face of gentlemen with whom he has voted and associated, declare that he has broken away from their erroneous ideas and is now going to stand by the farmers of the country and demand increased protection for their hogs, fruit and vegetables. I have said before, and I repeat, that we are just as much justified in using the tariff of this country to prevent an invasion of our markets as we are in calling out the militia to defend the soil of the country. The greatest asset we have in this country is our home market, and we have a right to defend it by the tariff or in any other way. We find that our market was invaded last year by an importation of $20,962,753 worth of woollen goods. When our Canadian market was overloaded with that amount of woollen goods how can we expect our woollen industry to live? It seems to me that with such an invasion of manufactured goods, there is not much left for the man who is carrying on the industry in this country. Some of those goods paid a very high rate of duty; under the surtax over $1,000,000 paid 46 per cent. What do some of our low tariff friends on the other side of the House think of a 46 per cent duty on woollen goods? Why, that beats the Conservative party altogether. We never dreamt of such a thing.

Mr. FIELDING. Then my hon. friend thinks the duty is too high?

Mr. HENDERSON. Most assuredly, I do.

Mr. FIELDING. I commend that to my hon. friend's colleagues.

Mr. HENDERSON. I decidedly say so. I do not think 46 per cent is needed. Not at all. We paid dearly for that 46 per cent. It is put there, for what purpose? It was brought about by the preference. It is a part of the preference; it grew out of it. If we had never given the British preference we would never have had the surtax. I regret that surtax; I regret even to-day that there was occasion for it. Under the general tariff we imported $3,717,569 worth of woollen goods at an average duty of 34.41 per cent, very nearly 35 per cent, on these imports, and the average of woollen duties last year was 29·10 per cent, 30 per cent, we all understand was the minimum preference; but under the preferential tariff, the duties imposed on all classes of woollen goods averaged 26·81 per cent. I make special reference to that because I think it was misstated by some hon. members who assumed that all kinds of woollen goods were paying a minimum of 30 per cent.

Having said so much and having congratulated my hon. friend from Wentworth (Mr. Sealey) on his change of heart, and having extended my congratulations to my hon. friend from North Lanark (Mr. Thoburn)) on the admirable speech he delivered to-day, and the very valuable information he gave us concerning this woollen industry—having done that, I feel I should not prolong the debate further. If there are others desirous of saying something, I shall reserve any further remarks on the question until the budget comes down, when the hon. the Minister of Finance will probably give me the opportunity of saying a few words.

Mr. G. E. McCRANEY. At this hour of the night I have no desire to take up the time of the House except to express briefly the public sentiment of that portion of the west I have the honour to represent. The question before the House is the one which has been raised ever since this parliament began, which will be raised from year to year until it closes, and no doubt will continue to be raised throughout every successive parliament. It is the old struggle of the privileged manufacturer against the consumer. My hon. friend from North Grey (Mr. Sproule) said that in his own election contest this very question of an increase of duty on woollens was a prominent issue, discussed at every public meeting. Well, in the course of an election campaign there are many questions discussed and very few members who come to parliament can say that it was because of one particular issue they were sent here. But I can say that in the contest in which I took part this question of woollens was also discussed; and if there is any mandate given me by my constituents, it is to oppose any increase in the duties on woollen goods. We have had the standpoint of the manufacturer of these goods discussed, and also that of the wool grower. The people whom I represent use, perhaps to a greater extent than any other portion of Canada—because our people in that western country have no very great means and must use the coarser kinds of clothing—woollen goods on account of the rigour of our climate. I was specially interested in this matter because in my own constituency the statement was made by my Conservative opponent that it was the Conservative party which represented the low tariff idea in this country and that to return me as a supporter of this government was to return a supporter of a protective policy. I was therefore very glad to hear the statement of my hon. friend from Peel (Mr. Blain), who took the position that we should have a tariff high enough to keep out every dollar's worth of foreign goods which can be grown or manufactured in Canada. That is a good enough statement to convince my people that the policy of the Conservative party, of which he is a prominent member, is not a policy of low tariff but of very high protection. My hon. friend referred to the question of agricultural implements. That also was one very much discussed in my riding. In one of the first discussions that took place in my own town of Rosthern, at which the hon. the leader of the opposition (Mr. Borden) was present, with the member for Grenville (Mr. Reid) and the hon. member for Qu'Appelle (Mr. Lake), and where I was among the audience, I was rather amused to hear the hon. member for Qu'Appelle give credit to the Conservative party of having advocated a reduction in the duties on agricultural implements, and I was also amused at the attitude of the hon. the leader of the opposition who sat there and took the applause, which the speaker's words brought forth, as a tribute to himself and his party. I have never taken any other position before my people than I did, when the question came up, as it did in this House in committee, that I was not favourable to the resolution then submitted by the hon. member for Souris (Mr. Schaffner). The House will recollect that the only discussion which took place at the time was in committee, so that there is no record of the vote on the division. But the opinions expressed at that time by the leader of the opposition and the hon. member for North Toronto (Mr. Foster) were

certainly not favourable to the attitude of the hon. member for Souris. In my opinion, had the people of our western country been satisfied that the attitude taken on the question of duty on agricultural implements by the hon. member for Souris was that of any great political party in this country, which would become effective law in the event of that party coming into power, the political results throughout the whole west would have been entirely different; and if it had been the Conservatives who, as a party, had taken that position, the province of Saskatchewan would not have sent only one member to support that party.

Mr. BLAIN. Did my hon. friend say he was opposed to the resolution of the hon. member for Souris?

Mr. McCRANEY. Yes.

Mr. BLAIN. Then we do not differ on that subject?

Mr. McCRANEY. I however would remark that our point of view and our reasons differ very much indeed. From my experience of the western people, I am satisfied that, as time goes on and our representation increases and as the policy of the Conservative party in the west becomes more advanced than at present along the lines of a revenue tariff—which was their position in the last election—never again will we have in this country an election fought by the Conservative party on an out and out protection programme.

It is almost amusing to me, having heard the statement of Conservative leaders in the west as to their attitude on the question of low tariff, to come here and find in this discussion a reversion to old positions, to find that the Conservatives in this House are asking that the duties, having special reference to woollen duties, should be increased, and declaring that the duties that we already pay are not sufficient, but that the manufacturers must be allowed to take more money from our people. In all these discussions, representations concerning prices are always rather discursive. If it were possible to bring about the results which hon. gentlemen opposite wish to bring about, to increase rates of duty without increasing the prices of the manufactured goods, I do not think that anybody would stand in their way. But I think it is a bad principle. There has been some discussion to-night with regard to the protection of the farmer. I must say that, if you have a bad principle in the way of a tariff for the protection of your manufacturers, it is just as well to carry out that principle and give protection to the farmers. But I always feel, as has already been expressed in this debate that, though, as in the case of the wheat duty, you may tell the farmer that he is getting a similar benefit to the other fellow, and so prepare his mind for burdens which are very much greater than any burdens which he may think he is putting on anybody else to support him in his business, that I should certainly want to go very cautiously even in giving so-called protection to the farmer. In the portion of the country from which I come, there is a great deal of grain which does not grade very high, perhaps as a result of frost or some of these causes which arise in the fall of the year. One would think that there should be there a great production of pork. As a matter of fact, there is not. It is a commodity which is used very much in that part of the country, but I certainly would not propose in this House a duty on pork to get our farmers to go into that business. I think that what our people have to do is to get out of straight wheat farming. They have got to understand that they can make use of their grain by feeding it. But I would rather give them that kind of information than tell them that if they will only put a duty on some product coming from another country, they will be able to raise pork. I was told by a man in Winnipeg two or three years ago that the Christmas turkeys sold in Winnipeg had been shipped in from Ontario. That seemed to me a very singular thing, a thing which should not be in a grain-growing province like Manitoba, where fowl could be grown, perhaps, cheaper than anywhere else in Canada. But, if our western people want to go into fowl-raising, I think it would be a good thing if they did it to a certain extent, but I would not suggest a duty on chickens and turkeys that might come in from St. Paul. I do not think these things are brought about by tariff duties so much as by farmers' institutes, experimental farms and that sort of thing. We on the prairies use a great deal of fruit. The argument is put forth here that farmers in one part of the country should be taxed to help farmers in another part of the country who are growing fruit. By doing that, you only increase the cost of living, and in our western country what we want to do is to make the cost of living as light as possible, so that the standard of living may be as high as can be with the income which the farmer receives.

And I do not feel that this is a farmers' question alone. It is a question which affects our cities, towns and villages as much as it does the residents on the prairie. This matter was discussed in my own campaign, and in the city of Saskatoon and in all the towns and villages of the constitu-

ency, with one exception, the Liberal party got large majorities. I am satisfied that any proposition of higher duties on woollen goods would certainly not meet with any favour.

Mr. BLAIN. What about the province of Manitoba?

Mr. McCRANEY. There is no accounting for the province of Manitoba at the present time. But I think that they will come to the view I have stated. Now, our people in the west are Canadian people; they want to pay their share of taxes and they are doing it. What we want as far as possible is to avoid the protective features of the tariff. We want to eliminate as far as it can practically be done these features of the tariff which do not put anything into the public treasury, but which do put something into somebody's else's pocket. There is nobody putting anything into the pockets of our western farmers, and I am not advocating that anything should be done by which that result should be brought about. My hon. friend from Peel (Mr. Blain) suggested that because the east had put a lot into the railways of the west and had given a lot of land to the railways—I presume that was with special reference to the Canadian Pacific Railway—that that was a reason why we should put up with a protective tariff in favour of the eastern people.

Mr. BLAIN. No.

Mr. McCRANEY. I do not wish to misquote my hon. friend.

Mr. BLAIN. What I said was that as the Canadian people had expended large amounts of money on transcontinental railways, therefore it was quite possible for one portion of the country to supply the other portion with any article of which they might be short at any special season.

Mr. McCRANEY. That is hardly the point I had in view.

Mr. M. S. SCHELL (South Oxford). I do not propose at this late hour to make a speech, but owing to the great interest I have taken in this subject, especially the hog industry, the production of bacon and hams, I feel constrained to make a few remarks. Before the McKinley tariff was brought into operation we exported largely to the United States market, we produced a heavy class of hog, heavy bacon, hams, &c. When the McKinley tariff came into operation we were practically shut out of the United States market and consequently we were compelled to look to the English market for our output with the result that by careful attention to the requirements of that market, we were soon able to increase our exports from some $8,000,000 in 1897 to some $15,000,000 in 1904. It was at once recognized by the farmers of Ontario, and I think of Quebec, that this was one of the best paying industries that the farmers had ever taken up. Until 1904 our exports continued to increase and everybody seemed to regard this as an industry that might be developed to an almost unlimited extent. You could hardly find a farmer who would not claim that the growth and production of pork was giving him perhaps a larger profit than any other branch of his farming operations. Since 1904 there has been a decline in our exports and during the last year or two the situation has become so serious that our Swinebreeders' Association have approached the government with a view to seeing if something could not be done to relieve the situation. Particularly during this year, we find that something must be done or else the pork packing industry in which we have so much capital invested, will be in a very critical position. We know that to-day they have not more than one-half enough hogs to keep them running full time. Several factories have closed down and a great deal of money has been lost, especially during the last year. The packers have paid fair prices to the farmers, more, I think, than the English market would warrant. During October, November and December I know that the price, while not as high as it is to-day, was still higher than the pork packers of this country could afford to pay and export their product to the English market. They were losing heavily on the product they sent to the English market during those months. The price of bacon in England was 42s. and 42s 6d, and at that price our packers could not afford to pay 6½ or 6 cents a pound live weight. We know that as a consequence the packers have lost very heavily. We know that our own Canadian market has been fairly satisfactory for what we were able to sell here. I am not in favour of a high tariff for any of our commodities. I do not think that any industry should be bolstered up if it is not able to stand on a basis of a moderate tariff. Some would say, I suppose, that two cents per pound on pork is a good protection. I think it is on barrelled pork, a very fair protection and I am not in favour of an increased duty, so far as I understand the situation, on barrelled pork. Two cents a pound duty on pork that is worth 10 cents a pound is fairly good protection—and what is more we are not producing that kind of pork in Canada. Our trade has been cultivated and developed with a view to producing a lean, light type of hog, suitable especially for the highest class of bacon, and we have developed that trade to such an extent that I believe our packers are curing their bacon infinitely better than it is cured in the United States, equal to the Danish bacon, and I believe equal to the Irish bacon. I

do not believe that there is any better bacon produced in the world than is produced in Canada to-day. A duty of two cents a pound on bacon that is worth 15 cents a pound is not, I think, high protection; I do not think it is protection at all, it is only an incidental protection if it is any, it is only a revenue tax and a very low rate of duty. I do not think that four cents would be too high a duty on bacon. Some might say that it is protection. Possibly it is, but it is not a high protection, it is a very moderate protection.

Mr. LENNOX. Would the hon. member say that five cents was a high protection?

Mr. SCHELL. It is getting higher.

Mr. LENNOX. Four is getting higher than two.

Mr. SCHELL. I do not consider two cents a protection at all in the sense in which the word is usually used. Three cents might help to relieve the situation. But the point I want to impress on the House is that our farmers are producing a special high class bacon and yet our dealers are importing from the United States not nearly as good bacon and selling it in competition with our high class bacon to the extent of over $800,000 worth of bacon and hams and possibly a few shoulders in this past year. There is no reason in the world why we should not have our own Canadian market for this high class of bacon, and I believe that our own people will not object to this moderate increase, when they know they are getting Canadian bacon, the best bacon, better than they can get in the United States—and I do not believe it will cost them a cent more per pound if a duty is put on to protect this portion of our industry. If we could produce more hogs incidentally we would have more lard. I am not advocating an increase of duty on lard. If we could induce our farmers to raise more hogs and develop this high class trade and hold it for our own farmers and packers I think we would be doing a good service to this country. I do not think we could be considered as advocating high protection. When you take into consideration the quality and value of the article it is only a revenue tariff. I believe it would help very materially to solve the difficulty. The farmers would be induced to go more fully into the production of the hog that is specially required for the production of bacon. I believe the farmers of the western provinces could be induced to go more fully into this industry. We find that the government of Alberta have had a commission investigating this question and that they have reported to the government of that province advising them to build a plant to help to develop the industry. As soon as there is an assurance that Alberta will produce a thousand hogs a week, say, they advise the government of Alberta to help promote this industry by building a plant and carrying it on in the interests of the farmers generally. Alberta should be one of the greatest hog producing provinces of the Dominion along with Saskatchewan and Manitoba. I believe they would be induced to give greater attention to this industry and I believe the farmers of Ontario, instead of raising less than they were five or six years ago, as they are to-day, would be induced to give more attention to it. I know this is one of the best paying industries in Ontario. Farmers are making money to-day out of this industry. We know that feed is high and that is one of the reasons why they have dropped out of it to some extent. We know that Danish pork is coming into competition with our pork in England and we know that in October, November and December, the price dropped to an abnormally low figure. Packers were losing money and they were not paying the farmers quite as much as the farmers thought they were entitled to receive considering the high price of feed. I believe it would help materially to solve the situation if a slight duty could be put on bacon and hams. I am not going to dwell at any further length on this question. I had thought of entering into some statistics but the ground has been pretty thoroughly covered. The present conditions of the trade and the quantities that are imported have been referred to and I am not going to weary the House by the quotation of figures along this line, but I would like to impress upon the House and the government that the industry to-day is not in a condition that is at all satisfactory to the packers or to the growers of pork. I believe that this incidental or very slight increase would help to a considerable extent to relieve the situation and I believe it might have the effect of stimulating the trade. It would give an impetus to the trade and it would not be amiss to make the experiment. We would not suffer from it. The advantages might not be commensurate with what we may expect to receive but nobody would suffer. We are producing plenty to supply our own home market. Our home consumers would not be compelled to pay a cent a pound more and they would at least have the advantage of having the best bacon on their breakfast table that it is possible to obtain either in Europe or in the United States.

Mr. TURCOTTE (Quebec County). (Translation.) Mr. Speaker, at this late hour of the night I do not wish to detain the House very long, but I have promised to my hon. friend from Wentworth (Mr. Sealey) that I would say a few words in support of his remarks. I think that the

time is well chosen, principally for a member who represents an agricultural county, when a question like this pertaining to agricuture is being considered by this House, and the least he can say is to vindicate the rights of the farmers. It is important that the country should know how the people's representatives look after their interests in the House and after all that pertains to the farm.

We are confronted with the question of principles. We have been discussing tonight theoretically free trade and protection, and naturally both parties took up arms. I don't want to enter on this ground, but if I was obliged to do so I would take side with the Liberal party in favour of free trade, whose battles we have fought for so long a time. We all know the struggles of the Liberal party for the triumph of the free trade principles. These principles have been discussed before the people, and the people had approved them. I think that the constant development of the public wealth in Canada proves that it is in the true interest of the people not to resist to the utmost against the foreign industry because, in the long run, it is the poor people, the large class of consumers who pay the protective duty. These are the people who are paying the toll-gate of the customs. Being so, we believe that it is in the interest of the people that these duties should be the lowest possible. The true theory, the theory adopted by our party, is a revenue tariff, giving the means to administer decently public affairs, and I think we should not go beyond that.

I will, therefore, avoid using the words free trade and protection. I will confine myself to figures that will show a lamentable state of things. The 'Yearly Book' of last year shows us the difference there is between the exportations of Canadian pork to the United States and the importations of American pork into Canada. This is what I have noticed, and which seems to be very extraordinary. During the years 1904-5-6-7, that is five years, we have exported to the United States only 489,757 pounds of pork, which represents a sum of $64,912 during these five years, and we have imported during the same period 34,192,107 pounds, or for the sum of $2,521,436. In the last year, 1907, we have imported from the United States 7,500,848 pounds of pork, representing $615,000. We must remark that these figures cover only the nine months of the fiscal year 1906-7; when we have exported during the same period only 84,518 pounds of pork, representing $13.493. This is an enormous difference. These are facts which indicate that, for one reason or another, the pork which is eaten in Canada or put in tins or transformed into bacon and ham comes for the greatest part from the United States. This is a subject of humiliation for our national pride, because we have in our country all what is necessary for the raising and fattening of these animals. How is it that the production of pork is so small in our country? This is a state of things which deserves the attention of the government. The proposed remedy might not be adequate. It is possible that if we raise the duties on pork from 2 to 4 cents a pound we would not protect the farmer sufficiently to increase his power of raising pork, but, nevertheless, it is a question worthy of consideration.

It might be the same for meat pork as it is for some manufactured products. We all know that when there is over-production in some line of goods, the manufacturers of the country combined themselves to dump in Canada a large part of this over-production at low prices in order to create a disastrous competition to Canadian industries. We know also that measures have been taken by the government to protect us against this way of killing our industries.

I have reason to believe with the hon. member for Wentworth that the same means have been adopted in this case, and that at certain times the over-production in meat pork in the United States is sent to Canada in the same condition; that is to say, in a way to make disastrous competition in our own industry. I think that the time has come to put a stop to this illegitimate and disastrous competition to our farmers. But most of the members of this House who are sent here to study the economical conditions of the country are not able, in a case like this, to discuss this question with the same knowledge of professional men. We have to guide us the resolution adopted by the Pork Raisers' Association of Canada and other associations of the same kind. These resolutions have been adopted after a thorough investigation of the grievances and a complete study of the remedies that could be applied. We have thus a congregation, a collectivity of farmers, of men of experience, who come and say to us: It is necessary to bring afloat this industry which is essential to the progress and to the wealth of Canada. We ask our legislators to give us the means to fight this disastrous competition from the States. It is proposed to raise the duty from 2 to 4 cents per pound. It might be a good way; it might not. I know that the hon. members opposite will not say that it is bad, because it is in accord with their protectionist principles.

As for the Liberal party, I fully agree for my part with the hon. member who has spoken before me, that this is not really a question of protection. Protection, as we generally understand it, has for its object to prevent competition in manufactured goods and in arts. I do not think that we

can assimilate the pork industry to manufacture. There is no similitude, and consequently we cannot apply, when speaking of the products of the farm, the same reasoning as we do to the industry.

I think that the government, who has its eyes open upon all which might contribute to the development of the resources of the country, will note the remarks which have been offered to-day upon this question, principally upon the figures which have been brought to the attention of the House, and which show an abnormal state of things. If we import in one year from the states more meat pork and for a larger sum than we have exported during a period of five years, and we have there an economical phenomenon absolutely disastrous and humiliating for us. It is for the government to study this question, and I know that the ministers are able to take the necessary measures to have a stop put to this state of things.

I have received from the farmers of the county of Quebec verbal representations and letters in which they point out to me the absolutely disastrous competition suffered by those who take up the hog industry. Those farmers supply some of the pork-packing establishments of the city where large quantities of pork are used for the production of hams and bacon. Now the manufacturers, the dealers of that city cannot successfully compete with the products from the other parts of the country, and even from abroad, because they cannot obtain the necessary raw material under such conditions as to permit of their carrying on their industry on a paying basis. But I may be told, and this is the capital argument advanced by our opponents : 'Why, if your Quebec friends cannot produce raw material as cheaply as the similar product coming from abroad, and you have no right to complain, the less so as the consumer will no doubt ultimately pay less for his food.' Quite true, but matters have to be considered from a different standpoint. As I just stated, that meat being imported from abroad does not enter here in the most normal conditions; it is the surplus which is fraudulently dumped into the country. It is not the regular trade, as those who are conversant with the matter know perfectly well.

At any rate, as matters stand nowadays, seeing that tariffs are being readjusted all the world over, the United States protecting itself against Canada, and as commercial treaties are negotiated between two or three countries in order to protect themselves against foreign competition, I say that in commercial matters, as on every other question of vital importance for a nation, there is no cast-iron rule or theory that can be applied. Principles have to be more or less mitigated.

Now, I say that if ever there was an occasion upon which the rulers of a country or those who are at the helm were bound to mitigate those principles it is at a time when we are called upon to deal with the interests of the farming community in this country, which will be one of the great factors in making of this Canada of ours one of the leading nations of the twentieth century. Such are some of the grounds upon which I hope the government will take such steps as they may think proper for coming to the assistance of the farming community, for which service the country will owe the government a well-deserved debt of gratitude.

Mr. T. A. LOW (Renfrew South). Mr. Speaker, at so late an hour my remarks will necessarily be brief. We have had this subject discussed to-day by the member for South Simcoe (Mr. Lennox), who posed as a farmer, and by the member for North Lanark (Mr. Thoburn), who said he spoke on behalf of the workingmen, and now I purpose saying a few words from the standpoint of one who is interested in a woollen mill. Judging from the pleasant frame of mind in which the hon. member (Mr. Lennox) spoke, I cannot imagine that he intended the House to take his remarks seriously, nor do I think the hon. member for Lanark (Mr. Thoburn) was serious in all that he said. Up to a certain stage of his speech the hon. gentleman appeared to be solemn enough, but when he told us he was speaking on behalf of the workingman I could not help doubting. Then the hon. member for East Grey (Mr. Sproule) could not have been serious because he held the government of the day responsible for certain woollen mills which were burnt twenty and thirty years ago.

Mr. LENNOX. Will the hon. gentleman mention any mill that was burnt 20 or 30 years ago?

Mr. LOW. I am told that the Ancaster mill was burnt 30 years ago and that the Flamboro mill was burnt 20 years ago. Now, before I proceed further, I do not wish the House to misunderstand my position on this question. I do not wish it to be supposed that I am a free trader, because I believe that we should keep the trade of this Canada of ours for the benefit of the Canadian people. But, Sir, I do not believe in building up a high protection wall for the benefit of any one class. While I cannot boast of the long experience my hon. friend (Mr. Thoburn) has had in the woollen mill business, yet I can say that I have had more experience in it than the hon. gentleman from Simcoe (Mr. Lennox). In the town of Renfrew for 40 years there was a woollen mill, and three years ago that mill came to grief. If I listened to the speeches of the Conservatives in the recent

campaign I would be led to believe that that mill came to grief through the tariff policy of the present government. But that is not so. Three years ago the people who were running that mill failed by reason of bad management, and we reorganized the company, and I want to tell the House that never in the history of that business has it been so prosperous as during the last three years. I want to tell the hon. member (Mr. Lennox) that last year the net profit on that business was 29 per cent; the preceding year it was 26 per cent, and the first year we ran the business the net profit was 21 per cent. I wish to say one word in reply to a statement made by the hon. member for Lanark. He told us that the charge had been made that because of inferior machinery the woollen millmen of this country are unable to compete with the foreign market. Let me tell my hon. friend that to a large extent that statement is true. A few weeks ago I had the pleasure of visiting a large Montreal woollen mill with a view of buying some of the idle machinery, and I remarked to the former manager that it was a very sad thing to see the machinery standing idle, and he replied: That is due to the Right Hon. Sir Wilfrid Laurier and his government. He did not know then that I was a supporter of that government.

Mr. LENNOX. Has the hon. gentleman seen the published statemeent of that same gentleman in the public press, saying that it is by reason of the reduction of the preference that they were compelled to close their mill?

Mr. LOW. I care not a whit for the statement of that gentleman and before I am through I will convince my hon. friend (Mr. Lennox) that it was the inability of these people to manufacture goods at a minimum cost that led to their misfortune. I will show him where their equipment was absolutely unfit to enable them to manufacture goods at the lowest cost. Now, Sir, I was in that mill a few weeks ago, as I have said, and I had with me a practical man, and when we left he said to me: 'How did these people ever expect to turn out goods at a low cost; see their dilapidated building and see their machinery in such a shape and so close together, that they could not produce cheaply.' I could not judge of that personally but that was the opinion the expert expressed to me. So I say, that is the best answer to the people who are making the charge that the tariff policy of Sir Wilfrid Laurier and his government is injuriously affecting the woollen industry of Canada. I speak from the few short years' experience I have had in the trade, I speak from the experience of that woollen mill that is closed down in Montreal to-day, and as one who is interested in a woollen mill I say that the present tariff suits me.

Mr. BLAIN. Are we to understand from the hon. gentleman that the machinery in the woollen industrial establishments of Canada, speaking generally, is not up to date?

Mr. LOW. I am speaking of what I saw; I am not in a position to judge of the rest. I only speak whereof I know.

Hon. W. S. FIELDING (Minister of Finance) I hope the hon. gentlemen who have addressed the House this afternoon will not think it discourteous if I make no extended remarks in reply. They will of course quite understand that this is a subject in which the members of the government are all deeply interested, but still we are not free to express conclusions in advance of the budget speech. I do not think it would be desirable if I were to make comments on the remarks that have been made by some of the hon. gentlemen, even though I might think their arguments were not so strongly put as they themselves imagine. I can only say that the whole question has been considered in the past, is being considered, and will be considered by the government. That is all I feel at liberty to say at the present time.

Motion agreed to and the House went into Committee of Supply.

Some resolutions reported.

BUDGET SPEECH.

Mr. FIELDING. Before moving the adjournment permit me to say that two or three hon. gentlemen to-day requested information by way of return or otherwise before the budget speech would be taken up, and as I find I probably will not be able to bring down the information to-day or to-morrow I desire to say now that we will fix the delivery of the budget speech for Tuesday next and in the meantime the various returns will be completed.

Mr. HENDERSON. I presume 'Hansard' will report what the minister has said so that hon. gentlemen who want the returns will be aware of the fact.

Mr. FIELDING. The object is that they may get the information before proceeding with the debate.

Mr. FIELDING moved the adjournment of the House.

Mr. HENDERSON. May I ask what business will be taken up to-morrow?

Mr. FIELDING. We will take up first the motion that stands in the name of the hon. the Postmaster General, and after

that Supply, beginning with the Minister of the Interior.

Motion agreed to, and House adjourned at 12.30 a.m. Wednesday.

HOUSE OF COMMONS.

WEDNESDAY, April 14, 1909.

The SPEAKER took the Chair at Two o'clock.

FIRST READINGS.

Bill (No. 134) to incorporate the Canadian Medical Association.—Mr. Roche, by Mr. Daniel.

Bill (No. 132) respecting certain letters patent of Franklin Montgomery Grey.—Mr. Rankin.

QUESTIONS.

OTONABEE RIVER DREDGING.

Mr. BRADBURY—By Mr. Blain—asked:

1. When was the work at or near Hunter Street Bridge, in Otonabee River, Peterboro', commenced, what is the total amount paid up to date on this work, and what amount is still unpaid for which estimates have been sent in?
2. What is the total number of yards dredged, and has anything been paid for same? If so, to whom, and how much per yard? Or if by day, how much per day was paid or allowed for the dredge, tug or scow?
3. Is anything still due for dredging? if so, what amount?
4. When will the work be completed, and what is the estimated total cost?

Hon. WM. PUGSLEY (Minister of Public Works):

1. (a) 27th October, 1905; (b) $35,979.60; (c) $894.00.

2. (a) 63,564 cubic yards. (b) Yes. (c) From 1905 to 1907, the dredge which performed this work was loaned by the Department of Railways and Canals, the Department of Public Works paying running expenses and maintenance. During 1908, the dredge was hired from Conroy Bros., at the rate of $6 per hour. The tug was paid for at the rate of $10 per day, which included fuel and crew, and was hired from Geo. Lipsett.

3. Yes, $894.00.

4. The Resident Engineer reports that to complete the turning basin would require an expenditure of $5,000, and that the work should be done within three or four months after date of commencement.

CHICOUTIMI WHARF.

Mr. GIRARD—By Mr. Brown—asked:

1. Has the government been obliged to expropriate Cote Boivin and Company of Chicoutimi before the commencement of the works for the extension of the wharf at that place? If so, why?
2. What price has the government paid to these gentlemen for the site of this wharf, as well in money as in rights reserved by them?

Hon. WM. PUGSLEY (Minister of Public Works):

1. (a) Yes. (b) The company insisted on reservation to have free use of wharf after completion.

2. The sum of $3,000 was paid for wharf property, the company reserving for themselves 40 feet of land from the north side of the extension of their warehouse and the whole length of their frontage, this portion to be filled in with earth by the department.

RIVER SAGUENAY BOOM.

Mr. GIRARD—By Mr. Brown—asked:

1. What companies have asked the government to construct booms on the River Saguenay?
2. In what year was this request made and in what year did the government accede to this request?

Hon. WM. PUGSLEY (Minister of Public Works):

1. A request was made by the Chicoutimi Pulp Company for themselves and on behalf of all the other lumber merchants of the district, viz.: Price Bros. & Co., Battle Island Paper Co., Alf. Godbout & Co., and La Société Industrielle de Chicoutimi.

2. (a) In 1904. (b) Construction of booms commenced in 1905.

SAGUENAY RIVER BOOMS.

Mr. GIRARD—by Mr. Brown—asked:

1. What amount is due the government by the Pulp Company of Chicoutimi, year by year, since 1903, for right of way for timber through the booms of the Saguenay, and for contribution to the maintenance of these booms?
2. Does the government not think that, in justice, it should force the company to pay this unquestionable debt?

Hon. WM. PUGSLEY (Minister of Public Works):

1.	Tolls.	Contribution to Maintenance
1903	Nothing.	Nothing.
1904	"	"
1905	"	"
1906	$1,116 92	"
1907	1,801 00	$2,446 32
1908	1,533 30	3,578 66
Totals	$4,451 22	$6,024 98

Matter now in the hands of the Department of Justice.

RAILWAY MAIL CLERKS.

Mr. BOYCE—by Mr. Blain—asked:

Is it the intention of the government to increase the salaries and other remuneration of railway mail clerks in Canada? If so, has the scale of increases been decided upon, and when will it go into operation?

Hon. RODOLPHE LEMIEUX (Postmaster General). The matter is under consideration.

NIPIGON RIVER DREDGING.

Mr. BOYCE—by Mr. Blain—asked:

1. Was any money voted by parliament during the session of 1908 for the dredging done at the mouth of the Nipigon river and Nipigon bay in Lake Superior, by the Great Lake Dredging Company, Limited, under contract dated 9th October, 1908? If so, when was such amount voted, what was the amount, and what is the item in the estimates which authorises the expenditure?

2. If there was no appropriation, by what authority was the contract let to the Great Lakes Dredging Company, Limited, for the work, and out of what moneys was the sum of $5,459.45 paid in 1908, and out of which moneys is it proposed to pay the balance of $50,012.25, alleged to be due for work done under the said contract during the year 1908?

3. In what newspapers were the advertisements for tenders inserted, and between what dates?

4. When did the work cease in the season of 1908?

5. Was any effort made to obtain any other tenders than that of the Great Lakes Dredging Company, Limited, which was the only one submitted?

6. What was the date of the tender of the Great Lakes Dredging Company, Limited, and on what date was it received at the Department of Public Works?

7. What were the respective dates of payment of the moneys aggregating $57,459.25 paid on account in 1908, and what, if any, further moneys have been paid to the contractors since the last-mentioned payment?

Hon. WM. PUGSLEY (Minister of Public Works):

1. No.

2. Payment already made has been taken from appropriation 'Dredging, Ontario and Quebec,' granted in 1908, and it is proposed to pay the balance from appropriation of the same name in the supplementary votes of present session for 1908-9.

3 and 5. It was intended to include the name of Nipigon river in the advertisement calling for tenders for dredging required at Bowmanville, Green Shoals, Jackfish Bay, Leith, Newcastle, Rainy River and Spanish River, which was published in the newspapers between the 3rd and 17th of July, 1908 (list of newspapers annexed). But the name was inadvertently omitted, and, as soon as this was discovered, the following letter was sent to Messrs. W. L. Horton, A. F. Bowman, Manley & Co., W. E. Phin, Weddell & Co., the Canada Construction Company, Limited, the Canadian Dredge and Construction Company, Limited, the Randolph Macdonald Company, Limited, the C. S. Boone Dredging and Construction Company, Limited, the Penetanguishene Dredging Company and the Windsor Dredging Company, Limited, who are the only contractors, to the knowledge of the department, doing dredging in that part of the country:

Ottawa, July 10, 1908.

Gentlemen,—I inclose herewith advertisement for dredging in the province of Ontario, tenders for which are to be received up to the 17th instant. Please consider Nipigon river as added to the list of places mentioned in the advertisement, where dredging is to be done.

I have the honour to be, &c.,
(Sgd.) R. C. DESROCHERS,
Assistant secretary.

4. 5th December, 1908.

6. (a) 16th July, 1908. (b) 17th July, 1908.

7. (a) October 16, $27,459.45; December 22, $30,000. (b) None.

DREDGING, ONTARIO.

ADVERTISEMENT DATED JULY 3, 1908.

Algoma county: Dredging at Spanish river—

Copper Cliff, 'Courier'; Gore Bay, Manitoulin, 'Reformer;' Little Current, Manitoulin, 'Expositor'; Thessalon, 'Advocate'; Bruce Mines, 'Spectator'; Sault Ste. Marie, 'Express'; Sault Ste. Marie, 'Star'; Sault Ste. Marie, 'Telegram'; Richard's Landing, St. Joe, 'Herald.'

Durham county: Dredging at Bowmanville, Newcastle—

Bowmanville, 'Statesman'; Port Hope, 'Guide'; Millbrook, 'Mirror.'

Grey county: Dredging at Leith—

Clarksburg, 'Reflector'; Flesherton, 'Advance'; Massey, 'North Shore News'; Thornbury, 'Union Standard'; Meaford, 'Monitor'; Meaford, 'Express'; Owen Sound, 'Sun'; Owen Sound, 'Advertiser'; Ayton, 'Advance'; Chatsworth, 'News'; Durham, 'Grey Review'; Hanover, 'Post'; Holstein, 'Leader.'

Russell county: Dredging at Green Shoals, eight miles below Ottawa.

No papers on list for Russell county. Ottawa, 'Free Press'; Ottawa, 'Le Temps'; Ottawa, 'Danebrog'; Ottawa, Dominion Presbyterian.'

Thunder Bay and Rainy River: Dredging at Jackfish Bay, Rainy River—

Fort William, 'Evening Herald'; Fort Francis, 'Times'; Keewatin, 'Enterprise';

Port Arthur, 'Chronicle'; Port Arthur, 'Herald'; Rainy River, 'Gazette'; Wabigoon, 'Star.'

Three insertions in dailies; two insertions in weeklies—

Toronto, 'Star'; Toronto, 'Globe'; Chatham, 'The Canadian.'

PROVISIONS FOR BATTERIES AT KINGSTON.

Mr. EDWARDS—by Mr. Blain—asked:

1. From whom were tenders received for (*a*) groceries, and (*b*) flour, for the current year for the batteries at Kingston?

2. To whom was the contract awarded, and at what prices for the several articles to be supplied?

Sir FREDERICK BORDEN (Minister of Militia and Defence):

1. (a) Tenders for groceries &c., were received from Messrs. Andrew McLean, Jas. Redden and Company, John Gilbert and Jas. Crawford.

(b) Tenders for flour received from Messrs. Andrew McLean, Jas. Redden and Company, Jas., Crawford and R. Carson.

2. The contract for groceries and vegetables was awarded to Jas. Redden and Company, and for Strong Baker's flour to R. Carson. The contract for corn flour was awarded to Jas. Crawford who declined to undertake it; whereupon the next lowest tender, R. Carson's, was accepted.

Messrs. Redden and Company's prices were as follows:

	Cts. per lb.
Bacon, breakfast	15 "
Bacon, green	10 "
Potatoes	1 "
Beans	3½ "
Jams, pure	10 "
Jams, compound	6½ "
Butter, in 1 lb. lots, creamery	27 "
Butter, in 25 lb. lots, dairy	20 "
Cheese	12½ "
Split pease	2¾ "
Sugar	4¼ "
Salt	0½ "
Coffee, Mocha and Java, pure	22 "
Coffee, Santos	15 "
Tea, choice Ceylon	22 "
Tea, China	17 "
Pepper, pure	15 "
Pepper, compound	10 "
Fresh vegetables	1½ "
Lard	13 "
Yeast, Fleischmann's	30 "

Mr. R. Carson's prices for flour were:

	Per sack 98 lbs
For Strong Baker's flour	$2 65 "
For corn flour	2 40 "

COAL FOR KINGSTON PENITENTIARY.

Mr. EDWARDS—by Mr. Blain—asked:

1. Were tenders called for supplying Kingston penitentiary with coal for the ensuing year?

2. From whom were tenders received, and the price per ton in each case?

3. Who was awarded the contract, and at what price?

4. Who had the contract last year, and at what price?

5. How many tons of coal were used by that institution last year?

Hon A. B. AYLESWORTH (Minister of Justice):

1. Yes, for 1909-10, for coal screenings only. Other kinds not required.

	Per ton.
2. Hammell & McLaughlin, Toronto	$2 65
P. Walsh, Kingston	2 70
Crown Coal Company, Toronto	2 41
Frontenac Lumber and Coal Company, Kingston	2 41
J. W. Peacock, Port Hope	2 40
G. Plunkett, Cobourg	2 40
James Sowards, Kingston	2 24
R. Crawford, Kingston	2 19

3. R. Crawford at $2.19 per ton.

4. Chestnut and egg coal, P. Walsh, at $4.94 per ton.

Screenings, R. Crawford, at $2.43 per ton.

5. 4,920 tons.

KINGSTON PENITENTIARY—COST OF GUARD.

Mr. EDWARDS—by Mr. Blain—asked:

1. How many prisoners were confined in Kingston penitentiary on the 31st of March in each of the years from 1900 to 1909, inclusive?

2. How many guards and keepers were employed at the said institution on the date in the years mentioned?

3. What were the salaries of the guards and keepers in 1900, and what are their present salaries?

4. What are the hours of service of the guards and keepers at present?

5. Does the government contemplate any increase in the salaries of these officials or any increase in the number?

Hon. A. B. AYLESWORTH (Minister of Justice):

1. 552, 525, 477, 452, 447, 449, 464, 458, 488 and 569 respectively.

2. Including industrial keepers, who are police officers, watchmen, who are night guards, and temporary guards: 62, 63, 62, 62, 63, 64, 66, 66, 63 and 65 respectively.

3. From 1900 till 1906 keepers were paid $600 per annum and guards $500 per annum. Since 1906 keepers have been paid $700 per annum and guards $600 per annum.

4. Day staff, in summer, (15th March until 14th October), from 6.30 a.m. until

6 p.m. In winter, (15th October until 14th March), from 6.30 a.m. until the prison closes at sundown, except a few guards who remain in charge until 6 p.m., at which hour the night staff take charge. Night staff, from 6 p.m. until 6.30 a.m., every night.

5. The salaries are now the maximum allowed by the Penitentiary Act. Any question of increase in the number of police officers will depend upon the population.

KINGSTON PENITENTIARY—SUPPLY OF POTATOES.

Mr. EDWARDS—by Mr. Blain—asked:

1. How many bags of potatoes were purchased last year for the use of the Kingston penitentiary and at what prices?

2. From whom were they purchased?

3. Were tenders called for? if so, from whom received and the price in each case?

Hon. A. B. AYLESWORTH (Minister of Justice):

1 and 2. 1,782 bags from the following parties at prices stated:—

Date.	——	Bags		Price per bag.
1908.		No.	Lbs.	$ cts.
April 23	Anderson Bros.	10	..	1 00
" 23	"	23	..	1 10
June 8	James Crawford	60	60	1 10
" 8	Jas. Redden & Co.	70	76	1 10
" 9	J. Terrill & Son	111	45	1 00
July 6	"	56	..	1 00
" 25	J. Meagher (new potatoes)	13	10	1 50
Aug. 1	J. Gilligan "	10	60	1 42½
	J. McCaughey "	7	15	1 42½
1	J. Cuthill "	11	05	1 42½
" 1	J. Meagher "	12	59	1 35
" 4	F. Shurman "	16	19	1 35
" 5	J. Gilligan "	14	57	1 35
" 15	J. Creighton "	11	25	1 12½
" 15	Chas. Lee "	11	60	1 12½
" 15	Chas. E. L. Rose "	11	80	1 12½
" 24	John Mack "	13	45	1 00
" 29	J. Bradford "	10	..	1 00
Sept. 5	R. Hornbeck	13	..	1 10
" 10	R. Hicks	6	75	1 10
" 14	Jas. Redden & Co.	107	80	1 00
" 22	R. Carson	138	88	0 85
Oct. 31	Joseph Reid	821	..	0 70
1909.				
Mar. 4	J. Keenan	55	63	0 80
" 13	J. O. Riley	63	14	0 80
" 16	M. Clow	99	46	0 80

3. No. We endeavour to raise potatoes for our own use, but when the crop fails, as it did last season, we buy on the open market at best prices available.

Mr. AYLESWORTH.

PUBLIC EXPENDITURES IN WEST MIDDLESEX.

Mr. THOS. CHISHOLM (Huron) asked:

How much public money has been expended during the past twenty years by the Dominion government on public works in the territory now constituting the constituency of West Middlesex?

Hon. WM. PUGSLEY (Minister of Public Works.) $69,271.87.

SIDEWALK AROUND CHARLOTTETOWN POST OFFICE.

Mr. GEO. TAYLOR asked:

1. Did the government construct a concrete sidewalk around the post office in Charlottetown, P.E.I., in the year 1908? If so, was same let by public tender or by contract, and who was the contractor or contractors?

2. What was the measurement of the work, and from whom were the materials purchased?

3. What was the cost of labour, sand, cement and other materials, respectively?

4. What was the total cost, and to whom paid, and when?

Hon. WM. PUGSLEY (Minister of Public Works:

1 and 3. Yes. A price was asked from J. P. Nicholson, city engineer of Charlottetown.

2. 6,383 sup. feet concrete walks at 24c.. .. ..$1,531 92
2,315 sup. feet gravel walks at 10c.. .. .. 231 50

$1,763 42

4. (a) $1,763.42; (b) J. P. Nicholson; (c) October 6, 1908.

G. T. R. Co.—PRIOR LIEN ON ASSETS.

Mr. PERLEY asked;

Is it the opinion of the law officers of the Crown that the guarantee of the Grand Trunk Railway Company is a prior lien or charge on the assets of the company ahead of the first, second and third preferred stocks, as set forth in the answer to a question on March 31, 1909?

Hon. W. S. FIELDING (Minister of Finance):

Geo. F. Shepley, K.C., was charged by the Minister of Justice with the settlement of the proposed bill and of the mortgage which is scheduled thereto. The foregoing question was accordingly submitted to Mr. Shepley by the Deputy Minister of Justice. The following is the conclusion of his formal opinion 'with which,' the Deputy Minister of Justice states, 'I quite agree.'

'The Bill introduced to provide for the loan to the Grand Trunk Pacific Railway Company empowers the Grand Trunk Rail-

way Company to become a party to the mortgage or deed of trust scheduled to the Bill, and to enter into the contract of guaranty which the third section of the Act makes one of the securities to the government for the repayment of the proposed loan to the Grand Trunk Pacific Railway Company.

'The guaranty referred to is fully set out in the mortgage or deed of trust, and is an unconditional contract under seal by the Grand Trunk Railway Company for the prompt payment of the principal and interest of the bonds secured by the mortgage or deed of trust.

'The second section of Article 4 of the deed of trust expressly constitutes the guaranty in question a liability of the Grand Trunk Railway Company in priority to all the share capital of that company, whether guaranteed stock, preference stock or ordinary stock.

'It is not, I think, strictly accurate to speak of either preferred share capital or the guaranty as creating a lien or charge upon the assets of the company. The preferred share capital is, under the statutes relating to it, an obligation on the part of the company towards the holders of it. Similarly, the guaranty is an obligation the non-performance of which would make the company a debtor.

'It is perfectly clear, in my opinion, that the terms of the proposed Bill and of the mortgage or deed scheduled to it, make it impossible for the company to pay dividends upon the preferred capital in priority to any debt that may arise out of the non-performance of the guaranty. In this sense, the obligation created by the guaranty has priority over the obligation existing in respect of preferred share capital.'

LITTLE ST. PIERRE RIVER—DRAINAGE.

Mr. F. D. MONK (Jacques Cartier). Before the Orders of the Day are called, I would ask leave to move the adjournment of the House in order to refer briefly to a definite matter of urgent public importance. Under subsection 3 of rule 37, I would state that the matter of urgent public importance is the immediate drainage and sanitation of the valley of the Little St. Pierre river. I have mentioned the matter to the Minister of Railways and Canals (Mr. Graham), and if I have the necessary support of the House, I will state as briefly as I can what is urgently needed in this matter. Mr. Speaker, if this had not been a matter affecting largely the public health of the city of Montreal and its vicinity, I would have deferred the discussion until the question might be brought up in the regular course on the discussion of the estimates. But I deem it such an urgent matter and of so much importance that I have decided, with the consent of the Minister of Railways and Canals, to bring it at once to the attention of the government and the House.

As most of the members of this House are aware, the government in building the Lachine canal, so placed that important work as to interfere materially with the drainage of an area extending from Lachine down into what was then only the outskirts of the city of Montreal. The canal follows the bank of the St. Lawrence river from one end to the other of the Lachine rapids. On one side is Mount Royal, and this canal constitutes, in reality, a kind of dyke which prevents the flow of water from a very large area, extending between the mountain and the river, to the river to which these waters would flow naturally. The effect of this was to cause, even at the very beginning, yearly floods in that part of the district of Montreal. The government, from the first, recognized that it had there an obligation of drainage, which, from time to time, it has endeavoured to satisfy, but in an imperfect manner. The administration that preceded the present one executed a work of considerable magnitude, at a cost, I believe, of over $100,000, to drain the upper part of the area just referred to. That drain was constructed in the early eighties, and it was constructed because the government recognized that the building of the canal prevented the regular flow of waters across the district. Of course, at that time the drainage and sanitation of the area was not of very great importance, because the section was very sparsely settled. There were a few farmers there, but the government arranged with many of them by paying them indemnities after arbitration on account of these periodical overflowings and the prevention of drainage. At times, I believe, the government constructed one or two conduits under the Lachine canal for the surface water; and even to-day that mode is still open to the government of preserving this area from yearly inundation lasting for a considerable time in the spring. At this time, and for a few years past, a great number of municipalities have sprung up within the limits of the undrained area, and a very large number of houses have been built, making this question of drainage and sanitation one which calls for immediate solution on the part of those who are bound to see to it that the obstacle in the way of drainage is removed. The government of Canada, either before 1896 or since that date, permitted the municipality of Lachine to empty its drainage into a main drain which started from the the upper part of Lachine and came down a considerable distance and emptied into the St. Pierre, a little river which flows between the Lachine canal and the mountain, through the municipality of Notre Dame de Grace and into

the city of Montreal, and through a part of that city to the St. Lawrence. At that time the municipality of Lachine, which to-day has a population of nearly ten thousand souls, was, comparatively speaking, a small village, and the government at that time did not think it a matter of very great importance that the drainage of that village should be allowed to flow into this main drain. But since that time, as I have said, a number of important municipalities have sprung up within a short distance of this area or within its very limits. There are the municipalities of Westmount, Boulevard St. Paul, the rural municipality of Notre Dame de Grace, the municipality of Montreal West, and probably others which I am omitting. All these municipalities desire to drain into the river St. Pierre, or, if not that, to drain as far as the St. Lawrence, they are obliged to cross the Lachine canal, which is a matter of very considerable inconvenience, even if at all possible. As I have stated, the government has recognized on many occasions its share of responsibility in regard to the drainage of that area.

The provincial board of health, since more than five years, has had this question under its particular observation, and time and again has brought to the notice of the municipalities and the government the absolute urgency of draining that area in particular and the very grave objection which exists to the sewage of Lachine—a town of considerable extent and daily increasing—passing into the River St. Pierre, all along that river, and into the city of Montreal, thus forming an open drain over an extent of some 5 or 6 miles. Last year the grave danger which thus threatened these municipalities and the city of Montreal itself, induced all these municipalities, as well as the board of health, to send a delegation to interview my hon. friend the Minister of Railways and Canals regarding the best means of putting an end to this nuisance and daily peril. To use the words of Dr. Lachapelle, the president of the provincial board of health, who formed one of this delegation, the state of affairs existing constitutes a fever nest which is a source of daily danger for nearly 400,000 people who inhabit the island of Montreal, not only in the vicinity of this exposed area but throughout the whole city and island. At any time this drain may generate fever among our population —among the poor people and also those in better circumstances who live in that immediate vicinity, whence it may extend over the city.

Mr. SAM. HUGHES. Where does the River St. Pierre enter the St. Lawrence?

Mr. MONK. It passes through St. Gabriel ward in the city of Montreal below the canal. My hon. friend the Minister of Railways, who understood perfectly the gravity of the situation, made the suggestion, which was accepted by all the mayors and the representatives of the boards of health, and the delegation generally, that if the government had some responsibility in the matter, there was also a responsibility upon the municipalities which drained into that river or desired to do so, and that consequently all should share in the expense of devising some plan which would be submitted to the interested parties, after which a determination would be arrived at as to what should be the basis of contribution by each. That suggestion was accepted by the delegation. That was about a year ago. The government named as its expert engineer, Mr. Chipman of Toronto; the city of Montreal named Mr. Janin, superintendent of water works; and the other municipalities joined in suggesting, as their representative, Mr. Fellows, engineer of the muncipality of Westmount. It was admitted by all that the danger was immediate and increasing, and that it was absolutely necessary to proceed without delay to remove it. But that view does not seem to have been acted on by those who were charged with the preparation of plans and the devising of the best means of overcoming the difficulty. This year that area is inundated by the overflow of the St. Pierre river with all its affluent sewage and I was moved to find out what these three experts had done. In so far as I have been able to ascertain, they held one or two meetings and selected the engineer in charge of the canals of the province of Quebec to prepare some plans, and the suggestion was made that some young engineer should be employed to take levels. In order to do that some money was necessary. The municipalities contributed $600, Montreal contributed $600, the government gave $600, and a fund was constituted, and I understand that this young engineer is busy from time to time taking levels and doing some preliminary work. The object of my rising to-day is to urge my hon. friend and the government to hasten the work of these experts. My hon. friend might say that that is not more the concern of the government than of the other parties interested. I do not think it is reasonable to expect that the mayors of these municipalities would take a lively interest in this work. They cannot act without consulting their councils and without consulting among themselves, and the best proof that action on their part is difficult is shown by the fact that nothing has yet been done

practically to overcome this grave condition. On the other hand my hon. friend the minister has under his control the means of hastening the preliminary operations. His deputy is fully conversant with the situation. He has all the plans which have been made and the claims for damages, which from time to time have been produced and settled. My hon. friend has also in the canal office in Montreal the superintendent of provincial canals under his control. That gentleman is thoroughly conversant with the situation.

At any rate, whether this is more particularly my hon. friend's business or that of the other interested parties to whom I have referred, I would ask my hon. friend, in view of the danger attending the situation, in view of the urgency, to bring all possible pressure to bear upon these experts in order that they may finish their work and lay before the government their report, their plans, their suggestions as to the best means of overcoming this serious difficulty without delay. My hon. friend's department, or, at any rate, the government, has undertaken very considerable work in St. Johns, in view of the rising of the St. Johns river and the flooding of the district in that vicinity. It was urged, as I understand, upon the government, that the canal there was one of the principal causes of this flood. But the district was, if I understand it aright, interested as a rural district. This is a question of doing justice to the farmers and it is a question of importance, I admit. In the instance I am now bringing to the notice of the House and of the government it is a question of the health of a very large multitude of people who undoubtedly stand in great peril of suffering and who at present suffer because the population is becoming more dense all the time. To children playing on the shores of this little river the danger is continuous, and the prevalence of fever there has been most marked. Under these circumstances I think my hon. friend should take the matter in hand, and I have no doubt that if he brings pressure to bear upon the experts I have named he will have the report without delay and that the work will be undertaken immediately, because once that report is before my hon. friend and the interested parties there will undoubtedly be an agreement as to the proportion of the cost of the work to be borne by each. I agree with the suggestion that I have heard more than once made during the present session in this House that it is during the time of depression that public works should be executed. There is no doubt at the present moment we have in the city of Montreal, as well as in other large cities of this Dominion, a very large number of unemployed people. They could not be better employed than this. The only thing that is necessary is to make the experts understand the urgency, the gravity of the situation, as depicted to us by the provincial board of health, call for tenders and have this work executed without delay. I beg to move the adjournment of the House.

Hon. G. P. GRAHAM (Minister of Railways and Canals). Mr. Speaker, the question of public health is a paramount one, one that deserves the attention of this House and I have listened with a great deal of interest to the remarks of my hon. friend from Jacques Cartier (Mr. Monk). I understand the importance of the question he has discussed. Some months, or perhaps a year ago, this matter, as outlined by the hon. member for Jacques Cartier, was brought to my attention and steps were taken along the lines indicated by him. But this much ought to be remembered, that this is not a government work. My hon. friend rather assumes the position that the government has undertaken the drainage of this section of Montreal. That is not the position. The question of public health lies wholly with the provincial and municipal authorities. If this government be liable for any act it ought to be prepared to meet that liability. It was along the lines of sympathy for the grievances of the residents in this locality that the question was approached. It was asserted that the government had become responsible to a certain extent by allowing the sewage of Lachine to pass through a certain sewer. The conditions at that time were altogether different. We did not have any of these smaller municipalities that have grown up in that particular locality. In discussing the question, feeling the responsibility and the gravity of any situation that would militate against the health of the people, I felt that it was the duty of this government, if it had any liability, to meet it in reference to the matter. I agreed readily on the part of the government to appoint an engineer to associate himself with the engineers that the municipalities and the province might appoint to look into the matter, but, mark you, the Department of Railways and Canals did not assume this as a government work. The work, if carried out as it ought to be, and the protection of the public health, lie wholly in the hands of the provincial and municipal authorities themselves under the board of health regulations and under the provincial Municipal Act. As a party, if it be a party, the government is prepared to do its share towards the remedying of the grievance. Just what the engineers have done I am not prepared to say, as my hon. friend's note was just handed to me a few minutes ago. The city of Montreal surely is the party really interested. These smaller municipalities in which this state of affars is said to exist, certainly form the community that is really interested, but the pro-

vincial board of health, having charge of the health of the people, is certainly deeply interested, and if this government is prepared to pay any share of the liability that may appear as belonging to it and to perhaps act generously in that regard, certainly, it is doing all that it is called upon to do. We are prepared to do that and perhaps to be a little generous along that line, but I would not like my hon. friend to retain the idea that this government ought to undertake it as a public work. It is a purely local or municipal work for the protection of the public health. As far as we are liable this government and this parliament ought to meet that liability and we will gladly do so. I will call the attention of the officers of my department to the remarks of my hon. friend, and I will see in what position the report of this board is, what they have done and what they have placed before the department as the result of their labour.

Hon. JOHN HAGGART (South Lanark). Mr. Speaker, I am pretty thoroughly acquainted with this question, as the circumstances which have been alluded to occurred when I was managing the Department of Railways and Canals. The liability of the government in reference to this particular affair is that we, in constructing the Lachine canal, rendered it almost impossible for the people of Lachine to drain that municipality without passing the drain under the Lachine canal. The liability of the government with respect to that was assumed long ago. We built a drain along the Lachine canal, built works under the Lachine canal for the purpose of draining this particular locality, and I think we deepened the St. Pierre river from the Lachine canal down to the city of Montreal. The extent of the liability of the government is confined to this: How much more difficult have we made it for the people to drain that municipality for the purposes of sanitation than it was before? It was nearly impossible for the people of Lachine to drain under the mouth or entrance of the canal. There was no way but by building a ditch alongside of the Lachine canal and putting culverts under the canal for the purposes of drainage. The government, rightly or wrongly, assumed that work and allowed the people of Lachine to drain under the canal; in fact, it was built for no other purpose than for draining the village of Lachine. When we got under the canal we found that we were lower than the bed of the St. Pierre river and we were obliged to deepen the St. Pierre river from the Lachine canal down to Montreal. When we built the Lachine canal we made it impossible for those on the north side to have drainage without a drain underneath the canal, and for that reason the government is bound to see that all reasonable and safe facilities are given for drainage purposes. This river is simply an open sewer, it is a disgrace, it is a menace to the health of the community, and the government some day will have to take measures to abate the nuisance. To what extent the government is liable must be a question of arbitration between them and the different municipalities.

Motion (Mr. Monk) negatived.

NEW BRUNSWICK CENTRAL RAILWAY —REPORT OF PROVINCIAL COMMISSION.

Mr. GEO. E. FOSTER. Before the orders of the day are called I would like to ask the First Minister a question, in addition to the one I put to him yesterday, and that is, as to whether he has yet received any copies of the report of the New Brunswick Commission, and if when he receives them he will lay one upon the table of the House, so that it may, if the House thinks proper, be printed for the information of the members of the House.

Right Hon. Sir WILFRID LAURIER. In regard to the latter request of my hon. friend, I have no hesitation in stating that I do not think we are called upon to lay the document upon the table of the House and to have it printed. I may say to the hon. gentleman that I this morning sent to the library to get a copy of that report and I received it about twelve o'clock.

Hon. WM. PUGSLEY (Minister of Public Works). May I be allowed to make just one remark: What has been printed is only a part of the report. I think the report must mean the evidence and the documents. It is only when these are printed that one can understand what the report really is.

POST OFFICE DEPARTMENT, OUTSIDE SERVICE—PAY OF LETTER-CARRIERS, &c.

Hon. RODOLPHE LEMIEUX (Postmaster General) moved that the House go into committee to consider the following proposed resolution:

Resolved, That it is expedient to amend the Post Office Act and the Civil Service Act and to provide as follows:—

That in the outside division of the Post Office Department the salaries of messengers, porters, letter-carriers, mail transfer agents or box collectors shall, in Grade A be at the rate of $1.75 per day, in Grade B at the rate of $2.00 per day, in Grade C at the rate of $2.25 per day, in Grade D at the rate of $2.50 per day, in Grade E at the rate of $2.75 per day; that the salaries of the fourth-class clerks shall, on appointment, be $500 with annual increases of $100 up to $700;

and that if the salary of any stamper and sorter or fourth-class clerk is at present less than $500, it shall forthwith be increased to that minimum.

Motion agreed to, and the House went into committee.

Mr. LEMIEUX. I wish to give a very brief explanation of this resolution. The salaries of letter-carriers are fixed by the Post Office Act and the salaries of the fourth-class clerks by the old Civil Service Act so that both will require to be amended. Since I took office, and during many years previously, representations have been made to the Postmaster General and to the government, by commercial bodies, by municipal councils and other representative institutions, not to speak of members of parliament on both sides, asking that the salaries of the letter-carriers should be increased. In 1902 Sir William Mulock, then Postmaster General, increased the salaries of the letter-carriers to some extent. Two years ago, the commission appointed to inquire into the Civil Service included in their report the following recommendation:

Your Commissioners find that a few years ago the laws regarding the employment of letter-carriers were considerably altered. The letter-carrier was changed from an official drawing a yearly salary to an official drawing a daily salary, and in cases of absence through sickness or otherwise, deductions of pay were enforced. No doubt in the best interests of the service these laws require to be rigidly enforced. Nothing comes so much into the daily life of the community as the delivery of the mail. It is a service requiring prompt and efficient action. In certain places favouritism is alleged on the part of high officials towards certain letter-carriers who were allowed leave of absence with pay, but others of the same cuass were fined. Your Commissioners do not, however, think this worthy of attention, but they are of opinion that it would be desirable as far as possible to bring the services of letter-carriers to an eight-hour a day service. They would also suggest an additional week's leave of absence be allowed this branch of the service, and on consideration they recommend that at least the schedules of salaries laid down by Mr. Ross, Superintendent of Post Offices, should be adopted. Mr. Ross has filed an extensive memorandum which is to be found appended to his evidence.

I may say that the resolutions now before the House are based on the report made by Mr. Ross chief superintendent, and a higher official of the Post Office service. The present scale of salaries paid to letter-carriers is provided for in sections 39 and 40 of the Act, and the same scale prevails in the smaller cities as well as the larger cities, wherever the system of free delivery exists. Briefly, the scale of salaries is as follows: In grade A, on entering the service, during a probationary period of one month, a letter-carrier is paid $1.25 per day. If the man is found sufficiently well equipped, intellectually and morally, at the expiration of the probationary month, he is immediately put into grade B at $1.50 per day.

Mr. HUGHES. That is for week days only?

Mr. LEMIEUX. Yes. We have no Sunday work in this country. Afterwards he goes into grade C, where he receives during two years time $1.75 per day; and from grade C he goes to grade D, where he is paid at the rate of $2 per day. If he is an exceptionally good letter-carrier and performs a longer or more difficult service than others, he is promoted to grade E, where he gets an additional 25 cents a day, together with a leave of absence every year of two weeks with pay and may also be granted an additional leave of absence with pay for a period not exceeding ten days in each year or a bonus at the rate of two dollars for each day of such additional leave.

Mr. HUGHES. Do they all get that leave of absence?

Mr. LEMIEUX. Yes. Some of them do not avail themselves of it, because they are anxious to come under the exceptional grade of $2.25 per day. Let me refer, by way of comparison, to the salaries paid to letter-carriers in the United States. For the first year letter-carriers in the United States receive a salary of $600; in Canada only $469.50. In the second year, in the United States, $800; in Canada, $469.50. In the third year, in the United States, $900; in Canada, $547.75. In the fourth year, in the United States, $1,000; in Canada, $547.75. In the fifth year, in the United States, $1,100; in Canada, $626; after which, for the performance of work of a specially arduous and responsible nature, a letter-carrier may be promoted to grade E, where he receives $704.25 per annum. I may say that in New Zealand, the smallest colony in the British empire, the salaries of letter-carriers are a little higher than the salaries paid in Canada.

Mr. HUGHES. Who pays for the uniform?

Mr. LEMIEUX. The Post Office Department furnishes uniforms, boots and helmets. In addition, in the large cities we give letter-carriers in uniform free transportation on the street cars, for which we pay a fixed sum to the Street Railway Company. Under the proposal before the House, if the resolution carries, letter-carriers, during their first month, the probationary period, instead of receiving $1.25

per day, will hereafter receive $1.75; after their probationary period, in the first year, instead of $1.50, they will receive $2 per day. In the second year, instead of $1.50, they will receive $2 per day. In the third year, instead of $1.75, they will receive $2.25. In the fourth year, instead of $2.25, they will receive $2.50, or, for specially arduous duties or specially long runs, $2.75 per day. The rate of pay attached to each grade is proposed to be increased 50 cents per day. But the great advantage, in my mind, is that a letter-carrier, from his entrance into the service, receives sufficient for the maintenance of himself and his family in a fairly adequate manner. I need not refer to the representations that have been made to the government and to the members individually by the letter-carriers and their many friends in the country. I freely admit that under the old system they did not receive enough to maintain themselves properly, with the increase in the cost of living during the last ten years, and even during the last five years.

Mr. HUGHES. May I ask the hon. gentleman a question? In the various post offices of the country there are postal officers looking after the work of the Customs Department, and these men are simply scandalously paid. I think something should be done for them.

Mr. LEMIEUX. Of course under section 142 of the Post Office Act, every postal clerk is deemed to be employed for the prevention of smuggling and for the enforcement of the revenue laws of Canada. But the special class to which the hon. gentleman refers comes under the Customs Department.

Mr. SAM. HUGHES. Will the hon. minister tell his colleague the Minister of Customs?

Mr. LEMIEUX. I will take a note of my hon. friend's suggestion. This increase in the pay I consider a reasonable increase. It will be an inducement to our letter carriers to serve the public better and besides will give us better men, though, generally speaking, we have a good class of men working for the department. In our cities they give really very good service.

Mr. A. C. MACDONELL. Does the scale of increase cover those who are under the old Civil Service law?

Mr. LEMIEUX. When Sir Wm. Mulock introduced his amendment to the Post Office Act by which he brought letter-carriers under the grade system and increased their pay, many of the old letter-carriers refused to come under that system although they received less pay under the former one. The object of the amendment was not only to increase the pay, but to obtain better service. Under the old Act many of the letter-carriers were subject to malingering or simulation of illness. They knew they would be paid in any event, and frequently were indisposed much to the detriment of the service. But under the grade system a man is paid for every day of work. If absent he is not paid unless he satisfies the authorities that he has been the victim of an accident while on duty or was really suffering under serious illness contracted in the service. We thus put a brake on what was really an abuse, and we notice that to-day we have, practically speaking, no more absentees. The letter-carriers are scarcely ever absent and avail themselves of the annual leave of twenty days with pay. On three different occasions Sir Wm. Mulock extended the delay given the old letter-carriers to come under the grade system, and nearly all of them did so. But about 75 or 80 have refused up to date, and in order that they may benefit by the new increase we shall have to make further amendments.

Mr. MACDONELL. Will they be given the opportunity of coming under the grade system?

Mr. LEMIEUX. The Act under which they have been appointed has been repealed and we cannot amend it. I am glad, however, that my hon. friend has called my attention to this matter, and will look into it, as I do not wish to take advantage of the disadvantageous position under which these letter-carriers agreed to remain since many years.

Mr. JOSEPH RUSSELL. Does the hon. minister really think that $1.75 per day is sufficient pay for these men when they start in? In our city $2 per day is about the smallest wage a common labourer gets. If you would increase the minimum to $2 per day and the other grades by 25 cents per day, that would be none too much, considering the extra cost of living. Civil servants were under a certain schedule for many years and no doubt when this increase is made it will remain in force a number of years to come. It would not be unjust to give these men $2 a day to start with, as no man with a family can save much on that wage and live in decency and comfort.

Mr. LEMIEUX. It is easy to suggest that the letter-carriers should receive $2 a day at the start instead of $1.75, but the present increase will cost the country $200,000 per annum in round numbers, so that we must be careful. I shall, however, take a note of what my hon. friend has said. No doubt some other hon. members will argue in

favour of a larger increase, but the money is not my own, but that of the people, and whilst I would be pleased to give $4 or $5 per day to every man employed in the departments, yet I have to keep within limits. On the whole, the letter-carriers are satisfied with the increase given them at present. Judging by the deputations I have received since I have been in office, this amount is considered as fairly adequate to the exigencies of the present day.

To come to the fourth class, the stampers, sorters and other lower grades, their pay is governed by the old Civil Service Act, which was wiped out from the statute-book as regards the inside service, but still remains as regards the outside service. According to the Civil Service Act, the fourth-class clerks are treated as follows:

The minimum salary attached to a fourth-class clerk, the lowest clerkship in the service, is $400 per annum

The fourth-class clerk enters the service at $400 a year, and by annual increases of $50 reaches a maximum of $700 a year. We found that young men entering the service under these conditions remained a few months, perhaps a year or so, but, when they had become fairly efficient clerks, they left the service. This was rehearsed every year in that class of our employees. The fourth-class clerks are not sufficiently paid when they enter the service, and therefore they almost invariably leave when they find an opportunity. We believe that they should receive from the beginning a salary of not less than $500, and should reach their maximum by annual increases of $100 instead of $50.

Now, as regards stampers and sorters—and this class must be differentiated from the fourth-class clerks—I recommend that they should receive, at the beginning, $500 a year, instead of $360 a year, as at present, and should receive annual increases of $50 instead of $100, because their functions are of the simplest nature so that they are not to be considered as of the same degree of usefulness as are the fourth-class clerks. Their maximum should be $600 per annum. When they reach this maximum they will be eligible for promotion at once to the position of fourth-class clerk, beginning in that class at a salary of $600, at which they leave the class of stampers and sorters. That is, let us say, a stamper comes into the service in Montreal at $500; after two years he reaches his maximum of $600. If he has given good service, he is promoted to the position of fourth-class clerk at a salary of not less than $600, and goes on by annual increases of $100 to the maximum of that class, $800.

Such are the changes I propose in these resolutions. I may say, in conclusion, that these increases will affect the salaries of 1,500 men in round figures, throughout the length and breadth of this country, and that the amount involved in these increases is estimated at $217,880.50.

Mr. FOSTER. That is, for the first year.

Mr. LEMIEUX. Yes. I have statements showing how many letter-carriers there are in each city and the number that will be affected by these increases, also how the total of increases is made up.

Summary.

18	4th class clerks and stampers and sorters at	$470 per an.
94	4th class clerks and stampers and sorters at	450 "
68	4th class clerks and stampers and sorters at	400 "
2	4th class clerks and stampers and sorters at	392 "
1	4th class clerk and stampers and sorters at	360 "

Amount required to bring salaries up to $500 per annum, $12,396.

10	letter-carriers or grade men and labourers at	$2.50 per day.
426	letter-carriers or grade men and labourers at	2.25 "
22	letter-carriers or grade men and labourers at	2.00 "
2	letter-carriers or grade men and labourers at	1.85 "
185	letter-carriers or grade men and labourers at	1.75 "
553	letter-carriers or grade men and labourers at	1.50 "
115	letter-carriers or grade men and labourers at	1.25 "

Amount required to increase per diem pay by 50 cents per day $205,484.50.

Total number of employees on salaries less than $500 per an., and increase	183	$ 12,396 00
Total number of employees per diem rate of pay, and increase	1,313	205,484 50
	1,496	$217,880 50

STATEMENT of the number of Fourth-Class Clerks and Stampers and Sorters receiving less than $500 per annum and of Letter Carriers and Labourers receiving a per diem rate of pay and the amount required to raise the former to $500 per annum and to give the latter an increase of 50 cents per day.

Office.	Number of employees and rate of pay.	Amount required to give $500 per annum to fourth-class clerks and stampers and sorters.	Amount required to raise letter carriers and grade men 50 cents per day.
	$ cts. $ cts.		$ cts.
Barrie	1 at 1 50 ..... p.d.	.....	156 50
Berlin	9 at 1 25 to 1 50 "	.....	1,408 50
Brandon	8 at 1 50 to 2 25 "	.....	1,252 00
Brantford	12 at 1 50 to 2 25 "	.....	1,878 00
Calgary	5 at 360 00 to 470 00 p.a.	330 00	
	25 at 1 50 to 1 75 p.d.	.....	3,912 50
Charlottetown	1 at 450 00 ... p.a.	50 00	
	7 at 1 25 to 1 50 p.d.	.....	1,095 50
Edmonton	5 at 400 00 to 470 00 p.a.	220 00	
	18 at 1 50 to 2 50 p.d.	.....	2,817 00
Fort William	9 at 1 50 ..... "	.....	1,408 50
Fredericton	2 at 1 50 to 1 75 "	.....	213 00
Guelph	9 at 1 50 ..... "	.....	1,408 50
Halifax	4 at 450 00 ..... p.a.	200 00	
	30 at 1 25 to 2 25 p.d.	.....	4,695 00
Hamilton	6 at 450 00 ..... p.a.	300 00	
	56 at 1 25 to 2 25 p.d.	.....	8,764 00
Kingston	1 at 400 00 ..... p.a.	100 00	
	16 at 1 25 to 2 25 p.d.	.....	2,504 00
London	3 at 450 00 ..... p.a.	150 00	
	52 at 1 25 to 2 25 p.d.	.....	8,138 00
Moncton	7 at 1 50 ..... "	.....	1,095 50
Moosejaw	2 at 1 85 ..... "	.....	313 00
Montreal	32 at 392 00 to 470 00 p.a.	1,938 00	
	343 at 1 25 to 2 25 p.d.	.....	53,679 50
Ottawa	15 at 392 00 to 450 00 p.a.	1,058 00	
	94 at 1 25 to 2 25 p.d.	.....	14,711 00
Peterboro	9 at 1 50 ..... p.d.	.....	1,408 50
Port Arthur	7 at 1 50 to 2 00 "	.....	1,095 50
Quebec	2 at 400 00 to 450 00 p.a.	130 00	
	54 at 1 25 to 2 25 p.d.	.....	8,451 00
St. Catharines	9 at 1 25 to 1 50 "	.....	1,408 00
St. Hyacinthe	5 at 1 50 ... "	.....	782 50
St. John	4 at 400 00 to 450 00 p.a.	250 00	
	27 at 1 50 to 2 25 p.d.	.....	4,225 50
St. Thomas	7 at 1 25 to 2 50 "	.....	1,095 50
Sarnia	10 at 1 50 ..... "	.....	1,565 00
Sherbrooke	3 at 450 00 ..... p.a.	150 00	
	9 at 1 50 ..... p.d.	.....	1,408 50
Stratford	8 at 1 50 ..... "	.....	1,252 00
Three Rivers	7 at 1 25 to 1 50 "	.....	1,095 50
Toronto	51 at 400 00 to 470 00 p.a.	4,010 00	
	251 at 1 25 to 2 25 p.d.	.....	39,281 50
Vancouver	6 at 470 00 ..... p.a.	180 00	
	62 at 1 25 to 2 25 p.d.	.....	9,703 00
Victoria	3 at 450 00 to 470 00 p.a.	130 00	
	30 at 1 50 to 2 50 p.d.	.....	4,695 00
Windsor	1 at 450 00 ..... p.a.	50 00	
	9 at 1 25 to 1 50 p.d.	.....	1,408 50
Winnipeg	41 at 400 00 to 450 00 p.a.	5,150 00	
	109 at 1 25 to 2 50 p.d.	.....	17,058 50
		$12,396 00	$205,484 50

Mr. F. D. MONK (Jacques Cartier). I congratulate my hon. friend (Mr. Lemieux? on having rendered justice, to a certain extent, to the Post Office employees. Their claims have been neglected for a very long time. I do not know of any class of public employees—judging by those in Montreal—who perform their duties more creditably or under greater hardship. People generally do not realize what a difficult business is the carrying of letters in a city like Montreal. The loads they have to carry are heavy, they have to face the weather whatever it may be, and, owing to the number of tenements in the city, they have to do a great deal of climbing. In view of the nature of their work, I think they have been, up to now, insufficiently paid, and my hon. friend is rendering them a bare act of justice in this increase. But I wanted to support what was stated by my hon. friend from South Toronto (Mr. A. C. Macdonell) a moment ago. I think that a man who fulfils carefully the duties of a letter-carrier in a city like Montreal ought to begin with the remuneration of not less than $2 a day. It seems to me that, in that regard, my hon. friend the Postmaster General might well make a distinction between large cities like Montreal and Toronto, and smaller cities in which free delivery is carried on. The Postmaster General stated in the House the other day that any town that gave the government a postal revenue of $20,000 and had a population of 10,000 was entitled to free delivery. It is evident that in a town of ten thousand inhabitants, the cost of living is very much less than in a city like Montreal or Toronto. As soon as you begin to live in one of these cities you must face at once a heavy item of expense in rent and taxes. For this reason, it seems to me, a beginner in a big city who carefully fulfils the duties of this position should receive an indemnity of at least $2 a day. Without dwelling on the matter at length, I would urge my hon. friend to consider whether, in these larger cities, $2 a day ought not to be the minimum to the beginner. A man who has a family, and is in a position of trust of this kind and has so much work to do, ought not to have less than this sum. Another point to which I wish to call attention was referred to by my hon. friend from South Toronto (Mr. Macdonell). I do not think that the government ought to penalize those who have availed themselves of the option given to them by Sir William Mulock, to remain under the old Act. Representations have been made to me by several of these employees in Montreal. I regret that I have not their letters with me. They remained under the old Act, and therefore are not graded. They are receiving $400, $500, or $600 a year, being paid by the year and not by the day. There was nothing wrong about their availing themselves of the offer of Sir William Mulock. I am sure my hon. friend will find some way of getting over the difficulty, because these employees have performed their duties as well as the graded employees have done, and surely they are entitled to the same increase. I hope my hon. friend will be able, particularly in regard to that class, to render justice, and put them in the same position as the others

Mr. A. C. MACDONELL. Like the hon. gentleman from Jacques Cartier (Mr. Monk), I am glad to see this measure, though belated, brought down by the Postmaster General. It deals with a class of employees, who, in the past, in my opinion, have had very insufficient pay. Their duties are arduous; it is unnecessary to dilate upon them, because I think the Postmaster General has a thorough appreciation of their duties. The scale of increases is not large, though it is certainly a great improvement on their present position. I do not think, however, in considering what they are justly entitled to, that it is fair to consider only what they have been receiving in the past. What they have been receiving is but a modicum of what they are entitled to. I think it would be fairer to have regard to the services they perform, and to the compensation which men of their education and competency receive in other avenues of life. I certainly concur in a remark made a few moments ago that no person, no able-bodied man, educated and intelligent as a postman must be, should receive less, when he is permanently employed, than $2 a day. I trust the Postmaster General will consider that point before the Bill is brought down, and that he will treat them, having regard, not to what they have been receiving already, but to what in all human decency they are entitled to receive. I would also emphasize the remark of my hon. friend from Jacques Cartier (Mr. Monk), that men in large cities like Toronto and Montreal, performing the duties of postmen, are entitled to a higher rate of pay than men living in small places where the expense of living is much less than it is in large cities. We should also keep in mind that the duties of postmen in large cities are much more arduous than they are in a village or town. In the first place they have to be men of high intelligence in order to find the location of people to whom the letters are addressed, and they have to carry a class of letters generally of more value, registered letters, and they are consequently burdened with greater responsibility than postmen in country places

where they usually carry only ordinary correspondence.

Now with regard to what I mentioned a moment ago, namely, letter-carriers who are under the old Civil Service Act, I trust the minister will take this opportunity, not only of doing justice to a class of men who are now discriminated against, but also of simplifying and making uniform the entire letter-carrier service of the country. At the present time, I am informed there are only 80 letter-carriers who are under the old Civil Service Act, and as long as they remain under that Act you will have a dual system.

Mr. LEMIEUX. They would not join the new system.

Mr. MACDONELL. They were given an opportunity of either joining the new system or of taking their status under the old system. An hon. member well says that the door ought to be still left open for them to join in the new system. I think they should be given another opportunity now, and I apprehend the minister will afford these men an opportunity, if they so desire, of coming in under the new grade system. There is a special reason for it now. Some men are receiving 50 cents a day more, and having regard to their changed condition, it would be fair, in my opinion, that those men who are under the old Civil Service Act should be given another opportunity of coming under the grade system. I am informed that the maximum those men now receive is $600 a year, that no man under the old Civil Service Act can receive more, or earn more, than $600 a year. Now these men who are under the old system are old men, old in the service, they have proved their competency by many years of faithful service, and I think they should be given an opportunity of coming into a class with the graded men. It would certainly seem to be in the public interest to have uniformity with regard to the employment of civil servants in this department. I hope that before the Bill is brought down the minister will be able to make such changes as will, if not reduce all men to a uniform and simple basis, at least give the men who are under the old Act an opportunity of being graded with the other men.

Mr. FOSTER. On the second reading of the Bill we will be better able to take up a number of these matters, and at that time I shall have something to say with reference to the system by which they enter the service, the system of grading, and promotions, and the lie of that. Not only ought we to try to keep our Civil Service on the pay basis, to make them fairly independent, but we ought also to surround them with such safeguards that they may not be led to look to what we call political pull for the maintenance of their position, or for preferment. I would like the minister to think that matter over. We will also discuss the case of those men who, having twice had an opportunity of making their choice, have not all made it, and I am sure the minister will arrange that the door may still remain open, and that they may have another opportunity in that respect.

Mr. DOHERTY. I would like to add a word of encouragement to the Postmaster General to treat with greater generosity as well as justice the class of men who are under consideration. Certainly we are all agreed in recognizing that they are entitled to better treatment. I would like to join the hon. members who have preceded me in urging upon the minister the importance of considering whether the minimum wage for letter-carriers should not be somewhat increased. Speaking for my own city of Montreal, I think that anybody who sees the work these letter-carriers have to perform, and who realizes the degree of intelligence they must possess in order to perform their duties satisfactorily, must agree that $2 a day is very small compensation in view of the responsibilities which rest upon them. I have the advantage of knowing a large number of this class of employees in the city of Montreal, and particularly in my own constituency, I have observed the diligence with which they perform their duties, and I desire to commend them to the most favourable consideration of the Postmaster General when he arranges the scale of salaries in this Bill. I hope he will see his way to make the pay at all events somewhat larger than is proposed.

Mr. CROTHERS. I would like to add my expression of appreciation of the proposals made by the Postmaster General. The only suggestion I would like to make is one that has already been mentioned by other hon. members, that is, that the minimum should be $2 per day instead of $1.75. I understand the Postmaster General proposes to pay $1.75 for the first year, $2 the second year and $2.25 for the third. Now, rather than place them at $1.75 at the start I would prefer that they should receive $2 per day from the beginning, and that it should remain at that for two years, and that the increase should not commence until the third year, rather than restrict them to $1.75 the first year. I quite agree with my hon. friend who has just spoken that $2 a day is the very lowest that any one could undertake to live upon.

Mr. LEMIEUX. My hon. friend unavoidably makes a mistake there. At present the letter-carrier, during his probationary period, receives $1.25 a day. That lasts one month and then he receives $1.50 per day. Under the proposed scale he will receive, during his probationary period of

one month, $1.75 per day and then he will receive $2 per day.

Mr. CROTHERS. When is it proposed that the increase shall date from?

Mr. LEMIEUX. When the House prorogues.

Mr. CROTHERS. It is only one month of probation instead of one year?

Mr. LEMIEUX. One month of probation.

Mr. ARMSTRONG. Will the minister tell us what the estimated increased cost to the department will be and whether he has taken into consideration the clerks that are under the postmasters in different towns? I have called attention on several occasions to the small salaries that are paid to clerks who are under the postmasters in small towns and I would like to ask the minister whether he is making any provision for these clerks?

Mr. LEMIEUX. As to the increase in the cost of the service I gave to 'Hansard' a moment ago a statement which I did not read, but, in round figures the annual expenditure involved in this increase is $217,000. That will affect the salaries of about 1,500 employees. As to the other question brought up by my hon. friend and as to the condition in some of the cities where they have the letter system but where they are on the semi-staff basis, I may say that the letter-carriers will benefit by this increase just as the letter-carriers in the larger cities will. The clerks in these offices will not be affected however. My attention has been called, especially by the hon. member for Essex and by the hon. member for Brant, to the subject. The question is now before the department. No legislation is needed to bring these offices under the general rule and to place them on the Civil Service list. It is departmental action that is required in each case.

Mr. LANCASTER. Which offices is the hon. gentleman speaking about?

Mr. LEMIEUX. I mean offices like Brantford, Windsor, Fort William, Sarnia, offices in cities where they have a population of not less than 12,000 and a revenue of not less than $20,000.

Mr. LANCASTER. Does not this Bill aply to those letter-carriers?

Mr. LEMIEUX. Yes. The letter-carriers in these cities will benefit by this increase. But my hon. friend (Mr. Armstrong) referred to clerks in these offices. The clerks in many of these offices are hired by the postmasters.

Mr. LANCASTER. Who gets the gross sum?

Mr. LEMIEUX. Who gets the gross sum—but we are gradually eliminating this system because of the grave complaints against some of the postmasters. However, it is a matter which requires departmental action and not legislation. The attention of the government has been called to it by several of the members who happen to represent some of those cities which are under the semi-staff system and action will be taken in due course upon the matter.

Mr. LANCASTER. I understand there is no exception in regard to letter-carriers, that this Act will apply to all?

Mr. LEMIEUX. All come under the same rule.

Mr. LANCASTER. As to the matter which my hon. friend has mentioned, I rather agree with my hon. friend from East Lambton (Mr. Armstrong) that the system in some of these post offices where the postmaster gets the gross sum and pays what he likes to the clerks is not fair to them. They naturally do not want to complain and lose their positions and yet they do not know what their rights are and do not get their rights. I know that a great many are underpaid and I believe that something should be done to see that these postmasters who get the gross sum are at least required to pay according to some rule so that there will be some check upon the amount they pay these men who do all the work in these offices. In most cases the postmaster does nothing but the bossing and the receiving of the salary. The laborious part of the work is done by these men who have to take what he chooses to give them or else give up the work entirely.

Mr. ARMSTRONG. I am satisfied that if the Postmaster General will investigate the conditions in the towns having a population of 5,000 and up to 12,000, he will find in many instances that the clerks who are working in these offices get a mere pittance for the amount of labour they do. I would ask the Postmaster General, when he comes to discuss the Bill in committee, if he would be good enough to explain why the cost of the delivery of the mail and of general postal facilities in the Yukon was $127,000 while the income from all sources apparently in that country only amounted to about $14,000 and whether the increased amount will be paid to the civil servants in that part of the country. I would also ask him to be good enough to explain, when the Bill is in committee, why it is that in the city of Montreal the contingent expenses last year amounted to $52,000 and in Ottawa to $60,000, while in Hamilton they only amounted to $4,000, London $5,000, Halifax $2,000, Quebec $5,000, Toronto $29,000 and Winnipeg $17,000.

Mr. LEMIEUX. Without going into details, but speaking from memory as regards the Yukon, from the beginning of the establishment of the postal service in that far away district, the amount has always been the same. The revenue is somewhat limited, more limited now than it was during the rush period because the population has decreased as my hon. friend is well aware. But the reason why it costs so much money is on account of the distance and the difficulties in performing the service. We have to pay what I call an enormous amount of subsidy to one railway company. That railway company practically ties the hands of the government because it has the only railway between Whitehorse and Skagway. Between Skagway and Dawson again there is only one steamship company on the lakes in summer and in winter that same company performs the sleigh service. If the hon. member for the Yukon (Mr. Congdon) were in his seat he would inform my hon. friend that what can be purchased for one dollar in this section of the country costs $5 or $6 in that district. My hon. friend referred to the amount paid for contingencies in the Montreal post office, for instance. We have been obliged to employ a somewhat greater number of men in Montreal than in Toronto, although the revenue of the Toronto post office is higher than that of Montreal. In Montreal the ocean mail is made up for the different parts of the country and as there is more mail for the west than for the east we require a larger force there. My hon. friend may rest assured that we do not overload the service in Montreal. On the contrary, I resist as much as possible demands made by the Montreal postmaster and by his very able assistant.

Mr. ARMSTRONG. That should not apply to Ottawa.

Mr. LEMIEUX. Well, hitherto men have been presumably employed in the Ottawa post office and paid out of contingencies when as a matter of fact they were working in the inside service. That of course would be remedied by the new Act.

Mr. MACDONELL. Are the railway mail clerks affected by this Bill?

Mr. LEMIEUX. No. This is a year of retrenchment and we must provide for the most—I will not say the most deserving—but we must provide for the most appealing cases first. I freely admit that the railway mail clerk performs very arduous duties and has many difficulties to encounter especially that of securing insurance owing to the hazarduous nature of his employment. He enters the service at a salary of $400 per year for the first six months and then he gets $500 a year in addition to his mileage of one cent per mile in the night time and half a cent per mile in the day time. He increases rapidly until he gets $1,200 salary in addition to his mileage. That is a fairly good salary. I do not say it is an extraordinary salary or that the railway mail clerk is not deserving of more, but in view of the retrenchment we are practising this year I thought we should take the most deserving cases first. I have received several delegations from the railway mail clerks during the last two or three years and I may say that they have my warm sympathy. When the proper time comes I will see that they receive not cold justice but warm justice.

Mr. RUSSELL. How long is it since the railway mail clerks had their salaries increased?

Mr. LEMIEUX. In 1903, when Sir Wm. Mulock was Postmaster General. My hon. friend must remember that they reach a maximum of $1,200 a year in addition to their mileage so that some of them receive $1,800 a year. I recognize however that they have to perform difficult and arduous duties.

Mr. BARR. What has the population of a town got to be so that the clerks in the post office are paid directly by the government and not by the postmasters out of their revenue? In many cases these postmasters put boys and girls into the post office and give them hardly enough to live on. In many of these small towns the postmaster receives quite a large income out of which he has to pay two or three clerks but he gives them so little that he cannot secure persons capable of doing the work and consequently the public service suffers.

Mr. LEMIEUX. There is no fixed departmental rule but the custom of late years has been to put on a semi-staff basis the offices which have approximately an annual revenue ranging between $20,000 and $25,000. In some cases places with a small population will contribute more to the postal revenue than others where the population is larger so that population cannot be taken as a test, I have received representations on this matter, especially from the members from Essex and the member for Brant and it is under the very serious consideration of the department. Some postmasters are really not acting as they should, because they receive a very nice salary and they under pay their clerks. The representations under that head have been so strong that the department intends to put an end to the grievance.

Mr. BARR. I hope the hon. minister will not forget that matter, because it is very important and very urgent. In many cases postmasters who receive a large enough salary to enable them to pay their assistants a fair remuneration, pay them as low as $200 a year and sometimes less. The

result is that the public is not served as it should be. The government should look into that matter without delay.

Mr. BRADBURY. I want to congratulate the minister on bringing down this Bill and doing this measure of justice, even though it is a little late. I wish to draw his attention to the fact that the cost of living in a city like Winnipeg is at least 25 per cent greater than it is in a city like Ottawa, and I ask him if he is making any provision for giving the Manitoba letter-carriers a greater increase than those in Montreal or Ottawa, so as to put them on an equal footing.

Mr. LEMIEUX. We do recognize the fact that the cost of living is higher in the west than in the east, and every year a provisional allowance is voted and paid pro rata to all our employees in the west, including Winnipeg.

Mr. BRADBURY. One other point I wish to refer to. There are in Winnipeg a number of men who do not come in under the old Act, and I think it would be a great hardship if the door were now closed upon them, and they were prevented from coming in under the new classification.

Mr. RUSSELL. I think the railway mail clerks are as much entitled to an increase as the other civil servants. Their work is of a dangerous character and they require to be clerks of a superior class. It is some six or seven years since they have had an increase, and I think they are now entitled to a flat increase of $150 or at least $100 a year. I would ask the minister to consider their case before he brings in a Bill.

Resolution reported, read the first and the second time and agreed to.

Mr. LEMIEUX moved for leave to introduce Bill (No. 136) to amend the Post Office Act.

Motion agreed to, and Bill read the first time.

Mr. LEMIEUX moved for leave to introduce Bill (No. 137), to amend The Civil Service Act.

Motion agreed to, and Bill read the first time.

SUPPLY—THE MAYES AFFIDAVIT.

Mr. FIELDING moved that the House go into Committee of Supply.

Mr. J. W. DANIEL (St. John city). Mr. Speaker, before you leave the chair, I deem it my duty to bring before the House a subject which is of great importance, one in which a great deal of interest has been taken and which has excited a great deal of curiosity as to what was to be the outcome. I refer to statements which were made in October last publicly in the city of St. John, in an affidavit of Mr. Gershon S. Mayes, a contractor of that city. That affidavit was read by the premier of the province of New Brunswick in a very large and crowded mass meeting of citizens during the election contest then taking place.

Mr. SPEAKER. I understand that this question has been discussed already in a previous sitting, and I am not quite sure whether the hon. gentleman can bring it up now without reviving a previous debate.

Mr. DANIEL. When this matter was referred to in the House before, you distinctly stated, Mr. Speaker, that it was out of order. If it was out of order then, surely it is in order now.

Mr. SPEAKER. I am not saying that it is out of order. I am simply asking the House whether it can be discussed now without reviving a previous debate.

Mr. FOSTER. What is your ruling?

Mr. SPEAKER. I want to see in what way it is to be brought up.

Mr. DANIEL. I propose to offer a resolution, and one that I think will be quite in order. I had hoped that the government itself would have thought this matter to be of sufficient importance for themselves to have taken it up in the same way that they took action in the Hodgins matter last year. In order to refresh the memory of hon. members, I may state that on the 24th day of April, 1908, the Right Hon. the Prime Minister stated in this House that he had received from Mr. Parent, the chairman of the Transcontinental Railway Commission, the following papers, which he desired to lay before the House. The first was a letter from Mr. Parent, addressed to the Prime Minister, in which Mr. Parent says:

> A letter from Major Hodgins, lately our district engineer in northern Ontario, has been given wide publicity in the press, namely, by the Manitoba 'Free Press' and the Ottawa 'Morning Citizen,' where it was commented on. There are insinuations and statements in it that should not be allowed to pass unanswered. Without laying any specific charges, Major Hodgins makes vague, general accusations that are absolutely groundless. It is plain that the object in view is to cause us annoyance without any regard to truth or public interest.

Then, Mr. Parent goes on and concludes as follows:

> In conclusion the commissioners would respectfully request, as they do not wish to remain under the aspersions which such reports pass on them, that the whole matter be referred to and looked into by a committee of the House and that Major Hodgins be assigned to appear before the same and repeat his charges in a specific manner in order to substantiate them if he can.

The action taken by the right hon. the Prime Minister on that letter consisted in

his moving the following resolution on the 27th of April, a few days later:

That the memorandum of the chairman of the Transcontinental Commissioners to the Prime Minister dated 23rd of April and laid on the table the 24th of August and the papers accompanying the same be referred to a special committee of five members with instructions to investigate the matters and charges therein mentioned and that the said committee be composed of ..... and that they have power to send for persons, papers and reports.

They were afterwards given power to examine witnesses under oath. That is the action which I thought the government would have taken in this case, for it appears to me that the two cases are on all fours, with this exception that what Major Hodgins did was simply to write a letter containing statements which Mr. Parent thought were not true, reflecting on himself and his co-commissioners, and therefore should be investigated. In that case there was simply a letter written by Major Hodgins, but in the case I am now referring to we have the solemn declaration or affidavit of Mr. Mayes.

Mr. PUGSLEY. Does my hon. friend assert that there is an affidavit and has he got it?

Mr. DANIEL. Yes, I have it.

Mr. PUGSLEY. Would my hon. friend be good enough to allow me to read it while he is speaking.

Mr. DANIEL. I propose to read it and then have it laid before this committee.

Mr. PUGSLEY. If there be an affidavit, I shall be glad to have it laid on the table.

Mr. DANIEL. I shall read it. It is as follows:

I, Gershon S. Mayes, of the parish of Lancaster, in the city and county of St. John, in the province of New Brunswick, contractor, do solemnly declare:—That on the 1st of September, 1905, on the advice of the Hon. Wm. Pugsley, then Attorney General of the province of New Brunswick, and now Minister of Public Works of Canada, I had a conversation with Mr. Geo. McAvity, of the city of St. John, in the said province, merchant, relative to tenders for dredging which was then to be done in the harbour of St. John by the Public Works Department of Canada, of which the Hon. C. S. Hyman was then minister. Mr. McAvity proposed that I should go to Ottawa on Monday, the 4th of September, as he was going, and he would meet me up there at the Russell on the 5th inst. We did meet according to appointment. Mr. McAvity wanted to know what price I wanted. I told him I had tendered in June for 50 cents per cubic yard. He said, why not ask 55 cents and give him (McAvity) 5 cents per yard or 10 per cent. I said, why not do as we talked of at St. John, which was that he should go in with me and take one-quarter or one-half the cost of the dredge and receive his proportion of the profits. He said, yes, he could do that when he got home and might put $10,000 to $20,000 into it and perhaps get some friends in it with him, but for the present he would go in on a percentage basis and would see Hyman right away. Well, I said, what would I do about financing it and what was he going to do to help me. Oh, he said, you can easily arrange with the banks; no trouble at all when you have got the contract. We went to see Mr. Hyman at 2.30 p.m. McAvity went in and I stayed outside. I had told McAvity to arrange if possible to have at least 400,000 yards to dredge. Mr. McAvity came out and got me to go in, and I explained to Mr. Hyman the difficulty of bringing a big plant and only dredging a small quantity. Mr. Hyman agreed to see that if I got the contract—that is if I was the lowest tenderer—I should receive 400,000 yards. Afterwards McAvity said I had better arrange an agreement. I said why not wait until we get back to St. John to hear whether my tender has been accepted or not. He said he had a copy of the agreement all ready. I said, how did he get it? He said, oh, they were all ready here. I then read it over and told him it was all one-sided; I was to do the work, he was to get the profit. Well, he said, what do you want me to do? I told him I still thought he should be financially interested he and his friends, to the extent of some $20,000 or $30,000 at least, that it was a long back load for me to carry. Oh, he said as before, the banks would help me and wait until I got home. No, I said, I have got to go right to Boston and close a contract with the dredge-owners. Well, he said, better sign the agreement. No, I said, he should be bound to do something. He said for me to write something at the bottom and he would sign it. I said I was not a lawyer. Oh, go ahead, he said, and I wrote what came to me and he signed it.

The next day I was informed by Mr. Hyman that my tender was accepted, and months afterwards I learned that mine was the only tender received. The engineer of the department wrote me a letter giving 400,000 yards to be done, and I left for Boston via Montreal and afterwards secured a dredge and brought her to St. John.

I want now to say——

Mr. PUGSLEY. Better go on reading the affidavit.

Mr. DANIEL. I want to say specially to the Minister of Public Works——

Mr. PUGSLEY. I'd sooner you would read it just as it is.

Mr. DANIEL. This affidavit as typewritten had '1907' in it. That was a mistake, and I will put it as it ought to have been, '1905.' I may say that I was present at the meeting at which this affidavit was read by Mr. Hazen. He read it as he had it before him, the figure being '1907.' But he evidently saw that the date was wrong, as he turned to Mr. Mayes, who was sitting behind him on the platform—I myself being on the same platform only about

ten feet from both of them, and asked Mr. Mayes: 'What is that date?' Mr. Mayes told him it was 1905, and repeated it. Mr. Hazen then read it '1905.' As I have said, I was present and know exactly what I am talking about.

Mr. PUGSLEY. All I am asking is that the affidavit shall be read as it was sworn to.

Mr. DANIEL. I am going to read it exactly as it is now, as that figure has since been changed, and the whole affidavit re-sworn to. So, I intend to read it as Mr. Hazen read it on the night of October 12. It was re-sworn to on March 24 last.

Mr. PUGSLEY. Some four months after it was read at the meeting.

Mr. DANIEL (reading):

On October 15, 1905, I received a telephone message from Dr. Pugsley, asking me to call and see him next day, which I did. He said, 'Mr. Mayes I am in need of money, and it would be nice if you could help me.'

Mr. PUGSLEY. I desire now formally to take objection to my hon. friend reading any statements reflecting on myself——

Some hon. MEMBERS. Oh, oh.

Mr. PUGSLEY. One moment, please. I invoke the rule of order which was invoked by my hon. friend from North Toronto (Mr. Foster) not many days since in this House. My right hon. friend the Prime Minister (Sir Wilfrid Laurier), as hon. members will recollect, made the statement 'I have never had anything to do with the manipulation of trust funds.' My hon. friend from North Toronto took that as an intimation that, at some time or other, he had been charged with manipulating trust funds, holding it to be a reflection upon his character or as something unpleasant and offensive with regard to him, and that being the ruling of Your Honour, my right hon. friend the Prime Minister very properly withdrew the observation he had made—or, rather, the question he had asked. Now I was perfectly willing that my hon. friend from the city of St. John (Mr. Daniel) should read the affidavit as it was read by Mr. Hazen at the public meeting previous to the election in St. John, and as it was published throughout the Conservative press of Canada. But an affidavit purporting to reflect upon me, which was made months after that affidavit was read at the public meeting, being, as the hon. gentleman said, altered and re-sworn to—that affidavit I do object to being read as relating to myself. If the hon. gentleman will read the original affidavit as it was read at the meeting, I am more than willing. I have asked for it, have inquired for it in different directions, but have never been able to have it produced.

Mr. SPROULE. Before you rule upon that point, Mr. Speaker—if you must give a ruling upon it—I would draw attention to the fact that the hon. minister (Mr. Pugsley) objects to this affidavit because it comes from outside and reflects upon the honour and integrity of a member of this House. But if we suppose—and I do not know as to this—that the reading of this ends with a direct charge, that charge must be substantiated by some evidence, and, even though that evidence comes from outside, it is allowable here, and it is within the right of a member to read it and make the charge.

Mr. PUGSLEY. With the permission of the House, I would speak one word in reply. If my hon. friend from the city of St. John (Mr. Daniel) or any other member of this House desires to make a charge against me, and to take the responsibility of making it, he is at liberty to do so, and I shall welcome any such charge. But he must take the responsibility as a member of this House, and must take the consequences which devolve upon a member—

Some hon. MEMBERS. Oh, oh.

Mr. PUGSLEY. But, by the rules of this House, which, as I have said, the hon. member for North Toronto (Mr. Foster) invoked the other day, and invoked successfully, the hon. member (Mr. Daniel) cannot read a statement, whether made under oath or otherwise, by a person outside of this House reflecting upon a fellow member——

Mr. DANIEL. Before you decide the question, Mr. Speaker, I may be permitted a word. The hon. Minister of Public Works (Mr. Pugsley) has just stated that he is perfectly willing that I should read this affidavit as it was read by Mr. Hazen on October 24. I may tell you, Sir, that that is exactly what I have been doing and am doing. Under these circumstances, I consider that you have nothing to decide, for there is no request for me to do anything other than I am doing.

Mr. PUGSLEY. What I said I was willing to have done was that the hon. gentleman should read the affidavit as it was sworn to by Mr. Mayes——

Some hon. MEMBERS. No, no.

Mr. PUGSLEY. Yes, as sworn to by Mr. Mayes. It is the affidavit read by Mr. Hazen and published throughout Canada that I want read, if any is to be read.

Mr. CROCKET. Does the hon. minister (Mr. Pugsley) remember that some time ago in this House I was proceeding to read that affidavit, as it was published, and he objected.

Mr. PUGSLEY. Not at all. In that case, the hon. gentleman (Mr. Crocket) did

not profess to have the affidavit, but read from the newspaper report.

Mr. CROCKET. On that occasion, I was asked by the minister to read from these newspaper publications, and I proceeded to do so, but, when I reached some statements that, if true, involved the minister in a corrupt transaction, he took objection to it, and I was stopped from reading, notwithstanding that my first reading was—

Mr. PUGSLEY. Very properly so, too.

Mr. SPEAKER. I presume it will be admitted by both sides, that, if the hon. gentleman (Mr. Daniel) intends to conclude with a motion asking that certain matters be referred to a committee for investigation, it is perfectly regular for him to read the document in question.

Sir WILFRID LAURIER. What is the motion? We should know.

Mr. SPEAKER. I have not seen the motion, but I take the hon. member's word for it that he will conclude with such a motion. Would the hon. member (Mr. Daniel) have any objection to my seeing the motion?

Mr. DANIEL. Certainly not; I have much pleasure in sending it to you, Mr. Speaker. I maintain that I am in my right in reserving the reading of the motion——

Mr. SPEAKER. I took the hon. gentleman's word for it, and in asking if he would let me see the motion, I was only seeking to clear up the misunderstanding.

Mr. DANIEL. I have no objection. (reading):

On October 15, 1905, I received a telephone message from Dr. Pugsley——

Some hon. MEMBERS. Order.

Mr. DANIEL. I believe I am quite in order. (reading):

—asking me to call and see him next day, which I did. He said, 'Mr. Mayes, I am in need of money and it would be nice if you could help me.' I said——

Sir WILFRID LAURIER. Order.

Mr. SPEAKER. There is an expression of opinion. 'That in the opinion of this House.' I think there is a misunderstanding of the matter. The motion reads:

That in the opinion of this House, in view of the serious character of the matters aforesaid, the allegations contained in the said solemn declaration and all relevant matters touching the said dredging contract ought to be referred to a committee of this House to inquire into, to investigate the same and to report thereon in order that the truth or falsity of the said allegations may be determined; and that any public moneys improperly paid out in connection with the said dredging contract, may be recovered and restored to the public treasury.

Mr. PUGSLEY.

Of course, that is not making any charge against the Minister of Public Works. I have turned up the journals of the House of 1891 where I find that the then member for Montmorency, Mr. Tarte, made a charge against the Minister of Public Works at that time, but he made it on his responsibility as a member of the House. So I do not think, under the circumstances, that the hon. member can read the words of the affidavit on this motion, though I am prepared to hear further remarks on that point.

Mr. FOSTER. All my hon. friend (Mr. Daniel) is doing is what has been done a multitude of times in this House, and will be done a multitude of times hereafter, that is, after having gathered certain information, having that information in hand, believing that information is vital, in the exercise of his public duties, he wishes to bring that information before the House and ask that a committee be appointed by the House to investigate it. That is what he is doing, and what he has a perfect right to do, and it seems to me that there is no possible rule of order that can keep him from doing it. Upon what does he form his request for a committee? If he had got up and said nothing and asked that a committee be appointed to investigate nothing, it would be perfectly absurd. He has to lay a basis for his demand that a committee be appointed, and that basis is this affidavit, with numerous other circumstances which he is bringing in, and upon which he is forming his motion, that is the foundation. Do you mean to say, Mr. Speaker, that he cannot bring in these affidavits, these statements, these facts that have come to him, and upon which he wishes to formulate his motion? He must have something upon which to formulate his motion. I think, Mr. Speaker, with all due deference to the Chair, that there is a vital difference between his position and the position of a man making a charge against a minister. What we are asking for to-day is a committee of this House to investigate what we declare to be certain facts. These facts are made up of various ingredients, amongst them is what is contained in the affidavit of Mr. Gershon S. Mayes; therefore, we are simply doing what we have done a hundred times in this House, and what I think we will do a hundred times yet. The idea that I cannot make a motion, cannot lay my information before this House and ask that a committee be appointed, is new to me in parliamentary practice; I cannot see any reason in it at all. Now, the Minister of Public Works says that this is a matter which reflects upon himself. That can hardly be avoided. If he, whether as Minister of Public Works or not, has been a person in connection with the business that is referred to in this affidavit——

Mr. PUGSLEY. This was two years before I was Minister of Public Works.

Mr. FOSTER. That makes no difference. If it was two years before the hon. gentleman was Minister of Public Works or became a member of this House, then it is all the more reason for saying that there is no reflection upon him as a member of this House. But what is my hon. friend going to move; what is he going to read? He is going to read from that affidavit of Mr. Gershon S. Mayes. Mr. Mayes says, and he swears to it, that in 1905 he met the Hon. Wm. Pugsley, who at that time was not a member of this House, that certain conversations took place between him and Mr. Pugsley. Does that reflect upon the Minister of Public Works? The affidavit goes on to say that he asked that a sum of money be given to him. He then replies that he does not owe him any money. Then he says that in 1905 the Hon. Wm. Pugsley said to him: 'It would be nice for you to have some one at Ottawa.'

Mr. PUGSLEY. Mr. Speaker, I rise to a point of order. I ask the hon. gentleman to take back that statement which he has made.

Mr. FOSTER. What do you want me to take back?

Mr. PUGSLEY. The hon. gentleman is taking advantage of his position as a member when he professes to give what is contained in this affidavit, this re-written this revised affidavit. Before your honour has ruled that that affidavit itself can be read, he is professing to give what is in the affidavit before the affidavit is read. His language certainly does reflect upon me, because he is proceeding to make a statement that I wanted money; that in some way, in connection with Mr. Mayes, I asked for money. Now, if that is not reflecting upon me, why does he want a committee to investigate whether that statement is true or false? Because this committee is asked to investigate all the statements of this affidavit, not those which relate merely to the dredging contract, but as to what took place between Mr. Mayes and myself, when Mr. Mayes was my client, when I was his counsel, and when relations between us were confidential.

Mr. FOSTER. I had no intention whatever of being unfair to my hon. friend. I have not been unfair to him, and I am sure when he thinks it over he will not say that I stated that he asked for money. The question before the House is as to what may be read. The trouble is that the Speaker proposes to give a ruling on an affidavit which my hon. friend wants to read before he has read it.

Mr. PUGSLEY. But he is telling what is in the affidavit.

Mr. FOSTER. I am trying to elucidate the point by saying that what is to be read from the affidavit is what I have stated.

Mr. PUGSLEY. That you cannot do.

Mr. FOSTER. Why not?

Sir WILFRID LAURIER. The question is whether the affidavit should be read or not, and as long as that question is in issue, the hon. gentleman cannot be allowed to state what is in it.

Mr. FOSTER. Then you are asking the Speaker to rule as to whether an affidavit may be read or not when the Speaker does not know what it is, and no body else knows it.

Sir WILFRID LAURIER. The question is whether a motion is in order which asks for an investigation, and whether this affidavit can be read into the motion. If the hon. member for St. John (Mr. Daniel) has done what has been done in previous cases, taken the responsibility of making a charge against the Minister of Public Works, there could be no question at all. But he has not done so; therefore, it is a question for the Speaker to decide.

Mr. HUGHES. I rise to a point of order.

Mr. SPEAKER. The hon. member for St. John has the floor.

Mr. HUGHES. It is always in order to raise the point of order.

Mr. SPEAKER. The hon. member for St. John wishes to answer the remarks of the Minister of Public Works.

Mr. DANIEL. I can hardly understand the objection which the Minister of Public Works makes to this affidavit being read, even though, as he states, it accuses him of something of which he is absolutely guiltless. The very resolution which we are asking for to appoint a committee to investigate these things will give that gentleman an opportunity of showing the falsity of these things and of sending the information in regard to them all over this country. Certainly, if the minister wants anything I should think he would want to have himself absolutely cleared of these suspicions. If there is one gentleman in this House——

Some hon. MEMBERS. Order.

Mr. DANIEL—who ought to ask for a committee of investigation is is the hon. Minister of Public Works. It is a small matter to me, Mr. Speaker. I am sorry to have to be the one to bring this up but some body has to bring it up. I am well acquainted with and I am friendly with every one who is interested in this matter and I would much rather that the duty had fallen upon any body else to bring this

matter before the House than myself. But, you, Mr. Speaker, will have to decide this matter. I believe I am absolutely in order in reading this affidavit which has been spread broadcast through this country.

Mr. PUGSLEY. It was not. It was spread broadcast in another form altogether.

Mr. DANIEL. I am making no charge against my hon. friend—none whatever. The charges, whatever they are, have already been made. I am presenting this to the House. The Prime Minister presented the statement of Major Hodgins to this House as if that were a subject to be investigated. I say this is quite as important a subject to be investigated.

Mr. CONMEE. May I ask the hon. gentleman a question ?

Some hon. MEMBERS. Order.

Mr. DANIEL. I would expect, Mr. Speaker, that you would rule in favour of this matter going on.

Mr. HUGHES. In discussing the point of order I would like to say that the hon. the Speaker has pointed to a case that occurred some years ago. A thousand cases occurring on the same basis as that which Mr. Speaker has cited would have no bearing on this case whatever. The mere fact that Mr. Tarte, at that time member for Montmorency, made a specific charge against a member has no bearing on this case whatever. The two cases are on an entirely different basis. It is moved that an inquiry into the Public Works Department should be extended to the public works of this country, to the misspending of public money and if the present Minister of Public Works, then not a member of this House, has been brought into it in any way, no statement that can be made in this affidavit can in any sense reflect upon the present Minister of Public Works in his capacity as Minister of Public Works or as a member of this House, and as far as I understand no objection can be taken by the minister on the ground of the reading of this affidavit. This is merely an inquiry the same as the inquiry which took place not long since into the Department of Marine and Fisheries along similar lines.

Mr. LENNOX. I think it would be wise that we should thoroughly understand this matter before we have your ruling upon it, in order to see just exactly what it involves. There is a good deal more at issue than the mere question that appears on the surface at this moment. It is the conduct of public business in this House. The right hon. Prime Minister (Sir Wilfrid Laurier) is responsible for that more than any body else. I listened to what he said a few moments ago about a charge being made against a Minister of the Crown or against a member of this House. I do not understand that the hon. gentleman who brings forward this matter is making any charge whatever against the conduct of the hon. Minister of Public Works (Mr. Pugsley). I do not understand it so and I have some reason to know about the situation of this matter.

Mr. PUGSLEY. Why should he read false paragraphs in an affidavit regarding myself?

Mr. LENNOX. If the hon. gentleman will possess his soul in patience for a moment or two I will endeavour, as far as I can, to show why he should read the affidavit and why it is the duty of the members of this House to present such matters before the House and have them investigated. At the city of St. John a solemn declaration was made and was read at a public meeting—a solemn declaration having the force and effect of an oath. It made grave reflections against a minister of the Crown—not, as I understand, against his conduct while he was a minister of the Crown here, but against him as a public man.

Mr. PUGSLEY. The affidavit as sworn to reflects upon me as a minister.

Mr. LENNOX. That became known to the public. At the time that the affidavit was read the minister says that it contained the date 1907. Put it that way and read it that way and much more reason is there for having the matter investigated because it would then contain an explicit charge against a minister of the Crown. We have a statement of the hon. gentleman who is about to move this resolution as to what the facts were at that time. We have a solemn declaration—it matters not whether it was read as 1905 or 1907—which reflects very gravely upon the conduct of a public man in the city of St. John.

Mr. PUGSLEY. I will ask the hon. gentleman to withdraw that statement.

Mr. LENNOX. I cannot withdraw it.

Mr. PUGSLEY. The hon. gentleman must withdraw it.

Mr. LENNOX. I cannot withdraw it.

Mr. PUGSLEY. No member of this House has the right to say that an affidavit is about to be read which reflects in the gravest manner upon a member of this House.

Mr. SPROULE. He has a perfect right to say so.

Mr. PUGSLEY. It is as offensive a statement as possibly can be made with regard to a member of this House and I ask the hon. gentleman to withdraw that statement.

Mr. NORTHRUP. Mr. Speaker, if you will allow me——

Some hon. MEMBERS. Order.

Mr. LENNOX. I like to fight my own battles out. I have made no reflection upon a minister of the Crown.

Mr. PUGSLEY. I ask you to withdraw.

Mr. SPEAKER. The hon. gentleman (Mr. Lennox) knows the rule.

Mr. LENNOX. Certainly, I know the rule.

Mr. SPEAKER. Rule 19 provides that no offensive words may be used against another member. The rule contains these words

Nor use offensive words against either House, or against any member thereof.

Mr. LENNOX. We do not need the rule, Mr. Speaker.

Some hon. MEMBERS. Withdraw.

Mr LENNOX. If I had used any offensive word against any minister of the Crown or against any member of the House, I would be willing to withdraw it.

Mr. PUGSLEY. I ask the hon. gentleman to withdraw that statement.

Mr. LENNOX. I never made that statement.

Some hon. MEMBERS. Order.

Mr. LENNOX. If the Speaker says that I have made any offensive statement reflecting upon the minister I will immediately withdraw it but I shall want to know what the words are that I am to withdraw.

Mr. SPEAKER. I do not think that I understood the words of the hon. member.

Mr. LENNOX. I have not made any reflection whatever upon the minister in any shape or form. I accepted as a fact the statement which the minister has repeated time and again in this House that the affidavit or solemn declaration was read in the city of St. John. I am telling you, as a matter of fact, that the solemn declaration was read at a public meeting in the city of St. John, and I am telling you as a fact, as the minister has told you time and again, that that was put forward as a statement against him.

Mr. PUGSLEY. Will my hon. friend pardon me for a moment, what I said was that the affidavit as read in St. John by Mr. Hazen at this public meeting, and which was circulated throughout Canada, charged me with having, in the year 1907, when I was Minister of Public Works, received certain moneys from a contractor. Now, then, the hon. member for St. John (Mr. Daniel) said that he was going to read a new and revised affidavit and what the hon. member for South Simcoe (Mr. Lennox) said was that he was about to read an affidavit which reflected in the gravest possible manner upon the Minister of Public Works. That is the statement of the hon. gentleman. Those are the words he used. My hon. friend must see that he is offensive.

Mr. DANIEL. I might remark, Mr. Speaker, that the resolution before you.

Mr. PUGSLEY. I ask that the statement be withdrawn.

Some hon. MEMBERS. Order.

Mr. PUGSLEY. I ask that the hon. gentleman withdraw those words.

Mr. SPEAKER. If the hon. gentleman has used offensive words I think they would be withdrawn.

Mr. LENNOX. If Mr. Speaker will tell me what offensive words I used I will be most desirous to withdraw them.

Mr. SPEAKER. The words complained of, as I understand, referred to an affidavit which has not yet been read to the House, but which it is said reflects on an hon. member.

Mr. LENNOX. The statement I have made——

Mr. SPEAKER. If the hon. member denies having used the words that is an end of it.

Mr. LENNOX. I certainly say I made no reflection on the minister.

Mr. CONMEE. That is evading the question.

Some hon. MEMBERS. Order.

Mr. LENNOX. I took the statement of the minister himself.

Mr. CONMEE. Why not have the words read?

Mr. LENNOX. I took the statement of the minister himself that there was an affidavit read in the city of St. John in reference to a transaction which is said to have taken place in 1907.

Mr. PUGSLEY. Yes.

Mr. LENNOX. And that a declaration had been made and was read at a public meeting in the city of St. John, and that declaration which was presented at that time is here in the House of Commons today.

Mr. PUGSLEY. No; it is a new one altogether.

Mr. LENNOX. That declaration that was read in St. John that night is here in the

House of Commons to-day, and the date has been amended and it has been re-sworn.

Mr. PUGSLEY. My hon. friend is wrong about that.

Some hon. MEMBERS Order.

Mr. PUGSLEY. I am asking my hon. friend now to withdraw the statement.

Some hon. MEMBERS. Order.

Mr. PUGSLEY. I have the floor.

Mr. SPEAKER. It is customary to allow a Minister of the Crown to explain to the House anything that the House has an interest in knowing.

Mr. PUGSLEY. I am sure the hon. gentleman from Simcoe (Mr. Lennox) misunderstands me. What I did say was that the declaration as read at a public meeting at St. John, and which declared that in 1907 I received moneys from a contractor, did reflect upon me as Minister of Public Works.

Mr. LANCASTER. That is all he says.

Mr. PUGSLEY. No, that is not what my hon. friend said. That declaration has been changed. My hon. friend says it has been re-sworn. That makes it a new declaration. Now, what my hon. friend says is that the declaration which the member from St. John is about to read reflects in the gravest way upon a minister.

Mr. LENNOX. No.

Mr. PUGSLEY. That is what the hon. gentleman said, and I ask him to withdraw it.

Mr. LENNOX. You are begging the question.

Mr. PUGSLEY. If my hon. friend says he did not say that, then it is another matter.

Mr. LENNOX. I say I did not say it, and I am surprised that the minister thought so. Now let me proceed. The fact is that the minister states a declaration was made and a declaration was read which reflected upon him, and it is proposed now to lay that declaration before this House.

Mr. PUGSLEY. To lay another declaration before the House.

Mr. LENNOX. You can read the date as 1907 or you can read it as 1905, which ever you like.

Mr. TALBOT. It makes a big difference.

Mr. CONMEE. It is an accommodation.

Mr. LENNOX. It is neither an accommodation train nor an express train.

An hon. MEMBER. It is a special.

Mr. CONMEE. Mr. Speaker——

Mr. LENNOX. Order.

Mr. CONMEE. I rise to a point of order in regard to the hon. gentleman's remarks. The hon. gentleman has made reference to a special train and an election train.

Some hon. MEMBERS. Hear, hear.

Mr. CONMEE. Now, if the hon. gentleman will say that he did not intend his remarks to refer to me——

Some hon. MEMBERS. Oh.

Mr. LENNOX. I did.

Mr. CONMEE. If he says he did not refer to me I can perhaps allow him to proceed.

Mr. LENNOX. I intended my remarks to refer to the hon. gentleman (Mr. Conmee).

Mr. CONMEE. Do I understand the hon. gentleman to say that he did intend his remarks to refer to me?

Mr. LENNOX. Yes.

Mr. CONMEE. Then I want him to withdraw them. Some hon. gentlemen in this House, and he is not the first, have been rather amused about a special train.

Some hon. MEMBERS. Order, sit down.

Mr. CONMEE. Excuse me I have the floor and I know when to stop.

Some hon. MEMBERS. Order.

Mr. SPEAKER. The hon. member for Simcoe has the floor unless the hon. member for Rainy River rises to a point of order. Do I understand the hon. member for Rainy River to ask that certain words be withdrawn?

Mr. CONMEE. Yes, I have asked that.

Mr. LENNOX. I will be very glad to have the Speaker's ruling on the matter.

Mr. SPEAKER. I do not see that the words used are unparliamentary.

Mr. CONMEE. Well——

Some hon. MEMBERS. Order.

Mr. SPEAKER. I repeat the ruling I gave the other evening; the words may be open to an inference but I cannot draw the inference.

Mr. CONMEE. But, Mr. Speaker——

Some hon. MEMBERS. Order.

Mr. CONMEE. Just one moment please.

Some hon. MEMBERS. Order.

Mr. TALBOT. Make him explain what he meant.

Some hon. MEMBERS. Order.

Sir WILFRID LAURIER. We should try to proceed with some dignity—

Mr. LENNOX. I think so too.

Sir WILFRID LAURIER. For my part I do not believe that my hon. friend from Simcoe intended to be offensive to my hon. friend from Rainy River, but if he did I would ask him to withdraw.

Mr. LENNOX. Mr. Speaker has ruled upon that question so that the right hon. gentleman is out of order. Now, what I wanted to say in reference to this matter is, that there is no attempt by any hon. gentleman on this side of the House, so far as I know, to make any insinuations or reflections upon the Minister of Public Works either as a private citizen or as a public man. But I do understand that a grave reflection—probably wrongfully—has been, by a certain declaration which the hon. minister refers to, cast upon a public man in the Dominion parliament, namely the Minister of Public Works.

Mr. PUGSLEY. And which was admitted to be false.

Mr. LENNOX. No hon. gentleman on this side, so far as I understand it, will hesitate if we get fair-play upon this side of the House, to take the statement of the minister as to a matter of fact, but in the meantime a grave public scandal has been circulated in reference to a Minister of the Crown, and the object of my hon. friend, as I understand him, in moving this motion is that that matter being a matter of public interest shall be investigated. And what we want to know is: does the First Minister desire or does the Minister of Public Works desire that this thing shall be throttled and shut out, or shall we have a public investigation?

Mr. W. NORTHRUP (West Hastings). It seems to me we are wandering a little afield in this lengthy discussion. The motion before the House is that Mr. Speaker should leave the chair for the House to into committee of supply and there is no better understood constitutional principle that on such a motion the people should have a right to air their grievances and that the members of this House have the right to say anything within the bounds of parliamentary propriety at such a time. Whether or not a motion is to be made is a matter of utter indifference. It is true that in this case the hon. gentleman who intends to make a motion has put the motion in the hands of Mr. Speaker, but that after all is a matter of private courtesy between the member and Mr. Speaker. The question is whether or not the hon. member who had the floor was out of order when the point of order was raised by the Minister of Public Works. In fact two points of order were raised, one by the Minister of Public Works and one by the leader of the House. The point taken by the Minister of Public Works, as I understand it, is, that there was something that would contravene rule 19, not in what was about to be said but in what had been said by the hon. member. I submit that rule 19 has no application to the future; it applies only to the present or the past. If a member uses objectionable language, he can be called to order after he has used it; but there is no power of foresight given to the Speaker or to a minister to enable him to foretell what a member is about to say. Therefore an objection, to be in order, must have reference to something that has already been said. The right hon. gentleman who leads the House raised the point whether or not an affidavit could be read. I venture to think that the right hon. gentleman would hardly discuss that question. Every member of this House will admit that an affidavit can be read. It might be of such an utterly improper character that it should not be read, and a member might be called to order for reading it; but that it could be read is, I submit, beyond question. What is the rule to which reference has been made?

No member shall use offensive words against either House or against any member thereof.

That is plain language. It is along the same lines as the law that forbids individuals outside of this House under the pains and penalties of the law to use offensive language against their fellows, for fear it might lead to a breach of the peace. So in this House members are not to use offensive language towards each other for fear that, not a breach of the peace, but a breach of decorum might ensue. What is the meaning of offensive language? Let us assume that a judge sitting on the bench had solemnly given utterance to a judgment which reflected most severely on a member of this House or on a minister. Surely in such a case it could not be said that a member of this House was using offensive words against the member or minister in question if he merely, in the face of the House, read that judgment. Words uttered by a member of this House, as expressing his opinion of another member, would be offensive and out of order; but if a member quoted from a judgment of a judge of the Supreme Court, it is clear that he would not be using offensive words within the meaning of the rule. The only question would be whether he was quoting truly or not. Mr. Justice Cassels in his report, reflected in very strong terms on the administration of several departments, and we know that the head of each department is responsible for the admin-

istration of his department. Any member of this House who quoted from the report of Mr. Justice Cassels was, according to the opinion of the Minister of Public Works, using offensive language towards the Minister of Marine and Fisheries.

Mr. PUGSLEY. The report was before parliament.

Mr. NORTHRUP. What difference does that make? The question is the construction of rule 19, and it says nothing about anything being before parliament. In one sense every word uttered in this House to show that hon. gentlemen opposite are not doing their duty may be considered offensive to them; but surely that is not what is meant. If the ruling of the Minister of Public Works now asks for were sustained by the Chair, what would be the result? No judgment or report of a Royal Commission, or a judge could be referred to in this House by any hon. member except under pains and penalties. Therefore, I submit that when the hon. Minister of Public Works raises the point that the language which the hon. member for St. John was using was out of order, his objection could only apply to the particular words or clause then read, because any objection of that kind must be taken instanter, or it does not hold. The Speaker can only deal with the particular words uttered, and as soon as they are disposed of, the hon. member for St. John can proceed to read the next clause of the affidavit, and the objection to each clause must be threshed out in that way; unless the Speaker decides that there is something in the affidavit which would be improper to be read, and therefore does not allow it to be read.

Mr. CONMEE. I think the House understood the hon. member for St. John to state that it was his intention not only to read the affidavit, but to present a motion to the House. The reply from the Chair was to the effect that if it was the hon. member's intention to follow the reading of the affidavit with a motion, the affidavit might be read. But when the motion went to the Chair, my recollection is that the Speaker's words were that it was not a motion of the character to which the hon. member had referred.

Some hon. MEMBERS. No, no.

Mr. CONMEE. There is where the issue stands at present, as I understand it. The motion contains no charge; it is not a motion of the character which the hon. member for St. John stated that he was going to place before the House, and therefore if he read the affidavit, he would read it misleading the House as to the character of the motion he intended to introduce. That is the exact position he is in.

Mr. NORTHRUP.

Mr. MEIGHEN. Will the hon. member for Rainy River tell the House what motion would be of such a character as to warrant the reading of the affidavit, if the motion in the hands of the Speaker is not?

Mr. CONMEE. The records of this House show a large number of such motions. One of them was referred to here to-day. Mr. Tarte made a motion charging the then Minister of Public Works on his responsibility as a member of the House. Mr. Edgar made a similar motion; Mr. Worthington and Mr. Lister made similar motions. Each one was made specifically by a member on his responsibility. They were of the character of a motion which any hon. gentleman opposite must take the responsibility of making if he wants to bring a charge against any member of this House. That is his privilege.

Mr. MEIGHEN. I understand that your ruling was——

Mr. SPEAKER. I have not ruled. I have only applied to the House, to the old parliamentarians here. I understand that the long standing custom is that no member of this House should lay any charge against a fellow member without assuming the responsibility for it. An affidavit may be read in the city of St. John, but it is a very different thing to read that affidavit in this House without assuming the responsibility therefor. It is on that point that I ask the advice of the House before giving my ruling.

Mr. DEVLIN. Mr. Speaker, as the matter stands now before the House, it would seem that the whole question is this: The hon. member for St. John wishes to place on record a certain document which he has in his possession purporting to be an affidavit of a certain individual in the city of St. John——

Mr. CROCKET. And which the Minister of Public Works asked him to read.

Mr. DEVLIN. I will come to that in a moment. That affidavit, from what knowlege we have been able to gather concerning the incident, deals with certain transactions between a certain Mr. Mayes, and the present Minister of Public Works, not as a minister nor as a member of parliament, but simply as an individual citizen of the city of St. John. The hon. Minister of Public Works tells us further that the affidavit deals with a case between himself and Mr. Mayes, who was then his client. The point to consider, it seems to me, is how far this parliament has the right to go into the conduct of individuals in this country, and to deal with them in this House. I can readily understand that this House would have the right to deal with

a motion calling for a committee to investigate the conduct of a member of parliament or a minister of the Crown. But I think that this House has no right to inquire into the conduct of individuals before they become members of parliament. It may be argued that even if a man has committed some crime, he may afterwards lead an honourable life.

Some hon. MEMBER. Oh, oh——

Mr. DEVLIN. Suppose, for argument's sake, that hon. gentlemen opposite who are always finding something criminal, who are always ready to cast insinuations——

Some hon. MEMBERS. Order.

Mr. DEVLIN. Hon. gentlemen opposite are always ready to call order when we speak of the insinuations they cast at their political opponents. In my opinion the matter now before the House is altogether out of order, and this House has no power to inquire into anything any hon. member may have done before he became a member of it, any more than we have a right to inquire into the conduct of any private individual.

Mr. SPROULE. I wish to mention the fact that we have had several commissions of inquiry appointed on the basis of allegations read in this House regarding what took place outside of it. We always did that with regard to any member's right to sit in this House, when we desired to refer any such question to the Committee on Privileges and Election. In such cases, there were allegations made outside the House, on the strength of which we asked for the appointment of a commission to investigate and decide whether they were true or false. If they were true, the member in question had not the right to sit in this House. If they were false, he ought to be exonerated and his character vindicated. On exactly the same principle we are asking that a committee be appointed to inquire into the allegations made so as to determine whether they are true or false.

Mr. CROCKET. No hon. gentleman can seriously claim that it is not competent for this parliament to express an opinion on a matter which has become a grave public scandal. If the point of order raised by the hon. the Minister of Public Works (Mr. Pugsley) should be sustained by you, Mr. Speaker, that would mean that the House of Commons had not the right to express an opinion upon such a matter as the one just referred to. We have heard the statement frequently made by hon. members that if a member of this House has any charge to make, he should make it from his seat. Does the Minister of Public Works claim there has not been a specific charge solemnly made against him as Minister of the Crown ?

Mr. PUGSLEY. I say this; I say that at a great Conservative meeting held in the city of St. John, just before the elections, a charge of the gravest character was made against me. That charge was that I, when Minister of Public Works, had received money from a contractor. That charge was published broadcast throughout Canada, but it was afterwards withdrawn. What however the hon. member for St. John proposes to do is to read a new affidavit altogether, which professes to divulge certain things that took place between my client, Mr. Mayes, and myself, two years before I became a member of this House. I heard what my hon. friend began to read, and I declare that the statement he is making is false and he is bound to take my word that it is. Surely, it is absurd to say that no member of this House can rise in his place and make reflections on the character of another member with respect to circumstances dating back two or three years before he became a member, and yet maintain that he can do the same thing by reading the affidavit of some one who is not a member of this House ?

Mr. CROCKET. The Minister of Public Works has admitted that there was a grave charge made against him in St. John as Minister of Public Works——

Mr. PUGSLEY. And withdrawn since.

Mr. CROCKET. The hon. minister spoke of a mistake in the date of a certain interview he was alleged to have had with Mr. Mayes, but is he not aware that that affidavit in addition to that statement also alleged——

Some hon. MEMBER. Order.

Mr. CROCKET. I am asking the Minister of Public Works a question. I am asking him if he is not aware that that affidavit, in addition to the statement——

Some hon. MEMBER. Order.

Mr. PUGSLEY. I rise to a point of order. I have said that I will make no objection to having the affidavit read, word for word, as it was read at that public meeting in St. John. I am quite willing that the original affidavit should be read.

Mr. DANIEL. Then I will go on with the affidavit.

Mr. SPEAKER. Do I understand that the point of order is not insisted on ?

Mr. PUGSLEY. The point of order is insisted on, but I say that if my hon. friend will produce and read the original affidavit, sworn to by Mr. Mayes, which was read at that public meeting, and lay it on the table I shall not object to his doing so.

Mr. DANIEL. That is what I have been trying to do the last half hour. If the minister were as anxious to have that affidavit read as he says he is, we should have been through with this matter half an hour ago. I hold in my hand the very affidavit which was read by Mr. Hazen—the original affidavit——

Mr. PUGSLEY. What date? The affidavit sworn to in October, 1908, is the affidavit I want read.

Mr. DANIEL. He said: 'Mr. Mayes, I am in need of money——'

Mr. CONMEE. What is the date?

Mr. SPEAKER. I would call the attention of the hon. member for St. John to rule 19: 'No offensive words can be uttered against a member of the House.' If the words the hon. gentleman proposes to read are offensive they will be out of order.

Mr. DANIEL. I do not know. Here is this affidavit, which was read the 12th of October last. The Minister of Public Works says that it contains serious charges against him and yet he has been willing that those charges should hang over him from that time to the present, without his taking a single step to vindicate himself.

Mr. PUGSLEY. They were withdrawn.

Mr. DANIEL. If they were so little offensive to him that he took no action, they cannot be offensive if I read them now.

Mr. SPEAKER. If every word which is offensive is taken out of this amendment, it will be in order. Otherwise it is out of order.

Mr. DANIEL. How am I to know what is offensive to the minister and what is not?

Mr. SPEAKER. I have declared that no offensive word may be read or spoken in this House against any hon. member. That is rule 19.

Mr. McKENZIE. Do I understand you to rule, Mr. Speaker——

Some hon. MEMBERS. Order.

Mr. McKENZIE. I am in order, and I will not be put down.

Mr. SPEAKER. I understand that the hon. member (Mr. McKenzie) asks an explanation; he did not hear my ruling. I have ruled that, under rule 19, no offensive word may be either spoken or read in this House against any hon. member.

Mr. McKENZIE. That is not the point.

Mr. LENNOX. Hear the judge.

Mr. McKENZIE. I have a perfect right to be heard, and the sneering of the hon. member for South Simcoe (Mr. Lennox) does not move me in the slightest.

Some hon. MEMBERS. Order.

Mr. McKENZIE. I want to know your ruling, Mr. Speaker.

Mr. J. A. CURRIE. Mr. Speaker——

Some hon. MEMBERS. Order, order.

Mr. McKENZIE. I want to know your honour's ruling, and to submit to it. Do I understand you to rule that this affidavit, on the conditions before you, can or cannot be read?

Mr. SPEAKER. The affidavit has not been read. But if the affidavit contains any offensive language, it cannot be read.

Mr. McKENZIE. I submit that it cannot be read.

Mr. R. F. SUTHERLAND. The point of order, after all the various discussions that have been had, it seems to me narrows down to this: There was a declaration made, it, appears, which apparently reflected upon the Minister of Public Works (Mr. Pugsley). The original declaration made a statement to the effect that a certain event had taken place in 1907, that is after the Minister of Public Works became a member of this House. That was objected to by the minister. The date has since been changed, I understand, to read '1905,' which was before the hon. minister became a member of this House. Now, there is a clear distinction between what the House can investigate and what the House cannot investigate as regards a member of this House and as regards a private individual outside this House, and that is plainly laid down by the high authority, May, at page 81:

> Libels upon members have also been constantly punished; but to constitute a breach of privilege they must concern the character or conduct of members in that capacity; and as is explained on page 274——

And this is the pertinent principle.

> —the libel must be based on matters arising in the actual transaction of the business of the House. Aspersions upon the conduct of members as magistrates, or officers in the army or navy, or as counsel, or employers of labour, or in private life, or otherwise than in relation to parliament, are within the cognizance of the courts and are not fit subjects for complaints to the House of Commons.

The moment it appears that this is a charge having reference to something that happened during the private life of the Minister of Public Works, and that the statement about to be read contains grave reflections upon him—and that has been stated by two members of this House—it is taken without the scope of this House and relegated to the courts and is not a fit subject for inquiry here.

Mr. LANCASTER. I might agree, in what has been so well said by the hon. member (Mr. Sutherland), if we both knew what was the motion to be brought before you. But I have as much right to assume that this is a motion to take steps to get back money that was wrongfully obtained from the public as the hon. member has to assume that it is a motion against the Minister of Public Works. I gather—I do not know whether from something read by you, Mr. Speaker, or from some words spoken by hon. members—that the main object of the motion is to get back money that belongs to the people. If so, I imagine you cannot prevent it by drawing the herring across the trail by saying that the character of a member of this House is involved. It is a serious question, one which——

Mr. SPEAKER. If the hon. gentleman (Mr. Lancaster) will allow me; it would be perfectly in order to ask by this motion for an investigation into such a matter. But what is not allowed is to use offensive words in support of the motion, unless the hon. member from St. John city (Mr. Daniel) assumes to make a direct charge in the usual way.

Mr. LANCASTER. I quite agree with what has been said in that respect, but I am going to point out what it may lead to. No hon. member of this House can expect members to vote for a motion for an investigation without giving some evidence in support of his motion. If he brings that evidence before the House in the form of an affidavit duly sworn to, is he to mutilate that document by cutting out certain words or by changing certain words of the deponent? Is he to say: I have evidence showing that money has been wrongfully obtained from the people by somebody, but, in presenting that evidence as given under oath, I must garble it? Because the reputation of some particular person is involved? We must be practical. If we have the right to get a committee appointed to see whether money belonging to the people has been wrongfully obtained by an individual and should be paid back, surely that right cannot be denied simply because my character or that of anybody else in this House is involved?

Mr. CONMEE. Then, why have not you the courage of your convictions and make a specific charge?

Mr. FOSTER. Before you make a ruling, Mr. Speaker——

Some hon. MEMBERS. Order.

Mr. FOSTER. I desire order, Mr. Speaker. Before you make a ruling, I wish to put in this plea: As I understand the ruling, it is that no language can be read or spoken in this House which is offensive to any member. If I am wrong, I hope you will correct me, Mr. Speaker. Now, I want the House to think about that for a moment as to the absolute revolution in parliamentary practice it may involve and the powers the House of Commons will possess hereafter if that becomes the permanent rule of this Chamber. For instance, suppose that, in carrying out my duty as a member of parliament, I make an investigation into some branches of the Marine and Fisheries Department, and suppose I find that there has been malversation of funds, the paying of bonuses, the taking of presents—suppose that I find that a dozen things that are wrong have been done. And suppose that I get affidavits to prove this. And suppose that one of these solemn declarations sets forth that an officer of the government, it may be a minister of the Crown——

Some hon. MEMBERS. No, no.

Mr. FOSTER. An officer of the government, it may be a minister of the Crown, was cognizant of these proceedings. I cannot say to the man who is prepared to give me an affidavit setting forth the facts: Cut out this word, or do not use that word. He must make his affidavit, for it is his statement and he is swearing to it. I bring that affidavit into the House and upon that——

An hon. MEMBER. Make a charge.

Mr. FOSTER. 'Make a charge,' my hon. friend says. Let me make my own statement. I put the facts before the House, reading the affidavits and I ask the House to appoint a committee to inquire into the whole matter. As I make my statement I must read the bases upon which I make it, and one of those bases is the affidavit. When I make my statement I am at perfect liberty to show that the Minister of Marine and Fisheries, or the Minister of Public Works, has been lax, has lacked foresight, has lacked direction; I can go on and say that he has lacked in fair and honest supervision in the matter. I can make these statements in the House, I think I can make them the basis for asking for an investigation committee. The rules of the House allow that. Under the present ruling that is proposed by the Speaker, I ask you where you would be with reference to investigating anything, and where an opportunity would have any locus standi. Now when you come to read this resolution you will find that it is a resolution asking for the appointment of a commission for a specific purpose; that specific purpose is to look into and make an investigation under oath, get witnesses and bring documents. Investigation into what? Investigation into certain transactions whereby a contract was

got from this government, and whereby a person who was outside the contract entirely, got a rake-off, as we call it, of five cents per cubic yard. That is what is to be looked into, and that is all that is to be looked into.

Some hon. MEMBERS. Order.

Mr. FOSTER. Now, let us be quiet for a moment whilst I state what takes place, according to the affidavit.

Sir WILFRID LAURIER. If it be a motion as to whether there has been a rake-off, is it not a fact that the motion would be just as complete without any reference to the Minister of Public Works?

Mr. FOSTER. The reference is not to the Minister of Public Works. Now, we have heard a lot about that affidavit. All men are fallible, the Prime Minister and myself not excluded.

Mr. PUGSLEY. That is a belated admission on the part of the hon. gentlemen.

Mr. FOSTER. All men are fallible; Mr. Mayes made an affidavit which he swore to, and which affidavit was read in the city of St. John on the 12th of October. In that affidavit was the date 1907 instead of 1905, as Mr. Mayes declared it was his intention to make it. We will say for the sake of argument that it was read as 1907. An attempt was made at that meeting to have the date corrected and make it 1905. But it was read 1907, and so it came out. The Minister of Public Works says: That is absolutely false with reference to myself; it was in 1907 that I was Minister of Public Works, and in 1907 that thing did not take place. But just as soon as the affidavit was published the man who made it, and who ought to have knowledge, made the correction, and said, 1907 is wrong; I did not mean 1907, I meant 1905. Now, was that or was that not the fact? I appeal now to the Prime Minister. He can read the documents and see for himself. I myself, in the city of Toronto, read in the papers of the 13th, the next morning, that Mr. Mayes himself had made the correction, and said that he meant 1905.

Mr. NESBITT. Mr. Speaker, I rise to a point of order; the hon. gentleman has spoken twice before.

Mr. FOSTER. I wish to finish my statement with reference to the point of order.

Mr. SPEAKER. I think the member for North Toronto is speaking now with the consent of the House.

Mr. NESBITT. He is not speaking to the point of order.

Mr. SPEAKER. The House must either proceed with this matter or not. My ruling has already been given. But as this is a matter which may affect any member of the House to-morrow, I want to apply rule 19, which says:

> No member shall use offensive words against either House, or against any member thereof; nor speak beside the question in debate.

The moment offensive words are read to me by any hon. gentleman I shall have to stop him. They may be read in a public meeting at St. John, but they cannot be read here, without the hon. gentleman assuming the responsibility thereof, as a matter of public procedure. He cannot lay a charge against the Minister of Public Works without assuming responsibility therefor.

Mr. SPROULE. What responsibility?

Mr. SPEAKER. The responsibility of the member himself, speaking from his seat in the House.

Mr. HUGHES. Has any one assumed to lay a charge against the Minister of Public Works here to-day?

Mr. SPEAKER. I understand the amendment contains one.

Mr. HUGHES. The charge was made against a former Minister of Public Works, and not against the gentleman who got the contract. There was no charge made against Mr. Pugsley the private member whatever.

Mr. FOSTER. When I was cut into by my hon. friend over there, I was going on to show what were the facts of the case. I was showing that an error had been made by Mr. Mayes; Mr. Mayes corrected that error, as I said, on the 13th, when the affidavit was originally read on the 12th.

Mr. TALBOT. I rise to a point of order. The hon. gentleman has already spoken once, and I for one object to him speaking again.

Some hon. MEMBERS. Order, order.

Mr. SPEAKER. Several points of order have been taken. I think the hon. member for North Toronto is speaking now on a matter in which the House is interested.

Mr. TALBOT. I for one object. The hon. gentleman should not speak oftener than the rules of the House allow. He has no right to speak twice.

Mr. SPEAKER. I think the member for North Toronto is in order. Several points of order have been raised, I have not kept a record of them. A number of members have spoken, and it seems to be the sense of the House that the hon. member for North Toronto should be privileged to speak again.

Some hon. MEMBERS. No, no.

Mr. TALBOT. That is where I raise the point of order. The hon. gentleman has no right to speak twice on the same subject. If he raises another point of order——

Some hon. MEMBERS. Order, order.

Mr. SPEAKER. I cannot say that the hon. member for North Toronto has spoken on this particular point of order.

Mr. TALBOT. We want to know what he is speaking about. I for one want to know what he is speaking about.

Mr. FOSTER. All I have to say now is that if we are really a parliament and not a madhouse, let us make up our mind which we are. I leave the whole matter in the hands of the right hon. gentleman who leads the House.

Sir WILFRID LAURIER. It certainly devolves upon me as leader of the House to give my opinion on this matter. It is a duty which is not always pleasant, but it is a duty which we have to discharge. At all events, we must endeavour on both sides of the House to bring this matter to a conclusion, with a proper sense of the dignity of the House and a proper application of the rules of the House. If I may refer to a past debate of only a few days ago, I said that I should give an example myself, and I will give it again. The rule of the House is that no one is allowed to speak disrespectfully of another member. The hon. member for North Toronto (Mr. Foster) the other day put the matter in a more complete form. He said that no member should be allowed to use words which were not only offensive but painful to another member. If we accept that interpretation we should have no difficulty in coming to a conclusion upon this matter. But, there is an exception to the rule that no member is to be spoken of disrespectfully. If a member rises in the House and says: I charge Mr. So-and-so, a fellow member—that, in itself is offensive, and under such circumstances the rules of the House allow it. But that does not give a member of the House, under ordinary circumstances, the right to speak of another disrespectfully. If he says that, acting under his sense of duty, he brings such and such an accusation against a fellow member he subjects himself to certain conditions and certain penalties. It is expected of him that he shall prove the charge and if he does not he will render himself liable to very grave censure. That has been done on more than one occasion in this House. Taking the cases historically, it was done on the occasion of the Pacific scandal when Mr. Huntingdon, a member of this House, brought a charge against certain members of the administration. It was done at a later date by Mr. Tarte when he brought a charge against a member of the government of that day. It was done on a subsequent occasion by Mr. Edgar when he brought a charge against a member of the government. Upon all these occasions the member was allowed to speak disrespectfully and offensively of another but it was upon a charge being made. Now, as I understand it, the hon. member for St. John (Mr. Daniel) does not make any charge against my friend and colleague the Minister of Public Works (Mr. Pugsley). He wants to bring in a motion to have certain matters investigated in which the public interest is concerned, and, as I understand, by reason of certain transactions which have taken place the public revenue has been defrauded of a certain amount of money.

Some hon. MEMBERS. Hear, hear.

Sir WILFRID LAURIER. Very well, my hon. friend has the right to make such a motion. I do not know whether his motion should be granted or not—I express no opinion upon that—I have not heard it—but, if it is in order to have such a motion made and to have such an investigation entered upon, is it allowable to him to make an insinuation against a fellow member? Is it allowable that he should say of a certain member things which are offensive and painful? According to the rule of the House, as I understand the Speaker to lay it down, it is now allowable for him to do so. Certainly, he has the right to say everything that is conducive to the motion which he has in view, that is conducive to the object which he has in view, but I do not think he has the right to say anything offensive of a fellow member. That is the position that I would take. If my hon. friend wants to make a motion to have a certain investigation, or, to use the hon. gentleman's own words, more particularly an investigation into a transaction which it is said took place between Mr. Mayes and Mr. McAvity and which resulted in a certain transaction in the Department of Public Works I think he has a right to make that motion. I do not know whether it would be granted by the House or not, but if this is so, as far as I can see, it does not violate any rule. But, I think we should pause and consider before we acquiesce in the introduction of any matter that is offensive to the Minister of Public Works. The matter is one which is of great importance. Mr. Speaker has taken it into his consideration and he has given his ruling. I think my hon. friend ought to proceed with his speech, keeping in view always the caution which has been given him by the Speaker that it shall contain nothing offensive to a fellow member. Keeping that in view, he has the right to proceed with his motion. But I would appeal to him, to the hon. member for North Toronto (Mr. Foster) and to the hon. member for South Lanark (Mr. Haggart), who are old parliamentarians, that if we want to preserve the dignity and respect of this House the well known rule that no

member should speak offensively of another ought to be rigidly maintained.

Mr. LANCASTER. May I ask the Prime Minister what are we going to do about that affidavit? A man makes an affidavit in which he tells the story showing that the people of this country have been defrauded of their money. Are we going to garble the reading of that affidavit and are the public and the members of this House not to have the benefit of it?

Sir WILFRID LAURIER. If my hon. friend wants to have an investigation made there is no necessity of him reading that affidavit at all.

Mr. LANCASTER. Then it would be said that there was no evidence of any body having done anything wrong.

Sir WILFRID LAURIER. No; if the hon. gentleman says he has reason to believe that these things took place from that affidavit he can bring in anything provided it is not offensive to another member. If the hon. member for St. John (Mr. Daniel) believes that the Minister of Public Works has been guilty of improper conduct it is open to him to make a charge against him, but he does not make a charge against him. He says I want to prove that the public revenue has been defrauded to a certain extent. He can bring in any statement provided it does not reflect upon another member of the House.

Mr. JOHN HAGGART. This is a question with regard to which we have had a good deal of experience in this House. It has been said that a charge to be made against a member of parliament, must be such as to affect the seat of the member in the House, that if he is convicted of it he is to be turned out of the House and that it is a sufficient objection to a charge against a member to say that it does not affect his seat. Any charge made must be made on the personal responsibility of a member. We hear a good deal about personal responsibility. It is a thing of the past. There is no penalty imposed upon a member of parliament for making a charge against another, none except a feeling in the House against a party making a charge which he cannot prove. He is put into what, in the old country, is called Coventry. No member of the House associates with him for making a false charge, but there is no penalty. Look at the position in a case of this kind. There is no charge in the affidavit, which, even if it were 1907, would affect the party's seat in the House

Mr. PUGSLEY. If this took place in 1907 I could not sit in the House.

Mr. JOHN HAGGART. You were acting as an attorney in 1905?

Sir WILFRID LAURIER.

Mr. PUGSLEY. Yes.

Mr. JOHN HAGGART. Suppose it is proven up to the hilt that you made an arrangement with this contractor and with the government of the country by which he was to get an extra price and you divide the money; you were not a member of the House at that time. Had you not a right to make that arrangement with the contractor?

Mr. PUGSLEY. I did not happen to have made it.

Mr. JOHN HAGGART. It might have been wrong or anything else, but it is nothing upon which a charge might be made against a member of parliament which might affect his seat in the House. The charge, if the other part of the affidavit is true, is something that we have the right to inquire into and which we ought to have the right to inquire if any one, solicitor or contractor, made an arrangement by which a certain sum of money was filched out of the public treasury for what purpose we know not. We have the right to inquire into it, and we have the right to inquire who the individuals were who benefited by it, even if one of those individuals at the present time is the Minister of Public Works. If he was not the Minister of Public Works at the time——

Mr. PUGSLEY. At what time?

Mr. JOHN HAGGART. In 1905; have we not the right to inquire into it? Are we going to abridge and restrict the rights of this parliament because it may be said that something is offensive to a member of parliament? The idea of urging rule 19 against the introduction of an affidavit of this kind is absurd. The rule says:

> Nor use offensive words against either House, or against any member thereof.

It is not an offensive word against a member of the House. Even if everything is true that is in the affidavit it does not come within the description of language contained in the rule. 'Offensive words' means statements made in the House reflecting upon the character or honour of a member of parliament. This does not come within that category at all. This is a childish objection to the introduction of the affidavit which has been repeated in the House again and again. The minister says that the affidavit which was read in the city of St. John bore the date 1907, and that it was a reflection on him as a minister at the time because he was then the minister. The correction has been made again and again. It is childsh; it is boyish; it is babyish! The affidavit has been corrected.

Mr. PUGSLEY. It may sound all right to my hon. friend, but I would not think it all right.

Mr. JOHN HAGGART. But the affidavit has been corrected. It was corrected on the floor of the House in which it was read.

Mr. PUGSLEY. No, Sir, and it was published broadcast throughout Canada.

Mr. JOHN HAGGART. I will take the statement of the hon. member for St. John (Mr. Daniel), who says he was there, and on his honour states that it was 1905 that was mentioned.

Mr. PUGSLEY. Does the hon. gentleman state that he was there?

Mr. DANIEL. Yes.

Mr. JOHN HAGGART. He has said that he was there over and over again.

Mr. PUGSLEY. I have the statement of half a dozen people who were there and it was read 1907.

Mr. JOHN HAGGART. Talk about the rules of the House! My hon. friend gets up and says that he was there and the Minister of Public Works gets up and questions the accuracy of his statement.

Mr. SPEAKER. The statement of the hon. gentleman from St. John will have to be accepted.

Mr. PUGSLEY. If the hon. gentleman from St. John tells me he was present——

Mr. DANIEL. I have already told you that.

Mr. PUGSLEY—and that he heard the affidavit, I will accept his statement.

Mr. DANIEL. Did the hon. minister not hear me say that I was at that meeting and hear the affidavit read.

Mr. PUGSLEY. I did not hear my hon. friend say that. I heard the hon. gentleman say there was an attempt made to correct it but I did not understand him to say he was present. Now let me ask the hon. gentleman this question: If it was corrected that night at the meeting how came it to be given to the morning papers in St. John and telegraphed all over the country with the false date to it.

Mr. HAGGART. Did the hon. gentleman not hear the hon. member for Toronto say that the correction was made next day in the Toronto papers.

Mr. PUGSLEY. It was made in the evening papers after I had corrected it, but no correction came from Mr. Mayes until after I had made the correction.

Some hon. MEMBERS. Six o'clock.

Mr. FOSTER. Just one moment.

Some hon. MEMBERS. Six o'clock.

Mr. FOSTER. Just one moment if the House will allow me.

Some hon. MEMBERS. Six o'clock.

Mr. FOSTER. I appeal to the Prime Minister now. I want to ask the Prime Minister and the House not to consider such a decision made as the Speaker has intimated he will make. It won't harm us to think this matter over until we meet here another time. It is so grave that I do not want to see it go as the Speaker has intimated it is possible it will go.

Sir WILFRID LAURIER. Mr. Speaker has given no such ruling as I understand.

Some hon. MEMBERS. No.

Mr. SPROULE. Might I ask the Prime Minister one question. He said it becomes a matter of imperative duty to maintain the dignity of this House; does he not think it is equally important to maintain the privileges of this House?

Sir WILFRID LAURIER. Certainly.

At six o'clock the House adjourned.

HOUSE OF COMMONS.

THURSDAY, April 15, 1909.

The SPEAKER took the Chair at Three o'clock.

FIRST READINGS.

Bill (No. 139) authorizing the Ottawa Fire Insurance Company to change its name to the Ottawa Assurance Company.—Mr. Perley.

Bill (No. 138) concerning the Quebec and Oriental Railway Company.—Mr. Lavergne.

Bill (No. 130) for the relief of Frank Parsons.—Mr. Tolmie.

Bill (No. 133) to incorporate the Kootenay and Alberta Railway Company.—Mr. Knowles.

QUESTIONS.

GRAND TRUNK PACIFIC, LAKE SUPERIOR BRANCH.

Mr. MIDDLEBRO asked:

1. How many miles of the Lake Superior Branch of the Grand Trunk Pacific Railway have been completed, and the cost thereof to date, without terminals, and the total estimated cost of this branch without terminals?
2. What subsidies in lands or money have been granted by the Dominion or provincial governments or municipalities, respectively, to said Lake Superior Branch?
3. What other branch lines of the said Grand Trunk Pacific have been constructed, the mileage thereof, and the cost and the cost per mile without terminals, respectively?

4. Of the $205,200 proceeds sale of stock mentioned in answer to Mr. Borden's question 9, brought down by the Finance Minister, what part was paid in cash, when was it paid, and how was the balance paid or accounted for?

5. Who are the directors of, and who are the owners of the stock in the Grand Trunk Pacific Town and Development Company, and the amount of paid up capital held by each?

6. How many townsites and what other real estate and the acreage thereof are owned by the said company, last named, on the prairie and mountain sections, respectively?

Hon. GEO. P. GRAHAM (Minister of Railways and Canals).

1. The company state as follows: A. 188.77 miles now in operation, but under construction department, not yet having been taken over by operating department. B. Cost, including bond interest, but exclusive of terminals as at January 31, 1908, $9,686,457.98. C. $9,986,457.98.

2. The company state as follows: Dominion government, $6,400 per mile, on a total not to exceed 220 miles.

Ontario government, $2,000 per mile, not to exceed 200 miles and 675,000 acres of land.

Town of Fort William, $300,000 to be applied on Fort William terminals, and $50,000 on the Kaministiquia bridge.

3. The company state as follows: No other branch lines have been constructed.

4. The company state as follows: Proceeds sales of Grand Trunk Pacific stock mentioned in answer to Mr. Borden's question 9, were all paid in cash at the time the stock was issued.

5. The company state as follows: The directors, Chas. M. Hays, two shares; E. J. Chamberlain, two shares; Wm. Wainwright, two shares; W. H. Biggar, two shares; E. H. Fitzhugh, two shares.

The Grand Trunk Pacific Railway Company is the holder of 29,990 shares of paid up stock. Total common stock, $3,000,000 all issued; preferred stock, $2,000,000, not issued; total common and preferred stock, $5,000,000.

6. The company state as follows: Eighty-one townsites and three-quarters interest in the Town of Prince Rupert, the total is about 78,640 acres.

The Department of the Interior furnish the following additional information:

Crown Lands.

The acreage of Crown lands sold to the Grand Trunk Pacific Town and Development Company at $3 per acre is 12,905.45 acres; and for which at this rate the government have received $38,716.35. In addition to the above payment the company has also agreed to pay over to the government one-quarter of the net profits on the sale of these lands. The patents for these lands have issued to the company within the last four or five months.

Homestead lands.

The acreage of lands which the government permitted the company to buy from the holders of unpatented homesteads is 11,279.81 acres. The company paid the government $1 per acre for the privilege, granted on these lands, which amounted to $11,279.81; and in addition the company paid the various holders of these homesteads the price which the homesteader in each case demanded.

CANADIAN WATERWAYS AND BOUNDARIES TREATY.

Mr. BOYCE asked:

1. What steps are being taken by the government with reference to the rider or condition attached by the United States Senate to its ratification of the Canadian Waterways and Boundaries Treaty, as a conditional acceptance by the United States of America?

2. If no official investigation has been made by the government into the claims of the United States to a greater portion than one-half of the St. Mary's river, as set forth in the rider to the said treaty attached by the United States Senate, is it the intention of His Majesty's government in Canada to make any such investigation before submitting the treaty to the House for ratification?

3. If so, when is it anticipated that such investigation be made, and where is it being carried out?

Hon. A. B. AYLESWORTH (Minister of Justice). The true interpretation of the resolution of the Senate of the United States is a question of legal nature which the government has now under consideration.

After a conclusion has been reached on the subject the House will be informed of any action which may be taken in the matter.

IMPORTS AND EXPORTS.

Mr. FOSTER asked:

1. What are the total imports and exports of merchandise for Canada for the fiscal year 1908?

2. What are the total imports and exports of merchandise from and to Great Britain, the United States, France and Japan, respectively?

Hon. WM. PATERSON (Minister of Customs):

1. The total imports and exports of merchandise for Canada for the fiscal year ended March 31, 1908, were: Imports $364,237,864; exports, $263,368,952.

2. The total imports and exports of merchandise from and to Great Britain, the United States, France and Japan, during the fiscal year ended March 31, 1908, were as follows:—

	Imports from.	Exports to.
Great Britain	$ 95,313,730	$134,477,124
United States	214,787,269	96,921,138
France	10,251,717	1,806,732
Japan	2,196,284	740,958

WINDSOR, NOVA SCOTIA, PUBLIC BUILDINGS.

Mr. BLACK asked:

1. Were tenders called for the work of renovating the interior of the post office and

customs building at Windsor, Nova Scotia? if so, who called for the tenders?

2. What are the names of the persons who tendered, and the amount of each tender?

3. Whose was the lowest tender?

4. Was the lowest tender accepted, did the person making this tender get the contract and do the work, or was it awarded to another who made no tender at all?

Hon. WILLIAM PUGSLEY (Minister of Public Works):

1, 2, 3, 4. The department considered that it had become necessary to clean, paint, kalsomine, repair and refinish furniture in the Windsor, Nova Scotia, public building. A tender was secured by the caretaker from Benjamin J. Barns for the work for the sum of $360. The price asked was considered reasonable and he was authorized to do the work.

DEFENCE OF OUR SEA COAST.

Mr. FOSTER asked:

1. What interpretation does the government place upon the resolution re naval defence passed unanimously by the House on March 29?

2. What steps does the government propose to take towards carrying out the purport of the resolution, and when is it proposed to commence action in this respect?

Right Hon. Sir WILFRID LAURIER (Prime Minister). The government have decided that, as shortly as possible after prorogation, the Minister of Marine and Fisheries (Mr. Brodeur) and the Minister of Militia (Sir Frederick Borden) shall proceed to London for the purpose of conferring with the Admiralty as to the best means to be adopted to give effect to the resolution of March 29.

DOMINION RECEIPTS AND EXPENDITURES—COST OF NATIONAL TRANSCONTINENTAL RAILWAY.

Mr. FOSTER asked:

1. What are the expenditures for the fiscal year 1908-9? on consolidated fund and capital account, respectively?

2. What are the receipts for customs, excise and miscellaneous, respectively, for the same year?

3. What amount has been paid for interest on loans payable in Canada and outside Canada, respectively, for the year 1908-9?

4. What amounts have been paid for commission, brokerage and other expenses, respectively, on loans made since December 31, 1909?

5. What amount has been paid on account of Grand Trunk Pacific Eastern Division in each year up to March 31, 1909, distinguishing between the Winnipeg-Quebec and the Quebec-Moncton sections?

Hon. W. S. FIELDING (Minister of Finance):

1, 2 and 3. The accounts for the year are not yet closed, and so I cannot give these figures definitely. But I will send to my hon. friend (Mr. Foster) the latest statement which will give him the information now available.

4. The hon. member will see that there is evidently an error in this question and that it does not admit of any answer.

Mr. FOSTER. It should read '1908'.

Mr. FIELDING. The calendar year?

Mr. FOSTER. Yes.

Mr. FIELDING. Then I will ask that sections 4 and 5 of this question stand; No. 4 to be corrected, and No. 5 because the answer to it would require the collection of information from the National Transcontinental Railway Commissioners.

GRAND TRUNK PACIFIC—PROPOSED LOAN.

Mr. MIDDLEBRO asked:

Were there any communications or negotiations, verbal or otherwise, prior to the 26th October, 1908, or prior to November 16, 1908; between the government or any member therof, or any person by or on behalf of, or with the knowledge or consent of the government, with the Grand Trunk Pacific Railway Company, or the Grand Trunk Railway Company, or any person on behalf of either of said companies, with reference to the proposed or any loan by the government to the Grand Trunk Pacific Railway Company? If so, when?

Hon. W. S. FIELDING (Minister of Finance). Members of the government have had frequent conversations with representatives of the Grand Trunk Pacific on all matters relating to the affairs of the National Transcontinental Railway. So far as these conversations affected the matter of the loan, the substance of them is covered by the papers before the House.

Mr. MIDDLEBRO asked:

Was the government or any member or members thereof, consulted or communicated with, by the Grand Trunk Pacific Railway Company, or the Grand Trunk Railway Company, or by any person on behalf of either of said companies, as to the form or substance of the letter of the 16th November, 1908, from the Grand Trunk Pacific Railway to the government, and was such letter first submitted to the government or any member thereof for approval or amendment? If so, when?

Mr. FIELDING. I beg to repeat the answer given to the former question.

PRIVILEGE—MR. CONMEE.

Mr. JAMES CONMEE (Thunder Bay and Rainy River). Mr. Speaker, I rise to a question of privilege. There was a reference by the hon. member for Simcoe (Mr. Lennox) yesterday to a 'special train' or 'express train.' I may say that a reference of that kind has been made previously in this House. I happened to meet the

hon. member this morning, and I told him it was my intention to ask him for an explanation. I thought the remarks were directed to me. I asked yesterday if I was correct in thinking so, and the hon. gentleman replied that he had directed his remarks to me. I am sorry the hon. member is not in his seat, but I see there is another sinner on the other side, and perhaps I may be able to get some information from him—

Mr. FOSTER. Order.

Mr. CONMEE——he having used the same language. I refer to the hon. member for North Toronto (Mr. Foster).

Mr. FOSTER. Order.

Mr. SPEAKER. I think the word 'sinner' should not be employed in the debate.

Mr. CONMEE. I will withdraw that word, and I will refer to the hon. member as the spotless dove that represents North Toronto.

Mr. FOSTER. Do I understand that the opprobious epithet has been withdrawn?

Mr. CONMEE. I may say to the House that I am indebted to the hon. gentleman (Mr. Foster) himself for this word, he having applied the same name to me last year. If he wishes to deny that he is spotless and wants us to assume that he has spots all over him, I can tell him of some of them——

Mr. FOSTER. I think I must ask you, Mr. Speaker, to keep the hon gentleman (Mr. Conmee) to the point. Surely, we are not going to have a bear garden again.

Mr. SPEAKER. The hon. gentleman (Mr. Conmee) has risen to a question of privilege, and he must confine himself to that question.

Mr. CONMEE. May I ask the hon. gentleman for an explanation of his remarks in regard to this 'special train'—what relation he supposes me to have to that subject, and why he used the expression in the House?

Mr. FOSTER. What remarks?

Mr. CONMEE. A few evenings ago the hon. member used the same expression, 'Send him away on his special train'——

Mr. SPEAKER. I think the hon. member (Mr. Conmee) had better confine himself to the present debate.

Mr. CONMEE. Very well. I see two or three members on the other side who indulged in a good deal of mirth over this question. I think they nearly all clapped their desks. Among them, for instance, was my venerable friend from North Grey (Mr. Middlebro). Surely, he will give me an explanation; surely he will condescend to give me some information with regard to this particular train.

Mr. HUGHES. How can they give information when they had nothing to do with it?

Mr. CONMEE. I think I saw the gallant colonel (Mr. Hughes) also——

Mr. HUGHES. I would like to ask the hon. member (Mr. Conmee) a question: How can any one on this side give information concerning that train when the hon. gentleman himself seems to be the only one posted concerning it?

Mr. CONMEE. I assumed that the hon. member for Victoria (Mr. Hughes) had the courage of his convictions, but it seems that he indulges in remarks at the expense of his fellow members and, when asked for an explanation, has none to give.

Some hon. MEMBERS. Order.

Mr. SPEAKER. The hon. gentleman (Mr. Conmee) had better confine himself to the question of privilege.

Mr. CONMEE. I see that the hon. member for Simcoe, who used the words of which I have spoken, is now in his seat. Perhaps he would be good enough to give an explanation of what he referred to.

Mr. J. A. CURRIE. The hon. member refers to——

Some hon. MEMBERS. Order.

Mr. J. A. CURRIE. The hon. member has referred to 'the member for Simcoe.' I am one of the members from Simcoe, and I do not wish to be catechised by the hon. gentleman, as I said nothing concerning the matter.

Mr. CONMEE. I do not think the hon. member (Mr. J. A. Currie) had any idea that he was referred to. I referred to the hon. member for East Simcoe.

Mr. FOSTER. He is on your own side.

Mr. LENNOX. South Simcoe. Let us have it 'South.'

Mr. CONMEE. I see the hon. member (Mr. Lennox) is now in his seat. I ask him if the remarks he made with regard to 'special train' or 'express train' were directed to myself. I would like an explanation from him now as to why he coupled me with that transaction.

Mr. LENNOX. I had not the advantage of being in the Chamber at the time the hon. gentleman began his remarks; I understand him, however, to refer to something that I interjected across the floor of the House yesterday. When the hon. member from Rainy River spoke of an accommodation affidavit, I said it was not an accommodation train, nor was it a special train, nor was it, I might say, a Sunday ' nighter ' either. The train I referred to was a Sunday night train—if I recollect correctly—whether the hon. gentleman had any con-

nection with that train I am not prepared to say. If it is in order, I would like to elaborate more fully what I did refer to. I referred to an incident that occurred in connection with the last general election on a certain Sunday night previous to the Monday of the election. A certain train started from Port Arthur, I think, for a bush poll, and that bush poll was in the hon. gentleman's riding where an attempt was being made to conduct a special and peculiar election in the hon. gentleman's interest. A number of young and inexperienced, and I am afraid, somewhat ignorant boys were upon that train, were got upon that train, and they were taken to that poll; and the sworn evidence in the court of justice was that these young men, or some of them, voted several times, and voted, if I recollect the evidence rightly, in the interest of my hon. friend from Rainy River. The incident was a very disgraceful and unfortunate one, and it reflected no credit upon the manner of conducting elections in the Dominion of Canada. It was a special train, and it had the distinguished honour of having a very distinguished name applied to it, 'the Conmee special.'

Mr. CONMEE. I expected just such an explanation from my hon. friend. He is entirely misinformed as to the facts. He has not hesitated to make insinuations which I cannot help but think reflect upon me, because the hon. gentleman wished to convey that there was some wrong-doing on my part in connection with a special train during the last election. Now he has made to the House a statement which, to use parliamentary language, is entirely incorrect. I happen to have in my possession a little bit of evidence on that point to which the hon. member referred.

Mr. SPEAKER. I think it would be an abuse of the privilege of the House to introduce that evidence. The hon. gentleman may properly make a statement now.

Mr. CONMEE. I am not going to attempt to give the evidence further than to say that there was no evidence of any special train. Perhaps I may be permitted to read the words which the judge used in his address to the jury. The judge, in addressing the jury in regard to this matter, called their attention to the fact——

Mr. LENNOX. What is the name of the judge?

Mr. CONMEE. Judge Britton. I have in my hand the official report; anybody is welcome to see it. He said that reference had been made to a special train, and he called their attention to the fact that there was no evidence, that nobody had given any evidence, that there was a special train; nobody pretended to say there was a special train. The judge, for the benefit of the jury, defined a special train; he said it was a train engaged for a special purpose, to start from a specific point. The train in question was a construction train, a usual construction train used in the construction of all railways. This was a Grand Trunk Pacific Railway, or the branch from Fort William west. The line was not then completed; it was not opened for traffic. Everybody who wished to go on that line, either for election purposes or for any other, took advantage of the train, the work train going out at a certain hour on that evening. The evidence goes to show, not only that some voters did go—that is true—but a great many others went on that train. The train carried supplies for track laying, coal and other things for the work, just as it did on other occasions. There was nothing special about it. Now, I notice that some hon. gentlemen seem to be very much interested in this particular train. Let me say to them that there is nothing to their credit in the case that came before the courts, and nothing to the discredit of the member for Thunder Bay and Rainy River. No person ever suggested that I had anything to do with it, or any knowledge of it, or the slightest thing to do with regard to it. I do not propose to discuss the evidence now, but it goes to show that there was a prostitution of justice, manipulated by a government other than the government that forms this cabinet.

Some hon. MEMBERS. Order.

Mr. SPEAKER. Those words exceed the limit of debate.

Mr. CONMEE. I think I am trying to keep within the rules of debate.

Mr. SPEAKER. I refer to the words 'prostitution of justice.' I invite the hon. gentleman to withdraw them.

Mr. CONMEE. I will change them, and say there was a miscarriage of justice. There was one man in connection with that transaction—I do not want to mention names, it is not fair—but I have no hesitation in doing so if hon. gentlemen wish me to do so. The culprit in the whole case, as the evidence showed, and as the jury found, was the brother of the Conservative organizer in that particular riding.

Mr. SPEAKER. The question of privilege of course relates to the hon. gentleman himself, and he should not depart from that point.

Mr. GEO. TAYLOR. I think Mr. Speaker, you should compel the hon. member for Rainy River to take his seat when you are giving a ruling.

Mr. CONMEE. An hon. member has a right to make an explanation, because the

hon. member for Simcoe (Mr. Lennox) stated that there was a fraudulent transaction in connection with that poll, that a special train was the Conmee special. I say these words are untrue, they are entirely incorrect, and I ask the hon. member to withdraw them.

Mr. LENNOX. I rise to a point of order. In the first place I did not say there was a special train, I said it had been spoken of as a special train, as the Conmee special.

Mr. CONMEE. The House has heard the words of the hon. gentleman, and surely when that question is raised——

Mr. SPEAKER. The hon. gentleman is bound to accept the statement of the hon. member for Simcoe as to what words he did use. That is the rule of the House.

Mr. CONMEE. I do not see that his present words make it much better.

Mr. SPEAKER. It is the rule of the House. The hon. gentleman is bound to accept the statement of the hon. member he is referring to the moment he says, 'These are the words which I uttered.' That is the rule of the House.

Mr. CONMEE. But, Mr. Speaker, have I not a right to object to the words if they are not correct?

Mr. SPEAKER. You must accept his statement of the words that he used.

Mr. CONMEE. I bow to your ruling. The hon. member now says that what he said was that the train was spoken of as a special train, as the Conmee train. I say that is equally objectionable, because it casts a reflection upon me. The hon. member went further than that, he referred to the personation of votes, and he said they were all cast for me. The evidence does not show that; the evidence shows that votes were cast for both candidates.

Mr. LENNOX. I rise to a point of order, I did not say that the votes were all cast for my hon. friend (Mr. Conmee).

Mr. CONMEE. The hon. gentleman made the statement that the votes were cast for me. Whether he used the word 'all' or not, I am not going to say but he did make the statement that the votes were cast for me. That statement is incorrect and I ask the hon. gentleman to withdraw it.

Mr. SPEAKER. I do not understand the hon. member's point.

Mr. LENNOX. No, nor nobody else, I think.

Mr. CONMEE. The hon. member for South Simcoe (Mr. Lennox) in his remarks stated that this poll was a bush poll, that a train was got up on Sunday after evening to take the voters there. The whole tenor of the hon. gentleman's remarks was that this was a manipulation, a wrongful manipulation under the law, a disgrace to the elections in the country.

An hon. MEMBER. So he said.

Some hon. MEMBERS. Hear, hear.

Mr. CONMEE. That the illegal votes that were cast were cast for myself as the candidate.

An hon. MEMBER. In your interest.

Mr. CONMEE. In my interest. Now I say that is not the evidence——

Mr. HUGHES. That is the evidence.

Mr. CONMEE—but the evidence disclosed was that there were at that poll improper votes but that they were cast for both candidates. The hon. member has made a statement that he should withdraw and I ask that he do withdraw it.

Mr. SPEAKER. I cannot compel the hon. member to withdraw any statement; I have not read the evidence. It is a matter of appreciation on one side or the other. The hon. member has made a statement, he has denied a statement made by the hon. member on the other side, and I think the question of privilege does not arise.

REPORT OF THE NEW BRUNSWICK COMMISSION.

On government orders being called.

Hon. GEO. E. FOSTER (North Toronto). Mr. Speaker, before the government orders are called, I would like to ask the Prime Minister if he has yet any statement to make with reference to the disclosures made by the commission in the province of New Brunswick, and about which I asked him yesterday and the day before.

Right Hon. Sir WILFRID LAURIER (Prime Minister). I stated to my hon. friend yesterday that I had sent for the report and the evidence. I have not received the evidence. As to the report I have not yet read it through but so far as my information goes and my judgment at the moment, there is nothing to call for government interference in this matter.

Mr. FOSTER. I desire to give notice to the right hon. gentleman (Sir Wilfrid Laurier) that at the very earliest opportunity, I hope not later than Monday, we will challenge the judgment of the House with reference to that matter. I would be very glad if my right hon. friend could arrange that it be taken up on Monday. I do not think it will take very long but it would be satisfactory to have a date arranged for it.

Sir WILFRID LAURIER. So far as I am concerned, I have no objection to accommodating my hon. friend in that matter.

SUPPLY.

ST. JOHN DREDGING CONTRACT.

On the Order:

Further consideration of the motion of Mr. Fieding, that the Speaker leave the Chair for the House to go into Committee of Supply.

Mr. SPROULE. I want to draw attention to the fact that this order is improperly on the Order Paper. It was superseded by the adjournment of the House, it was an undisposed-of motion and should not appear on the Order Paper as it is. Bourinot refers to a similar motion as follows :

On another occasion the House adjourned while a motion for the Speaker to leave the Chair was under consideration, and it became necessary on the next sitting day to move that the House do immediately resolve itself in Committee.

As I understand and interpret the rules a motion falls to the ground and must be renewed under such circumstances and therefore this order is improperly on the Order Paper.

Mr. SPEAKER. Since Bourinot wrote his work, the House in 1906 adopted a new series of rules. Rule 32 reads:

If at the hour of six o'clock, p.m., on a Wednesday or Thursday, or at the time of the adjournment of the House, a motion on the notice paper be under consideration, that question shall stand first on the order of the following day, next after orders to which a special precedence has been assigned by rule or order of the House.

I have consulted the officials of the House in this matter and from what I can learn this rule is susceptible of two interpretations. I am giving it now the most favourable interpretation and allowing the question to remain on the Order Paper. As the rule here evidently requires, in spirit if not in letter, I have allowed the motion to remain on the Order Paper and I think it is now in order.

Mr. J. W. DANIEL (St. John City). Mr. Speaker——

Mr. SPEAKER. Before the hon member proceeds I suppose the House will want to dispose of the point of order raised by the Minister of Public Works (Mr. Pugsley).

Hon. WM. PUGSLEY (Minister of Public Works). If you, Mr. Speaker, and the House will pardon me, I have a statement to make to the House with regard to the objection I raised yesterday. You remember I stated yesterday that if my hon. friend would produce to the House the original affidavit which was declared or sworn to upon the 12th of October, 1908, I would make no objection to the reading of the whole of it. This morning I had the opportunity of having a conference with my hon. friend the member from St. John (Mr. Daniel) and he has undertaken to produce and file with the clerk — which I presume would be done before I make any observations to the House—the original declaration sworn to or declared upon the 12th of October. Upon that undertaking of my hon. friend I withdraw all objection to the reading of the declaration which was made at a later date.

Mr. DANIEL. I am very glad to hear the statement of the Minister of Public Works (Mr. Pugsley). I stated yesterday that I had the original affidavit in my possession, and I was only anxious to lay it before any committee which this House would appoint.

Mr. PUGSLEY. It is to be laid on the table, is the understanding with my hon. friend,—and filed with the clerk of the House. Is there any misunderstanding between us as to that?

Mr. DANIEL. I have no objection at all to take that course.

Mr. PUGSLEY. Very well.

Mr. DANIEL. And I will have much pleasure, after reading it, in placing it in the hands of the clerk of this House. I am very glad indeed to hear the statement of the Minister of Public Works. I think the stand which he has taken to-day is one not only in his own interest but in that of the public life of Canada generally.

Mr. PUGSLEY. I never objected to that.

Mr. DANIEL. When these charges are made and solemly declared and sworn to in various parts of the country I certainly think, especially when they affect a person so high up in the country as a minister of the Crown, that the least parliament can do is to investigate these charges to see whether they are true or whether they are false.

Mr. HUGHES. May I interject a question?

Mr. SPEAKER. Only with the consent of the hon. member who has the floor.

Mr. HUGHES. With the hon. gentleman's permission, are we to understand that there is any procedure taking place to-day different from what would necessarily take place under the rules of parliament? As I understand, when a member reads a document in the House it must be laid on the table.

Mr. PUGSLEY. As I understand there are two declarations, one declaration which was made and signed, or rather alleged to have been made and signed, on the 12th October, 1908. My hon. friend says he has that declaration with him. That is a declaration which I have for months been seeking to obtain access to. My hon. friend has undertaken now that that declaration shall be filed with the clerk of the House

My hon. friend has stated he has also in his possession another declaration which makes a slight change in the previous one, and declared to in the month of March of the present year. That is the one my hon. friend is going to read and that is the one which in the ordinary course will be laid on the table. But my hon. friend has also undertaken that he will also lay on the table a declaration which was originally made or declared to on the 12th of October, 1908.

Mr. FOSTER. Will the House allow me for a moment. I wish to guard the House against a possible error. My hon. friend from St. John (Mr. Daniel) stated not once, not twice, but three times that he had the original affidavit and that was the affidavit he proposed to read, and was only too anxious to have read.

Mr. DANIEL. I have not only the affidavit referred to but I also have the other affidavit which so far has not been referred to, and made by Mr. Gershon S. Mayes, I think the day following the original affidavit.

Mr. PUGSLEY. Don't let my hon. friend misunderstand me; surely there is no need of misunderstanding.

Mr. FOSTER. There is not any.

Mr. PUGSLEY. There was an affidavit or declaration professed to have been made by Mr. Mayes on the 12th of October, 1908. That declaration is alleged to have been read at a meeting in St. John. It was published in the St. John press upon the morning of the 13th, and was published broadcast throughout Canada the same morning. It must have been telegraphed to the various newspapers, the Conservative newspapers particularly, throughout Canada. Now, that is the declaration which I understand my hon. friend has with him and which he has undertaken to file with the Clerk of this House. I am quite willing he should read the other upon that undertaking, and then of course they will both be filed, but don't let my hon. friend misunderstand what I say.

Mr. DANIEL. I have been making great efforts to get this affidavit before the House, and I leave it to the judgment of the House if it is my fault that I have been prevented. Perhaps I should go over it all again.

Some hon. MEMBERS. Hear, hear.

Mr. HUGHES.

Mr. DANIEL. I don't want to do that,—because I purpose laying a motion before the House and in that motion there are extracts from the affidavit.

Mr. LENNOX. Read it all.

Mr. DANIEL. Very well, I will read it all:—

I, Gershon S. Mayes, of the parish of Lancaster, city and county of St. John, province of New Brunswick, contractor, do solemnly declare:—That on the first day of September, 1905, on the advice of the Hon. Wm. Pugsley, who was then Attorney General of the province of New Brunswick, and is now Minister of Public Works of Canada, I had a conversation with George McAvity, of the city of St. John, and the said province, merchant, relative to tenders for dredging which was then to be done in the harbour of St. John by the Public Works Department of Canada, of which the Hon. C. S. Hyman was then minister. Mr. McAvity proposed that I should go to Ottawa on Monday the 4th of September as he was going and would meet me there at the Russell House on the 5th inst. We did meet according to appointment. Mr. McAvity wanted to know what price I wanted. I told him that I had tendered in June for 50 cents per cubic yard. He said: Why not ask 55 cents, giving him (McAvity) five cents per yard or 10 per cent. I said: Why not do as we talked of in St. John, which was that he should go in with me and take a quarter or half of the cost of the dredge and receive his proportion of the profits. He said: Yes he could do that when he got home and might put from $10,000 to $20,000 in it and perhaps get some friends in it with him, but for the present he would go in on a percentage basis and would see Hyman right away. Well, I said: What should I do about financing it and what was he going to do to help me? Oh, he said, he could easily arrange with the banks, no trouble at all when you have got the contract. We went to see Hyman at half past two p.m. McAvity went in and I stayed outside. I had told Mr. McAvity to arrange if possible to have at least 400,000 yards to dredge. McAvity came out and got me to go in and I explained to Mr. Hyman the difficulty of bringing a big plant and only digging a small quantity. Mr. Hyman agreed to see that if I got the contract, that is, if I was the lowest tenderer, I should receive the 460,000 yards. Afterwards Mr. McAvity said that I had better arrange an agreement. I said: Why not wait until we get back to St. John and hear whether the tender has been accepted or not. He said that he had a copy of agreement already. I said: How did he get it? He said: Oh they were all ready here. I then read it over and told him that it was all one-sided, I was to do the work; he was to get the profit. Well he said: What do you want me to do? I told him that I still thought he should be financially interested, he and his friends, to the extent of from $20,000 to $30,000 at least; that it was a long back load for me to carry. Oh, he said as before, the banks would help me and wait till I got home. 'No, I said,' 'I have got to go right to Boston and close the trade with the dredge-owners.' 'Well', he said: 'Better sign the agree-

ment now. 'Well', I said: 'Why not you be bound to do something'. Well, he said for me to write something at the bottom and he would sign it. I said: 'I am not a lawyer'. Oh, go ahead', was the reply. So I wrote what came to mind and he signed it. A copy of this agreement is hereto annexed marked 'A' and the part written by me is marked 'A1.' I then made up the tender at 55 cents per yard for soil and $8.90 for rock and boulders, inclosing $20,000 cheque.

These agreements I may say are as follow:—

Memorandum of agreement made fifth day of September, in the year of our Lord 1905, between Gershon S. Mayes, of the city of St. John, province of New Brunswick, contractor, and George McAvity, of the same place, merchant.

Whereas, the said Gershon S. Mayes has made a contract with the government of Canada to dredge a certain portion of the harbour of St. John for 55 cents per cubic yard;

And whereas, the said George McAvity is interested in the said contract with the said Gershon S. Mayes, and it has been agreed between them that the said George McAvity shall receive all moneys paid to the said Gershon S. Mayes for the said work over and above 50 cents per cubic yard;

Now, this agreement witnesseth that the said Gershon S. Mayes in consideration of one dollar in hand well and truly paid at or before the ensealing and delivery of these presents and of divers other good causes and considerations him thereunto moving, hereby agrees with the said George McAvity to pay the said George McAvity, his executors, administrators, or assigns, all moneys which may be received by the said Gershon S. Mayes, for dredging the said harbour of St. John upon the above mentioned contract or any continuation thereof, over and above 50 cents per cubic yard, and the said Gershon S. Mayes agrees to pay the said moneys to the said George McAvity as the same are received by him from the government of Canada or from other persons paying the said Gershon S. Mayes for the said dredging. In witness whereof the said parties hereto have hereunto set their hands and seals, the day and year first above written.

(Sgd.) GERSHON S. MAYES,
GEORGE McAVITY.

That is the agreement marked 'A.' The agreement marked 'A 1' is as follows:—

And whereas the said George McAvity is to receive moneys out of the performance of the above contract, he agrees and promises to use his influence and endeavours with the Minister of Public Works or officer of the government at Ottawa, to increase the number of yards to be dredged at the aforesaid site of contract.

(Sgd.) GEORGE McA.

The next day, the 6th, I was informed by Mr. Hyman that my tender was accepted. Months afterwards I learned that my tender was the only tender received both times; that is in June and in September. Engineer Lafleur wrote the letter giving 400,000 yards to be done and I left for Boston, via Montreal, and afterwards secured dredge and brought her to St. John. On October 15, 1905, I received a telephone message from Dr. Pugsley asking me to call and see him next day which I did. He said: 'Mr. Mayes, I am in need of money and it would be nice if you could help me.' I said: 'Dr. what for? You know I have paid you some $1,300 in my second case against Connolly which you have in a way offered to pay back because you have said that Mr. Emmerson was so slow in bringing up the matter and I have not the funds. I am carrying a big back load and am paying large amounts to the Bank of Montreal for overdrafts.' Just then Mr. George McAvity came in and Dr. Pugsley said that Mr. Mayes business was getting along so well that a little money would be very acceptable. I again stated that I was carrying a big back load and that I could not see why Dr. Pugsley should ask me for money. I said: 'What do you want it for? A loan?' 'Well,' said Dr. Pugsley 'you see it will be nice to have some one who could do something for you while in Ottawa'; there was always something to be done, and if I could not give him a cheque that I could give him a note for three or four months. I asked how much and he said: 'Oh about $2,500 or $3,000.' I said, 'This is too much but I suppose I will let you have a note for four months for $2,000.' Dr. Pugsley then made the note out and I signed it. He said he felt sure that he would give me good return for it or pay it back. I went out and was followed shortly after by Mr. McAvity, who asked me what in the devil I gave Dr. Pugsley so much for. He thought $1,000 more than enough. I asked why he had not said so and he replied that he could not interfere but thought it a pretty hard time to ask me for money. I said, 'yes and what did he do for it?' and McAvity said that he (McAvity) had arranged with Mr. Hyman.

On November 11, 1907, while I was seeing Dr. Pugsley about some troubles I was having he casually remarked, had I seen Mr. McAvity yet? I said I had met him quite often. He said had I squared accounts with him lately, that he did not wish to know anything about it but surmised that perhaps it would be well to get things going along smoothly. The next day, November 12, I saw McAvity at his office and spoke of money matters. He said that he had been at Ottawa and had got the amount from the accountant and that I owed him $8,633. I said that it was a large amount to pay and that I was not earning much. However I paid him the amount by cheque. I further say that the following is a complete record of my payments to Mr. George McAvity under agreement:

1906.	
January 29..	$ 4,000
July 6..	2,000
August 8..	2,000
August 24..	2,000
October 20..	4,000
October 30..	2,000
November 23..	2,000
1907.	
April 6..	4,300
August 1.	5,000
November 12..	8,633
	$35,933

On 24th July last I wired the minister that my contracts were completed. The engineer in charge had given his certificate, and I was

then entitled to receive the balance of all moneys earned as well as all moneys retained for the performance of my contracts.

Not having received any money I saw the minister on 21st August at St. John. He insisted that I should pay McAvity the balance which he claimed to be due under the agreement before he would let me have my money. I said: 'Can you, as a minister of the Crown, hold my money that way? He said he thought he could. I saw the minister again the next day to see if I could get my money and he told me that he was anxious that I should see McAvity and fix matters up right away and that he did not wish to have the affair in the courts. I then wrote the minister stating that I could not understand why he should use his position to hold up the man who had earned the money in order that a middleman should exact his satisfaction. He then wrote me that he would give instructions for the payment but I did not receive any of the money that was due me until about a month afterwards though the minister had with him when in St. John an account showing exactly what was due me.

And I make this solemn declaration conscientiously believing the same to be true and knowing it is of the same force and effect as if made under oath and by virtue of the Canada Evidence Act.

Declared before me at the city of St. John, in the city and county of St. John, this 12th day of October, 1908.

(Sgd.) GERSHON S. MAYES.

(Sgd.) W. HENRY HARRISON,
A Commissioner for taking affidavits
to be read in the Supreme Court.

Declared before me at the city of St. John, in the city and county of St. John, this 24th day of March, A.D. 1909.

(Sgd.) W. HENRY HARRISON,
A Commissioner for taking affidavits
to be read in the Supreme Court.

(Sgd.) GERSHON S. MAYES.

Now, the affidavit which I have read perhaps places in as succinct a form as I could do it the various statements which have been laid before the public. The statetments, in short, are to this effect, that in June, 1905, Mr. Mayes sent in a tender to the Public Works Department offering to do certain dredging in the city of St. John. The price which he asked for that dredging was 49 cents per cubic yard.

Mr. PUGSLEY. He swears to fifty cents.

Mr. DANIEL. Forty-nine.

Mr. PUGSLEY. No sir, he says fifty in the declaration.

Mr. DANIEL. I am aware that Mr. Mayes spoke of it as fifty cents and I am aware also that the hon. Minister of Public Works, in this House, a few days ago, spoke of it as fifty cents.

Mr. PUGSLEY. I spoke of it as forty-nine cents.

Mr. DANIEL. It has been spoken of as a fifty cent contract.

Mr. PUGSLEY. I spoke of it as forty-nine in the return which I gave.

Mr. DANIEL. The minister also spoke of it as fifty cents. It is very easy to turn it up. I looked it up on purpose to see whether the minister had made that reference or not and I am absolutely sure I am stating what is correct and that 'Hansard' will bear me out. That first tender has been carelessly spoken of by every one almost as a 50 cents tender, but in reality it was a 49 cents tender for that class of material and was not accepted by the Department of Public Works. Mr. Mayes, however, was anxious to get a contract with the government, so he looked around for help and applied to my hon. friend, the Minister of Public Works (Mr. Pugsley), who was then, I believe, his solicitor and also Attorney General of New Brunswick, and he advised Mr. Mayes to consult Mr. Geo. McAvity. In that, there was nothing out of the way that I can see. Mr. McAvity was then, as he is now, a prominent business man in the city of St. John, financially able in every way. Mr. McAvity, however, also occupied the position of active business manager of, or the hub around which the whole Liberal party machine in the city of St. John turned. In that statement, I think I am entirely within the truth, because it is well known by every one in that city that Mr. McAvity was the chief executive administrator, so to speak, of the Liberal party in St. John at that time and is still, for all I know. Mr. Mayes took the advice of his solicitor (Mr. Pugsley) and consulted Mr. McAvity, with the result that they both came to Ottawa. They had a consultation here about the prices to be charged for this dredging. Mr. McAvity interviewed Hon. Mr. Hyman, who was then Minister of Public Works, and afterwards interviewed Mr. Mayes; and on the strength of those interviews, Mr. Mayes put in a tender at 55 cents. Then he was asked by Mr. McAvity to sign an agreement to pay him five cents per yard over and above what he had told Mr. McAvity he was willing to do the work for. He signed that agreement. But Mr. Mayes, although he signed that agreement, was not entirely satisfied with it. He thought it was altogether one-sided, that under it he was to do the work and Mr. McAvity was to get the profit. He therefore urged the latter to take a financial interest in this dredging, but Mr. McAvity would not consent to do so and did not. If it were necessary to give any proof of that, I might refer to the affidavit which Mr. McAvity himself made and published in the city of St. John as a reply to the affidavit of Mr. Mayes. But I do not think it necessary, because it is generally known that Mr. McAvity had no financial interest whatever in

that dredge and did not claim any. Consequently the only interest he had in the matter was in the obtaining of this percentage on the money paid Mr. Mayes for the dredging; and what Mr. Mayes got in exchange for that five per cent was the political influence of Mr. McAvity with the Department of Public Works. That agreement, I submit, is something which this parliament has the right to take seriously into its consideration and ought to deal with. All that Mr. McAvity had to give or to sell in connection with this dredging contract was his influence with the Department of Public Works. He makes no claim to have any financial interest whatever in the dredging plant. In fact, according to Mr. Mayes, he declined to take any financial interest in the matter at all. All he gave was his political influence, so that, under these circumstances, the agreement between Mr. McAvity and Mr. Mayes was, I submit, a corrupt and immoral one. I think I am justified in going further and saying that it was an illegal agreement. If hon. gentlemen will look up section 158 of the Criminal Code, subsection (f), they will find it is as follows:

Every one is guilty of an indictable offence and liable to a fine of not less than $100, and not exceeding $1,000, and to imprisonment for a term not exceeding one year and not less than one month; and in default of payment of such fine, to imprisonment for a further term not exceeding six months who, by reason of, or under pretense of, possessing influence with the government, or with any minister or official thereof, demands, exacts or receives from any person any compensation, fee or reward, for procuring from the government the payment of any claim, or any portion thereof or for procuring or furthering the appointment of himself or any other person to any office, place or employment, or for procuring, furthering the obtaining for himself, or any other person, any grant, lease or other benefit from the government; or offers, promises or pays to such person, under the circumstances and for the causes aforesaid, or any of them, any such compensation, fee or reward.

Now, I make no claim at all to be learned in the law; but looking at that section as an ordinary layman, it appears to me that such an agreement as the one I have mentioned must come under the clause I have read. Therefore, I think I am justified in declaring that that agreement was not only corrupt and immoral but also illegal.

From what I can see, it appears to me that this $35,933, which was paid to Mr. McAvity under this agreement, was nothing but plain plunder of the public purse and undisguised robbery of the public treasury.

I do not intend troubling the House with any extracts from newspapers, although there was a great deal published in connection with this matter, except to refer to an editorial in a St. John Liberal newspaper, edited by a man well known in public life, who has always been a consistent Liberal, who is so constant to his Liberal principles that even when he held the office of postmaster, while his party were out of office and the Conservative party were in power, that newspaper still stood by its Liberal principles and criticised the government of the day, although its proprietor and editor was an official under the Conservative administration. And he afterwards resigned his position and gave up whatever financial emoluments he was receiving from it rather than give up anything of his Liberal convictions. The paper I refer to is the St. John 'Globe,' and in its issue of October 16, 1908, the following editorial appears:

Thirty-five Thousand Dollars.

While the air is blue with affidavits, declarations and letters in regard to the dredging transactions between Mr. Mayes and Mr. McAvity, and while there are several statements and counter statements, there is danger of having one important matter overlooked. That important matter is that the Dominion of Canada is out over thirty-five thousand dollars upon the Mayes dredging contract, and that, apparently, somebody ought to pay that sum of money back to the Dominion treasury. It really belongs to the people of Canada; and indeed the sum may be more than the amount named. The former Minister of Public Works—Mr. Hyman—Mr. Mayes and Mr. McAvity would seem to be the principal parties concerned. Mr. Mayes was willing to undertake to do the work of dredging for fifty cents a yard, and tendered to do it for that price in June, 1905. Apparently this price was for a smaller quantity of dredging than was eventually done. And the natural inference is that if Mr. Mayes could dredge a smaller quantity at fifty cents a yard, the much larger quantity which he eventually had assigned to him could have been done at a lower price. However, that is not material. Nothing came of the June tenders, but early in September of that year Mr. McAvity and Mr. Mayes were in Ottawa together and Mr. Mayes got the enlarged quantity of dredging at a higher price per yard—five cents more—than he originally offered to do the work for. There is no clear indication at all why Mr. Hyman allowed the higher rate, but possibly he may not have given the matter much thought, or have regarded the increase per yard as not very serious. It is quite clear now that if he took this simple view of the matter he was in error, for it enabled Mr. Mayes to pay Mr. McAvity a very large sum out of the profits of his work, over, as we have stated, thirty-five thousand dollars. As it would be unreasonable as regards Mr. Hyman to assume that he knew of the arrangement between Mr. McAvity and Mr. Mayes, it would be unfair to assume that he ought to make good out of his own means the higher price paid out of the treasury to Mr. Mayes. This leaves the matter as between Mr. Mayes and Mr. McAvity on the one part and the Canadian people, whose money they got, on the other part. Mr. McAvity is not very clear in his statement as to why Mr. Mayes should pay him the amount which he did pay him, although he does seem to have done some service in going to Ottawa several times in connection with Mr. Mayes's business. Mr.

Mayes, capable business man as he is assumed to be, seems not to know clearly why he paid the thirty-five thousand dollars over to Mr. McAvity, and asserts that he has taken proceedings at law to get it back. If he gets it back, it ought surely to be returned to the Canadian people to whom it would seem in equity to really belong. But, perhaps, if Mr. McAvity were to send the money back to the treasury, and Mr. Mayes were to stop his suits to recover it, that would seem to be the best settlement. Hon. Mr. Pugsley, who is now the Minister of Public Works, standing in the interests of the people, would certainly do the right thing in endeavouring to secure some such settlement in the interests of the country, for it appears to be quite clear now without any reflection upon his predecessor's management then ,that Mr. Mayes could have done the work for the price at which he first tendered. After all is said——

I would ask the special attention of the Right Hon. Prime Minister (Sir Wilfrid Laurier) to this:

After all is said, the main consideration is the public welfare, and the safeguarding of the interests of the people whose money has been so improperly taken from them. This whole matter is a vivid illustration of how the people may be preyed upon. A crisis will come in the administration of affairs in this country if there be not close attention given to the real interests of the people.

The other two principal points in the affidavit relate, I think, to the statements with regard to Mr. Pugsley, when, in 1905, he was Mr. Mayes' solicitor and attorney general of the province. The statement is made by Mr. Mayes that he paid Mr. Pugsley $2,000. The statement that the Minister of Public Works (Mr. Pugsley) made in reply to that is: Yes, Mr. Mayes did pay that money to me, but he paid it for professional services which I rendered him. Now, Sir, that is a perfectly good reply. The point is one that can be easily proved, and if this committee of investigation is given—and I presume and hope that it will be—nothing will be easier for the Minister of Public Works than to give his detailed bills to that committee and show the services for which that $2,000 were charged. The other matter is with reference to the allegations which Mr. Mayes makes, that the present Minister of Public Works, since he has been Minister of Public Works, held back payments from Mr. Mayes which were due him on his dredging until he had satisfied the commission of Mr. McAvity. Now, I am not going to argue whether that is true or whether it is not true; I take it as a matter of evidence to be given before the committee of inquiry. I may say this, however, in going over the papers that were brought down in connection with these matters, I have seen some telegrams, a few of which I will read and which will show the House at all events, that there is some slight evidence to support the statement of Mr. Mayes that he was held up. These documents, of course, were taken from the files of the department and were brought down and laid on the table. The first is a telegram, addressed to the chief engineer of the Department of Public Works:

St. John, July 24, 1908.

Eugene D. Lafleur, Ottawa.

Contract No. 5745 completed, also No. 6791.

J. K. SCAMMELL,
Engineer in charge.

The contracts referred to were Mayes' contracts. The telegram is to be found at page 171 of the return. Then, at page 172, there is the following telegram:

Ottawa, July 25, 1908.

Scammell, resident engineer.

Has Mayes' contract been satisfactorily completed? He is applying for return of security deposited.

EUGENE D. LAFLEUR.

At page 179 of the return, there is the following telegram:

St. John, July 27, 1908.

E. D. Lafleur,
Chief Engineer, Ottawa.

Your telegram received. I would consider contract No. 5754 satisfactorily completed.

J. K. SCAMMELL,
Engineer in charge.

Also at page 179 of the return there is another telegram as follows:

St. John, July 31, 1908.

E. D. Lafleur, chief engineer,
Public Works Department, Ottawa.

All dredging of contractor Mayes completed except city's contract at Sand Point, berths 2, 3 and 4. Soundings now being taken show considerable work to be done there before I can pass upon this.

J. K. SCAMMELL,
Engineer in charge.

On page 180 there is the following telegram:

St. John, July 31.

To E. D. Lafleur,

Final estimates for accounts on all government dredging contracts controlled by this office have been sent to you. Mayes dredge hauled up yesterday to be dismantled.

(Sgd.) J. K. SCAMMELL.

Then on the 5th day of August, page 181 of that return, there is a memorandum to the chief engineer, signed by Hon. Wm. Pugsley, Minister of Public Works:

Mr. G. S. Mayes, dredging contractor, writes me that his work is completed. Kindly let me know if you have received a certificate from resident engineer Scammell to this effect. Mr. M. is anxious to have the whole matter closed up, and if the necessary certificates have been furnished I shall be glad if

you will have the matter attended to with as little delay as possible.

(Sgd.) WILLIAM PUGSLEY.

On that same memorandum the following is written:

All contracts with this department completed. Security deposits can now be returned.

(Sgd.) EUGENE D. LAFLEUR,
Chief Engineer.

That is on the 5th day of August. Now, as opposed to that, it would seem that notwithstanding the statement which I have just read signed by the chief engineer of the Public Works Department 'That all contracts were completed, and no reason why payment should not be made, and even security deposits returned,' we find that on the 22nd day of August, Mr. Mayes was still without his money, and he wrote the following letter to the Hon. Wm. Pugsley, Minister of Public Works. It shows that no matter what the reason of the delay was for the payment to Mr. Mayes, Mr. Mayes himself at all events, considered that he was being held out of his money because Mr. McAvity had not been paid up. It is as follows:

St. John, N.B., Aug. 22, 1908.

Hon. Wm. Pugsley, Esq., M.P,
Minister of Public Works, St. John, N.B.

I understand that the Minister at that time was in the city of St. John.

Dear Sir,—I regret you have seen fit to withhold from me payment of my July estimate and the balance of my contract in consequence as you stated to me, of Mr. Geo. McAvity having wired you that I owed him some money. I do not think that this is a consistent position for you to take. Mr. McAvity's bills against me are a personal matter and are different entirely from anything between the government and myself. I consider that I have overpaid Mr. McAvity to a very large amount. He proposed to have certain conditions carried out by which I would obtain more dredging work, and would receive fairer and more equitable treatment from the officials of the department. He has utterly failed in this, and I now propose to enforce my rights by bringing suit against him to recover the very large amount which I have paid him, some $36,000. You are perfectly aware that Mr. McAvity's claim against me is for percentages on my contracts with your department in consideration of his services in helping me to get a contract, and his promise that he would do all in his power to assist me to get others. Knowing this as you do, I cannot understand why you should use your position to hold up the man who has earned the money that a middleman may exact his satisfaction. I will therefore thank you to have the balance of my account, $56,591.63, remitted to me at once as my work has been completed and certified to by your officers. I may say further that I have claims against the department which I propose to forward at an early date, based on improper measurement of the barge loads, and also for the extra work of digging boulders of a size not contemplated or covered by my contract, together with other items, to all of which I will thank you to give consideration.

I remain, yours obediently,
G. S. MAYES.

Now, Sir, I think I have given fairly good reasons why these matters which have taken up so much time this afternoon, should be investigated by a committee of the House. I referred yesterday to the Hodgins case; I will refer to only one more before I take my seat. It will be remembered that in 1907 a paper in New Brunswick spoke of the hon. member for Westmoreland (Mr. Emmerson) in a manner which reflected on him very seriously, a reflection which he stated himself was not true. But what was the result in his case? The hon. member for Westmoreland, although he denied the truth of the statement, felt that the very fact that a reflection had been made upon him was a reason why he should, for the time being at all events, retire from his position in the ministry, and defend himself and clear his character. It is a painful subject to recall, and I will not read his letter to the Prime Minister; but I will read the Prime Minister's letter to the hon. member for Westmoreland, then Minister of Railways. The Prime Minister in referring to the hon. gentleman's letter to himself, says:

To this communication I sent to Mr. Emmerson the following reply:—

Ottawa, April 1, 1907

My dear Emmerson,—I have come to the conclusion that the course which you take is, under existing circumstances, in the public interest. You owe it to yourself, to your colleagues and friends, to clear your character of the charges levelled against you. You could well ignore mere insinuations, but direct and specific charges you do well to face as soon as uttered. I will place your resignation in the hands of His Excellency.

Now, Sir, taking those cases as precedents of what should be done where charges are made against the public administration of affairs in this country, charges as in this case solmenly made—because if Mr. Mayes had been stating what is not true, he knows, as every one knows, that he is liable to be prosecuted for perjury—I say that under the circumstances we must take some notice of this very serious statement which has been published broadcast over this country, reflecting on the administration of the Public Works Department, reflecting also upon the present Minister of Public Works.

Therefore, Mr. Speaker, I beg to move that all the words after 'that' be struck

out, and the following be substituted therefor:

That in the month of September, 1905, a contract was awarded by the Public Works Department to Gershon S. Mayes, of the city of St. John, for dredging at Sand Point, St John, N.B., at the price of $8.60 per cubic yard for materials specified as of class 1, and 55 cents per cubic yard for materials specified as of class 2, and that before the signing of the said contract the said department, through its chief engineer, guaranteed by letter to the said contractor 400,000 cubic yards of all classes of material as the quantity to be removed under the said contract.

That on the fifth day of said month of September, before the signing of said contract, the said Gershon S. Mayes entered into an agreement with George McAvity, of the said city of St. John, whereby the said Gershon S. Mayes agreed to pay the said George McAvity all money which might be received by the said Gershon S. Mayes under the said contract or any continuation thereof over and above 50 cents per cubic yard, and the said George McAvity agreed to use his influence and endeavours with the Minister of Public Works or officer of the government at Ottawa to increase the number of yards to be dredged at the aforesaid site of contract.

That in the month of June, 1905, the said Gershon S. Mayes had submitted to the Department of Public Works a tender to do the said dredging of material of class 2 at 49 cents a cubic yard.

That in reference to the said contract and agreement the said Gershon S. Mayes at the city of St. John, on the twelfth day of October, 1908, made and published a solemn declaration in which he alleged that on the first day of September, 1905, on the advice of the Hon. William Pugsley, then Attorney General of the province of New Brunswick, and now Minister of Public Works, he had a conversation with the said George McAvity relative to tenders for the said dredging and that as a result he was induced by the said George McAvity to increase his tender to 55 cents per cubic yard; that under the said agreement with the said George McAvity he paid the latter at various times during the years 1906 and 1907 sums of money amounting in the aggregate to thirty-five thousand nine hundred and thirty-three dollars

That the said solemn declaration also contained the following statements:

On October 15, 1907, I received a telephone message from Dr. Pugsley asking me to call and see him next day, which I did. He said, 'Mr. Mayes, I am in need of money and it would be nice if you could help me.' I said, 'Doctor, what for? You know that I have paid you some $1,300 in my second case against Connolly which you have in a way offered to pay back because you have said that Mr. Emmerson was so slow in bringing up the matter and I have not the funds. I am carrying a big back load and am paying large amounts to the Bank of Montreal for overdraws.' Just then Mr George McAvity came in and Dr. Pugsley said that Mr. Mayes' business was getting along as well that a little money would be very acceptable. I again stated that I was carrying a big back load and that I could not see why Dr. Pugsley should ask me for money. I said, 'What do you want it for, a loan?' 'Well,' said Dr. Pugsley, 'you see it will be nice to have some one who could do something for you while in Ottawa'; there was always something to be done and if I could not give him a cheque that I could give him a note for three or four months' I asked how much, and he said, 'Oh, about $2,500 or $3,000.' I said, 'This is too much, but I suppose I will let you have a note for four months for $2,000.'

Dr. Pugsley then made the note out and I signed it. He said he felt sure he would give me good return for it or pay it back. I went out and was followed shortly after by Mr. McAvity who asked me what the devil I gave Dr. Pugsley so much for. He thought $1,000 more than enough. I asked why he had not said so and he replied that he could not interfere, but thought it a pretty hard time to ask for money. I said, 'Yes, and what did he do for it?' and McAvity said that he (McAvity) had arranged with Hyman.

On November 11, 1907, while I was seeing Dr. Pugsley about some troubles I was having, he casually remarked, had I seen Mr. McAvity yet? I said I had met him quite often. He said, had I squared accounts with him lately; that he did not wish to know anything about it, but surmised that perhaps it would be well to get things going along smoothly.

* * * * * * *

On 24th July last I wired the minister that my contracts were completed. The engineer in charge had given his certificate and I was then entitled to receive the balance of all moneys earned as well as all moneys retained for the performance of my contracts. Not having received any money, I saw the minister on 21st August at St. John. He insisted that I should pay McAvity the balance which he claimed to be due under the agreement before he would let me have my money. I said, 'Can you as a minister of the Crown hold my money that way?' He said he thought he could. I saw the minister again the next day to see if I could get my money, and he told me that he was anxious that I should see McAvity and fix matters up right away, and that he did not wish to have the affair in the courts. I then wrote the minister stating that I could not understand why he should use his position to hold up the man who had earned his money in order that a middleman should exact his satisfaction. He then wrote me that he would give instructions for the payment, but I did not receive any of the money that was due me until about a month afterwards, though the minister had with him, when in St. John, an account showing exactly what was due me.

That it subsequently appeared that the date 15th October, 1907, was inserted in the said solemn declaration in error, and that the said date should be 15th October, 1905, and the said original declaration has since been amended accordingly and again solemnly declared to.

That the said George McAvity had no financial interest in the said dredging contract except such as was due to his political influence, and the sole consideration for the payment of the said moneys received by the said George McAvity out of the moneys paid by the government under the said dredging con-

tract was the political influence of the said George McAvity in connection therewith.

That the said solemn declaration was publicly read by the Hon. J. Douglas Hazen, premier of the province of New Brunswick, at a large political mass meeting in the city of St. John on the evening of the said 12th day of October, 1908, and the allegations contained therein, as well as the said corrections in the date above referred to, have since been published in many leading newspapers throughout Canada.

That in the opinion of this House, in view of the serious character of the matters aforesaid, the allegations contained in the said solemn declaration and all relevant matters touching the said dredging contract ought to be referred to a committee of this House to inquire into and investigate the same and to report thereon in order that the truth or falsity of the said allegations may be determined, and that any public moneys improperly paid out in connection with the said dredging contract may be recovered and restored to the public treasury.

Mr. PUGSLEY. I will thank my hon. friend if he will send over the affidavit sworn to on the 12th of October, 1908.

Mr. DANIEL. I might say that I lay that affidavit on the table of the House, as I stated at the outset of my speech.

Mr. PUGSLEY. I asked my hon. friend to send me the original affidavit sworn to on the 12th of October, 1908. He now sends me the affidavit, not with the date '1907' in it but with the date '1905,' corrected. Is that all my hon. friend has that he is going to send me?

Mr. DANIEL. That is the original affidavit that was read by the Hon. J. D. Hazen in the city of St. John on the 12th of October, 1908.

Mr. PUGSLEY. My hon. friend can see in a moment that that cannot be the affidavit which was read.

Some hon. MEMBERS. Hear, hear.

Some hon. MEMBERS. Order.

Mr. PUGSLEY. I wish to say, Mr. Speaker——

Some hon MEMBERS. Order.

Mr. SPEAKER. The hon. minister has the floor and he is certainly entitled to a hearing.

Mr. PUGSLEY. My hon. friend (Mr. Daniel) must see that. I say this, not intending to say anything that would hurt the hon. gentleman's feelings or wound his susceptibilities, but as a fact which he must be aware of, because the hon. gentleman in the very resolution which he has read makes the statement that the affidavit read upon the 12th of October declared that I had received these moneys from Mr Mayes in the year 1907 and that it appeared subsequently that the year 1907 was inserted through error. Now then, in the affidavit which my hon. friend has sent to me apparently, the year—I cannot tell exactly what the figure previously was—but it reads now 'October 15, 1905.' Of course, if that is all the hon. gentleman has; if he has simply the one affidavit which was corrected some four or five months afterwards and two months after parliament had been in session; if he sends that to me as being the original affidavit of October 12, 1908, then all I can say is that I regret that my hon. friend inadvertently misled me when he made the statement that he had two affidavits, the one of October 12, 1908, and the other of March, 1909. The hon. gentleman made that statement to the House; he acquiesced in the question which I put to him. I put the question distinctly to my hon. friend as to whether he had the two affidavits in his possession, the one of October 12, 1908, and the one of March, 1909, and my hon. friend assented to that and led me to believe that he intended to lay the original affidavit with the figures '1907' upon the table of the House.

Mr. DANIEL. The hon. gentleman (Mr. Pugsley) holds in his hand both of these affidavits.

Mr. PUGSLEY. There is only one affidavit here.

Mr. DANIEL. He holds in his hands the affidavit solemnly declared to on the 12th of October and also on the 24th of March.

Mr. PUGSLEY. Mr. Speaker, it may be that my hon. friend is not aware of the statement which he is making, but he has only forwarded to me one declaration, and that declaration contains, it is true, two jurats, but it only professes to be an affidavit giving the date as '1905.' Now, what I thought my hon. friend had, and what I wanted to have laid upon the table of the House, and what I made numerous inquiries about—inquiries, through my solicitor, of the premier of the province of New Brunswick, who is the Attorney General of that province, and who read that false affidavit before that public meeting; who read that affidavit, and read it, I believe, with the intention of inducing the people who were present at that meeting to believe and had it circulated broadcast throughout Canada in the morning papers following that meeting, so as to make the people of this country believe, and intending to make them wrongfully believe——

Mr. DANIEL. Mr. Speaker——

Some hon. MEMBERS. Order; sit down.

Mr. PUGSLEY. —that I——

Mr. DANIEL. Mr. Speaker, I rise——

Some hon. MEMBERS. Order.

Mr. PUGSLEY. —that I as a minister of the Crown, that I as Minister of Public Works of Canada——

Mr. DANIEL. Mr. Speaker, I rise to a point of order.

Some hon. MEMBERS. Order; sit down.

Mr. SPEAKER. Does the hon. member rise to a point of order?

Mr. DANIEL. I rise to a point of order. The minister stated that Mr. Hazen read that date as 1907 down in St. John and that he did it with the intention of deceiving. I say that Mr. Hazen read the date——

Some hon. MEMBERS. Order.

Mr. DANIEL. I am in order.

Mr. SPEAKER. The hon. gentleman will understand that a point of order may be raised in reference to a breach of the rules of the House. The statement now being made by the hon. member does not apply to the rules of the House.

Mr. DANIEL. Mr. Speaker, I am speaking to this point of order: I made the statement yesterday that the Hon. Mr. Hazen read the date as 1905.

Mr. PUGSLEY. That is not a point of order.

Some hon. MEMBERS. Order, sit down.

Mr. SPEAKER. It is impossible for the Speaker to give a decision unless he hears the point of order.

Mr. DANIEL. I am simply raising the point of order that the Minister of Public Works says he does not believe my statement.

Some hon. MEMBERS. No. No.

Mr. DANIEL. That is what I am stating.

Mr. FISHER. No such statement was made by the minister.

Mr. PUGSLEY. I will tell you why I believe that this clause in the affidavit——

Mr. HUGHES. Order.

Mr. LENNOX. I rise to a point of order.

Some hon. MEMBERS. Order, sit down.

Mr. SPEAKER. Order. I will not allow three or four points of order to be raised one after another until the first is decided. The point of order by the hon. member for St. John (Mr. Daniel) is no point of order at all.

Mr. LENNOX. Then, if the Speaker has ruled, I wish to speak to a point of order. The hon. member (Mr. Daniel) yesterday stated that he was at this public meeting, that he was within 10 or 12 feet of the hon. Mr. Hazen, that he heard the affidavit read——

Some hon. MEMBERS. Order.

Mr. LENNOX. One moment—that he heard the affidavit read——

Mr. PUGSLEY. Mr. Speaker, that is no point of order.

Mr. SPEAKER. Order. I want to know what the point of order is.

Mr. LENNOX. That the hon. member for St. John heard the affidavit read, that when it came to that point where the date 1907 is set out that the Hon. Mr. Hazen paused, and turned to Mr. Mayes and he questioned the matter of the date, and that Mr. Mayes then corrected the date, making it '1905,' and then the hon. member (Mr. Daniel) says that the hon. Mr. Hazen read the affidavit as 1905, and that the hon. member for St. John——

Mr. PUGSLEY. That is no point of order.

Mr. LENNOX. Let me state my point of order and I will bow to the decision of the Chair.

Some hon. MEMBERS. Order.

Mr. LENNOX—that the hon. member for St. John heard the statement read in that way at the meeting at St. John, and therefore the hon. member for St. John now rises to the point of order that he made the statement of his own knowledge that it was read as 1905, and the Minister of Public Works now refuses to take the statement of the hon. member for St. John, and he is bound Mr. Speaker to take it.

Mr. SPEAKER. There is no point of order in that.

Some hon. MEMBERS. Hear, hear.

Mr. SPEAKER. I did not understand the Minister of Public Works to contradict the statement made by the hon. member (Mr. Daniel).

Some hon. MEMBERS. He did.

Mr. SPEAKER. I do not so understand it. The hon. member for St. John gave his version of what occurred at the meeting at St. John and the Minister of Public Works is giving a different version.

Mr. LENNOX. He was not at the meeting.

Mr. SPEAKER. Order; the Minister of Public Works has a right to speak, he has a right to give his appreciation of what occurred at the meeting at St. John just as the hon. member (Mr. Daniel) has, and there is no breach of the rules of the House in that.

Mr. CROCKET. Mr. Speaker.

Some hon. MEMBERS. Order, sit down.

Mr. CROCKET. I have a perfect right to speak. Do I understand your honour to rule that a member of this House——

Some hon. MEMBERS. Sit down.

Mr. CROCKET—that a member of this House is not bound to accept——

Mr. PUGSLEY. Order.

Mr. SPEAKER. The hon. member for York (Mr. Crocket) is putting a question to the Speaker.

Mr. PUGSLEY. He cannot speak after you have ruled.

Some hon. MEMBERS. Order, sit down.

Mr. PUGSLEY. Mr. Speaker——

Some hon. MEMBERS. Sit down while the Speaker is standing.

Mr. PUGSLEY. Then let the hon. member for York sit down.

Mr. SPEAKER. Order. It is impossible for the business of the House to be conducted in this way. I understand that the member for York is putting a question to the Chair.

Mr. PUGSLEY. Then let the hon. member (Mr. Crocket) sit down when Mr. Speaker is standing.

Mr. LENNOX. And you sit down.

Mr. CROCKET. Do I understand your honour to rule——

Some hon. MEMBERS. Order.

Mr. SPEAKER. Order. The hon. member has a right to put a question to the Chair.

Mr. CONMEE. Not without the permission of the member who has the floor.

Some hon. MEMBERS. Sit down.

Mr. CONMEE. Mr. Speaker.

Some hon. MEMBERS. Order.

Mr. SPEAKER. I sincerely appeal to the House that if the House has any intention of transacting business it will assist me in maintaining the rules. I would ask both hon. gentlemen who are on their feet to sit down.

Some hon. MEMBERS. Sit down; sit down.

Mr. SPEAKER. It is a rule of this House that when the Speaker rises members should be seated.

Some hon. MEMBERS. Hear, hear.

Mr. HUGHES. Let the Minister of Public Works——

Some hon. MEMBERS. Order.

Mr. SPEAKER. I have not had as long an experience as I would like to have had in this Chair, but I sincerely appeal to both sides of the House to assist me in maintaining the rules which are to the honour and credit of the House. I hope I will get the support of both sides of the House in endeavouring to maintain the decorum and dignity of the House.

Some hon. MEMBERS. Hear, hear.

Mr. PUGSLEY. Now, I will proceed.

Mr. SPEAKER. I understand that the hon. member for York (Mr. Crocket) did not hear my ruling. He is merely asking a question as to my ruling. I suppose that would be permissible.

Mr. CROCKET. Yes, Mr. Speaker, and I intend to do so in the most respectful manner. I wish to understand if your honour rules that a member of this House is not bound to accept the statement of a fellow member made upon the floor of the House.

Mr. SPEAKER. I ruled merely that the hon. member for St. John city and county (Mr. Daniel) was giving a version of what had occurred at a public meeting at St. John and that the Minister of Public Works was giving a different version. If the hon. member for the city and county of St. John had made a statement in reference to himself the Minister of Public Works would certainly have been obliged to accept it. That is a rule of the House. What occurred at a public meeting is an altogether different matter.

Mr. PUGSLEY. Now, Mr. Speaker, I want to call your attention to an extraordinary feature of this declaration and one which I think, will cause you to regard with considerable astonishment the remark which has been made that there was no intention of leading the people to believe that I had received this money while Minister of Public Works in the year 1907. I find that this affidavit, which, it has been said, has been corrected, contains now the year 1905, the figure five being inserted in ink and, I presume, it is written over the figure 'seven' which was in typewriting. In the original affidavit it says that 'on the 15th of October, 1907, I—that is Mr. Mayes—received a telephonic message from Dr. Pugsley asking me to call and see him next day, which I did'—and, Sir, after this affidavit being re-sworn to this alteration from the year 1907 to 1905 is initialed 'W. H.H.' March 24, 1909. So, there, Mr. Speaker, we have this admittedly false affidavit sworn to by Mr. Mayes on the 12th of October, 1908, the original of which I was seeking for, which my solicitor had demanded from Mr. Hazen, the premier of the province who had read that false affidavit at that meeting, as I was informed. We asked for the original affidavit. We find it kept concealed, no attempt made to correct it and not until the 24th day of

March, 1909, is it corrected by Mayes and re-sworn to by him. Now, then, there is another important matter to which I would like to call your attention, and to which I would like to call the attention of the hon. member for the city of St. John, because he professes to have great pain that he is compelled to bring this matter before parliament. Let me ask him, if he was at that meeting and he knew that the date of 1907 was wrong and that it should be 1905, what he thought next morning when he saw in the 'Daily Standard' and in other St. John papers the statement that I had received this money in 1907 when I was Minister of Public Works. What did he think of the editorials which charged that as a minister of the Crown I had prostituted my office and received these moneys from a contractor under my department? Let me ask him——

Mr. DANIEL. Mr. Speaker, may I ask the hon. gentleman——

Some hon. MEMBERS. Order.

Mr. SPEAKER. Order.

Mr. PUGSLEY. Let me ask him what efforts he took to correct the wrong impression that had been given to the public?

Mr. DANIEL. Mr. Speaker,——

Some hon. MEMBERS. Order.

Mr. DANIEL. The Minister of Public Works has asked me what I thought when I saw in all the press that mentioned it that the date was 1907. What I thought was that the reporters who were present at that meeting failed lamentably in doing their duty.

Mr. PUGSLEY. Then, Mr. Speaker, let me ask my hon. friend as the candidate of the Conservative party in the city of St. John, as the candidate in whose interest this affidavit was read, as the candidate on whose behalf the Conservative party had taken to its bosom this self-confessed boodler, according to his own statement, Mr. Gershon S. Mayes, and upon whose friendship and support they were relying, what he did to let the public know, to let the evening papers know that the affidavit was wrong and that so far from my receiving this money as Minister of Public Works I had simply received a fee from Mr. Gershon S. Mayes, who was my client some two years before I became a member of parliament? What does he think of the fact, that, from the night that the affidavit was read, an affidavit which put me in a most unfortunate position in the minds of thousands of people in this country, because that affidavit was calculated to shock the people of Canada because it was a startling statement that a minister of the Crown, the Minister of Public Works, had taken moneys from a contractor who had dealings with his department, and with whom it was his solemn duty to deal simply from the standpoint of the public interest, no effort was made to make a correction? What does my hon. friend think of the failure of duty upon the part of Mr. Hazen and upon the part of himself with regard to this matter? What does my hon. friend think of the fact that from the night that this affidavit was submitted to the meeting up to the day ot the election, neither my hon. frined nor Mr. Hazen ever expressed the slightest regret for the great wrong which they had done me? My hon. friend has made the statement that Mr. Mayes immediately corrected this error. When did he do it?

Mr. BOYCE. On October 13, 1908.

Mr. PUGSLEY. I will tell my hon. friend when he did it. He did it upon the evening of October 13, and how did he do it? He wrote me a letter and that is the only way in which he did it. He did not do it by letter to the public press, and my hon. friend did not do it by letter to the public press.

Mr. BOYCE. Why did the hon. gentleman not do it?

Some hon. MEMBERS. Order.

Mr. PUGSLEY. In the evening papers of October 13 there appeared my denial of this, there appeared my statement that this took place not in 1907 but in 1905. In these papers, Sir, I referred not in mild language to what had taken place. I referred in language, which, under other circumstances, might have been considered harsh, to this matter. I denounced the man who had made the affidavit as an infamous liar, and I denounced the men who had availed themselves of his services in as strong terms as I was able to summon. My denial of this statement and my denunciation of this man appeared in the evening papers of the 13th of October, and it was then and not till then that Mr. Mayes wrote me a letter stating that he had observed in the evening papers the statement which I had made and he desired to express his regret that the date had been given as 1907 instead of 1905. He said that the error as to the date was the error of a typewriter.

Does it not strike you as strange that through the error of a typewriter, these newspaper reporters should have fallen into the same lamentable error? These newspaper men were not typewriters and were supposed to have taken down what was said at that public meeting, and it was very singular that they should have fallen into the same error. The error was stated afterwards to have been a typographical one; but is it not equally singular that

every Conservative newspaper, from the Atlantic to the Pacific, should have been guilty of the same typographical error?

I have another reason for charging the people in St. John who had to do with the preparation of this affidavit, of having deliberately gone to work with the intention of inducing the public to believe that I had received these moneys in 1907, when I was Minister of Public Works. There is strong and clear evidence of that contained in the paragraph itself, outside of the date; and I wish now to denounce that paragraph as absolutely false and concocted for the purpose of inducing the people to believe that I had been guilty of a corrupt act as minister of the Crown. This is what the paragraph states:

> He (Mr. Pugsley) said, 'Mr. Mayes, you see it will be nice to have some one who could do something for you while in Ottawa,'; there was always something to be done.

What is implied by that? It is implied that I was then a member at Ottawa, and that going to Ottawa, I would be able to confer services on Mr. Mayes; and they weaved the whole thing together and put it into October 1907, and it is difficult for me, it is impossible, to believe that it was not done deliberately with that intent. Is it not strange that if it were a mere mistake, the date should have been put forward two years? Is it not strange that the date should have been put forward from a period when, as solicitor for Mr. Mayes, it would have been perfectly right for me to receive money from him, to a time when, as member of Parliament and minister of the Crown it would have been criminal for me to have received money from him, as a contractor, when to have done so would have made me guilty of grave public wrong? That would have been sufficient to drive me from public life. Is it not strange that such a mistake should have occurred and be attributed to an error of a typewriter in the one case, and to a typographical error in the other? And I here denounce the statement as absolutely false, and declare that I never made any such statement to Mr. Mayes. Let me further say that for years I had been the solicitor and counsel for Mr. Mayes in important legal proceedings, and that he was indebted to me in a very considerable sum of money. I performed, it is true, some service in connection with this matter, and it is true that I asked him for some money on account of these professional services, and that I accepted his note, which he subsequently paid. Let me ask my hon. friend whether there was anything in that which could to-day do me any discredit as minister of the Crown or make me in any way unworthy of occupying the position I do. What was there in 1905, when I was not a member of this House and when I was solicitor for Mr. Mayes, and had been for years acting for him in my professional capacity as such, to prevent me taking his note for $2,000 in payment of such services?

In the affidavit of Mr. Mayes there is another statement equally false and unfounded, and that is the statement that upon one occasion I declined to pay him any moneys unless he settled with Mr. McAvity. I denounce that statement as absolutely without foundation. I desire to denounce also another statement, and that is that I held up moneys which were coming to him. There is not a shadow of foundation for it. So far from holding Mr. Mayes up, the facts were these: In the summer of 1908, I received from Mr. McAvity a telegram stating that he was interested in the contract with Mr. Mayes, that there was money due him, and asking if I could not retain these moneys until settlement could be come to between them? Of the relations between Mr. McAvity and Mr. Mayes, I knew nothing. Whether they were full partners or not I knew not. I had not the slightest intimation as to what were the relations between them, or what agreement they had together, but on receipt of that telegram, I understood that they were in some way interested together. I then communicated with Mr. Mayes, and called his attention to the fact that Mr. McAvity had said he was interested in the contract and had asked me to delay payment until they could arrange matters. That is not an unusual thing for the department to do. It is not unusual for the department to receive information of a dispute between the partners and to be asked by one of them to delay settlement on that account.

Mr. FOSTER. Were they partners?

Mr. PUGSLEY. I do not know but I assume they were. Mr. Mayes himself makes the statement, in the declaration my hon. friend has read, that he requested Mr. McAvity to put in $20,000 to $30,000. I assumed that they were partners, but what their actual relations were I had no knowledge, not having been informed by either of them, and that was a matter with which I had nothing to do. True, on the 22nd of August, Mr. Mayes wrote me the letter which my hon. friend read; and in order that hon. members may judge for themselves whether or not I was holding up this gentleman with a view of assisting some one else, let me read the letter which I wrote Mr. Mayes two days after:

> G. S. Mayes, St. John.
>
> Dear Sir,—I am in receipt of yours of the 22nd instant, and in reply would remind you that when I informed you of the notice which I had received from Mr. McAvity that he was

interested in the moneys coming to you from my department and had requested me not to pay them over until the matter was adjusted, you admitted that there was an amount coming to him, which you said you were prepared to pay, provided I would allow a further claim which you said you proposed making, and would buy your dredge. The impropriety of your proposal, which I told you I could not possibly entertain, did not seem to impress you as it ought to have done.

As you, in your letter, deny any indebtedness to Mr. McAvity, I do not propose to intervene in the matter, and shall give instructions for the payment to you of the amount found to be due you by the accountant of my department. If you have any further claim on the department, it will be dealt with on its merits. Whether or not you owe Mr. McAvity or have overpaid him, or whether or not there should be litigation between you, is, I beg to assure you, a matter of perfect indifference to me.

Now, Mr. Speaker, let me ask you and the members of this House to say whether, either from Mr. Hyman when Minister of Public Works or from myself, after I became minister, either Mr. Mayes or Mr. McAvity received any favour of any kind or description, which any ordinary contractor was not entitled to receive from the department? In fact, his ground of complaint was the very reverse. And this, I suppose, induced him to go from step to step, first asking me to buy his dredge, then asking me to recognize claims which he was making against the department, and, when he found he could not succeed in that, making threats of what he would do in the way of exposure, which, I suppose, he thought some of our friends would be afraid of, and finally making this affidavit in the hope of injuring me and the Liberal party. Let me say that from beginning to end Mr. Mayes was constantly claiming favours from the department. After I became minister he sought to have his contract, which he said he was willing to have carried out at fifty cents, raised to ninety cents, claiming that it was fairly worth that; he wanted to have an allowance made for boulders of $19.60 instead of $8.60. And you will see in the records brought down letters and telegrams from him, and I have in my possession letters and telegrams from Mr. McAvity asking me to grant certain favours. And if you look over the correspondence from beginning to end, read it line by line, you will not find anything to show that I treated Mr. McAvity or Mr. Mayes as if they had the slightest claim upon my friendship or upon my consideration, but that in all cases I discharged my public duty and held Mr. Mayes to the absolute performance of the contract which he had with the Public Works Department. Surely that is of some importance when this House is considering whether or not there should be an investigation. Let me say to my hon. friend (Mr. Daniel) that if he, as a member of this House, can find in the correspondence brought down—which, no doubt, he has perused with the utmost care—any affidavit of Mr. Mayes or any words upon which he, as a member of this House, would feel that a charge can properly be made against me as Minister of Public Works, I invite him to make that charge. And let me say to my hon. friend—and I speak as one who has had some parliamentary experience—that that is the proper and the manly course to pursue. Let me say to my hon. friend that it is neither manly, in my judgment, nor is it honourable, nor is it conduct to be expected of public men, that they should, by mere insinuations seek to destroy the character of their opponents when they are not prepared to take the reponsibility of submitting definite charges for investigation by parliament.

Mr. DANIEL. I think the hon. Minister of Public Works (Mr. Pugsley), while I am willing to give him every latitude, is going rather beyond the limit when he accuses me of taking an unmanly course and a dishonourable course. I would ask the minister to take those words back.

Mr. SPEAKER. I did not hear the word 'dishonourable.'

Mr. DANIEL. I will ask the minister if he did not make use of that word? He was referring to the action——

Mr. SPEAKER. Does the hon. member (Mr. Daniel) insist on these words being withdrawn?

Mr. PUGSLEY. What I was endeavouring to do was to point out, in language which could not be mistaken, what is the duty——

Some hon. MEMBERS. Withdraw.

Mr. PUGSLEY. —of a member of this House. Sir, I could not by any possibility withdraw that statement——

Some hon. MEMBERS. Oh, oh.

Some hon. MEMBERS. Withdraw.

Mr. PUGSLEY, —because, Sir, I was simply laying down a rule which ought to govern every hon. member of this House.

Mr. DANIEL. I rise to a point of order. I ask the Minister of Public Works to withdraw those expressions. If he does not, I shall then have the liberty of following suit. And, if it is the rule of parliament—

Mr. SPEAKER. The words 'unmanly' and 'dishonourable,' if used, I think, are not parliamentary.

Mr. PUGSLEY. Mr. Speaker, I did not use the word 'unmanly'; I did not use the word 'dishonourable.' What I said——

Some hon. MEMBERS. Oh, oh.

Mr. SPEAKER. Order. It is impossible for a member to be heard if he is interrupted in this way.

Mr. PUGSLEY. What I intended to say, and what I have no doubt I did—

Some hon. MEMBERS. Withdraw.

Mr. SPEAKER. Order. This is very unbecoming.

Mr. PUGSLEY,—what I have no doubt I did say was that the honourable and manly course for a member of this House. instead of making insinuations, was to make a charge so that it could be investigated. And these are sentiments that it would be impossible to withdraw.

Mr. DANIEL. I rise to a point of order.

Some hon. MEMBERS. Order. Sit down.

Mr. DANIEL. My point of order is that the minister says I have been making insinuations against his character. I have made no insinuations, and I ask him to withdraw that statement.

Mr. SPEAKER. I think on that score the minister (Mr. Pugsley) can accept the statement of the hon. member (Mr. Daniel) that he made no insinuation.

Mr. PUGSLEY. Well, I have——

Some hon. MEMBERS. Withdraw, withdraw.

Some hon. MEMBERS. Give him a chance.

Mr. SPEAKER. Order. It is impossible for the minister to speak if he is interrupted in this way. I merely want order to be upheld in the House; I understand the desire of the House is that order should be maintained. It is useless to put a question to an hon. member, and, when he rises to answer it, interrupt him. How can he speak if order is not maintained?

Mr. PUGSLEY. If my hon. friend (Mr. Daniel) says he did not insinuate anything against me, I accept his statement.

Mr. DANIEL. The hon. minister (Mr. Pugsley) and every member of the House knows very well that I never insinuated anything. Every member of the House knows that any insinuations or charges against him have been made by Mr. Gershon S. Mayes on oath.

Mr. PUGSLEY. Then, I understand that my hon. friend did not make any insinuations against me?

Mr. DANIEL. Yes.

Mr. PUGSLEY. He certainly has not made any charges against me. But he has intimated in language pretty clear and plain that my right hon. friend the Prime Minister (Sir Wilfrid Laurier) ought to accept my resignation as a minister of the Crown.

Some hon. MEMBERS. Hear, hear.

Some hon. MEMBERS. Oh, oh.

Mr. HUGHES. Mr. Speaker——

Some hon. MEMBERS. Oh, oh.

Mr. HUGHES. Mr. Speaker—I will endeavour to make you hear.

Mr. SPEAKER. Order. I do not want language of that kind used to the Chair.

Mr. HUGHES. Mr. Speaker——

Mr. SPEAKER. I have no instructions to receive. Order.

Mr. HUGHES. If the hon. gentlemen on your right will be quiet, people will be able to be heard. You, Mr. Speaker, have ruled that the Minister of Public Works should withdraw a certain statement and he has not withdrawn it.

Mr. SPEAKER. He has withdrawn it. I understood the hon. minister to withdraw his statement.

Mr. HUGHES. We take the Speaker's word for it—the minister has withdrawn it.

Mr. PUGSLEY. And yet my hon. friend says that he has made no insinuations against the minister. Might I ask my hon. friend, when he comes to think it over after he has had a night to think the matter over, whether there is not an insinuation contained in that suggestion of his that the Prime Minister should ask me to resign. Let me ask my hon. friend to tell us, after he has thought it all over, what he meant by calling up the case of my hon. friend who now so worthily represents the county of Westmoreland (Mr. Emmerson) in my own province; what was the sense of my hon. friend referring to that case, also making a suggestion as to the duty of the right hon. the Prime Minister in the circumstances? Now, I desire to repeat the well known rule, I repeat it for the information of my hon. friend from the city of St. John, that if a member of parliament desires to have a minister's conduct investigated, if he thinks the minister has been guilty of any wrong-doing, then it is not only the proper and manly course, but the parliamentary course, the course which appeals to the good judgment of all decent men, that he should have the courage to prefer his charge before the House and undertake the responsibility of producing ground for his charge. That is a fair course to take towards a minister, and it is the course which I am sure, upon reflection, the hon. gentleman will see he should have pursued.

Now, Mr. Speaker, I want to call attention to some further false statements in the affidavit or declaration which my hon. friend has read. It makes the statement that Mr. Mayes was informed that he was the only tenderer upon both occasions; and my hon.

friend in fathering that affidavit, in making himself responsible——

Mr. DANIEL. I wish to correct the hon. minister. I am not the father of that affidavit.

Mr. PUGSLEY. Well, I am sure the hon. gentleman is not the stepfather.

Mr. NORTHRUP. Perhaps he is the dry nurse.

Mr. PUGSLEY. That may be. At all events, my hon. friend does assume a certain responsibility, in fact a large measure of responsibility, for any affidavit which he submits to this House. Now no member of parliament should allow people lightly to make affidavits, take them up and read them to this House, where they reflect upon the character of either private citizens or members of parliament. Therefore when a member of this House does read to parliament an affidavit and asks parliament to take certain action upon it, his action ought to be a guarantee that he has made some inquiries to satisfy himself as to the truth of the statements which are there made. Now, what has my hon. friend done? He has read to this House, in the first place, an affidavit which it was admitted at the time it was read to the public meeting, contained a false statement of a most material character, and which continued to contain that false statement down to the 24th of March of the present year, an affidavit which neither Mr. Hazen nor anybody else could alter, except Mr. Mayes himself, by taking it back and going before the notary before whom it was sworn, and correcting it and re-swearing to it. He has read here an affidavit which states that Mr. Mayes was the only tenderer on both occasions. Yet my hon. friend knew from the statement which was brought down to this House, or if he did not know he ought to have known it, a statement brought down in answer to a question put by the hon. member for South Simcoe (Mr. Lennox), that so far from Mr. Mayes being the only tenderer, upon both occasions there were two tenderers, and that he was the lowest upon both occasions. Now, what does my hon. friend think of that? Does he think that is honorable and fair?

Mr. DANIEL. I will tell the hon. gentleman what I think of it. I ask him to recollect what was stated in that affidavit with regard to that matter; Mr Mayes says that he was informed months afterwards.

Some hon. MEMBERS. Oh, oh.

Mr. DANIEL. You can 'oh, oh,' as much as you like, I am stating what I have just read in that affidavit, and it should be in the memory of every one listening to me now. He does not state that he was the only tenderer, he says that he heard months afterwards that he was the only tenderer.

Mr. PUGSLEY. If it were not for the information from the department before this House, would anybody suppose for a moment but that Mr. Mayes was the only tenderer? Would anybody suppose for a moment but that he intended to convey the impression that he was the only tenderer, and had got this contract at his own price? and that without any further tenders being received, Mr Hyman, the then Minister of Public Works, had awarded him this contract—without having any other tenders between which and his a comparison could be made? Surely the position which my hon. friend has taken in reading this affidavit is very different from the actual position. He puts it forward in this affidavit as if on each occasion there had been no other tenderers, and that this arrangement had been made between him and the Minister of Public Works. Surely the position is very different, because we find that early in the summer of 1905 there were tenders called for, and the specifications contained the condition that the tenderer should own a dredge registered at the time in Canada; we find that there were two tenders received, that the tender of Mr. Mayes for ordinary material was 49 cents per cubic yard, and the next tender, which was that of Messrs. M. J. Haney and Roger Miller, of Toronto, who were prepared to comply with the condition, and who named the price of $3.50 per cubic yard of material described as class 1, and $1.25 per cubic yard for material described as class 2. There you have experienced contractors, the firm of Haney & Miller, of Toronto, tendering to do this work at the price of $1.25 per yard for ordinary material. Now at that time, if the Minister of Public Works had chosen to waive the condition with regard to dredges, and given the contract to Mr. Mayes, there being that great difference between them, I suppose possibly he could have done so, but it would not have been a fair discharge of his duty as Minister of Public Works, because in asking for tenders he had attached a condition as a result of which, of the two tenders, only one was by parties who were prepared to comply with the condition, and that was for a price considerably higher than the Minister of Public Works thought the work was fairly worth. Now then, did he do the right thing in calling again for tenders? I submit he did. He found that the only firm which was prepared to tender for this work and which had a dredge registered in Canada, tendered at a price which he thought in the public interest he ought not to pay, and thinking that the price was excessive, he called again for tenders. That it seems to me was what it was his duty to do. So far as the affidavit shows, so far as any statement my hon. friend has made to the House shows, up to the time, at all events, of calling for new tenders, there was nothing which could be impugned in the conduct of

the Minister of Public Works, or of the officials of the department. Now, he called again for new tenders, and upon the second occasion, it is not true, as Mr. Mayes suggests, that he was the only tenderer. Again tenders were received from Messrs. Haney & Miller, of Toronto, and also from Mr. Mayes, and upon this occasion Mr. Mayes altered his tender for material of class 1. He reduced that. From this affidavit you would suppose that he did nothing but increase his tender, but as a matter of fact he reduced his tender in respect of one kind of material, of which it was supposed and afterwards proved there were large quantities in the harbour of St. John, that is large boulders. He reduced his tender on this class of material from $8.90 to $8.60 per cubic yard, and raised his price on the other material by 6 cents, making it 55 cents a cubic yard. For one class of work, large boulders, he reduced his tender by 30 cents, and for other materials he increased it by 6 cents, and his tender went in in that form. The affidavit read by my hon. friend shows and the records of the department conclusively prove that his tender and that of Messrs. Haney & Miller, of Toronto, went in in the regular way in accordance with the rules of the department. When the tenders were opened it was found that the tender of Messrs. Haney & Miller was $3.75 per cubic yard for materials of class 1 and $1 per cubic yard for material of class 2. Thus there was a difference of 45 cents per cubic yard between the tender of Mr. Mayes and the tender of Messrs. Haney & Miller.

In the face of the departmental record, in the face of the fact that there were these two tenders, I ask what justification can be given by my hon. friend for reading to this House an affidavit which would lead the members of this House and the people of Canada to believe that no tender was submitted upon the second occasion but the tender of Gershon S. Mayes.

Mr. SPROULE. Was the specification the same on each occasion when tenders were called for?

Mr. PUGSLEY. The tenders in both cases were the same except that when they were called for early in the summer a provision was inserted that the tenderer must have a dredge registered in Canada and when they were called for in September that stipulation was omitted. In all other respects the tenders were the same. No tenders for what the Minister considered a fair price could be got for the work with that provision in as the tender of Messrs. Haney & Miller had shown, but, in order to meet competition when that condition was done away with, Messrs. Haney & Miller, who are very experienced contractors, tendered at the price of $1 a yard and the tender of Mr. Mayes was 55 cents a yard.

I ask what was the duty of the Minister of Public Works? He had invited new tenders by public advertisement in the various newspapers which would come to the notice of contractors. Two tenders were put in, one from an experienced firm, at $1.00 for ordinary material and the other from Mr. Mayes at 55 cents for the same class of material. What was the duty of the minister? Was it not to accept the lowest tender? My hon. friend will say that having invited new tenders it was the duty of the Minister of Public Works to go to Mr. Mayes and say: Why, you tendered before at 49 cents, although now, in response to a public advertisement, you are the lowest tenderer, although you are 45 cents per cubic yard below the next tenderer, a firm of experienced contractors, yet I will not give you this contract on your tender, you must come down to the lower price. Was it the duty of the Minister of Public Works to do that? I do not think so. Bear in mind that Mr. Mayes in this extraordinary affidavit, prepared and read under extraordinary circumstances on the eve of a general election, when there would be a desire to put forth everything which could be put forth against the department in order to injure the Liberal party, nowhere ventures to insinuate that Mr. Hyman was informed of Mr. Mayes' readiness to tender at 50 cents per cubic yard. Nor does he venture to insinuate that he ever intimated to Mr. Hyman that he would accept less than 55 cents per cubic yard. All he says is that he went to Mr. Hyman and asked if he could have this larger quantity because he said he was going to buy a dredge in the United States which would cost a large sum of money and he wanted to be sure of a large contract, which was not unreasonable. What did Mr. Hyman say, according to Mr. Mayes' own statement? Mr. Hyman immediately said: 'You will get such a quantity provided you are the lowest tenderer, that is all.' He happened to be the lowest tenderer and he got the contract at his price of 55 cents per cubic yard. Surely it is important, in considering the adoption of this resolution and the granting of this committee of inquiry to ascertain whether or not in this whole transaction, from the beginning to the end, there is anything reflecting upon the conduct of the Minister of Public Works, either the previous minister or myself since I have had charge of this department. I say, that so far as Mr. Hyman is concerned, there is not a particle of evidence and there is not even a suggestion that he swerved one iota from the duty which he was sworn to perform. What does my hon. friend ask? He asks that without a particle of evidence, wihout a charge, without even an insinuation so far as Mr. Hyman is concerned, a committee of this House should be solemnly

appointed in order to inquire as to whether or not Mr. Hyman did his duty as a Minister of Public Works. Sir, Mr. Hyman, is not here to answer for himself, but I would be sorry as one member of this House, to be a party to the appointing of a committee to investigate the conduct of a former minister of the Crown who is not now a member of parliament, without some member at least having ventured to make some suggestion against his conduct.

Mr. LENNOX. What about the present minister?

Mr. PUGSLEY. My hon. friend will hear about the present minister by and by. I am speaking now with regard to the late minister, because when this House is asked to appoint a committee to investigate the awarding of this dredging contract it is not to investigate any charge against me, but to investigate the conduct of a gentleman who formerly occupied the position which I have now the honour to fill, it is to investigate the conduct of Mr. Hyman when he was Minister of Public Works and I can appeal to those gentlemen who knew Mr. Hyman when he was Minister of Public Works, who knew how well he performed his duties as minister, to say whether some charge or some statement or some evidence or some fact should not be presented to this House before a committee should be appointed to inquire into his conduct as Minister of Public Works in connection with the awarding of this contract. There is, as I have said, no pretence upon the part of Mr. Mayes that he had any improper communication with Mr. Hyman, there is no pretence upon Mr Mayes' part that Mr. McAvity had any improper communication with Mr. Hyman; and, with the evidence, as I have said, all the one way, the evidence that tenders were invited in the ordinary public way by public advertisement, that the tenders were received in the ordinary way and that the contract was awarded to the lowest tenderer, it does seem to me that so far as Mr. Hyman and his conduct in connection with the awarding of this contract are concerned, there is nothing to lead in any way to the suspicion that he did not act in an entirely proper manner and entirely in the public interests. Does my hon. friend suggest that Mr. McAvity and Mr. Mayes were informed of what the tender of Messrs. Haney & Miller was? Does he suggest that?

Mr. DANIEL. Not at all, not at all.

Mr. PUGSLEY. Very well, not at all. My hon. friend does not even insinuate that?

Mr. DANIEL. No reason to even suspect any such idea.

Mr. PUGSLEY. Very well, I am glad to hear my hon. friend say that. Then what does it come to? It comes to this: That my hon. friend admits that there was no collusion between Mr .McAvity and Mr. Mayes, and the minister.

Mr. DANIEL. I admit nothing more than I have stated.

Mr. PUGSLEY. My hon. friend must admit that Mr. McAvity and Mr. Mayes had no information as to what was the amount of the next tender, and that being so, they simply put in their tender at 55 cents per cubic yard, and they took their chance of that being the lowest tender. And, Mr. Speaker, the very fact that there was a difference of 45 cents per cubic yard between their tender, which was the lowest, and that of Messrs. Haney & Miller, which was next to them, is the very strongest evidence of the fact that there was no collusion. Then there was the other fact that the tender of Mr. Mayes on boulders was reduced by 30 cents per cubic yard as compared with what it was under the first tender, and that there was also a change made by Haney & Miller in the price they asked for boulders as well as in the price they were asking for ordinary material. But everything connected with the letting of the contract in the departmental records, and everything which Mr. Mayes has stated, is absolutely consistent with the fact that so far as the minister was concerned, and so far as the officials of the department were concerned, everything was regular and proper. And yet, Sir, we are asked under these circumstances to investigate the conduct of a former minister of the Crown in awarding this contract in a regular and proper manner to Mr. Mayes. Let me say this to my hon. friend, and I say it as a lawyer; I say it as one who has had very considerable experience—I have seen the question asked in the newpapers: 'Why does not the Crown proceed against Mr. McAvity?' Let me say, Sir, that if the Crown could proceed against anybody it would not be against Mr. McAvity, but it would be against that bosom friend of the member for St. John, Mr. Gershon. S. Mayes.

Mr. DANIEL. I want to say, Mr. Speaker——

Some hon. MEMBERS. Order.

Mr. PUGSLEY. Because, Sir, it was to Mr. Gershon S. Mayes this money was paid. The Crown had no contract with Mr. George McAvity; the Crown paid no moneys to Mr. George McAvity, and the Crown would have no case and no claim of any kind or description against Mr. George McAvity. Now, my hon. friend (Mr. Daniel) is solicitous for this inquiry in order to see whether the Crown has a claim.

Let me say to my hon. friend that if it is true, as he says, that Mr. Mayes and Mr. McAvity had no knowledge of what was the next tender; if it is true, as will appear from all the evidence and all the facts we have before us, that there was no collusion of any kind between Mr. McAvity and Mr. Mayes and the minister, and that there was no irregularity in the letting of the contract, let me say that the Crown could have no action against Mr. Gershon S. Mayes. The only ground upon which an action could be founded is that there was collusion. Suppose two people are about tendering for work with any department, and one of them says to his partner: 'Now, I control this matter and I am willing for myself to do this work at a certain figure,' and the other partner says: 'No, we can get more for that; I do not think there is anybody else in the country who will do it for the low figure at which you think of tendering, and we are perfectly safe in tendering at a larger figure;' and a tender is put in and it is dealt with in a proper manner, and upon the advice of the officers of the department that contract is awarded, and the Crown discovers afterwards that one of the partners who might have controlled it would have been quite willing to put in a tender for a smaller amount, could the Crown turn around and bring an action against the firm to recover back the money which it might have saved? Now, in the absence of collusion, that is exactly the case here. My hon. friend (Mr. Daniel) says that Mr. George McAvity became interested with Mr. Gershon S. Mayes in this contract, and if it had not been for Mr. George McAvity Mr. Mayes would have tendered for a lesser figure. But Mr. Mayes did not tender for a lesser figure, and he did not tell the minister that he was willing to do the work for a lesser sum.

Mr. DANIEL. He did tender and he could not get the contract.

Mr. PUGSLEY. My hon. friend need not have brought that in because it has no bearing on the point. He tendered some months before.

Mr. DANIEL. Exactly, for the same work.

Mr. PUGSLEY. That was under another call for tenders and at that time he had not a dredge and the contract could not be awarded to him, and so far as the Minister of Public Works could know he might have changed his mind a thousand times between June and September. He might have ascertained in the interim that the work was more difficult than he anticipated and the minister would know nothing about it. The point I make is, that his tender being put in in the regular way in response to a public call for tenders, his tender having been accepted by the minister in good faith, I care not how much he may have paid Mr. George McAvity, the Crown has no claim against Mr. Gershon S. Mayes for one dollar of the money which was paid under that contract. And, my hon. friend might as well face it first as last, that the only ground upon which any claim could be made by the Crown against either Mr. McAvity or Mr. Mayes is that there was collusion between them and the department, that there was fraud upon the part of the late Minister of Public Works, that he conspired with these people to enable them to get the contract in fraud of the public and against the public interest. That is the only ground upon which a claim could be made, and if my hon. friend (Mr. Daniel) wants this committee appointed, and if he wants to see whether this money can be recovered back, let him have the courage to say that the Hon. Charles S. Hyman, while a member of this House, and while Minister of Public Works, was guilty of this fraudulent act and that he was a party to this money having been taken from the public treasury——

Mr. DANIEL. Will the minister allow a question?

Some hon. MEMBERS. Sit down.

Mr. DANIEL. If I am out of order I will sit down.

Mr. PUGSLEY. I have no objection to the hon. gentleman asking his question.

Mr. DANIEL. Will the minister say whether in his opinion that was a legal contract between Mayes and McAvity.

Mr. PUGSLEY. I would not be at all adverse to giving an opinion to my hon. friend on that question if it were at all before the House, but that is a question between Mr. McAvity and Mr. Mayes.

Mr. DANIEL. And the minister too.

Mr. PUGSLEY. I would say this to my hon. friend, and I will not charge him any thing for this opinion——

Mr. DANIEL. That is a very unusual thing.

Mr. PUGSLEY. I would say to my hon. friend that I understand that Mr. Mayes has sued Mr. McAvity, and why? Because Mr. McAvity did not get any favours from the Department of Public Works.

Some hon. MEMBERS. Hear, hear.

Mr. DANIEL. If the minister would allow me I may say——

Some hon. MEMBERS. Sit down.

Mr. DANIEL. I would consider that a good cause for action, because the understanding on which Mr. McAvity got into the agreement was that he would get favours.

Mr. PUGSLEY. And my hon. friend (Mr. Daniel) has actually read to this House a letter—he has actually fathered this letter, too—in which Mr. Gershon S. Mayes complains of Mr. George McAvity that he has not succeeded in getting favours from the Department of Public Works. And that is the ground upon which, just a few days before the election, almost simultaneously with the reading of this affidavit—and let me say, Sir, that the people of St. John accepted it at its true worth, and let me say further, Mr. Speaker, the people of the whole province of New Brunswick accepted it at its true worth. While we had in that province a splendid cause to fight for, and while we had most acceptable candidates in every county in the province, yet I am almost inclined to think that some small measure of the success which we achieved in that contest was owing to the unfair tactics of our opponents, was owing to their determination, shown day after day and week after week, to resort to all kinds of slander, to hesitate at nothing in order to achieve success, winding up with the reading, by the premier of the province, of this false affidavit, at the great Conservative meeting in the city of St. John.

At six o'clock the House took recess.

After Recess.

House resumed at eight o'clock.

Mr. PUGSLEY. When the House rose at six o'clock, I had made the remark that perhaps the great success which the Liberal party had won in the province of New Brunswick was to some extent—possibly only to a small extent—assisted by the conduct of the members of the Conservative party in that province, particularly the leader of that party and the present premier of New Brunswick in reading this affidavit at the great Conservative meeting held in St. John on the 12th of October. That was but the culmination of the attacks and of a course of action of a very discreditable character, which, it was hoped, would injure the Liberal cause in the province of New Brunswick, but which signally failed. True, my hon. friend from St. John, (Mr. Daniel) succeeded in getting back to parliament, but he and his colleague who sits beside him (Mr. Crocket) represent all that is left of the once great Conservative party of that province. Of course, they did not spring this affidavit on the public until a comparatively short time before the election, but still where the people had the opportunity of studying the whole question, where they have known me a great many years—because I have lived among the people of St. John upwards of a quarter of a century—they gave a pretty emphatic verdict with regard to these attacks, so far as I myself was concerned. And so far as the hon. gentleman who represents the city of St. John (Mr. Daniel) is concerned, while he has succeeded in being elected, the Conservative majority of very nearly 1,000, which he had in 1904, was cut down to 192. And the majority of about 600 which the late lamented Dr. Stockton had in 1904 was converted into a majority of nearly 6,500 for myself in the constituency which I represent. I have always been ready and willing to meet any attack made upon myself, and it has given me great pleasure to day to have the opportunity of meeting the insinuations which are contained in the statement presented to the House. What I always desire is that I shall meet my opponents in the open, that I shall have the opportunity of facing them, and I have never been afraid—and I trust never shall—to meet my enemies under any circumstances. My hon. friend who represents one of the constituencies of Simcoe (Mr. Lennox) asked the question before recess: What about the present Minister of Public Works? Well. I shall tell him, so far as this contract is concerned. But first let me ask him if he would join in the insinuations now being made in the Conservative press that I was in some way, directly or indirectly, connected with Mr. McAvity in the advantages got from this dredging contract. If he, or any other hon. gentleman, would join in that suspicion or insinuation, let me ask him whether, if what they suspect were the case, he would not think it strange that I should have asked Mr. Mayes for money instead of going to Mr. McAvity, who, it appears, was to get considerable advantage out of this contract. Or does he not think, if it were understood that I was interested, directly or indirectly, that Mr. Mayes would have referred me to Mr. McAvity instead of giving me this $2,000 for services which he ays was not due me at all and to which I was in no way entitled. I desire to say—and I say it in the most emphatic manner and in the strongest language possible—that I had no interest at any time, either in 1905 or any time since, directly or indirectly in that contract, that I was not benefited in any way directly or indirectly, by it, or in whatever was derived from it by Mr. McAvity. In 1905, I acted simply as the solicitor of Mr. Mayes and was discharging towards him the duty which I thought, as his counsel and solicitor, I might fairly perform. He came to me as his legal adviser, as one who had advised him during a great many years in many important matters, and he asked me if I could refer him to any business man in St. John who would be likely to engage with him in this dredging enterprise. I mentioned Mr. George McAvity as a man of means and large experience whom I thought it would be greatly to his advantage to have as a partner. It was under those circumstances, and for that rea-

son and no other, that I referred him to Mr. McAvity. What their arrangements or relations were I never knew, beyond having the general knowledge that they were interested together in the dredging contract, and I assumed that their relations were those of ordinary partners engaged in an ordinary business transaction.

If it is asked: What about my own conduct? I think I can fairly answer that the best way to judge is to look at the record and see whether or not I honestly and faithfully discharged the duty which I owe the public as Minister of Public Works. If any hon. gentleman can find in the correspondence any statement made by Mr. Mayes or anybody else that I ever showed towards him or Mr. McAvity, in connection with this contract, any favour or consideration which might not fairly be shown the veriest stranger, then an indictment might fairly be brought against me. But if I am able to point to the record and show that, although requests were made me from time to time to grant certain favours to Mr. Mayes, and although those requests were made both by Mr. McAvity and Mr. Mayes, I refused them in every instance and held Mr. Mayes strictly to the performance of the contract, and if I can show specially that there is strong evidence that neither had I any interest in the matter nor was I influenced by friendship towards either party, then I submit that all these insinuations fall to the ground.

I wish to refer again for a moment to the statement that in the interest of Mr. McAvity I held back moneys which were due to Mr. Mayes. I have given that statement an unqualified denial. It is said that he should have been given this money in the summer of 1908—in the month of August, if I remember well. I made inquiry from the deputy minister of my department with regard to the day when the final estimates were submitted, and I received this certificate from him:

Ottawa, Ont., October 19, 1908.

Hon. Wm. Pugsley, St. John, N.B.

Final estimate fifty-five cent contract July 29, check mailed September 17; final estimate core July 29, check mailed September 21; final estimate four hundred foot extension, 90 cents, September 19, check mailed September 22; final estimate South Rodney wharf and six hundred foot extension September 21, check 9,000 dollars mailed September 29. 5,091 dollars, 90 cents still owing.

Sgd. J. B. HUNTER.

I will tell you why I held back that amount. I had given directions for the payment of the entire sum to Mr. Mayes. But when I went to St. John, I found that certain of the ships berths there which, under the arrangement between the government and the city Mr. Mayes had contracted to dredge out,—or, rather to sweep out, using the more correct expression—had not been swept out. So far from his performing his contract, he had left a very considerable amount of sweeping undone, and it was reported to me that the big ships would not be able to berth there by reason of his not having performed his contract. Finding this to be the case, I at once telegraphed to the chief engineer—or had Mr. Scammell telegraph, I am not sure which—to hold back certain moneys until Mr. Mayes should perform his contract. I did this in the interest of the people of St. John. And, let me say if I had known at that time facts which have been disclosed since, I would have had more of the money coming to Mr. Mayes held back, because over upon the northern side of the Sand Point slip, in these ships' berths which he was supposed to have dredged, we have discovered a considerable number of boulders which it was Mr. Mayes' duty to remove, and which the department has been called upon since to remove at very considerable expense. Mr. Mayes received money to which, I am bound to say, I do not think he was fairly entitled. And if I had known what I know now, a further amount beyond the $5,000 would have been held back. I state definitely—and I defy contradiction; I defy my hon. friends opposite to look through the correspondence and find anything to contradict me—that I have never held back any money from Mr. Mayes to which he was entitled, and I have never delayed the payment, except, as I have said, in the case of the $5,000 held back by reason of his not having performed his contract for the work of which I have spoken.

Now, I wish to take up some correspondence which has already been published. I speak now only of matters of which I have personal knowledge. If I had not personal knowledge, I would not read from the copies contained in the newspapers, but I am aware they are correct, and my hon. friend (Mr. Daniel) if he looks at the files, I have no doubt, will see the letters there. The first letter is dated November 23, 1907, after I had become Minister of Public Works. Mr. Mayes wrote me this letter:

St. John, November 23, 1907.

Hon. Wm. Pugsley,
Minister of Public Works, Ottawa.

Dear Sir,—Permit me to call your attention to the fact that I have not been paid for any work for the last three months. This is entirely due to the appropriation having been exhausted and does not reflect upon anybody. Notwithstanding this, at your request, I have prosecuted this work under my contract just as diligently as if I were receiving the money regularly.

I may say that it was necessary to go on with this work in order to get ready for the steamships expected in the then coming winter.

I am sure you can understand what a burden this has imposed upon me when you con-

sider the extreme difficulty of getting money from our banks for any purposes. I have a large overdraft for which I am paying a heavy rate of interest. Had I so chosen, I could under the terms of my contract have stopped work altogether and thereby practically stopped my expenses, but the result would have been that the work would not have been advanced to an extent necessary to provide for the opening of the winter port season, which it practically is to-day. Under these circumstances I would suggest that you should cancel my old contract from the date of the last payment under it and substitute a new contract embodying all the work which remained unperformed at that date, together with the work since awarded to me and which has recently been surveyed by Messrs. Valiquet and Holt, this work to be at the same schedule as paid to the Dominion Dredging Company for similar, though in many instances, not so difficult work as we have had, the section, which contains nearly all the boulders in that vicinity, entailing serious breakage and great expense and loss. Besides this, you will find upon inquiry, that before I entered upon my first contract a great portion of the high water work which belonged to it had been removed by the local government dredges. Consequently, I have always had an undue proportion of low water work which has added very materially to the difficulties of my work.

Trusting that this request may receive your most favourable consideration.

I remain, yours sincerely,

G. S. MAYES.

This gentleman, whose affidavit is now presented to the House, is represented as being eager to take the contract at 50 cents a cubic yard. Yet his request is that, owing to the difficulties of the work, he should be allowed to cancel his old contract and be given a new contract at 90 cents per cubic yard, the rate which he was getting under a later contract awarded to him after public tender by the gentleman who was acting Minister of Public Works previous to my appointment. Mr. Mayes made out a strong case, but not strong enough to warrant me as I thought, in the public interest, in acceeding to his request. I wrote him this letter :

16th December, 1907.

Dear Sir,—I have had under careful consideration your letter of the 23rd ult., asking to be relieved of your contract of the 30th September, 1905——

That is the contract in question.

—and after consulting with the chief engineer of my department and examining the contract and specifications very carefully, I have come to the conclusion that it will not be possible to comply with your request, and I have therefore to ask that you will proceed as rapidly as possible and complete the work required under said contract.

I shall be glad to learn from you how soon you will be able to complete the work.

I am, your very truly,

WILLIAM PUGSLEY.

G. S. Mayes, Esq., St. John.

Mr. PUGSLEY.

Then I find another communication relating to this matter—and I intend to read this in order to show you that I endeavoured to perform my duty to the public and was not in any way influenced in the manner which these gentlemen would have you, Mr. Speaker, believe I was influenced; that I did not, as they have intimated, use my position for the purpose of aiding and assisting Mr. McAvity. This is a telegram which came to me:

St. John, October 10, 1907.

Mayes defies me. In his work absolutely refuses to dredge in accordance with instructions given in writing and also personally delivered. He stated that we had no power over him; have cancelled all his work until he shows his obedience. Kindly wire as soon as possible.

Have wired the chief engineer.

J. K. SCAMMELL.

I replied by telegram as follows:

Ottawa, 12th October, 1907.

J. K. Scammell, C.E., St. John.

Your telegram received. Carry out instructions of chief engineer.

WILLIAM PUGSLEY.

Which meant that he was to keep Mr. Mayes right down to the performance of his contract. Now, we come down to the spring of last year.

Hon. Dr. Pugsley, Ottawa, Ont.

My dredge 'Beaver' has been working nearly three years without being registered. Is there a necessity for registering next week for tendering other works, prefer not to.

G. S. MAYES.

To which I replied on the 18th as follows

G. S. Mayes, St. John, N.B.

Same condition is in all advertisements issued calling for dredging tenders. Regret find it impossible to make exception in your case.

(Sgd.) WM. PUGSLEY.

Mr. SPROULE. I would like to ask the hon. minister one question. Before six o'clock I put a question regarding the second dredging contract into which Mr. Mayes entered, and asked if the same conditions were in the second notice calling for tenders as in the first. One of the conditions was that the dredge must be registered in Canada, and because he did not have a dredge registered in Canada, he failed to get the first contract for which he tendered. I wish to know if I understood the minister aright to say that the condition had been omitted from the second notice and that consequently he got the second contract. Now if that be so, how can that telegram be correct, that the same conditions applied in all cases, and therefore it was absolutely necesary for him to have the dredge registered in Canada ?

Mr. PUGSLEY. This telegram relates to a new work entirely that I was about to undertake in 1908, and in respect of which the advertisement went out in the ordinary way, with the condition that the dredge should be registered in Canada. We have more dredges now than we had in 1905.

Mr. SPROULE. Will the minister read the answer he gave?

Mr. PUGSLEY. This is the answer:

G. S. Mayes:

Same condtion as in all advertisements issued calling for dredging tenders.

That is, all advertisements that my department is now issuing calling for tenders.

Regret, find it impossible to make exception in your case.

Now here comes another. In July 1908 I received from Mr. Mayes a letter under the date of 25th of that month, as follows:

Hon. Wm. Pugsley,
Minister of Public Works.

Dear Dr. Pugsley,—I wired you yesterday, that my work was completed and now beg to confirm it by letter. So far as the removal of the core was concerned this was a great surprise to us all, including your engineers. The plan, dated June 1, last, showed dimensions which were also included in the specifications, calling for the removal of 12,000 yards. It was rather surprising, therefore, when the removal of 3,000 yards completed the job. As it is very evident that another error has been made, perhaps you will be good enough to point out some 9,000 yards for me to do elsewhere. I understand that the Railway Department want the berth at the Ballast wharf cleaned up. If so, I am ready and willing to do the work.

I remain,
Yours truly,
(Sgd.) G. S. MAYES.

And probably under this original contract, whatever work Mr. Mayes would get, Mr. McAvity would get a share of it, and if I wanted to aid Mr. McAvity as a friend, I would naturally be disposed to encourage Mr. Mayes in getting additional work, and consent to his request for additional work. Then he says:

If so, I am ready and willing to do the work.

P.S.—May I call your attention again to the very large amount of money in holdbacks on progress estimates which are now due to me on these accounts. Please have the payment made as soon as possible as I have use for funds.

That date is in July, 1908. On August 10 I received this telegram from Mr. Mayes:

Have kept crew on dredge awaiting possible word from you as to dredging Ballast wharf berths. It can be done more satisfactorily this time of year as place is badly exposed to fall and winter weather. Can you kindly arrange this now.

G. S. MAYES.

To which I replied on the same date as follows:

Regret unable to comply with your request.

My reason being that when the time came for this work to be done, I intended to put it up to public competition, and was not disposed to let it to Mr. Mayes by private contract. Now in addition to the letters which I have read, there are other letters on file which my hon. friend has had an opportunity of examining, and in which Mr. Mayes was contending that he had a claim against the department because my inspector had not allowed him full measurements; he was making a claim also that he should be allowed $19.60 for the removal of boulders instead of something over $8 which his contract provided for, and his requests in all these particulars I refused and held him down firmly to his contract. Then when he began to feel that he was not going to be shown any favours by me, he writes intimating that he is going to appeal to other members of the government for that justice which I was denying him. Let me say here that the man who gives to Mr. Mayes, from my experience of him, what he thinks is justice, may possibly be doing an injustice to other interests which might be entrusted to his charge. At all events, I simply did what I thought was my duty, I refused to accede to Mr. Mayes' requests. Along in the summer of 1908 he made up his mind that he would like to get out of the dredging business, and he approached me to see if I would not buy his dredge for the Public Works Department, and the price which he wanted was $150,000, or thereabouts. He began to intimate to friends of mine that if I did not buy his dredge there would be some disclosures made which would be very injurious to the Liberal party. He did not expect, I think, that I would be influenced by any of his threats, or by any of his intimidations which he was making, but I think he hoped that by going to my friends and telling them, perhaps half the story, he might induce them to endeavour to bring some influence to bear upon me to purchase his dredge. Well, my department required a dredge, and I was willing to buy his dredge if I could get it at a fair and reasonable price. I desire to say here that word came to me from most reputable friends, and amongst others from Mr. C. J. Osman, who was formerly speaker of the Legislative Assembly of New Brunswick, a gentleman of the highest character, a man whose word would be taken more quickly than the affidavit of many people, and a gentleman whom I think my hon. friend from St. John also knows and esteems.

Mr. DANIEL. The Hon. Mr. Osman is a very respectable gentleman, formerly a member of the legislative assembly; I believe he was defeated at the last election. I have great regard for him, as I have for Mr. Mayes.

Mr. PUGSLEY. Well, it happens, Mr. Speaker, that there is a difference between the two gentlemen. Mr. Osman has occupied a very high and responsible position in the province of New Brunswick; to-day he is manager of a great manufacturing enterprise in the parish of Hillsborough in the county of Albert. He is a gentleman whose word will be taken everywhere in the province of New Brunswick as a man of the highest honour. He has been my friend for a good many years; and one day, during the time of the general election, he came to me in the city of St. John, in a state of considerable excitement, and he said to me that Mr. Mayes had seen him and shown him a photograph of a promissory note for $2,000 which he had given me, and I think also the photograph of the cheque which he had given in payment. He led Mr. Osman to believe, so Mr Osman told me, that he had given me that note at a time when I was Minister of Public Works. Mr. Osman was greatly disturbed about it, and thought that he would come to me as a friend and as a member of the party, and give me notice of what Mr. Mayes had said.

Mr. CROCKET. Did the note bear the date on its face?

Mr. PUGSLEY. Apparently Mr. Osman did not notice it if it was in the photograph. Mr. Osman did not tell me as to that, but he has said to me and has stated over his own signature that Mr. Mayes led him to believe it was given when I was Minister of Public Works. I said: 'Did he tell you when the note was given?' He said: 'No.' I said: 'It was in 1905, when I was solicitor for Mr. Mayes,' and I told Mr. Osman he need not worry. Mr. Osman said he was glad to hear it and he returned to his home in Albert county. Mr. Mayes intimated to Mr. Osman that if he could get $150,000 for the dredge, good Conservative as Mr. Mayes was, and I judge still is, there would be, out of this price of $150,000, a contribution of $20,000 towards the Liberal campaign fund. Mr. Speaker, that statement was made not only to Mr. Osman, so Mr. Osman told me, but to several other people of great repute in the city of St. John who all had the same story to tell of these approaches which were made to them by Mr. Mayes, and to different people the threat was made that unless this dredge was bought and an arrangement made to settle these claims, some dreadful and damaging disclosures would be made. To Mr. F. W. Holt, as Mr. Holt has declared by a solemn declaration, Mr. Mayes showed all the documents and photographs and said he was about proceeding to Fredericton to have them published in a newspaper with which my hon. friend from York (Mr. Crocket) is familiar, viz: The Fredericton 'Gleaner,' and that they would be published before the election and of course go broadcast throughout the country and do great damage to the Liberal cause. It happened that Mr. Mayes did not succeed either by these intimations made to my friends or by influences of any other kind, in accomplishing his desires. Among others whom he had approached was Mr. John B. M. Baxter, an alderman of St. John and then vice-president of the Liberal-Conservative Association, whom Mr. Mayes had got to interest himself in the hope of selling this dredge to my department. On the 30th day of September, 1908, Mr. Baxter sent me this telegram:

St. John, N.B., Sept. 30, 1908.

Hon. Wm. Pugsley,
Minister of Public Works,
Ottawa.

Client impatient at not receiving word from you or inspector——

And the client is Gershon S. Mayes—

Client impatient at not receiving word from you or inspector. Quotes your purchase and payment for dredge 'Industry' by order in council——

That is the dredge which the hon. member for North Toronto (Mr. Foster) has been inquiring about—and I wonder if he has been having communications from Mr. Mayes on the subject—

Quotes your purchase and payment for dredge 'Industry' as sufficient precedent for buying his dredge with complete equipment, ready for instant work at smaller price. Points out that fund for purchase is not exhausted or arrangement could be made similar to British Columbia purchase.

Mr. Mayes keeps in touch with all the dredge purchases made.

Advise act immediately, and wire definitely as client insists on prompt decision.

JOHN B. M. BAXTER.

In reply to Mr. Baxter's telegram the following letter was sent by myself:

St. John, N.B., Oct. 7, 1908.

Dear Sir,—I am in receipt of your telegram of the 30th ult. in regard to dredge 'Beaver' which was recently examined by the general superintendent of dredging. I regret to say that his estimate of the value of the spares is very much less than the estimate given by Mr. Mayes; and upon his report it would be impossible for me to recommend the purchase of the dredge at the price Mr. Mayes puts upon it.

Yours truly,
(Sgd.) WM. PUGSLEY.

Mr. Speaker, I have given you a part of the correspondence and I invite my hon. friends opposite, if there is any one who

ventures to believe or who would like this House to believe that I ever showed Mr. Mayes or Mr. McAvity any favour in connection with this dredging contract or that I ever deviated one hair's breadth from the line of my duty as Minister of Public Works, I call upon him to read it to this House, I call upon him to give to this House and to the country information which he has upon that point. I declare, Sir, that every letter, every telegram which passed between us, every departmental act of mine, every act of mine as Minister of Public Works, will show that I faithfully discharged my duty as between Mr. Mayes, the contractor, and the people of this country.

Now, Mr. Mayes, having tried first by suggestion that there would be a contributon to the campaign fund, a suggestion which did not succeed, because I suppose we did not require any campaign fund——

Some hon. MEMBERS. Hear, hear.

Mr. PUGSLEY —At all events, Sir, we did not require any campaign fund to be contributed to by Mr. Gershon S. Mayes, nor by anybody else in return for any favours to him or any one else having dealings with the government of this country. After he had failed to accomplish his object by these suggestions, after he had failed by an attempt at blackmail, and after he found that he could not dispose of his dredging plant to the government and could not get his claim settled except in the ordinary way, and get just what he was entitled to get, after he found too that he could not get his contract cancelled, and could not get me to engage to give him a larger amount than he was in justice and by law entitled to, what did he do? He then went to the leader of the Conservative party in New Brunswick and handed him this affidavit for the purpose of having it read at the great Conservative meeting in the city of St. John on the 12th of October. That meeting was attended by prominent Conservative statesmen from other parts of Canada, among whom was Sir James Whitney, the premier of the province of Ontario. I am told, Sir, and I believe it is just possible, that the reason why my hon. friend succeeded in saving his bacon in the election in St. John was that he and his friends repudiated all knowledge of this affidavit until after it was read; my hon. friend said that this was a great bombshell which Mr. Hazen had been keeping up his sleeve for the purpose of exploding that night, and he and his friends admitted that instead of being a bombshell it proved to be a veritable boomerang and did great damage to the Conservative party. As I said, Mr. Mayes handed to them this affidavit and they made the most of it before the elections. It did not do them any good then and I do not think the fathering of it by my hon. friend and the reading of it in this House is going to do him and his party very much good now or in the future.

I fear I have already taken too much of the time of the House, but I felt it was necessary that I should refer to these matters in order that the members of the House and the people of the country generally might know just what are the facts of this case, so far as they have come under my own observation and so far as I am able to speak with regard to them. I simply wish to say this, and I say it with a good deal of sorrow, Sir, that the tactics which were used in the city of St. John and which culminated in the reading of this affidavit were calculated to bring disgrace upon the public life of this country. There is nothing more discreditable, there is nothing more unworthy of those who are seeking the confidence of the people than that instead of trying to build themselves up on their own conduct and merits, they should seek to discredit and to destroy the reputation of their opponents by false statements and by slanders. But, Sir, my personal experience in the city of St. John was not very different from that experienced by others in other sections of the country. In the province of Quebec we found the name of Sir Lomer Gouin, the premier of that province, forged to a telegram designed to assist his opponents in the election. Out in the province of British Columbia, upon the eve of the election, when the public mind was excited upon the Asiatic question, when everything depended upon the attitude of the two great parties on that question, we found there a forged telegram read at a public meeting, which no doubt was intended to and designed to and which no doubt did have a most material effect upon the election in the city of Victoria. Down in my own constituency, a few days before the election when the people were in the midst of the excitement of a political contest, at this great Conservative meeting they sought to destroy my character and to injure the Liberal party by reading a false affidavit and publishing it broadcast in the newspapers of this Dominion from the Atlantic to the Pacific. Such were the tactics of the Conservative party, and I regret to have to say it. They sought to make me suffer by these disgraceful tactics, but, Sir, I am happy to say that the people of the province of New Brunswick viewed such conduct as it should be viewed, and they not only returned me as the representative of one of the most important constituencies in that province, but they sent back ten staunch Liberals with me to support the government. That is the best answer that can be made to the tactics which were used at that time, and which I may say are of a similar character to those which have

for a good many years been directed against me.

I want to say in conclusion, Mr. Speaker, that while I have made mistakes, as every man who has been a long time in political life has made mistakes, they have been errors of the head and not of the heart. I have endeavoured at all times to do what I thought was in the public interest. While I was in the provincial arena I endeavoured to discharge my duty to the public, and when I received the very high honour of being called by the Right Hon. the Prime Minister to take a seat in his cabinet, I made up my mind that I would be even more zealous than I ever was before for the public weal. I have endeavoured at all times, Sir, to perform my duties, not only as a member of parliament, but as minister, in what I conceived to be the best interests of the country. And let me say that if there is any gentleman on the opposite side of the House—my hon. friend from St. John (Mr. Daniel) included—who feels that there is any ground for an attack against me in reference to this contract, or any other, then I say the fair and manly course is to make a charge against me with regard to the administration of my department. And let me say also to these Conservative newspapers which are levelling their vile attacks upon me and seeking to injure my reputation and my character that it would be fair for them to appeal to some gentleman upon the other side of the House to make a direct and specific charge against me so that I may know what I have to answer, so that an inquiry may take place, and so that witnesses may be called to the end and that we may know whether I am guilty or not guilty of those insinuations which are hurled against me. That, it seems to me, is the fair and manly course to take, and that, it seems to me, is but a small measure of the justice which every public man in this country is entitled to have meted out to him.

Mr. O. S. CROCKET (York, N.B.) Mr. Speaker, I must congratulate the Minister of Public Works upon the theatrical success he has achieved. He has certainly attained to the full limit of affected wrath and righteous indignation. I am bound to say that he won my admiration in that respect. I have heard the hon. gentleman when he was a minister of the Crown in the province of New Brunswick making similar exhibitions upon similar occasions in the New Brunswick legislature; I have heard him rend the air with rugged denials and with swelling assertions and denunciations such as we have heard from him this afternoon, but, when following some of these occasions in the legislature of New Brunswick there were investigations, investigations under oath, the denials which the hon. gentleman so solemnly made upon the floor of the legislature were completely dissipated. Now, Mr. Speaker, what was passing through my mind when I was admiring the affected indignation of the Minister of Public Works, and when he was denouncing his alleged traducers as infamous and malicious liars, was, why if he had such a feeling against these traducers, and why if these statements which he characterized as infamous, are really falsehoods, why has he not sought to punish those who have done him such wrong. The Minister of Public Works is a lawyer, and no one knows better than he that if the statements which are contained in that solemn declaration (which has now been spread upon the pages of 'Hansard' and which is now upon the table of this House) be untrue, he has a remedy to punish Mr. G. S. Mayes; he has a remedy to punish the Hon. J. Douglas Hazen, premier of the province of New Brunswick. If these statements be false, as the minister has claimed, the man who made them is unquestionably liable to prosecution for perjury in the courts of this country.

Why then, I ask you, has not the Minister of Public Works resorted to the remedy which the law affords him and instituted a prosecution for perjury against Mr. Mayes? Why has he not instituted an action for libel against the premier of the province of New Brunswick? The Minister of Public Works, I think, went far afield this afternoon when he made such a violent and wholly unwarranted attack upon the honoured premier of that province and I desire, as a member representing one of the New Brunswick constituencies, to resent that unwarranted attack which was made upon that distinguished citizen of the province. What was the reference which the minister of Public Works made to the Hon. J. Douglas Hazen? —that he deliberately read an affidavit knowing it to be false, that he was a party to an attempt to deceive the electorate of the province with respect to the date that the interview which is spoken of in the affidavit is alleged to have taken place between the Minister of Public Works and Mr. Mayes. I thought that, after the statement which the hon. member for the city of St .John (Mr. Daniel) made in this House yesterday, the Minister of Public Works even would have hesitated before making such an attack upon the hon. Mr. Hazen. The hon. member from St. John city stated clearly and distinctly in this House yesterday afternoon that he attended the political meeting at which this solemn declaration was first read, that he was on the platform on the occasion upon which Mr. Hazen was reading this affidavit and that when Mr. Hazen approached the paragraph in which this mis-

take occurred he hesitated at the figures '1907', that he turned around to Mr. Mayes, that Mr. Mayes then said '1905', and that Mr. Hazen read the affidavit as of 1905. Now, Mr. Speaker, I do not think there is one hon. member of this House who would hesitate to accept the statement which was made by the hon. member for St. John yesterday afternoon. And, that being the case, I ask the members of this House if they think the Minister of Public Works did himself any justice or any good this afternoon when he sought to represent Mr. Hazen as being guilty of an attempt to read a false date into an affidavit.

But, Mr. Speaker, I ask you again: Why is it that the Minister of Public Works, if these statements are untrue, if this affidavit is false, if this is the greatest outrage that was ever committed with respect to a public man in the Dominion of Canada, has not, in the past five or six months, taken the action which the statutes of this country enable him to take against Mr. Mayes and against Mr. Hazen?

Now, the minister has seen fit to refer to the result of the election in the province of New Brunswick, he has boasted of the result of these elections as a sort of vindication of himself with respect to these charges. He said furthermore that he thought the small measure of success which was attained by the Conservative party in New Brunswick was largely owing to the unfairness of his opponents in the use they made of this affidavit in the city of St. John. I think I can give this House pretty well the reasons for the return of eleven Liberal candidates from the province of New Brunswick. I think that the minister's friend, Mr. George McAvity, who is the very same gentleman who, the minister dared not deny this afternoon, got away with $35,000 of the money of the people of this country, had as much to do with the result of the elections in the province of New Brunswick as any other cause. Will the minister deny—I do not think he will—that the same Mr. George McAvity, who got away with this plunder from the public treasury, was associated with himself in the purchase of the St. John 'Telegraph' and the St. John 'Times'. The minister dare not and will not deny that statement because it is a fact that he was associated with Mr. McAvity in the purchase of these two papers which had been advocating the Conservative cause in that province for some months before that time. Not only was he associated with Mr. McAvity but he was associated with Mr. John Moore, another gentleman who has formed a dredging company in New Brunswick and who is obtaining many contracts at exorbitant rates from the Public Works Department. I am not sure but that if the truth were known it would be found that some portion of this $35,900 enabled, at least his friend Mr. McAvity, to assist in the buying of these papers from the owners at that time. These papers, as I have said, were the only Conservative papers that were being conducted in the city of St. John. The purchase of these papers by the minister and his friend, Mr. McAvity, took away from the Conservative party the only means they had of spreading the issues before the people of New Brunswick. The Liberal party not only had these two papers, but they had two other papers, the St. John 'Sun' and the St. John 'Star' which had been bought some time previously by other gentlemen who had been very close to the treasury of this Dominion—the Hon. B. F. Pearson whose name, I think, will be familiar to every member of this House who takes any interest in the public accounts of the Dominion. So that, I think the less that the Minister of Public Works says in this House with reference to the causes of the so-called Liberal victory in New Brunswick the better for himself. With respect to the election in the city of St. John, it seems to me that if there is one constituency in New Brunswick where this question would have formed an issue and where the verdict in this particular matter would have had some significance it was in the constituency in which this affidavit was read. What was the result in that constituency? My hon. friend who addressed the House so fairly this afternoon on this question is here to-night to confront the Minister of Public Works notwithstanding all the efforts which that hon. gentleman made to cause his defeat and notwithstanding the fact that he had not one single paper to espouse his cause in the city of St. John, owing to the action of the hon. Minister of Public Works and his friend Mr. McAvity, in buying up the papers which had formerly been advocating the interests of the Conservative party. In that election the minister sought to make a great deal of this very transaction. He appealed to the electors of St. John not only to elect himself, but to elect his colleague, Mr. Pender, my hon. friend's opponent in St. John, and appealed to them upon the ground that if Mr. Pender was not elected with him there would be no vindication with respect to these charges which he alleged were so foully uttered against him. But the electors of St. John did not respond to that appeal. My hon. friend from St. John, as I have said, is here to-night despite these influences. Now, I think that is all that is necessary to say with respect to the result of the election in New Brunswick.

I have heard the minister say it here and I have heard him say in the legislature of New Brunswick in the same way: Take the manly and honourable course, if you have any criticism to make and make a

charge. I have heard him use the same expression in the legislature of New Brunswick. It is an expression I have heard very frequently in this House—so frequently that it has become a veritable chestnut. 'Make a formal charge.' Does the minister not see that there is to-day on the table of this House a specific charge more solemnly made than could be made by any hon. member speaking from these benches. I venture to say that never in the history of politics in the Dominion, has a charge been more solemnly and publicly made, or more widely circulated, than this charge which was made in the city of St. John on the 12th of October last. It has been circulated broadcast in every newspaper in the Dominion, and was read in the province of New Brunswick at that great meeting, in the hearing of the premier of Ontario. No charge could be more publicly or more specifically made than that which is now on the table of this House. The hon. minister said yesterday that he would welcome the fullest and freest investigation. That is also a statement I have frequently heard made by him on the floor of the New Brunswick legislature. But if he would welcome the fullest and freest inquiry, why does he not consent to this investigation? What does it matter, so far as his character and reputation are concerned, whether the charge be made by my hon. friend from St. John (Mr. Daniel) or in the shape of the solemn declaration made by Mr. Mayes in that city. The matter is as fully before the people as any proceeding taken in this House could be; and if the hon. gentleman has any regard for his reputation or character, he would not split hairs upon the manner in which the charge should be presented.

The speech which he made this afternoon was full of denials and strong denunciation of his alleged traducers. But was it not to be expected that the minister would make the denials he did? Is there an hon. member who would suppose, for one moment, that the minister would not deny the allegations of this solemn declaration? Now, I ask my hon. friends on both sides of the House to consider thoughtfully the pretended defence which the Minister of Public Works made this afternoon. Leave out his general denials and his denunciations of the members of the Conservative party and see if he has touched for one moment the gravamen or the gist of the accusations contained in that affidavit. Did he deny the fact, or did he even refer to it at all, that there was an agreement entered into between Mr. Mayes and Mr. McAvity, precisely as alleged in that solemn declaration? No, he did not deny it because, unfortunately for him, we have in that case the documentary evidence which was read this afternoon by my hon. friend from St. John. We have the evidence that Mr. McAvity did not put

a dollar into this contract, that he had no pecuniary interest in it or other interest beyond his political pull with the Department of Public Works, and that, because of that political pull, he received an undertaking for Mr. Mayes to pay him five cents per cubic yard on every yard of material of that class dredged in the harbour of St. John, and that under that agreement he received from Mr. McAvity, out of the money he got from the department the enormous sum of $35,933. The Minister of Public Works did not choose to address himself to that aspect or the case at all. Yet, that is the feature of this case which is the most important from the standpoint of the electors of this country. Under that agreement the public treasury of the Dominion has been defrauded of that sum of money, given to Mr. McAvity as a pure and absolute rake-off in exchange for his influence with the department. Of that there can be no manner of doubt, and therefore the minister passed over that phase of the question.

He did not however attempt to justify the inaction of the government in that connection, upon the ground that neither Mr. Mayes nor Mr. McAvity would be liable to an action for the recovery of that money unless there was collusion between the Minister of Public Works and one or other of those gentlemen. I know that the Minister of Public Works is an able lawyer, but I do not think that the proposition he advanced this afternoon in that respect would commend itself either to the lawyers or the laymen of this country. It would seem to me a most remarkable proposition that the only ground upon which an employer can recover back money of which he had been defrauded was that he himself had been in collusion with the parties who had defrauded him. Yet that is the effect of the contention which the minister made this afternoon. It was that the corporation which had given out a contract could not recover from its employee or contractor money of which it had been defrauded unless it was in collusion with the party who had committed the fraud upon itself. It seems to me that the contention is so utterly absurd that it would not to be considered even by some of the hon. gentlemen on the other side.

But my hon. friend from the city of St. John quoted this afternoon our Criminal Code with reference to this question of the liabaility of Mr. Mayes and Mr. McAvity. I have no doubt myself that this transaction came within the terms of the section which my hon. friend cited and that this was, in the terms of that section, a corrupt and illegal arrangement between Mr. Mayes and Mr. McAvity. But in addition to the section which my hon. friend quoted, there is this other one which bears upon this legal question:

Sec. 159. Every person convicted of an offence under the last preceding section shall be incapable of contracting with the government, or holding any contract or office with, from or under it, or of receiving any benefit under any such contract.

Since that is the law—of which there can be no question—then this was an illegal arrangement and consequently absolutely void, and Mr. Mayes was not entitled to receive from the Department of Public Works any portion of that money. So that, speaking as a lawyer, it seems to me that there can be absolutely no question as to this phase of the controversy. There can be no question that that amount of money was fraudulently obtained by Mr. McAvity out of this contract and that the Department of Public Works and the treasury of this country have been to that extent defrauded. This government has not seen fit down to the present to take any action. I have already pointed out that the Minister of Public Works has not seen fit to take any steps to prosecute Mr. Mayes for that perjury which the hon. gentleman says he committed when he swore to that affidavit, and that he has not ventured to prosecute the premier of the province of New Brunswick for the alleged libel he committed when he read and published that affidavit in the city of St. John. I point out further, that neither the Public Works Department nor the Justice Department has taken—nor does either intend to take—any action for the recovery of this money of which the treasury has been defrauded. Now, I seriously ask the members of this House to consider if the conduct of the minister (Mr. Pugsley) is consistent with the conduct of a man who is wholly innocent of these charges. If any man against whom such a vile slander as he alleges has been——

Mr. PUGSLEY. Mr. Speaker, my hon. friend (Mr. Crocket) misunderstands me entirely. I said that the slander was with regard to the fact that I had received these moneys while I was Minister of Public Works. That is the slander which was uttered in St. John, that is the slander which was sent broadcast throughout Canada. I do not see where there is any charge in the affidavit as now read, making the date 1905, which one could complain about. There is not very much of a charge in it so far as I am concerned.

Mr. CROCKET. I must express astonishment that a gentleman who occupies the high position of Minister of Public Works in this country should state in his place in the parliament of Canada that he does not see any serious charge in the affidavit read here this afternoon with respect to the interview which, Mr. Mayes alleges, took place between him and the present minister on October 15, 1905. Does the hon. gentleman (Mr. Pugsley) forget—do members of this House forget?—that in that paragraph the present Minister of Public Works is charged with having asked of Mr. Mayes and having received from him $2,000 in connection with this work as a rake-off?

Mr. PUGSLEY. It did not say that.

Mr. CROCKET. Does the minister say the statement does not mean that?

Mr. PUGSLEY. I do not take it so.

Mr. CROCKET (reading):

'Mr. Mayes, I am in need of money, and it would be nice if you could help me.' I said, 'Dr., what for? You know that I have paid you some $1,300 in my second case against Connolly which you have in a way offered to pay back, because you have said that Mr. Emmerson was so slow in bringing up the matter and I have not the funds. I am carrying a big back load and am paying large amounts to the Bank of Montreal for overdraws.' Just then Mr. George McAvity came in and Dr. Pugsley said that Mr. Mayes' business was getting along so well that a little money would be very acceptable. I again stated that I was carrying a big back load, that I could not see why Dr. Pugsley should ask me for money. I said, 'What do you want it for, a loan?' 'Well,' said Dr. Pugsley, 'you see it will be nice to have some one who could do something for you while in Ottawa;' there was always something to be done, and if I could not give him a cheque that I could give him a note for three or four months. I asked how much, and he said, 'Oh, about $2,500 or $3,000.' I said, 'This is too much, but I suppose I will let you have a note for four months for $2,000.' Dr. Pugsley then made the note out and I signed it. He said he felt sure that he would give me good return for it or pay it back.

Does the minister say that the correction of this date takes all offence from that paragraph? Was he not attorney general of the province of New Brunswick at that time, a minister of the Crown? And I ask him if he regards it as creditable to himself or to any other citizen of this country to have it said of him that he spoke to a contractor under the Public Works Department of this country, promises to use his influence to help that contractor in connection with that contract, and asked and received from him the sum of $2,000? If the Minister of Public Works does not regard that as a serious accusation, I am satisfied he differs very markedly from the great majority of right thinking people in this country. That is an offence under the laws of Canada, whether the hon. gentleman was Minister of Public Works or not. The Minister of Public Works waxes very indignant about this mistake in the date, and, as I pointed out, has accused the leader of the Conservative party in New Brunswick of deliberately reading that '1907' for the purpose of making a charge against him as Minister of Public Works. Now, I

want to put this to the Minister of Public Works: If the fact is, as he alleged it this afternoon to be, that this note for $2,000 was received by him for professional services, what difference does it make if it was in 1905 or 1907? The question is not when the note was paid; the question is: What was it paid for? As to that, there is a serious conflict between the Minister of Public Works' statement made by the Minister of Public Works on the floor of this House and the statement made under oath by Mr. Mayes subjecting himself to prosecution for perjury if the truth of that statement cannot be established. If the fact is as the minister states, why should he object for a moment to having the matter investigated? Does he object to going before a committee of this House and making a statement under oath? If the facts are as alleged, the falsity of the statement can be determined in ten minutes by an examination of the Minister of Public Works before a select committee of this House. He would only have to produce his books, and if the case is as he alleged, that the money was paid for professional services, his books will show it. That is if he keeps books, because it has been found by a commission which has been investigating certain matters in the province of New Brunswick—

Mr. PUGSLEY. I call the hon. gentleman (Mr. Crocket) to order. I think my hon. friend is out of order in attempting to refer to what took place in another place reflecting upon myself. At the proper time I shall be ready to answer anything in regard to it.

Mr. CROCKET. That is very pleasantly put—under the circumstances. But, surely, when I am discussing this question I can use any illustration which occurs to me. I referred to that matter to show that if the statement of the minister on the floor of this House this afternoon, that this $2,000 was for professional services, represents the facts, and if he went before a select committee, the matter could be settled in ten minutes by the production of his books, if he had books; and I was about to remark that, if he had not books, as it seems that the loan company of which he was the whole thing——

Mr. PUGSLEY. Order. I really think my hon. friend (Mr. Crocket) ought not to transgress the rules. We have had so much of this that even my hon. friend from North Toronto (Mr. Foster), who will stand a good deal and give a good deal, had to object. I hope the hon. gentleman (Mr. Crocket) will not persist.

Mr. FOSTER. That is perfectly in order.

Mr. PUGSLEY. No.

Mr. SPROULE. What is the point of order?

Mr. CROCKET.

Mr. PUGSLEY. The hon. gentleman has no right in this debate to refer to a loan company with which he says I am connected and its books. It is entirely irrelevant to this discussion. The hon. gentleman (Mr. Foster) will remember that the same question touched him the other day with regard to something which indirectly might reflect upon him—

Mr. CROCKET. Surely, the hon. gentleman (Mr. Pugsley) does not think there is anything offensive in that. If the hon. gentleman happens not to keep books, even when he conducts a large loan company, he should not consider it offensive to have that fact pointed out.

So much, Mr. Speaker, for the paragraph in this affidavit with reference to the note. But does the hon. gentleman say that that is all there was in the affidavit of which he had reason to complain? From the interjection which he made a few moments ago, I assumed that when this date was corrected there was nothing in the affidavit with which he could find fault, or which would warrant him in taking proceedings against Mr. Mayes and Mr. Hazen. But is that a fact? Why, my hon. friend from St. John has placed the whole affidaivt upon the 'Hansard,' and we find that in addition to that charge there is a specific charge that the Minister of Public Works, as minister, was cognizant of this corrupt agreement with Mr. McAvity, and that he sought to hold Mr. Mayes up in the interest of his friend McAvity. I ask the Minister of Public Works if he attaches no importance to that accusation. Silence, I suppose, Mr. Speaker, gives consent——

Mr. PUGSLEY. Not necessarily.

Mr. CROCKET. —and that he attaches no importance to such a serious accusation as that. Yet he would have the members of this House believe that because a typewriter's error had been corrected in the previous paragraph, which did not alter the gravity of the accusation with respect to his character as a public man, that was a reason why there was no necessity for taking these proceedings. I do not think, Mr. Speaker, that will go down with even hon. gentlemen on the other side of this House, and I can assure you that it will not go down with the people of New Brunswick. Now, I do not intend to follow the hon. gentleman with respect to the correspondence which he has read this evening. He read that, I suppose, for the purpose of rebutting, so far as it would rebut, the statement of Mr. Mayes with reference to his being held up. But I would point out this fact: the minister claimed that he had given Mr. Mayes no favours, and he read correspondence which began, I think, some time in the summer of 1908 to bear out that contention. The Minister

of Public Works is aware, I presume, that there was a break between Mr. Mayes and his friend McAvity during the summer of last year. The Maritime Dredging Company, with the minister's friend, Mr. John E. Moore, had come upon the ground at that time, and there was not so much anxiety then to promote the interest of Mr. Mayes as there was to promote the interest of the Maritime Dredging Company, and after that, it is true, Mr. Mayes was turned down by the Minister of Public Works. I think, Mr. Speaker, if there was an investigation there might be some very interesting disclosures in reference to that feature of the case.

Now, there was one thing that struck me as tending strongly to corroborate the statement of Mr. Mayes, and that was the letter read by my hon. friend from St. John, dated, I think, the 22nd August, in which he put it up to the minister, in a letter addressed to him as minister, that he had been endeavouring to hold him up in the interest of Mr. McAvity. Now, I ask if it is reasonable to suppose, if such was not the case, that Mr. Mayes would address such a letter to the Minister of Public Works himself. It seems to me that that letter which was read by my hon. friend had more significance with respect to this matter than any correspondence which the minister brought down referring to the negotiations after the break had occurred between Mayes and McAvity. Then I find in analysing the minister's speech that he devoted a great part of it to an attempt to vindicate the Hon. Mr. Hyman. Why, Mr. Speaker, there are no allegations in this affidavit affecting the character or the conduct of the former Minister of Public Works. I thought it would have been better for the minister to have devoted a little more attention to these charges which relate to himself than to attempt to defend Mr. Hyman from charges which have never been made against him.

Now, Mr. Speaker, I do not intend to follow this subject further; but I do wish to express my desire and my strong opinion that it is the duty of the Prime Minister to see that an investigation is held. So far as the interests of the Conservative party are concerned I think I can say to the Prime Minister that they will be better served by refusing the investigation and allowing these charges to hang over the Minister of Public Works and the cabinet. But there are more than party interests to be considered in this affair. I think the public interests are those which should determine an issue of this kind. Surely, Mr. Speaker, the right hon. gentleman and the members of this government ought to have some regard for the good name and the honour of their administration, and they ought to have some regard for public morality in the Dominion of Canada. I ask you, Sir, to consider if it tends to promote public or political morality in this country, or morality of any kind, to allow such grave charges as those which are now upon the table of this House to remain uninvestigated, following the remarkable and extraordinary silence or inaction of the minister who has complained so indignantly concerning them.

My hon. friend from St. John mentioned two cases which it seems to me are analogous to the case now before the House. He referred to the charges which were made by Mr. Hodgins against the Transcontinental Railway Commissioners. In that case what was the conduct of the Chairman of the Transcontinental Railway Commission? Was he content to sit down, as the Minister of Public Works has done, without demanding an investigation into these charges? No; in that case the Chairman of the Transcontinental Railway Commission at once communicated the charges to the leader of this House and caused them to be laid on the table, and the Prime Minister felt it to be his duty to have them investigated in order that their truth or falsity might be determined. As pointed out by my hon. friend, that was a case not nearly so strong nor so grave as the case now before the House, for the reason that the charges of Mr. Hodgins were contained in an unsworn letter published in a newspaper in British Columbia. They were not attested under oath; there was not that solemnity about them, and, furthermore, they did not relate to the conduct of a minister of the Crown, but to an appointee or appointees of the government. Yet in that case the Prime Minister felt it to be his duty to cause an investigation of those charges to be made. I ask him to consider if that case can be distinguished from the case that is now before the House, and if he felt it his duty in those circumstances to cause an investigation, how can he justify himself in taking no notice of these charges, charges made under oath, made in the most public and emphatic manner that a charge has ever been made against a minister of the Crown in this country.

My hon. friend from St. John gave another illustration; it is one that I take no pleasure in referring to, and I refer to it simply as a precedent in matters of this kind. Almost precisely two years ago there was an unfortunate publication in a newspaper published in the province of New Brunswick which reflected on the character of a minister of the Crown, not in his public capacity, not in connection with the administration of his department, but in his capacity as a private citizen of this country. What was the action of the Prime Minister then? The predecessor, as the representative of New Brunswick in the cabinet, of

the Minister of Public Works—and by the way the Minister of Public Works acted as that gentleman's counsel in that matter—made denials of the accusations brought against him. In that case a newspaper article was the sole foundation of the proceedings which the Prime Minister felt called upon to take. The matter came before this House and the hon. gentleman who was involved in that case rose and in the most emphatic manner possible denied the truth of the charges made against him. Hon. gentlemen opposite applauded just as they applauded this afternoon the denials of the minister. What was the action of the Prime Minister, what do the records show? That in accepting the hon. gentleman's resignation from his cabinet he stated: 'You can afford to ignore vague insinuations and innuendoes but specific charges you do well to meet as soon as uttered.' That was the opinion of the Prime Minister with reference to a matter which did not affect the administration of a department of this government. If that was the Prime Minister's opinion upon that subject, what has he to say to-day? Would not those words have been very appropriately applied to his Minister of Public Works? Was it not a specific charge? As I have said, no more specific charge was ever made, no charge was ever made with greater detail, than the charge which is contained in that affidavit. It was uttered on the 12th of October, 1908, and the Prime Minister's opinion in the former case was that a minister would do well to take proceedings to vindicate himself so soon as any specific charge was made; yet we have his Minister of Public Works in this matter lying down, as has been pointed out, for a period of five or six months without taking any proceedings of any kind and now greatly to my surprise, apparently opposing an investigation in this House. If the Prime Minister thinks that that conduct on the part of his minister, backed up, if it is to be backed up by the administration, will inure to the benefit of his government or his own reputation, he will find that he is greatly mistaken and that it will not be long before he will very deeply regret the course which he has seen fit to take with reference to this matter.

I do not desire to say any offensive word with reference to the Minister of Public Works or any other member, but I do think, as a member of this House, that the dignity of the House and the honour of the government require an investigation of these charges, and if the minister's statement is true, then the Minister of Public Works should be the most grateful man in the country for having the charges investigated and having his course vindicated, if vindication can be had.

Mr. F. B. CARVELL (Carleton, N.B.). Mr. Speaker, after the very lucid and able argument of the Minister of Public Works (Mr. Pugsley) I feel that it is unnecessary for me to spend very much time in discussing this question. But, Sir, as a representative from the province of New Brunswick, as this is a New Brunswick matter, I feel that it is not only my duty but my privilege to address the House for a short time, in order to give my views on what I consider the most dastardly attempt ever made in the history of Canada to drive a public man from public life.

I wish first to call attention for a few moments to the conditions prevailing when this preposterous document was made public in the city of St. John. You must remember that it was only about a year ago that the Conservatives of the province of New Brunswick imagined that they were absolutely the owners of the province of New Brunswick for the next 25 years, when I was told to my face 20 times in the month after the 3rd of March by two members whom I do not now see in this House, that I would never get back here again, when every Liberal member in the House from New Brunswick was told that his days were numbered, when the principal diversion of the member for York (Mr Crocket), and the late member for Kings and Albert, consisted in going around to the Conservative clubs in Ontario and telling them that not more than two Liberal members would be returned from the province of New Brunswick. When these hon. members went down to the election in 1908 they confidently believed they would be able to send back 11 or 12 Conservative members from that province. After they had been engaged in the campaign for a few weeks they commenced to get their eyes opened, and to see that the chances of breaking even were very few indeed and that they had to do something to rehabilitate themselves. They had sent their premier—a man who is possessed of wonderfully good looks, and when you have said that, you have said the most that can be said of his virtues—on a junketting tour throughout Ontario and Quebec with the other members of the 'big four.' They had failed to make good and they had come back, to use a slang expression, dragging their tails behind them. They came to St. John and it was felt that they had to do something in order to revive the drooping spirits of their followers in the province. They held this great meeting, all the Conservative magnates of the province were present and the premier read this affidavit. I am bound to accept the statement of the hon. member for St. John City (Mr. Daniel) that the premier of the province turned to Mayes and asked him if this date should not be 1905 instead of 1907, but I am of the opinion that it must have been uttered in a whisper and not in an audible voice. If it had been uttered in a voice which was capable of being heard, why on earth did

not the audience hear it; why could they not get some man in St. John next day who would make an affidavit that he had heard the correction?

Mr. PUGSLEY. Why could not the newspaper reporters hear it?

Mr. CARVELL. Why could not the newspaper reporters who heard the premier read it as 1907, hear the correction as 1905? I say again, I am bound to accept the statement of the hon. member for St. John City, but I do not think I am bound to say that the words were uttered in a voice loud enough to be heard by anybody else than the hon. member for St. John (Mr. Daniel).

Mr. DANIEL. Mr. Speaker——

Mr. CARVELL—and I say here to-night that the hon. member for St. John sits in this House as the result of that false affidavit.

Mr. DANIEL. Mr. Speaker——

Mr. CARVELL. What is the trouble?

Mr. DANIEL. If the hon. member wishes to insinuate by the remarks that he has just made that Mr. Hazen did not make the statement I said he did, I am bound to say that——

Mr. CARVELL. I rise to a point of order. If the hon. gentleman wants to raise a point of order, let him raise it or else sit down. I do not propose, Mr. Speaker, that I——

Some hon. MEMBERS. Order.

Mr. CARVELL. If he has any point of order to raise let him raise it and sit down.

Mr. DANIEL. I am sorry the hon. gentleman is so excited.

Mr. CARVELL. I am not. Raise your point of order now.

Mr. DANIEL. The statement I made this afternoon was that when Mr. Hazen read the affidavit and turned around to Mr. Mayes he spoke in his usual voice and Mr. Mayes——

Mr. CARVELL. Mr. Speaker, that is no point of order; I am going to insist it is no point of order.

Mr. SPEAKER. I understand it is a question of personal explanation.

Mr. DANIEL. Exactly.

Mr. SPEAKER. The hon. member (Mr. Carvell) has the floor, and of course the hon. gentleman (Mr. Daniel) can only speak now with the consent of the hon. member having the floor.

Mr. DANIEL. Well, I will ask the consent of the hon. member to make a statement.

Mr. CARVELL. I do not propose to consent to the hon. member (Mr. Daniel) making another speech. I want to tell you, Mr. Speaker, we have had too much of this interruption from the other side of the House. We have a number of members on the other side of the House who will say anything against a man on this side and the moment you begin to hit them back they begin to squeal and whine.

Some hon. MEMBERS. Order.

Mr. FOSTER. I demand that these words be retracted.

Mr. SPEAKER. I did not hear the words.

Mr. FOSTER. The hon. member spoke them in a very loud voice, Mr. Speaker; I heard them; his statement was this: There are gentlemen on the other side of the House who will say anything against a member on this side of the House. I demand that these words be taken back.

Some hon. MEMBERS. Hear, hear.

Mr. SPEAKER. These words are very general in their application, but still they might as well be taken back.

Mr. CARVELL. If, Mr. Speaker, you want to rule against me I have no objection. I thought I would raise the member for North Toronto.

Mr. FOSTER. It is not a question of raising me; it is a question of the hon. member taking the words back.

Mr. CARVELL. Now, Mr. Speaker, if my hon. friend——

Some hon. MEMBERS. Take it back.

Mr. FOSTER. Do I understand he takes it back? Do I understand that these words have been retracted?

Mr. SPEAKER. The hon. member is going to speak now.

Mr. CARVELL. If my hon. friend objects to it, and I knew he would, I am willing to withdraw it, because he would object to most anything.

Mr. FOSTER. Coming from that quarter.

Mr. CARVELL. Now that the hon. member for North Toronto has had his usual diversion and has objected to my saying something, I presume I will be allowed to go on with my speech.

Mr. CONMEE. He is a privileged character.

Mr. CARVELL. He is. At this date in the history of the campaign, when it was necessary to do something to raise the drooping spirits of their friends, they went to Mr. Mayes and they got the affidavit which has been read. This affidavit was read by the premier of New Brunswick on the evening of the 12th of October and in

the afternoon papers of the following day a statement was made by the Minister of Public Works of exactly what did happen. Later on that afternoon a letter was received by the Minister of Public Works from Mr. Mayes admitting there was a mistake in the affidavit, and while my hon. friend (Mr. Daniel) may say that I am not justified in referring to the premier of New Brunswick—this great personage in their eyes who must not be referred to—I want to tell him that this grand lhama, as a hon. gentleman beside me says, never had the manhood from that day until the 26th of October, or down to the present time so far as I know, to stand up and publicly acknowledge his mistake and declare that what he had said against the Minister of Public Works was not true. And I will say more than that, and I will give my hon. friend (Mr. Daniel) a chance to correct me if I am wrong. I never heard of the member from St. John himself being manly enough to correct the statement which was made for his benefit by the premier of the province.

Mr. DANIEL. He never made it.

Mr. CARVELL. These were the reasons which drew forth this preposterous affidavit at the time, and I will have something to say why it is rehashed now. There are insinuations in this document that the Minister of Public Works sent Mr. Mayes to Mr. McAvity with some wrongful purpose. We have the statement of the Minister of Public Works, and it is not denied, that Mr. Mayes, who had been his client for a great many years, came to him to ask with what responsible person he could associate himself in the dredging business and he pointed him to Mr. McAvity. And just here I want to say something about Mr. McAvity. In my opinion there is no man in the Dominion of Canada who has been hounded with the tenacity with which Mr. McAvity has been hounded by the Tory party of the province of New Brunswick for the last year. And I want to tell them more than that, that the name of McAvity will be honoured in the records of the province of New Brunswick when his traducers are entirely forgotten. I am willing to stand up here to-night and claim Mr. McAvity as one of my friends, and I am proud to do so. I challenge gentlemen opposite to read this affidavit carefully and to truthfully say that a particle of blame can be attached to Mr. McAvity or that he played any role than that of a business gentleman. We have heard a good deal about rake-offs; we have seen cartoons in the Conservative papers for the last three or four months about Mr. McAvity and his rake-off, and I will read this document to show that there is no evidence of wrong-doing on the part of that gentleman. Mayes says they went to Ottawa; he says he wanted McAvity to put up $20,000, and I think I am safe in saying that Mr. McAvity did not want to put it up. Mr. McAvity and this man went to Ottawa to make a contract as partners, and it was up to Mr. McAvity to make the very best trade he could—my hon. friend smiles over there.

Mr. LENNOX. So do we all.

Mr. CARVELL. I would like him to show this House where there was one transaction there which they could even insinuate is dishonourable on the part of Mr. McAvity.

Mr. LENNOX. It was all dishonourable and dishonest.

Mr. CARVELL. Mayes says:

I had told Mr. McAvity to arrange if possible to have at least 400,000 yards to dredge. McAvity came out to me and got me to go in and I explained to Mr. Hyman the difficulty of bringing a big plant and only digging a small quantity. Mr. Hyman agreed to see that if I got the contract, that if I was the lowest tenderer I would receive the 400,000 yards.

I want to know what Mr. McAvity had to do with that. Here was an arrangement made between Mr. Hyman and Mr. Mayes that if Mayes was the lowest tenderer he would get 400,000 yards in order to justify him in going to Boston and buying a dredge, and we have the declaration to-night of the member for York (Mr. Crocket) that there are no reflections to be cast on Mr. Hyman. If there are no reflections on Mr. Hyman, against whom are they? Why should there be any reflection against Mr. McAvity? Mr. Hyman told Mr. Mayes that if he was the lowest tenderer he would get the 400,000 yards, and all this took place before there was any transaction between Mayes and McAvity as to McAvity's share of the contract.

I want to repeat this contract, or this arrangement with the Minister of Public Works, against whom the hon. member for York (Mr. Crocket) says there is no reflection to be made, was made by Mr. Mayes and the Minister of Public Works before any agreement was made between Mayes and McAvity and in the face of this I would like to know how hon. gentlemen can say that McAvity has been guilty of any wrong-doing. Again Mr. Mayes, I say purposely, and I do not know whether the gentleman who prepared the affidavit for him knew it—purposely and falsely, and knowing it, I believe, stated that there were no other tenders in for this work excepting his. Then another inference is drawn in order to show that there is crooked work somewhere between the Public Works Department and this man Mayes. Mr. Mayes got his contract and then he

made an arrangement with Mr. McAvity for good and sufficient considerations, I presume, that he would give Mr. McAvity five cents a yard on his contract. Is there any hon. gentleman in this House who will say that the government of this country are not justified in giving a contract to the lowest tenderer providing he submits anything like a reasonable tender? There had been tenders called for earlier in the season and one of the conditions of these tenders was that the dredge must be a Canadian dredge. Mayes tendered at by far the lowest figures, less than half of the highest tender, but because that clause was in the specifications the Minister of Public Works could not award the contract to him. Therefore, he called for new tenders and cut out that clause in order to give the people of Canada the benefit of getting that work done at the lowest possible price. That clause was cut out, new tenders were called for, two tenders were received and the lowest tender was accepted. I would like to know how any man can go to the people of this country, tell them the truth and say that there is anything wrong in that transaction. I am glad to have the privilege of standing up in this House in a public manner and saying that Mr. McAvity played the manly part in this transaction. As far as Mr. McAvity is concerned, let me tell hon. gentlemen that he will welcome all the lawsuits they want to bring against him. Mr. McAvity has nothing that he wants to retract and he is willing to face these people any time they come along. They have already started a suit against Mr. McAvity, but that was months ago, and we have heard nothing more about it since then. I would be very much surprised if we ever hear anything more about it.

Now, these hon. gentlemen make an onslaught upon the Minister of Public Works. It is not necessary for me to defend that hon. gentleman because he has done it himself. He has pointed out the unfairness of the statements made; he has pointed out that he knew nothing about the arrangement made between Mayes and McAvity; he has pointed out that this $2,000 transaction was a personal, professional matter between himself and Mr. Mayes, and he has pointed out, of course, that this transaction did not take place in 1907. We come down now to the statements, the insinuations, I call them, made in the effort to drag in the Minister of Public Works, in some way or other, as being a party to this transaction in order to blacken his character. I am not going to read extracts, but I am going to call the attention of the House to the letter written by the Minister of Public Works to Mayes on the 24th of August, 1908. Mayes had written him a letter which comes, to my mind, the nearest to a case of blackmail of anything I have seen in the public documents of Canada and the Minister of Public Works sends back a letter which no man, I do not care how much nerve he may have, would dare to write and make it a public document if he were guilty of the charges which hon. gentlemen are insinuating against him. He quotes Mayes' letter to him and then says:

You admitted that there was an amount coming to him—

That is to Mr. McAvity.

—which you said you were prepared to pay, provided I would allow a further claim which you said you proposed making and would buy your dredge.

What is the answer:

The impropriety of your proposal, which I told you I could not possibly entertain, did not seem to impress you as it ought to have done.

And then he turns around and tells him he can have whatever money is coming to him and that it has nothing to do with Mr. McAvity. I ask him if these are the words which any man would dare to pen if he were in the guilty position which my hon. friends attempt to insinuate he was in at that time. I am not going to read the correspondence which my hon. friend the Minister of Public Works read this afternoon, but after reading that correspondence and after listening to it I ask again if his is the conduct of a guilty party.

Mr. Mayes came to Ottawa about a year ago or a little less. He came while the estimates were going through last May or June, and I am credibly informed that he carried this story to the Conservative party, and that a member of the Conservative party came to a gentleman who occupies a seat in this House from the province of Nova Scotia, and told him the story. That gentleman came to me, told me the story and he thought that there was something which might get some one into trouble. Mr. McAvity was telegraphed for, he came to Ottawa and Mr. McAvity said: You go back to your friend and you tell that friend to crack on the moment that he wants to. I think the hon. member for St. John (Mr. Daniel) knows who carried the story back. I can tell the hon. members of this House that nothing further was said about the Mayes business and that the estimates for dredging at St. John went through without opposition.

Mr. DANIEL. I might say to the hon. gentleman that I have not the most remote idea of what he is referring to.

Mr. CARVELL. I will accept the statement. Then we follow this down a little further. Mr. Mayes who was here last May or June, tried to get a renewal of his

contract. He commenced to blackmail the Minister of Public Works in August and he failed. Then the vice president of the Tory party in St. John went with an offer or a bribe of $20,000 for the Liberal campaign fund if they would buy his dredge. They would not buy it.

Mr. CROCKET. Is the non. gentleman not aware that Mr. Baxter, to whom, I presume, he refers, has denied that under oath?

Mr. CARVELL. Yes, and I am aware that a gentleman whom I would believe a great deal quicker says he did.

Mr. NORTHRUP. That seems to be a case for investigation then.

Mr. CARVELL. After everything had failed, after every device known to crooked men had failed——

Some hon. MEMBERS. Oh, oh.

Mr. CARVELL. Mayes comes out with this affidavit. All I have to say about this Mayes affidavit is simply this: A man who, according to his own confession, will play the game that Mayes played in this matter from the beginning, a man who will play the hand that he played down a few weeks before the 12th of October would not hesitate to go further if he found it necessary, and draw an affidavit for the purpose of injuring the Minister of Public Works or of obtaining something which he thought might possibly help out his own personal ends. I am prepared, knowing the transaction and all the parties interested, to take the word of the Minister of Public Works against the whole bushel of affidavits made by a man like Mayes. When the Minister of Public Works tells this House that he had nothing to do with that contract, that he did not make anything out of it, there is nothing that I can see to investigate, and I would like to know why this thing has been brought up at this moment. There is no apparent reason for bringing it up. There are no great issues at Ottawa. There does not seem to be any reason on the surface why this matter should be launched at this particular time and two or three days of the valuable time of parliament taken up discussing it. But there is a reason beneath the surface, and I can tell you what it is. This was brought to the front for the first time last October when the Tory party were in dire distress, and again it is brought up in this month of April when that party are again among the breakers down in New Brunswick. I am prepared to say that it would be possible to have that party out of power in twenty-four hours by a rebellion among their own supporters in the New Brunswick legislature; and consequently this matter is now revived, not for the benefit of the people of the Dominion as a whole, but for consumption in the province of New Brunswick, in the hopes of diverting the attention of the people of that province from the troubles they are now having with their own local administration. That administration which was elected a year ago, with the support of over two-thirds of the representatives in the House of Assembly, that government which has since violated every pledge it ever made, either to friend or foe, which has only gone to the polls twice in the last year and got a black eye each time, which dares not open a constituency in that province to-day, whose supporters are seething in rebellion, and which feels bound to do something in order to draw awav public attention from its own sins, has taken this course, and imagines it will achieve its object by trying to blacken the fair fame of the Minister of Public Works. A similar attempt failed in October, 1908, but I am bound to say that, in my judgment, the present member for the city of St. John (Mr. Daniel) occupies a seat in this House as a result of this false affidavit of Mayes. I cannot, therefore, agree with my hon. friend the Minister of Public Works that this affidavit did no harm to the Liberal party. It did do some hurt in many parts of the province of New Brunswick. I was some thirty miles out in the country the morning after the affidavit was read, and I was telephoned to come into town to meet my executive committee, and was told that if this thing were true I would have to denounce the whole matter or they would abandon me. I telegraphed the Minister of Public Works immediately and got back an answer, and when the afternoon papers came out, my people believed his reply, and I lost nothing by this affidavit. But I went to the city of St. John and I had occasion, after nomination day, to make a pilgrimage to the town of Sussex. I referred to this question there, and on my way back next morning, I met a clergyman—a gentleman who occupied the high position of president in the Methodist conference—and he told me that the ministerial association of the city of St. John had held a meeting the day before, and had decided that they could not vote for the government because of the revelations made in that affidavit.

Mr. CROCKET. I thought the hon. gentleman said there was nothing in it.

Mr. CARVEL. It was a whole tissue of falsehoods. That man told me that he believed Sir Wilfrid Laurier was right and the people needed his services another term, but in the face of that affidavit, he

could not vote for the government candidate and would not do it, and I assumed there were sufficient people in the city of St. John of the same mind as this clergyman to give my hon. friend the seat he occupies.

I have no hesitation in saying that in my opinion there is no charge laid against the Minister of Public Works which requires investigation. If there be any hon. gentleman opposite who believes the statements in this affidavit—there seem to be two of them who do—let him get up like a man and make his charge. If any one will do that I shall hold up both hands to give the committee of investigation asked for, and I believe that every member on this side will do the same; and I have no doubt that Mr. McAvity will be the first man in New Brunswick who will welcome the opportunity to come here and tell what he knows about the transaction. Let these men come out in the open, and not remain under cover of a false affidavit, and let them, on their own responsibility, make their statement and they will have no trouble in getting an investigation.

Mr. W. B. NORLTHRUP, (East Hastings). I trust that I shall be able to avoid following in the footsteps of the hon. gentleman who has just spoken (Mr Carvell) and of the Minister of Public Works (Mr. Pugsley), who addressed the House at such length to-day, and confine myself to the subject before the House. I am encouraged to do so by the fact that it is perfectly evident that some gentlemen who have spoken on this resolution have not taken the trouble, Mr. Speaker, to read the amendment which has been put in your hands. And consequently we have lost half a day listening to very interesting historical disquisitions and to the whys and wherefores of many pregnant matters to the total neglect of the particular subject before the House. I trust that I shall be able to discuss this matter dispassionately, without saying a word to hurt the feelings of any hon. gentleman opposite, for, as I understand the question—and I think that other hon. members, on a moment's consideration, will take the same view—there is no necessity for the hard feeling and excited language given vent to so frequently to-day, and which have been aroused mainly by the fact that the Minister of Public Works has been so absorbed in some imaginary attack on himself and some of his friends that he has not had time to read the amendment. My hon. friend who last spoke (Mr. Carvell) after declaiming against the affidavit in question as a tissue of falsehoods, as absurd and inconsequential, wound up by telling us that in his own province the feelings excited were so great that people there, from clergymen down, were unwilling to support their old love, the Laurier government, if the statements in this affidavit were true. And we on this side, wishing to see the will of the people carried out, challenge hon. gentlemen opposite to give us the opportunity to find out whether or not this affidavit be true. I believe the Minister of Public Works to be too good a lawyer and too old and experienced a politician to have imagined for one moment, either this afternoon or any other time, that there was any attack made on him in this amendment.

What is the case before the House? This House is not a fit body to try whether or not certain statements are true. From what we have witnessed to-day, this House is preeminently unfitted to occupy a judicial position and decide whether or not certain charges made against a minister of the Crown, or his late colleague, are true or not, and this amendment does not ask the House to try this question.

Sir WILFRID LAURIER. Hear, hear.

Mr. NORTHRUP. It sets forth a certain momentous series of statements, and I venture to say that even the hon. gentleman who has just spoken (Mr. Carvell) would not contradict the statement that if Mr. Mayes' affidavit be true—and it is not for me or any member on this side to say it is—then the right hon. gentleman who leads the House owes it to himself to see that an investigation is made into its allegations. If that affidavit be untrue, then the Minister of Public Works (Mr. Pugsley) is one of the most deeply wronged men in this country, and the man who does him the most wrong is the right hon. gentleman who refuses to give him an investigation in order that he may clear his reputation. It is unfortunate, perhaps, that we do not agree as to just what the nature of the charge is. Let me illustrate one point: The Minister of Public Works has taken a great deal of the time of the House to-day and on other occasions to dwell upon what he would have us believe to be a momentous error made in the original declaration. '1907, appearing instead of '1905.' I have read the affidavit very carefully, and I have listened to the statements made by the Minister of Public Works; and I venture to say that there is not one lawyer in Canada —not one lawyer in Canada—even the Minister of Justice (Mr. Aylesworth) himself, who would not say that, in relation to the question before the House, it was a matter of utter indifference whether that declaration said '1907' or '1905.' And I will tell the minister why: There are two explanations of certain facts. Mr. Mayes gives one statement and the minister gives the other. And which ever you accept the result is the same, so that it is immaterial

whether that declaration related to 1905 or 1907. If the Minister of Public Works has stated the truth, the whole truth and nothing but the truth, and if the $2,000 he received was in payment of legitimate legal costs, he had just as much right to receive those costs after he became Minister of Public Works as before. If, on the other hand, what Mr. Mayes swore is true, and if that $2,000 was paid for the assistance, the influence of the Attorney General of New Brunswick to be used in Ottawa to secure undue favours for this contractor, the hon. gentleman (Mr. Pugsley) had no more right to receive that $2,000 before he was minister than afterwards. Why, the law read this afternoon, the Criminal Code of this country, places it beyond peradventure that if Mr. Mayes' story is true the Attorney General of New Brunswick, though not a member of this House then, was taking part in a transaction which is contrary to the law and the parties to which are liable to seven years in the penitentiary. Now, I wonder if there are not enough facts in this case for hon. members on either side who wish to do what is right, and who wish to know what the facts are, to agree upon and dispose of the question. I suppose we can start with the indisputable fact that Mr. Mayes was a client of the Attorney General of New Brunswick, and that they had conversations, and that Mr. McAvity was acquainted with the Attorney General of New Brunswick, and that he was the head centre for the city of St. John of the Liberal party, and that Mr. Mayes and Mr. McAvity had conversations about getting a contract in Ottawa. And I suppose that there is no dispute, as the Minister of Public Works allows, that Mr. Mayes had tried to get a contract at 49 cents for a certain kind of dredging. And there is no dispute that Mr. McAvity and Mr. Mayes came to Ottawa, and that they came to see about a contract, after a conversation between Mr. Mayes and the Attorney General of New Brunswick. There is no dispute that Mr. Mayes and Mr. McAvity came to the office of the then Minister of Public Works (Mr. Hyman), that Mr. Mayes remained outside and that Mr. McAvity went in. What took place within that room, I do not pretend to say. But so far, I think everybody will agree as to the facts. Up to the time that Mr. McAvity went into this office, Mr. Mayes had no contract, and, apparently, could not get one. Mr. McAvity came out and Mr. Mayes went in and got the contract at six cents more than he had tendered.

Mr. PUGSLEY. It does not state that. What the affidavit says is that Mr. Mayes went in and spoke to Mr. Hyman and asked him if he could get the contract for 400,000 yards, as he wanted to know that prior to bringing in his plant. And Mr. Hyman said he would get it if he were the lowest tenderer.

Mr. NORTHRUP. What does the minister complain of in my statement?

Mr. PUGSLEY. The hon. gentleman said that the contract was closed then.

Mr. NORTHRUP. No, I said that Mr. McAvity went in, leaving Mr. Mayes outside. After a time, Mr. McAvity came out and Mr. Mayes went in. We do not know what took place, but we do know the fact that Mr. Mayes got the contract at six cents more than he had been trying to get it for months. And that very same day, or the following day—I think the same day a letter was written by the chief engineer of the department, promising Mr. Mayes 400,000 yards more. Now if Mr. Mayes got a contract for an additional 400,000 yards, I think the minister will admit that that contract was not given after public competition. We have no evidence as to the amount of advertising. I do not know about it, nor do I care; it is not material. Mr. Mayes got a certain contract which he had been trying to get, and, after a conversation with Mr. Hyman he got that contract increased by 400,000 yards.

Mr. PUGSLEY. That is not the evidence at all. It does not say that the 400,000 yards was additional.

Mr. NORTHRUP. It was not 400,000 yards originally. The amount was greatly increased.

Mr. PUGSLEY. The other tenders would cover 400,000 yards.

Mr. NORTHRUP. He was to have a guarantee of 400,000 yards, and the fact that a letter was written by Mr. Lafleur to that effect showed that it had not been closed in the first place. And then he went to get the dredge. And the very day he heard that his contract would be so much better even than the one he had tried to get and failed, Mr. Mayes signs an agreement to give Mr. McAvity all he got out of the contract over and above 50 cents. These are the facts. What did Mr. McAvity do for the difference between 50 cents and the contract price? That is one matter we want to have investigated. Nobody on either side has made the suggestion as to anything that Mr. McAvity did except to use his influence. Perhaps he did, perhaps he did not. But surely when a man gets a contract at six cents a yard more than he was willing to take the work for, and gets a much larger quantity of work than he had hoped, and when in getting it he was assisted by the head of the Reform party in his city, and when, immediately after, he makes the

agreement under which he is to pay $36,000 out of his contract, surely the subject is one for investigation. It is not for me to say Mr. McAvity did anything wrong. I am not concerned about that. It is not for me to say Mr. Mayes is a saint; I know nothing of Mr. Mayes. But it is the duty of the right hon. gentleman (Sir Wilfrid Laurier), who is responsible for the honour of parliament and of the proper conduct of the various departments, and who is responsible to the people of this country to whom he owes so much and who have trusted him so often, to see that their interest is protected, which interest, evidently, has not been protected when Mr. McAvity was getting out of such a transaction as this the sum of $36,000. One need not go further than this far with the admitted facts to show that there is sufficient ground for an investigation. But there is another fact. The Attorney General of New Brunswick was paid $2,000 by this very man Mr. Mayes. It is not for me to say whether it was paid for the influence of this gentleman in obtaining the contract or in payment of legal costs. But when a man pledges his oath, thereby running the risk of going behind the prison bars if he has told an untruth, and declares that this payment of $2,000 was practically a rake-off for the Attorney General for his province in connection with getting a contract, I am not bound to believe it, but I am entitled to say to the right hon. gentleman who leads the House: Surely, Sir, this is a matter for investigation. It is all very well for the hon. member for Carleton (Mr. Carvell) who has just taken his seat to say in the most theatrical way that he has such confidence in the Minister of Public Works that he would accept his word against a bushel of affidavits. That very statement perhaps shows the utter unfitness of this House as a judicial bench to try a question of this kind. Now it is perfectly certain, too, that after Mayes had finished his contract he was not immediately paid, there is no doubt about that. There may be a difference of opinion as to why he was not paid. Mr. Mayes may give one reason, and the Minister of Public Works may give another reason why he was not paid, but the stubborn fact remains that he was not paid promptly after he had finished his contract.

Mr. PUGSLEY. He was paid in the ordinary course.

Mr. NORTHRUP. Surely in the face of this letter of the 22nd of August protesting against holding him up, the letter which was answered by the minister on the 24th of August, surely in the face of that correspondence the minister will not say that he was paid promptly. Just imagine the moral obliquity of Mr. Mayes if, when he had been paid promptly for the work which he had finished in July, he should write on the 22nd of August such a letter as this:

Hon. Wm. Pugsley, Esq.,
Minister of Public Works, St. John.

Dear sir—I regret that you have seen fit to withold from me the payment of my July estimates and the balance of my contract in consequence, as you state to me, of Mr. Geo. McAvity having wired you that I owed him a sum of money.

Now he was held up, and held up by Mr. McAvity, the gentleman who, he said, had been holding him up all along:

I do not think this is a consistent position for you to take. Mr. McAvity's bills against me are a personal matter, and are different entirely from anything between the government and myself. I consider that I have overpaid Mr. McAvity to a very large amount. He proposed to have certain conditions carried out by which I would obtain more dredging work, and would receive fairer and more equitable treatment from the officials of the department. He has utterly failed in this.

And the agreement under which he was to do that was executed on the 6th of September after he got his $400,000. and before he got his $36,000 for what he had done. Now, Mr. Mayes says he has not done any more for him. and so the rogues fall out—no, I do not wish to use hard terms—but these gentlemen fell out.

He has utterly failed in this, and I propose now to enforce my rights by bringing suit against him to recover the very large amount which I have paid him, some $36,000. You are perfectly aware that Mr. McAvity's claims against me is for percentages of my contracts with your department in consideration of his services in helping me to get a contract, and his promise that he would do all in his power to assist me to get others.

This is his opinion of the minister on the 22nd of August:

Knowing this as you do, I cannot understand why you should use your position to hold up the man who has earned the money that a middleman may exact his satisfaction.

Now I would like to ask the minister——

Mr. PUGSLEY. Read my reply.

Mr. NORTHRUP. I will with pleasure, if you will send it over to me.

Mr. PUGSLEY. It has gone into the 'Hansard' office. I will send for it.

Mr. NORTHRUP. I will read it if the minister gives it to me at any time before I resume my seat. But the point I wish to make clear is this, that Mr. Mayes, on the 22nd of August told the minister that he, Mr. Mayes, and Mr. McAvity had made a criminal contract under the statute law of this land, that McAvity was given his percentages in violation of the very clauses

read by the hon. member for St. John. He wrote to the minister saying: You know this is the case, you knew it on the 22nd of August. And here the minister is being told by the contractor in the most remonstrating tone, I am surprised at you holding me up, I, the man who did the work, you, who know all the facts, that McAvity was only being paid to use his influence later, and you are holding me up and letting the middleman have the money and letting the man who did the work go without it. We will see, when we get the answer of the minister, what he said to this charge that he had known before of this state of affairs, and if he did not know it before, he knew it on the 22nd of August, and then the minister writes a letter in a jaunty tone saying: This is a matter of indifference to me. One would think that the minister who was guarding the treasury, when he found this statement made by the contractor, Mr. Mayes, would have felt himself entitled to bring an action against Mayes and McAvity for collusion, I would like to ask the Minister of Justice, if he were here. if the Crown had brought an action against Mayes and McAvity, and put McAvity in the witness box with that sworn declaration, what the verdict of a court would be in that case. We know what McAvity himself swore to, and it would be interesting to see the explanation McAvity would give, a gentleman whom I am not attacking, but who is lauded to the skies by the hon. member for Carleton, N. B. (Mr. Carvell); I would like to hear what his explanation of the reason by which he raked in $36,000 when, according to Mr. Mayes, he had done not one single thing, invested not one solitary dollar, and had merely used his influence with the minister to obtain a contract. Now that contract was an honest and proper contract or it was not. It is not for me to say whether it was one or the other, that is a subject for investigation. But if that was an honest contract, don't you think, Mr. Prime Minister, that McAvity obtained the money under false pretenses, when he represented to Mayes: This is such a dishonest government that you will have to have my influence to get you an honest contract. And if it was an improper contract, don't you think Mr. Prime Minister,——

Mr. NESBITT. I rise to a point of order. The hon. gentleman should address the chair.

Mr. DEPUTY SPEAKER. The point of order is properly taken.

Mr. NORTHRUP. I bow to your ruling, Mr. Speaker. I would ask the speaker, then, to ask the right hon. gentleman who leads this House what he thinks about these statements, whether he thinks that was an honest and proper contract that was made with Mr. Mayes or not, and if it was an honest and proper contract, one that any body might reasonably obtain, then I ask you to inquire of the right hon. leader of the House why McAvity got $36,000 out of it. Would it not strike an ordinary person that he must have obtained that money under false pretenses? And if it was an improper contract, then I think the right hon. gentleman owes it to himself and his party to see that there is an investigation to show how such a contract came to be made. Now here is the letter of the minister dated the 24th of August, which is a reply to the letter I have just read of the 22nd of August:

To G. S. Mayes, St. John.

I am in receipt of yours of the 22nd instant, and in reply would remind you that when I informed you of the notice which I had received from Mr. McAvity that he was interested in the moneys coming to you from my department and had requested me not to pay them over until the matter was adjusted, you admitted that there was an amount coming to him, which you said you were prepared to pay, provided I would allow a further claim which you said you proposed making, and would buy your dredge. The impropriety of your proposal, which I told you I could not possibly entertain, did not seem to impress you as it ought to have done.

As you in your letter deny any indebtedness to Mr. McAvity, I do not propose to intervene in the matter, and shall give instructions for the payment to you of the amount found to be due you by the accountant of my department. If you have any further claim on the department, it will be dealt with on its merits. Whether or not you owe Mr. McAvity or have overpaid him, or whether or not there should be litigation between you, is, I beg to assure you, a matter of perfect indifference to me.

That letter is in answer to the letter of the 22nd August, in which Mr. Mayes told the minister that a corrupt arrangement had been made between McAvity and himself. How long before, we do not know. Some people might think that that was corroborative evidence of Mayes' affidavit, that the Attorney General, the present Minister of Public Works (Mr. Pugsley) knew of it from the beginning. But as the minister did not deny the statement in Mr. Mayes' letter, that he knew of it prior to being told by Mayes on the 22nd August, I think the right hon. the Prime Minister should consider that as a proper subject of investigation to find out when the minister first learned of this transaction. The matters to which I have referred so far are not in dispute between the various parties and the only question seems to be, when an affidavit is laid on the table of parliament setting forth these serious charges, what should parliament do? Parliament must do one of two things, either declare that these charges, solemnly sworn to, are of such trifling importance that we will decline even to investigate them, or else allow an investigation to be made. I do not

for a moment wish to dispute the word of the Minister of Public Works when he says there is not a word of truth in this, that or the other charge. I would be doing very wrong if I did question his word, particularly in view of the way in which the presentment of this case strikes me. I think it will strike every hon. member that nothing could be much more absurd than that, when charges are made, charges which the right hon. gentleman himself will admit, if true, will lead to some very serious results after investigation, it should be held to be a sufficient and complete answer to this House and to the people of this country, a sufficient vindication of the honour of the government, for the Prime Minister to say, as he may be assumed to say by the words of the last speaker: 'I place more confidence in the word of the Minister of Public Works than in a bushel of affidavits and therefore I shall allow no investigation.'

We have to remember that matters such as this strike different people in different ways. Perhaps the Minister of Public Works perused an article in 'The Globe,' Toronto, a paper by no means hostile to himself. The editor of that paper, and it will not be said that he was animated by Conservative sympathy, out of the fulness of his heart poured out his regrets, almost his maledictions, on the Conservative party because they had driven out the Minister of Public Works who would have to return to his lucrative practice in St. John until after the matter was investigated, and charges similar to these cleared up. The article is a long one and I shall read only the concluding paragraph. It reads:

Mr. Pugsley's enemies will thus succeed in depriving the country——

Mr. PATERSON. That has nothing to do with this.

Mr. PUGSLEY. That has no reference whatever to the Mayes matter.

Mr. NORTHRUP. Certainly, I am——

Mr. SUTHERLAND. That is entirely irrelevant to this.

Mr. NORTHRUP. The charge made in the other case is different from this. I have not said that this charge is true, I have not said that the charge which the 'Globe' referred to is true, but I am endeavouring to show that such charges produce an effect on the public mind and that the only way to meet such an effect is to have an investigation.

We have precedents in the mother land, to which the Prime Minister is so fond of referring, that shed a light on the standard of public life in that country. Many members will remember the case of Lord Henry Lennox in 1876. Lord Lennox was then a member of the Conservative administration and he was also a director of the Lisbon tramways, an unfortunate company which had as a promoter a man who made improper promises and led certain shareholders to grief. One of the shareholders sued the promoter and the judges in giving judgment against the promoter said that the directors of the company must have neglected their duty or the company would not have found itself in such a condition Lord Henry Lennox was a director of the company, and also a minister of the Crown. These events had taken place five years before and I think that Lord Lennox was not at that time a minister, as I do not believe a Conservative administration was then in power. A gentleman on the opposite side of the House dropped a line to Disraeli, the premier, to say that he intended to give notice of a question asking the government practically what they proposed to do in view of the utterance of the judges in the case, to which be it remembered, Lord Lennox was not a party at all, so that any remark of the judges was obiter dictum; yet as soon as this letter was sent to the premier he sent it to Lord Lennox, who at once tendered his resignation to the premier; the following day in the House Lord Lennox gave his explanation, and the premier followed saying that it was a painful thing to him to have received and accepted the resignation, but he praised the honour of Lord Lennox, who insisted on defending his own personal honour without the responsibility of office and without asking his colleagues to share the responsibility with him.

There was another case in the old country in 1903 when a Mr. Fisher was a member, I think, of the Conservative administration. Mr. Fisher was engaged with certain other gentlemen with regard to a patent. Matters went wrong and the undertaking was not a profitable one, but Mr. Fisher personally had no more to do with the matter that went wrong than you, Mr. Speaker, or I. But in the course of litigation it was evident that certain people who had taken stock were going to lose and it was suggested to Mr. Fisher that as some of these people might have taken stock relying on his name as a minister being connected with the company, it was his duty to see that they did not lose. Mr. Fisher paid them 20 shillings on the pound and resigned his seat in the House in order that no blame might rest on his colleagues, no matter how innocent he might be. Mr. Balfour spoke with regret at the unfortunate result of the disclosures, and spoke of Mr. Fisher's resignation as a loss to the country. Mr. Campbell-Bannerman spoke to the same effect, and a gentleman whose voice has often resounded through this House, the Hon. Edward Blake, could not allow the matter to pass without a few graceful words. He said:

What has happened to-day, however painful it may be to the hon. gentleman himself, has vindicated his own reputation——

And here, Sir, is the point to which I wish to call the attention of the right hon. gentleman:

—and also maintained the honour and standing of this House.

It is as a member of this House, it is as a Canadian, that I appeal to the right hon. gentleman to allow this amendment to pass, to allow an investigation to be held, and, Sir, if an investigation is held, and it is found that this affidavit is untrue, that this man Mayes has been maliciously endeavouring to blast the reputation of a man who in that case would be far better than himself, the right hon. gentleman and his followers need not have the slightest fear that we on this side will do anything to save him from well-merited punishment, and if, on the other hand, the investigation should show that there is some foundation for his charges, then this House, having a report from a committee which had heard the evidence, which had placed Mr. McAvity on oath and had heard from him personally and not through his representative, for the time-being, in the House, then parliament would be able to vote what should be done by way of commendation or punishment of the gentlemen really concerned.

It seems to have been lost sight of in this discussion that if Mayes' story be true, then of course the present Minister of Public Works (Mr. Pugsley) would be implicated in the latter part of the charge, with reference to holding up the payment until McAvity was settled with. If that were not true and the first part were true, if it were true that the Minister of Public Works (Mr. Pugsley) had received $2,000 for the use of his influence in Ottawa, it would not be a matter so directly concerning this House. The hon. gentleman says: Let a member make a charge and I will welcome investigation. I wish the Minister of Justice was here in order that I might ask him on what ground any gentleman on this side of the House should stake his reputation and his seat in order to punish a man for what he did before he became a member of this House, for which we could not punish him even if the facts stated in Mayes' affidavit were proved to be true right up to the hilt. Nobody would pretend to say, that if it were true—and I guard myself again by saying that I do not express an opinion myself—but if it be true that the then Attorney General of New Brunswick was paid $2,000 for his political influence at a time when he was not a member of this House, it would be idle for any one to pretend to say he had forfeited his seat in this House because of something he had done some years before he became a member. And while both sides will accept that proposition, it is another matter altogether, if it can be proven to be true, whether the Prime Minister would allow one of the most important posts in his administration to be held by a gentleman who had such a conception of his duty as a public man. This is so serious a matter that in the interests of the country we are entitled to have an investigation so that the truth may be declared one way or the other. I have tried to discuss the question without using any harsh language against any one. I think it is a simple question as to whether or not enough has been shown in this affidavit of Mayes, if true, to justify an investigation. We cannot here try whether or not it is true, but we can appoint a committee to try that question. And surely, it must be evident to every one that if Mayes' character is so bad and his reputation so shaky and his affidavit so worthless as has been said by gentlemen opposite, surely the biggest mystery in Canadian political life today is that the Minister of Public Works would not welcome an inquiry to roll aside the cloud. One other point and I am done. If the affidavit of Mayes be true, then there was the very collusion that the Minister of Public Works has spoken of, and if there was collusion--apart altogether from the question of conspiracy which has been dealt with by my hon. friend (Mr. Crocket)—if there was collusion, then without doubt McAvity is liable to hand back the $36,000 which he got for doing nothing.

Mr. PUGSLEY. Mayes does not say there was collusion with the Minister of Public Works.

Mr. NORTHRUP. Mayes tells his story.

Mr. PUGSLEY. He does not say there was collusion with Mr. Hyman.

Mr. NORTHRUP. He did not pretend to say there was collusion because he was not present, but if the facts set forth by Mayes are true, I do not think any judge or jury in the land would have any difficulty in finding there was collusion.

Mr. PUGSLEY. The member for York does not concur in that statement.

Mr. NORTHRUP. I frankly admit that I differ from the law as laid down by my hon. friend from York. I do not think it would be possible to have an investigation of this matter without the standing of the Minister of Public Works of that day being concerned. And certainly the standing of the Minister of Public Works of to-day would be concerned, first as Minister of Public Works if the charge as to the payment to McAvity were held to be true, and secondly, if the other charge of receiving $2,000 for his influence were true. I do think that the right hon. the Prime Minister is practically concerned in this matter, because he being responsible to

the people of this country for his ministers, it is his duty when a prima facie case is made—and nobody would deny that there is a prima facie case when a man makes an affidavit with all the surrounding evidence to corroborate that affidavit that we have here—surely it is a duty that the right hon. gentleman owes to himself to see that his departments of government are kept pure and clean. I sincerely trust, from the national standpoint, from a Canadian standpoint, from the standpoint of a member of this House, that the right hon. gentleman will allow an investigation. I am sure the right hon. gentleman will believe me, I am sure every member in this honourable House will believe me when I say, that if I were not speaking for the interests of the country and of the House; if I were speaking merely as a Conservative partisan I should hope from the bottom of my heart that an investigation would be refused.

Mr. MICHAEL CLARK (Red Deer). Mr. Speaker, I should like to make the promise to the House that was made by the hon. member (Mr. Northrup) and that is, that I shall endeavour to stay with the question before the House, although I sincerely hope that I shall have more success in keeping that promise than he had. The hon. member began in what he seemed to consider was a very judicial frame of mind, and, he rebuked the member for Carleton (Mr. Carvell) for not keeping to the question before the House, but to my very great surprise the hon. gentleman (Mr. Northrup) very soon showed considerable partisanship in charging the hon. member for Carleton with a theatrical manner in the delivery of his speech. Without being an absolute authority upon the meaning of that adjective, I could not help thinking that the hon. member for Carleton probably owed the favour of having that epithet hurled at him to the fact, that the hon. gentleman (Mr. Northrup) thought he was usurping a function that is not altogether foreign to the manner of the member for Hastings himself. The hon. gentleman (Mr. Northrup) told us that in his opinion this House was not a fit tribunal to consider this question, but he immediately proceeded to give evidence that he thought there was in his own person at least one exception to that general rule, because in his speech he himself made a very exhaustive examination of the case. In the course of his speech the very strongest partisan attitude was taken by the hon. member (Mr. Northrup) himself, because he quoted the affidavit and all that Mr. Mayes says in the affidavit, against the word of the Minister of Public Works which we heard reiterated again and again with the most ample evidence to support it, in the speech which the hon minister delivered in his defence to-day. I could not help wondering that the hon. member (Mr. Northrup) should have said that he could dispute the word of the minister, almost in the same breath in which he quoted the details of Mr. Mayes' affidavit against the word of the minister. One word more in regard to the member for Hastings will enable me to fulfil my promise to stay with the question. I must say that the honourable member was extremely unfortunate in the old country precedents which he cited to endeavour to prove his arguments. In the first place, the offence charged against the ministers in the old country was alleged to have occurred while they were ministers of the Crown and members of the House. That is not the present case at all. In the second place the ministers in the old country who were charged practically admitted the truth of the charge by at once resigning their positions. But in this case we have a diametrically opposite situation. We have the minister not only denying the charge which is brought against him but giving the most ample evidence that it is possible to give that the charges are foundationless. I would like to say that in my judgment this House is acting well with an undoubted right in having brought before it a resolution asking for a committee of investigation. It would be acting within its right to grant that committee, but I take it that the possession of a right is one thing and the light, frivolous or thoughtless exercise of that right is another thing.

Mr. BOYCE. All things are lawful, but all things are not expedient.

Mr. M. CLARK. I do not recognize the relevance of the interruption of the hon. member.

Mr. BOYCE. I did not suppose you would.

Mr. M. CLARK. In fact I think I would be getting within the toils of rule 19 by saying that my hon. friend is as irrelevant as he frequently is. I was saying that it is not always wise to exercise a right, and I take it that the very strength of this right of investigation on the part of parliament, is that parliament, whether in this country or in the old country, has recognized that the demand for such a committee and for such an inquiry is so very serious a thing that it should not be acceded to except upon the very strongest case that can be presented to parliament. I would like to say, Sir, that the appointment of a parliamentary commission for inquiry into the conduct of a member of the House, who is also a minister of the Crown, is not an ordinary expedient to be lightly undertaken. It is an extraordinary

expedient, only justified by a very strong case. What is the fact, Sir, that relates to the ordinary procedure of this House with regard to every member of it? We have had it stated again and again in the last week and it is that in the ordinary procedure of this House when a member, not a minister, but a member, rises in his place and makes a statement as to a fact, we accept that statement as true. Yet this commission is proposed to investigate a statement of the utmost detail, made with the very greatest ability and supported by evidence drawn fully from the correspondence in this case. In regard to the basis upon which it is proposed to build this commission, the man Mayes leaves upon my mind two very distinct impressions. I differ from my hon. friend from Carleton, N.B. (Mr. Carvell) in that I am not from New Brunswick, and anything I know about this case I have learned to-day. I have listened with as much care and as much impartiality as I am capable of to the charges on the one hand and to the reply of the minister on the other, and I have gathered two very distinct impressions about this man Mayes. The first one which I have does not depend upon the unsupported statement of the minister, but it came out clearly in the correspondence which he read and which he had had with this man. The first impression I gathered about him, founded upon the minister's statement and supported by the correspondence, is that he is a disgruntled seeker of government favours. I take it that that was clearly brought out by his correspondence with the minister. He wanted a higher price for a dredge than that dredge was worth. The minister refused that higher price, and doubtless the man who wanted to sell the dredge did not feel quite so well pleased as if he had been met by an agreement instead of a refusal. We have heard something in this debate about the minister holding up Mr. Mayes. Why, it seems that the boot is entirely upon the other leg. It was Mr. Mayes who unsuccessfully attempted to hold up the minister. I take it that that fact was brought out in the debate, and brought out by the correspondence without any possibility of dispute on the part of any fair-minded man amongst my opponents in this House, and I take it that that fact justified my first impression and justifies me in describing Mayes as a disgruntled seeker of government favours. The second fact about this man is that, by mistake or otherwise, he promulgated a false affidavit. I do not think that any member of the opposition benches will be able to deny the truth of that statement. He promulgated a false affidavit. He was either so careless about it that he got the wrong date inadvertently or he was so wicked about it that he got it on purpose. My hon. friends opposite may take which ever horn of a not altogether pleasant dilemma that suits them best, but I take it that the fact is clear that he promulgated a false affidavit. He proved the falsity of the affidavit by correcting it himself. On the strength of a corrected affidavit this House is asked to throw over the circumstantial and complete statement of a minister of the Crown and to appoint a commission of investigation. To investigate what? To investigate a case hanging upon, depending for its sole foundation upon the statement of a corrected affidavit by a disgruntled seeker of government favours, who admits that in the first instance he promulgated a falsehood. I do not know what the opposition may think about this way of putting the case. That is how it strikes a plain man from the west, and I must say that in my humble judgment there are very grave and very strong reasons why we should not grant this commission of investigation on this kind of a foundation. Let me say that there are two grounds, and only two possible grounds, that occur to me which can justify motions of this kind or debates of this class in the House. The first is that they are undertaken for the public good, for the raising of the tone of public morality and public life in this country.

Some hon. MEMBERS. Hear, hear.

Mr. M. CLARK. I take it from the feeble 'hear, hear' that there are at least some members of the opposition who claim that this is the ground upon which this debate has been carried on. Well, we of the Liberal party cannot have the slightest objection to the results along that line because I say deliberately that I do not think that when the statement of the minister is carefully and calmly read from beginning to end it will be considered any misfortune for the Liberal party that he was allowed to make the magnificent defence of his conduct to which this House has listened. I have just a little suspicion as to how far the public good is really paramount in the minds of my hon. friends on the opposition side when I reflect on the somewhat chastened countenances which they displayed when that statement was made. That chastened appearance would be much more easily explained if the second possible cause to which I wish to refer was more immediately in their mind when they moved this resolution and set in motion this debate. If they were not actuated by a desire for the public good, then there is only one other purpose which could have moved them and that was to secure a party advantage by discrediting the good name of the people of Canada and the public life of the country in the person of a chosen minister of

the majority of the people. I know that members on the opposition side are a litle touchy when any reference is made to the result of the last election. My hon. and agreeable friend from Elgin (Mr. Crothers), I think it was, grew very warm in a recent debate on this subject, and asked whether the last election was to be held as an approval of all that had taken place in the Department of Marine and Fisheries. If I am in order in answering that question, I should like to say that having talked with many electors in that part of the country I have the honour to represent, the verdict in the general elections, in my judgment at any rate, conveyed a disapproval of a campaign of that kind. I am convinced, from private and personal intercourse with many people not of the Liberal party, that the result might have gone the other way if the opposition had based their fight upon a policy instead of the class of fight they put up. My hon. friend from St. Antoine division (Mr. Ames) took a very prominent part in that contest and he came to my constituency.

Some hon. MEMBERS. Order.

Mr. M. CLARK. I think this has a very distinct bearing on the question before the House. I am examining into the motives which underlie this resolution and I think that what I am saying is strictly pertinent. In any case, I can gratify my hon. friend by saying that however disagreeable it may be to them, there will not be very much more of it. My hon. friend from St. Antoine division (Mr. Ames) came to my constituency. He came, so far as I know, in a perfectly honourable way, accompanied by some unusual apparatus—an apparatus never required by William Pitt or Gladstone and which our own Prime Minister has hitherto not needed to enthuse the audiences he is in the habit of addressing. I must say that I do not think the class of campaign carried on by my hon. friend there did any good to the Conservative party. I had ample evidence only last evening, that many members of the House, when they want to see moving pictures go to Bennett's theatre, and I have every reason to believe that when they want to hear good public speaking they will go to an orderly conducted public meeting.

I shall vote against the motion to appoint an investigating committee because I believe in the first place, that to use the power of appointing such a committee on frivolous grounds would encourage the appointment of similar committees every day in the week. If you take the affidavit of a man, who has been described in terms which were not greatly objected to even on the opposition benches, as your basis for appointing a committee of investigation, you can get such men by the dozen in every constituency who will make affidavits to defame the character of members on either side. I shall vote against the resolution in the second place, because, in my judgment, to appoint such a committee, except upon the very strongest ground, derogates from that public esteem which deservedly is attached to the high and responsible position of a minister of the Crown. A minister of Crown is the result of years of hard and honest service to the people in whatever county he lives. That position is the result of constant service to the people, and, as a general rule, of many contested elections, and you will lower that high position and very great responsibility in the public estimation if you appoint an investigation committee, such as is now asked for, except upon the very strongest possible grounds. In the third place, I shall vote against this motion because the only ground urged for the appointment of such a committee is the affidavit furnished by a man self confessed and proved to be a disgruntled seeker of government favours. I shall never give a vote in this House with a clearer conscience—

Sir WILFRID LAURIER. Hear, hear.

Mr. M. CLARK—with a clearer conscience that what I am doing is in the best interests of the country and the dignity of parliament.

Sir WILFRID LAURIER. I think I owe it to the House to declare what are the views which the government entertain upon this question and the reasons which have induced them not to accept the motion moved by my hon. friend from the city of St. John (Mr. Daniel). I do not intend to discuss in any way the reasons which have been set forth in support of this resolution because I believe that every one of them has been refuted, and triumphantly refuted by my hon. friend, the Minister of Public Works (Mr. Pugsley). My hon. friend from Hastings (Mr. Northrup) concluded a speech, which on the whole was moderate, by the statement that he hoped, as a Canadian, this investigation would be granted, but as a party man that it would be denied. My hon. friend from York (Mr. Crocket) expressed the same sentiment. He put it a little more emphatically perhaps, and added that if it were the bad fortune of the government and the good fortune of the opposition that the motion would be denied, the people would not fail to visit their disapproval at the proper time. Well, that is a matter of judgment, and I have some claim to my own judgment, and, in the words of my hon. friend who has just addressed the House (Mr. Clark), it is with a perfectly clear conscience and without doubt or hesitation that I say that this motion should not be entertained. This is not the first time unfortunately that the honour of a minister of the Crown has been impugned. Perhaps too frequently for the

honour of this country, motions of this character have been made. This is not the first time a member of this House has thought it his duty to bring charges against a fellow member and sometimes against a minister of the Crown, which, if proved, would drive the member accused out of public life. I agree with my hon. friend from East Hastings (Mr. Northrup) that, if the charge that is levelled at my hon. friend the Minister of Public Works in this affidavit were true, he could not remain a member of the government—I do not think he could remain a member of this parliament. But this is not the first time such charges have been made. Whenever a member of this House has thought he owed it to himself and to his position to bring a charge of this kind against a fellow member, he has done it by rising in his place and stating that he was credibly informed and had reason to believe that such and such statements made against that fellow member were true. I quote several precedents, but I will be satisfied with one. Here is the motion made by Mr. Tarte in 1891 against a member of the government of that day:—

That J. Israel Tarte, Esq., the member representing the electoral district of Montmorency in this House, having declared from his seat in the House that he is credibly informed and that he believes he is able to establish by satisfactory evidence——

Then follow the statements of fact. Is this the method followed by the hon. member for St. John (Mr. Daniel)? That hon. gentleman has this affidavit in his hand, this sworn declaration which was read most solemnly at a public meeting by no less a person that the premier of New Brunswick, making certain charges against the Minister of Public Works (Mr. Pugsley). But though the hon. member (Mr. Daniel) has this document in his hand, does he dare to say that he is credibly informed that these accusations against my hon. friend are true? Does he dare to say that he has reason to believe them true? No, he does not take that responsibility. He incorporates that affidavit in a motion which he places before the House, but he has not sufficient faith in the statements of the affidavit to declare that he believes them true, and that he can prove the facts therein alleged. I am not surprised that my hon. friend the member for the city of St. John will not, even with this affidavit, say that he is credibly informed that the facts therein alleged can be substantiated by evidence. This affidavit bears on its face the evidence of falsehood,—I do not think I am speaking too strongly when I say so. In the first place, it is the evidence of a man, who, if we are to take his word, is a self-confessed boodler. What faith will you place in the words of a man who makes a charge against another, but who cannot make that charge without accusing himself? Do hon. gentlemen on the other side place very much faith in the statement of a man who thus comes before the House and confesses his own turpitude? If they place any faith in a story of that kind, they have the faith that will move mountains. But I do not think they should make allegations against any hon. member of this House upon such an affidavit as that.

Let us go into the statements in this affidavit and see what it discloses. Mr. Mayes states that on a certain occasion he entered into a contract with Mr. McAvity. I do not characterize that contract in any way. He said that when he made that contract with Mr. McAvity he paid $2,000 to the Minister of Public Works. This allegation is not new, it has been before the public for four months at least. It has been discussed by the press in all its bearings, and we know all about it. The Minister of Public Works, when that charge was made, met it immediately by admitting frankly that, in October, 1905, he had received money from Mr. Mayes, but said that it was money honestly paid to him for legal services. Mr. Mayes in his affidavit states—No, he does not state, but insinuates—that the money was not for professional service but for political influence. Now, we are men of common sense in this House: does anybody believe, after what we know of Mr. Mayes and the matter he has been prosecuting in an effort to help his own interest, that he would pay $2,000 to any man unless he got consideration for it? If this money was paid for political services where were these services rendered? This contract for dredging was given openly and squarely, without possibility of influence from anybody; it was given upon tender openly called for, and the contract was awarded to the lowest tenderer who happened to be Mr. Mayes. What opportunity was there to use political influence? Yet, that is the charge made against the Minister of Public Works. On one side we have the statement of a self-confessed boodler that he paid this money for political services and on the other we have the statement of an honest man that the money was paid for legal services. Which are we to believe? Are we, under these circumstances, to take anything out of this affidavit? It would be a different thing if the hon. member for the city of St. John (Mr. Daniel) had risen in his place and said: I have reason to believe that these statements are true. He does not say so, but simply lays this document upon the table of the House. His statement, in effect, is: I have not sufficient faith to believe this affidavit upon

it, but we want the House to take action upon it. That is something new to our procedure and is not consistent with the rules and precedents of this House. The affidavit goes on to say that all this was before the Minister of Public Works had become a member of parliament or a minister of the Crown of the Dominion, but that since my hon. friend became a member of the government he had held up Mr. Mayes for the payment of moneys due to him. On this part of the case, I altogether agree with the words spoken by my hon. friend from Red Deer (Mr. Michael Clark) that if there has been a holdup it was not a holdup of Mr. Mayes by the Minister of Public Works, it was the case of Mr. Mayes trying to hold up this minister of the Crown. The facts are before the House in the documents that have been brought down. There is the letter by Mr. Mayes to the Minister of Public Works, and the letter by the Minister of Public Works in reply, showing that when, upon one occasion, Mr. Mayes was pressing the minister for the payment of money, he stated, in effect: Unless I receive my money immediately, and moreover, unless you take over my dredge at a certain price, I will hold you up. He followed that up with threats to the minister, trying to induce the minister to buy his dredge. This was a clear attempt at a holdup. But the Minister of Public Works, answering like the honest man that he is, said that he would have nothing to do with it, and showed Mr. Mayes the door. And then Mr. Mayes went to the leader of the Conservative party in New Brunswick.

Reference has been made to the Hodgins case, and the question is asked: Why does not the Prime Minister do in this case what he did in the Hodgins case? When Mr. Hodgins made his statement in the press I thought it my duty to refer it to the chief commissioner of the Transcontinental Railway, and that gentleman asked for an investigation. Does it not strike hon. gentlemen opposite that there is a difference between the case of Mr. Hodgins and the case of this man? Mr. Hodgins did not accuse himself, he accused some one else, he accused the commissioners. Mr. Hodgins, I think, is an honest man. He stated that there had been something wrong going on in the classification on the Transcontinental Railway. Believing that to be the statement of an honest man, I thought it my duty to call the attention of the commissioner to it, and the commissioner finding that his action was called in question, asked at once for an investigation. But are we to be told by hon. members opposite that whilst it is logical, whilst it is right to take action upon the statement of an honest man, we must take the same action upon the statement of a self-confessed boodler? I see a great difference between the two cases. So with the case of the hon. member for Westmoreland (Mr. Emmerson). That hon. gentleman, to his credit be it said, when he saw a statement in a respectable newspaper reflecting upon himself, thought it was his duty at once to take action. But this again is a different case altogether, and I repeat that I refuse to be carried away by the statement of Mr. Mayes, unless his statement is corroborated by some other witnesses.

There is another consideration. This is the first time, as I have said, that we have such a motion made in this matter. The hon. member for the city of St. John has taken a course different from any other that has been taken under similar circumstances. I go further, and say that the hon. member for St. John has made it impossible for the government or any supporter of the government to accept his motion. This is a motion made on going into Committee of Supply, it is a motion which, according to the rules of the House we cannot amend. There is a statement in this motion referring to a past action. The House should not be called upon to investigate under any circumstances the conduct of a man who was not a member of this House. I think this is according to the rules of the House. If we wanted to limit that inquiry, we could not do it. The rules of the House do not allow us to take a syllable from that motion, and do not allow us to add a syllable to it. We must take it as it is, holus bolus, swallow it all or deny it all. Well, under such circumstances the only thing left for us to do, even if the substance of the motion under other circumstances warranted action, is to deny it altogether. But the last and supreme consideration is that this is a motion of want of confidence. I would not press that argument under different circumstances; but in the present case, we are not disposed to vote want of confidence in the Minister of Public Works for the reason that we are proud of him, and this evening we are prouder of him than ever before. I have frankly stated to the House the reasons why we cannot accept this motion.

Hon. GEO. E. FOSTER (North Toronto). Before reviewing the reasons given by my right hon. friend why he and those who sit behind him cannot accept this motion, I wish to say a word with reference to Mr. Mayes. I do not know whether my right hon. friend personally knows Mr. Mayes or not.

Sir WILFRID LAURIER. I never saw him.

Mr. FOSTER. I do not know whether the hon. member for Red Deer (Mr. Clark) personally knows Mr. Mayes or not. But any one can easily see that unless there is a personal knowledge, it is quite possible to do a very great wrong to a private citizen

who is not able to defend himself on the floor of the House, and to do it under the shadow of the privilege of a member of parliament. Therefore I take the very first opportunity of saying that I know Mr. Mayes very well, I have known Mr. Mayes for a long period of years, and I know nothing to the discredit of Mr. Mayes.

Sir WILFRID LAURIER. Not even this?

Mr. FOSTER. I know nothing to the discredit of Mr. Mayes. If you take Mr. Mayes as a citizen, I think he is just as reputable, has just as good a character, and stands just as high as the Minister of Public Works, and I am not saying anything to the disparagement of the Minister of Public Works in saying that. Mr. Mayes is a business man who, on the streets of St. John, or on the streets of any other city, enjoys a credit as good and his word is as good, as the credit or the word of the Minister of Public Works, and in saying that I am not saying anything to the discredit of the Minister of Public Works. Mr. Mayes is a self-made man, he has conquered hard circumstances, he has made a place for himself, he has made a certain patrimony for himself, and I have yet to find the first man who can point to Mr. Mayes and accuse him of dishonest or dishonourable action in the accumulation of that patrimony. Now I take this opportunity of saying these things because of what I think are the unfounded aspersions that have been made upon his character, made by some gentlemen who confessedly do not personally know him, and therefore have no knowledge upon which they can go.

But my right hon. friend says, do you consider him as good a character as the Minister of Public Works after this affidavit which he has given? Yes, I answer that in the affirmative, Mr. Speaker. Let us now for a single moment, as sensible men, divesting ourselves of party preferences, follow the force of evidence given every day in every court of the land. Here is a man who is brought into the witness box. He is put upon his oath, he is asked questions and he gives answers. He swears to the answers he has given. Maybe before he has got half through his evidence, maybe after he has gone down from the box and others have given evidence, he asks for the privilege to return to the box, or his lawyer asks it for him, and he corrects the evidence which he gave an hour before, or the evidence which he gave the day before. No judge upon the bench, and no lawyer conducting a case, calls that man an infamous liar because he makes a correction. That is a thing which is liable to take place with my right hon. friend, it is liable to take place with myself, it is liable to take place with any man. Now if that be true, no one has a right to call a man an infamous liar when he is not in his place, because he swears to a statement, and afterwards corrects it. For instance, he had in his mind a certain thing, his lips formed that, and his pen followed the direction of his mind, and a date was written down which he fully believed was the date he intended to have written down. When a few minutes afterwards that is read out by Mr. Hazen, on the platform in the city of St. John, and Mr. Hazen, thinking that the date is wrong, turns to the gentleman and queries as to the date, and is instantly told, 1905, that 1905 was the date he intended. When he finds 1907, as against 1905 which he intended, he immediately writes a letter to the gentleman who is chiefly interested, and in that letter says, it was 1905 I meant, and not 1907. That letter informed the Minister of Public Works, that letter became public property and informed the public of Canada. When a man under these circumstances made an error—he did not intend to make the error—he did not himself make the error—is it quite fair for an hon. member protected by the privileges of parliament, to call him an infamous liar? I cannot take that view of it nor can any sensible man who knows what goes on in business, on the street, in courts of law every day and almost every hour. A great deal has been made of that. The Minister of Public Works said: Why did not the reporters hear it? I put this simple question to my right hon. friend. At a large meeting of this kind, where there was more speaking than any reporter could take, would a shorthand reporter take down that long affidavit as it was read? No body thinks that. Why did not the reporters take it? Because the reporters said to themselves, there is a typewritten copy of the affidavit, we will take what we can of the speeches, that affidavit will be given to us and we will have it for our papers. In that typewritten copy of the affidavit which was signed by Mr. Mayes the date was 1907 because Mr. Hazen, when he read it, did not take his pencil and change the figure from seven to five

Mr. FIELDING. How could he change another man's affidavit?

Mr. FOSTER. I suppose it would have been stated——

Mr. SUTHERLAND. Does it not strike the hon. member that the explanation which the hon. member for St. John city (Mr. Daniel) said was made at the moment would strike the reporters as well as anybody else and would be such a marked thing that they would make a note of it?

Mr. FOSTER. My hon. friend thinks he has put a very important question. What idea would present itself to the mind of a reporter in the hurry of an important meeting when an affidavit was being read,

of the whole purport of that affidavit? He did not know when some one said: 'Is that date correct,' and another answered: '1905;' it would go in at the ear but it was not a thing which a reporter would take down. The reporter would look to the document itself and he would give that to his paper. I do not think there is any doubt about that and to the man who will try to imagine the actual circumstances, that will commend itself as a reasonable explanation of this error getting into the newspapers instead of being corrected there and then.

What matter on earth is it whether it was 1907 or 1905? For the space of a few hours the Minister of Public Works had a grievance because there was going abroad in the press a statement that he received money in 1907 when he actually received it 1905. To that extent it was a hardship upon my hon. friend and he had a perfect right to complain of it and make what he could of it, but to the man who went to the affidavit itself and analysed it, it did not make a pin's difference whether it was 1907 or 1905 as far as the personal action of the Minister of Public Works was concerned. The other fact is that following straight on the heels of the 1907 issue came the correction of 1905. You can make what grievance you like of that, I think the Minister of Public Works tried to make that his whole case in order to create sympathy for himself as a much-abused and much-maligned man. It was not in keeping with my hon. friend's abilities, standing and experience as a public man. It seems to me it would have been far better to say: 'Well, I was grievously wronged by that date being given as 1907 when it should have been 1905, but this man made a mistake, he corrected that mistake as soon as he knew it had occurred, and within 12 or 15 hours the whole country got the right statement of the case and had it alongside of the other.' Thus, I think undue stress has been laid upon that matter.

Let me now check off for a moment the reasons given by my right hon. friend as to why this motion should not be adopted. He says the government are precluded from allowing the motion to pass because it is made as a want of confidence motion. Are we to go over that old ground again and again? How often has my right hon. friend himself, the leader of this government, accepted and voted for motions which have been made as want of confidence motions if every amendment to Supply is to be considered a want of confidence motion. My hon. friend knows that he has accepted them again and again. He can accept this just as easily as he could accept the half dozen others which he accepted in the last parliament and allowed to be carried without challenging a vote, in some cases saying that he accepted the motion. These motions were consequently passed, and then by the proper mechanism we returned to the consideration of Supply. My right hon. friend therefore is not opposing this motion because it is moved as an amendment to Supply. Am I out of order in saying that the objection which he raises on that score is a herring trailed across the track in order to take away the sense of smell from the real objection of the right hon. gentleman, his real objection being that he does not believe the motion should be allowed to pass under any consideration. My right hon. friend will not deny that that is the position he takes, he does not believe the motion should pass under any consideration. Why? Well he says that no member on this side of the House has had the hardihood or the courage to get up and say: 'I myself as a member of the House take the responsibility of charging the minister,'—and that consequently this motion was not properly brought before the House.

Will my right hon. friend quote me a parliamentary rule which makes it necessary that a member in proferring his motion to the House for whatever purpose, is bound to take that line. I have heard the Speaker say that is a rule of the House. I have heard other gentlemen over and over again declare the same, and declare that we are not in earnest because we do not take that method. But, the main point is the essence of the thing that we want investigated. The manner in which we shall have it brought before the House in order to get an investigation is within the choice of the member himself, so long as he conforms to the rules of the House. It will not go down with this House and it will not go down with this country, that simply because of a form which does not agree with the opinion of my right hon. friend, that therefore the substance shall not be investigated. What we want to do is to have the substance investigated, and the substance is very material indeed. Let me exhaust the two examples my right hon. friend has given. He sees no analogy at all between the Hodgins case, the Emmerson case, and this case. I admit that the analogy is not complete because to my mind this is a stronger case than either of the others. In the Hodgins case you have simply a series of newspaper articles; you have no affidavit. But says my right hon. friend: I choose to consider that Mr. Hodgins is an honest man ; I do not choose to consider that Mr. Mayes is an honest man, and therefore I will take a simple letter written by Mr. Hodgins, whom I consider to be an honest man, rather than take the sworn statement of Mr. Mayes, whom I do not consider to stand in that light. That is a mere matter of taste. My right hon. friend had no right to order an investigation into the Hodgins case simply because

he thought or did not think that Mr. Hodgins was an honest man ; the point was, what was the accusation conveyed in what Mr. Hodgins said, and, whether Mr. Hodgins was an honest man or not, if the accusation was one which made against what was improper in administration and government, my right hon. friend as premier of this country is bound to take it up and have it investigated. But let me press once more upon my right hon. friend this fact : my hon. friend the Minister of Public Works is an influential and able and experienced lawyer; he is able to conduct his own case; he has not been foreign to libel suits for, if my memory serves me right, he has threatened several and brought some. Does my right hon. friend think it is reasonable that if the Minister of Public Works had an unimpeachable case he would allow that which he designated as the foulest outrage which could be done to any public man, to be put in the form of an affidavit where the man brought himself within the grip of the law and the toils of justice; does my right hon. friend think he would allow that to lie there undisturbed for four months and suffer and sweat under the grossest slander that a public man in this country has had inflicted upon him, and never issue a writ, never make a single step forward towards punishing the dastardly outrage which was perpetrated against him as he has declared over and over again in this House? My hon. friend the Minister of Public Works has a good deal of the courteous and of the amiable about him, but he also has some human nature, and the man who could so righteously and indignantly declare against this outrage and the perpetrator of it is a human being by the very indignation that he shows. And it would be his very first impulse to say: 'I will show that man that I can keep my reputation; if there is any law in this country I will take him before the courts and I will preserve my character.' That, the Minister of Public Works has not done. But if he thinks that Mr. Mayes is below his rank, which I beg leave to doubt, the Hon. Mr. Hazen is equal with him in every respect; in point of public view, in point of private character, and the Hon. Mr. Hazen laid himself open when he read the fabricated—what was it that my hon. friend here behind me called it—a 'promulgated' falsehood?

Mr. M. CLARK (Red Deer). I rise to a point of order. The hon. member (Mr. Foster) has mistaken what I said. What I did say was (and I tried to speak grammatically), that he had promulgated a false affidavit. It may be foreign English to my hon. friend, but that is not my fault.

Mr. FOSTER. I owe my learned and cultured friend from Red Deer a debt of gratitude which I am afraid I will never be able to repay, for this much needed instruction which he has been good enough to give me to-night. But here is the premier of the province of New Brunswick who in a public assembly, in the eye and in the hearing of this Dominion of Canada, read this promulgated falsehood and by still further promulgating it and giving it further currency added to the gravity of the outrage perpetrated upon the Minister of Public Works. And the Minister of Public Works wants us to think that he is of such angelic and such seraphic disposition that he lies quietly under the double-promulgated falsehood and does not take action. Well, it seems to me that we have got to have a great deal of that faith which my hon. friend from Red Deer has in ministerial dignity and ministerial excellence, to quite reconcile these matters one with the other. Now, let us take these two cases; I have traced to a certain extent the case of Mr. Hodgins, and my right hon. friend thought that should be investigated, and he appointed a commission and it was investigated. Take the case of Mr. Emmerson. Did my right hon. friend commit an injustice, or allow a man to commit an injustice against himself, in the case of Mr. Emmerson? Did he rise when that allusion was made in this House and say: 'If any man in this House will stand up and declare that he is credibly informed thus and so, and charges the minister then he shall have an investigation at once?' The Prime Minister did not do that Why was it? Was it that the then minister was of a different mould, of a little more sensitive nature, and felt he ought to relieve his colleagues of any possible imputation that might come upon them, and that therefore out of his generosity he sacrificed himself when no man stood up in this House and made a charge against him? Or was it because my right hon. friend procured the resignation of the then minister without demanding that a single man in opposition should have the courage to get up and pledge his seat? These two cases do not hold water when compared with the action of my right hon. friend in this case. Why the difference? If my right hon. friend wishes this motion not to pass, but still wishes an investigation, we will not stand upon the order in which it goes. We will not tie ourselves to any particular amendment or any particular mode. Let my right hon. friend have the investigation and he may make the investigation upon whatever method or plan he likes. All we ask for is the investigation. Suppose Mr. Mayes had a seat in this House, suppose he sat here by my side, suppose he did not make an affidavit, did not make a declaration, but simply rose as a member and stated what he had stated

in his affidavit, my hon. friend would grant an investigation. Why? From the mere mechanical fact that the man who made the statement happened to be here in this House, while the man who made the affidavit is not in this House. Does some one say 'character'? Would his character have been any better if he had been sitting here in this House than it would be if he were on the streets of St. John? Does not my right hon. friend see that this is simply switching straws? There is the absolute affidavit of a man who is just as reputable and just as honourable on the streets of St. John as he would be if he happened to be a member of this House. But my right hon. friend swings clear of another thing. He says that Mayes was a self-confessed boodler. Suppose my right hon. friend takes this view of the question. Suppose it comes to be a matter of common notoriety that if a man will enjoy the patronage of the government he has to have a pull to get it. Suppose he cannot get it unless he gets the pull, there is the compulsion of circumstances to make a man league himself with one who has the pull in order to get the work which he ought, as a free Canadian, to get in competition and without pull at all. Well, Sir, suppose that happens to be the case. I will tell you cases that I know of. I know of case after case where, in order to carry out the business that had been formerly carried out, a Conservative has to league himself with a Liberal and lie as a silent partner in order that the Liberal may get from the government the employment, the contracts, the work which is denied him in open and fair competition. That is an undoubted fact. Over and over and over again that is proved.

Mr. MILLER. Will the hon. gentleman cite an instance of that?

Mr. FOSTER. Oh, my hon. friend (Mr. Miller) must not be quite so fresh.

Some hon. MEMBERS. Order, order.

Mr. FOSTER. Then, shall I say soft? My hon. friend must not think I am to be switched off from my argument by a remark which is not at all pertinent in this case. I do not say it was impertinent, though that could be applied to a remark but not to a person.

Mr. MILLER. May I ask again if the hon. member will cite an instance to prove what he says?

Mr. FOSTER. My hon. friend puts to me the question if I will cite an instance. At this time I will not cite an instance.

Some hon. MEMBERS. Hear, hear.

Mr. FOSTER. Now, will my hon. friend answer me a question? What inference does he draw from my answer?

Mr. MILLER. That the hon. gentleman is not very well able to prove his own statement.

Mr. FOSTER. I will say to my hon. friend that I am very well able to prove it over and over again when I wish to and as I wish to. Now, Mr. Speaker, where was I when this——

Some hon. MEMBERS. Oh, oh.

Mr. FOSTER—mild friend of mine broke in upon me in such an unaccustomed way? My right hon. friend stated that Mr. Mayes was a self-convicted boodler. Did my right hon. friend sense, when he stated that, what characterization he would have to make of Mr. McAvity, the bosom friend of the Minister of Public Works? My right hon. friend did not think of that. If Mr. Mayes was a self-convicted boodler, Mr. McAvity would be that ten times over and he has been caught with the boodle on him. No man in this House can deny that Mr. McAvity, acting with what my right hon. friend calls a self-convicted boodler, has taken out of the treasury of the country $35,900 for which he dug no mud. For all that Mayes got he did actual work. Now my right hon. friend sees how dangerous it is to play with phrases looking only to one side and seeking only for his own advantage. I call upon him as leader of the government and keeper of the treasury to go after Mr. McAvity and to get the peoples' money back. Mr. McAvity was the tempter, if there was any temptation, of Mr. Mayes. It was Mr. McAvity who engineered the transaction, it was Mr. McAvity who said: 'Come along; I am going up to Ottawa; meet me there.' He came with an introduction given to him by the present Minister of Public Works. Now, let it be known that the Minister of Public Works and Mr. McAvity were not strangers who had met in 1905 for the first time. Mr. McAvity was at one time the president and a director of the New Brunswick Coal and Railway Company, appointed thereto by my hon. friend, paid therefor by my hon. friend, and all the time that he was president and director having the patronage of the railway in the matter of such supplies as appertained to his particular line of business. My hon. friend therefore knew him, employed him, put him in positions of trust, saw that the patronage went to him and he was well acquainted with him in party and political matters. They were brothers together; they were bosom friends. Did my right hon. friend think, when he used that pet phrase of his, that he was thereby giving his own characterization of this gentleman so trusted by the Minister of Public Works, so favoured by that minister and who profiited so well out of the public chest, as he did in this instance? My right hon. friend forgets that phase of the question, and that is the phase in which the people are most interested. That is the very

crux of this resolution, and we want an investigation to know just how much money Mr. McAvity got; how he got it; what influences he brought to bear in order to get it, and how it came to be so easy in that department for a man to procure a contract from it for another and then draw from it this $35,900. That is what the people want to know. The right hon. gentleman never had a truer friend than the editor of the St. John 'Globe.' I do not know that he has a truer friend to-day. The editor of the St. John 'Globe' does not see any particular virtue in Mr. McAvity's rake-off of $35,933. My right hon. friend has other good friends in the old Liberal party. Let him read what the press is saying to-day. Let him take his own papers that support him loyally and truly, and let him read their straightforward, honest declarations to-day. To-morrow morning when the news floats out on the wires and is read by the people that an investigation was refused on the flimsy pretext that no man got up and on his honour said he was prepared to prove this sort of thing, or on the equally flimsy pretext that the resolution was moved as an amendment to Supply, and, therefore, was a want of confidence motion, and when it goes out to the people that, according to the statement of the Minister of Public Works, Mr. McAvity did a proper thing when he took the $35,900, that he cannot be proceeded against, that no law in this country can take this money from him—let the right hon. gentleman believe that when that statement of his minister goes out and his own refusal to investigate the matter, it will be hard reading for many of his best friends, and will not be a thing of which this country of ours can be proud. I do not know that it is necessary for me to say anything more on this matter. I have simply to make one plea more to my right hon. friend, and that is to give free course for investigation in this parliament. When matters of this gravity are brought up, at least allow the people, whose affairs we are transacting, the slight privilege of a fair examination. You have one man making a certain statement on his word; you have another making a contrary statement on his oath, and you are in doubt between the two. Why is it not a proper thing to have an investigation where both can be taken on oath? Is there anything wrong or unfair in that? Let my right hon. friend tell me of one interest that will be injured if he grants this committee? If the Minister of Public Works took that $2,000 and took it as a solicitor's fee, it will be any easy matter to bring him before the committee and ask him to show his books, bills and receipts and checks and question him upon them. With all my deep admiration for the splendid dignity of a minister of the Crown, I still think that sometimes it is better to have these things established on oath as is done in suits at law and vexed questions before the courts. It seems to me that no judge would turn out, no lawyer would ask to debar from giving evidence a man who was an accomplice in the thing charged. Every day in our courts of law such men are relied upon as witnesses. So that I make my plea to my right hon. friend that if there is no interest which will be injured, if the Minister of Public Works, who declares his innocence in such indignant tones, is really innocent, then that can be easily proved before the committee. If the affidavit made is false, that can be proved and the man who swore to a falsity can be punished. What interest would be injured by sending this matter to a committee and having it fully investigated?

Mr. SAM. HUGHES. Am I to understand the Minister of Public Works denies having received the $2,000?

Mr. FOSTER. No, as I understand it, he admits having received it, but what he says is that it was for professional services.

Mr. PUGSLEY. Hear, hear.

Mr. FOSTER. Mr. Mayes says it was for very different services. Mayes swears to his statement and we have the word of the minister denying it. But it would be more satisfactory if both these men were brought where they would be sworn and cross questioned and the truth brought out by examination of their books and checks and the like. Therefore, I again press upon the Prime Minister, that if no interest would be injured in the matter, let the people have the chance to know the truth by a full, free and impartial investigation.

Hon. W. S. FIELDING (Minister of Finance). I am sure that, at this late hour and at this stage of the debate, no one could hope to add anything new, by way of information, to the subject which has been so thoroughly discussed all this afternoon and evening. All that I care to do is to try to emphasize two or three points, which seem to be the points of vital importance, and which have been fully covered by my hon. friend the Minister of Public Works in his admirable address, but which it would be well to emphasize again. But first let me say a word or two on the general question of investigations. I believe that the people will distinguish carefully, as they have done in the past, between motions which are made for the bona fide purpose of investigation and motions made purely and simply for the purpose of manufacturing political capital; and the manner in which these different classes of motions may be made from time to time will have much to do with enabling the public to distinguish between the two.

Mr. SPROULE. I rise to a point of order. Has the hon. gentleman the right to impute motives with regard to a motion before the House?

Mr. FIELDING. There is no rule to prevent my imputing motives.

Mr. SPROULE. I think there is.

Mr. FIELDING. There might be an objection to imputing improper motives, but I am sure my hon. friend will not labour to find an authority to say that I may not impute motives. I may impute to the hon. gentleman some highly honourable motives, and that would not be contrary to the rules of parliament. Sir, I have in this case imputed no motives, I have only drawn a distinction between two classes of demands for investigation. And I wish to consider that point as illustrated by what we have now before us. Now, this matter of the Mayes' affidavit is not something which transpired to-day or yesterday; it transpired many months ago. My hon. friend from the city of St. John, and all those who have been interested in the matter, have had these documents in their possession for many months; and if they had desired an investigation they have had abundant opportunity to seek it in a different way and at an earlier stage of the session when the House could have dealt with it. But, for their own purposes, they have not sought that; for their own purposes, they have kept these documents in their pockets, or—

Mr. LENNOX. If the hon. minister (Mr. Fielding) will allow me a question: Is he aware that the papers in connection with this matter were moved for and that they were only brought down eight days ago?

Mr. FIELDING. The hon. member is referring to papers of a different character from this. The Mayes' affidavit was not moved for in this House. That affidavit is the basis of these proceedings and it has been in the hands of my hon. friends for months, and they have had every opportunity to challenge investigation if they had so desired. I want to invite the attention of the House and the country to the different forms of procedure in the matter of investigation. I had occasion to do so recently in the case of another subject that we were considering, and I wish to treat the same thought to-day. If an hon. member wishes to make a motion for an investigation of any public matter, he can put a notice on the paper setting forth the nature of his proposal, and when it is reached in due course, if the House is disposed to grant an investigation but not to limit it by the particular terms of the motion, an amendment can be moved. Thus, the House can declare in words that are deemed fitting its desire either to have an investigation or not to have an investigation. And, when an hon. member wishes to make the investigation of a general character, that is the method contemplated by the rules and procedure of parliament. But if a charge is to be made against a minister of the Crown that is a different matter. If an hon. member is prepared to take the procedure illustrated by my right hon. friend (Sir Wilfrid Laurier) to-night, if it be deemed necessary to attack the honour of a minister and charge him with any act of corruption in relation to the matters of which he is a trustee, it is the right of an honourable member to avail himself of the form of motion which is usually a vote of want of confidence and to come forward with a specific charge. And, when this is done, no government would refuse an investigation. But, while that would be the case where a member is prepared to make a specific charge of corruption against a minister, it is not the same when you come to deal with ordinary talk and to demand an investigation of nothing in particular. My hon. friend from Red Deer (Mr. Michael Clark) put the case fairly when he said that the honour and dignity of parliament require that we should not order investigations on mere frivolous statements for which there is no strong foundation. And that is the case here to-day; there is no foundation for an investigation. We are concerned in maintaining the honour and dignity of parliament. It happens that one party is in the ascendency to-day; some day another party will be in the ascendency——

Mr. HUGHES. Hear, hear.

Mr. FIELDING. My hon. friend (Mr. Hughes) says: 'Hear, hear'. But it will be a long time before my hon. friends of the Conservative party can win by the tactics which they have adopted in this case. There is a manliness, a sense of fair play among the people of Canada which will respond to such statements as those of the Minister of Public Works (Mr. Pugsley) when he shows the dastardly attempts made in the city of St. John to destroy him. I say, we are concerned in maintaining the honour and dignity of parliament; and, if it be laid down as a rule that a member can pick up a statement in a newspaper—whether an affidavit or an editorial article does not matter—and come before the House and say: 'I personally know nothing about this, but I will read it and will move for investigation by a special committee,' we are following a course that is not consistent with the honour and dignity of parliament. But when a motion of that kind is proposed, shall the House accept it? I ask hon. members of both sides to think seriously of the view I present. So, we have this motion in the form of a non-confidence motion. The hon. member for North Toronto (Mr. Fos-

ter) is always very ingenious on this question of non-confidence motions. He has the remarkable faculty of believing that a motion made manifestly in a spirit of antagonism to the government is not a non-confidence motion. It is quite possible that an amendment may be moved to the motion for Supply setting forth some public principle, laying down a line of policy, declaring some great view that the House would wish to give expression to, and on which it finds this to be the most convenient mode for declaring itself. It is one thing for the Prime Minister to accept such a motion in amendment to Supply, and quite another thing to accept a motion which, while shirking the responsibility of a charge, is full of insinuations. And it is because this motion partakes of that offensive form that the Prime Minister has, very properly, said he must treat it as a vote of want of confidence and decline to give it his approval or support. The hon. member for North Toronto speaks of the Hodgins case, but he forgets a vital difference between the Hodgins case and this. In that case, the motion was not one in amendment to Supply. The case arose out of conversations in the House and publications in the press, and the chairman of the Transcontinental Railway Committee came forward and said: I want a committee to investigate. And that committee was appointed. This is not a parallel case; this is a motion in amendment to Supply that no self-respecting government could accept.

Much has been said about Mr. Mayes. I believe gentlemen who have spoken on this side, with the exception of the Minister of Public Works (Mr. Pugsley), have said that they do not know Mr. Mayes. I do know Mr. Mayes. I have not known him intimately, but I have known him for a number of years. And I wish to say that I never knew anything, nor do I now know anything, against the character or reputation of Mr. Mayes except what he has written in his own affidavit. And that is the thing that is painful to me. I will not use the expressions that my right hon. friend (Sir Wilfrid Laurier) used concerning Mr. Mayes because I have had friendly relations with him—not intimate but friendly—that make it a matter of regret to me that he should have put himself in this position. But, if I take the affidavit of Mr. Mayes, and that alone, I find that he has described himself as a man who ought not to ask this House to take his statements very seriously. The hon. member for the city of St. John spoke of this transaction between Mr. Mayes and Mr. McAvity—no, I am wrong; the hon. gentleman said this transaction with Mr. McAvity was not only a corrupt and improper transaction, but that it was illegal, and he read from the Criminal Code a statement that if any man shall receive money for the purpose of influencing any government and so on, it shall be deemed a crime. But toward the end of the sentence, the hon. gentleman read—not very loudly; his voice fails at times—

Mr. DANIEL. Not at all.

Mr. FIELDING. Not very loudly——

Mr. DANIEL. Just as loudly as the other.

Mr. FIELDING—that the man who gives the money commits the crime.

Mr. DANIEL. Yes, both of them.

Mr. FIELDING. Mr. McAvity has not confessed any crime; he has denied it.

Mr. DANIEL. No.

Mr. FIELDING. He has denied any crime.

Mr. DANIEL. He has not denied receiving the money.

Mr. FIELDING. Mr. McAvity, as appears, says he was engaged in a business transaction which was right and proper and one which he is prepared to defend. But, whatever may be said about Mr. McAvity, Mr. Mayes by his own affidavit declares that he entered into an improper, corrupt arrangement for the purpose of extorting from the Dominion of Canada money which he could not lawfully receive. You may hold Mr. McAvity in suspense—I offer no opinion at this moment as to his position. But I say that Mr. Mayes, by his own statement, in his own affidavit, declares that he entered into what he meant to be a corrupt arrangement whereby he might, as my hon. friend said, filch this money from the public treasury.

Mr. DANIEL. It took two to make a bargain.

Mr. FIELDING. Very good. The second party is not in dispute, we have yet to know what is the fact with regard to the second. But I am judging Mr. Mayes by his own affidavit, and I say that by his own statement in his own affidavit he puts himself in a position which must be exceedingly painful to every man who would like to call himself his friend.

Mr. HUGHES. Why not then take McAvity's evidence in favour of Mayes, if you are going to take it the other way?

Mr. FIELDING. If my hon. friends had been really anxious to have an investigation, we would have heard of it a long time ago. Now let us come to what I regard as the two important points in this discussion; and first, the affidavit. Why, my hon. friend from St. John says, it was a mistake. The affidavit had in it a certain date, 1907. He admitted that rather reluctantly, but

pressed by the Minister of Public Works he admitted it.

Mr. DANIEL. No reluctance about it.

Mr. FIELDING. I am bound to accept the hon. gentleman's statement. At all events, he had that affidavit in his possession and he claims now there was a mistake made in it as to a given date. The hon. member for North Toronto spent considerable time in arguing that it made no difference at all; what difference did it make whether it was 1907 or 1905? Why, Mr. Speaker, it made all the difference in the world. The date was the essence of the whole thing. A document saying that in the year 1907 the contractor Mayes gives Dr. Pugsley, the Minister of Public Works at that time, $2,000—that was a thing that would startle the country. But when you change the date to 1905, what value had the affidavit? What concern could it have been to a public gathering in the city of St. John to know that two years before, as between Mr. Mayes, the client, and Dr. Pugsley, the lawyer, there had been some business transaction involving the payment of fees?

Mr. LENNOX. Does the minister forget that if the statement made by Mr. Mayes were true, that the transaction occurred say in 1905 instead of 1907, that then, under the statute, the party who was guilty of it, the present Minister of Public Works, was guilty of a crime which would render him liable to seven years' imprisonment, and therefore he would be a criminal, and could not be a member of this House?

Mr. FIELDING. No, I do not know that. If my hon. friend says it is so, I am not going to deny it.

Mr. HUGHES. In that affidavit, as I heard it read, is it not clearly stated that Mr. Hyman was the Minister of Public Works at that time?

Mr. FIELDING. Yes; but let us consider the circumstances under which the affidavit was produced. We had an election in the city of St. John. Mr. Hyman was not a candidate; the hon. gentleman who is now the Minister of Public Works was the candidate; and it was to damage the Minister of Public Works of to-day, it was to damage Dr. Pugsley, and try to elect the hon. gentleman who sits to-day for the city of St. John, that that affidavit was brought forward; and if it had been stated in the beginning that the date in question was 1905, two years before the hon. gentleman became a minister of the Crown, what value would have had that affidavit? The whole value of the affidavit, for the time and circumstances, was in that date, and that date was given as 1907, and it went out in the press and was circulated the following morning that the Minister of Public Works had received $2,000 from a contractor in a corrupt transaction, while he was a minister of the Crown. I say again that the whole value of the affidavit was in the date; and if they had brought forward the affidavit at first with the date 1905, it is not probable that it would have been read in that meeting at all, because it was absolutely worthless as political capital except they put in a date which would involve my hon. friend in his capacity as Minister of Public Works with that transaction. But what concern was it to the electors of St. John that Mr. Mayes, a well known contractor, and Mr. Pugsley, a well known lawyer, should have had business as between client and legal adviser? Who were concerned in that? Who cared to know whether Dr. Pugsley received $2,000 or $200 for his services? These lawyers in the upper provinces sometimes get very liberal fees. I do not think anybody would say the payment of $2,000 to a gentleman who was the legal adviser of a prominent contractor, was a very large sum. You would not get a big Toronto lawyer to do very much for $2,000. And if it be assumed that because the $2,000 was paid to my hon. friend it is an evidence of corruption, why, any member of the legal profession would say it was utterly preposterous. The whole value of the affidavit turns on the date, and if that affidavit had been sent in with the present date, 1905, the probability is that it would have been flung out. They would say: 'What do we care about the affairs of Mayes and Pugsley as lawyer and client?' It was only by the falsification of that date, it was only by the insertion of the year 1907 in place of 1905, that the document became of any value politically. It was used with that date in it to damage my hon. friend, and if in the end he escaped damage, no credit is due to the men who used the affidavit in that way.

Now the other feature of the matter which I think is important, is the tenders. Tenders were invited for some dredging, and the specification contained the condition that the party who took the contract must be the owner of a dredge registered in Canada. Two tenders were brought in, Mr. Mayes was the lowest, but Mr. Mayes had not complied with the conditions of the specification. Now, suppose the Minister of Public Works had ignored that defect, suppose he had said. Well, never mind, we will give Mayes the contract all the same. Suppose he had got the contract, I can imagine my hon. friend from East Grey (Mr. Sproule) rising up the following session and saying: What did you do? You put in your specification a certain condition, and you thereby shut out from tendering many people who would have tendered, but they could not comply with that condition. Mr. Mayes' tender did not comply with that condition, but you gave him the contract in violation of your

specification—and hon. gentlemen opposite would have been strong in their denunciation of the Minister of Public Works for violating the condition of his own specification. So the Minister of Public Works said: Well, I am going to have difficulty in getting dredges registered in Canada, but I will give everybody a fair chance, I will invite new tenders, and let all have a fair chance. New tenders were invited, and that clause with respect to the dredge being registered in Canada was omitted from the specification. What is wrong with that? I put it to any business man—was not that a fair business arrangement? Can any man say there was any wrong up to that moment? Surely not. Then new tenders came in; and it appears that in the meantime Mr. Mayes decided to increase his tender. Can any body find fault with that? When a number of people tender, and their tenders are thrown out and they are asked to tender again, are they all bound to put in the same figures? Surely if the minister has a right to refuse to accept the old tenders, a man who sent in a tender has a perfect right to revise his tender and ask what he pleases. Suppose that in the meantime Mr. Mayes had made up his mind that he had tendered too low,—and we know there are occasions when men do tender too low—suppose that for any reason Mr. Mayes made up his mind that he wanted to get a higher price, and he sent in his tender at a higher figure, in open competition with the world, in response to the invitation, what fault could be found with such a transaction? What is wrong with that up to that point? First the tenders were asked for with a specification as to the dredge. Then it was found that nobody was willing to comply and the department said: 'We will give no favour, we will open the doors to everybody free; ' and they called for new tenders. That is right. When they gave the contract to the man whose tender was lowest.' I submit to any business man in the House that there is nothing wrong in that. We are not concerned in the relations between Mr. McAvity and Mr. Mayes, that is their own business transaction. The hon. member for North Toronto (Mr. Foster) says: Why not get the money back from Mr. McAvity. Mr. McAvity got no money from the government, Mr. Mayes was the contractor. Mr. Mayes sent in his tender, he had his association with Mr. McAvity, whether it is good or bad is their own private business. Tenders were called for publicly, tenders were sent in in open competition and the man who offered the lowest price got the work. I submit to the people of Canada who care to interest themselves in the matter that in those few sentences that you have the whole story. It is Mr. Hyman who is accused in this matter. Although the attack is levelled against the present minister (Mr. Pugsley), whatever reflection is cast is cast on Mr. Hyman, who is no longer here to defend himself, and unless there are some good grounds for believing, unless somebody is prepared to say on his responsibility, ' I have reason to believe and do believe there was collusion between the minister or the deputy minister or the engineer or somebody in that department and that contractor,' I submit there never was a business transaction between the government and contractors that was fairer, straighter or more above-board than the transaction respecting the dredging of the harbour of St. John.

Mr. SPROULE. I raised a point of order, Mr. Speaker, on which I did not get your ruling, and I was afterwards contradicted by the hon. member in his speech. I asked your ruling as to whether an hon. member could attribute motives? The Minister of Finance said that the motive of the party who moved this was a political one. I asked your ruling as to whether he could or could not. I have here Bourinot's ' Parliamentary Procedure,' third edition, edited by Dr. T. B. Flint, which says:

> No member can be allowed to apply the expression ' impertinence ' to another member, or to attribute motives.

It is upon the strength of that passage that I asked a ruling and on account of the difference between the Minister of Finance and myself and for the direction of the House I would like very much to have your ruling on it.

Mr. SPEAKER. It is a well-known rule that no improper motive can be attributed. I did not rule because the Minister of Finance declared he was not imputing any improper motives.

Mr. SPROULE. He declared he had a right.

Mr. FIELDING. A good motive.

Mr. SPEAKER. A good motive, he facetiously said.

Mr. SPROULE. The words are: ' Or to attribute motives.'

Mr. SPEAKER. The intention is that improper motives should not be applied.

Mr. SPROULE. If this resolution was only introduced for a political purpose, would it not be for an improper motive and not for the good of the country?

Mr. CROCKET. If the tenders were increased in order that a rake-off might be paid for political influence would the Minister of Finance hold that that was not a corrupt arrangement?

Mr. FIELDING. If the tenders were open to the public, if there was free, open competition without collusion, they are not

called upon to inquire into the motive which led any man to increase his tender.

Mr. CROCKET. Without reference to the other tenders, if the tender was increased in order that a rake-off might be paid to a man for political purposes, would the minister say that that was not a corrupt arrangement?

Mr. FIELDING. Everything would depend on whether there was collusion or not. If a matter is open to public tender and a man sends in a tender to-day at a dollar and then further tenders are called for and he sends in a second tender at $1.50, I say that if he gets the contract because he is the lowest tenderer in fair and open competition, without any collusion or any allegation of collusion, there is no ground for inquiring into the reason which led him to make an increase in his tender.

House divided on amendment, (Mr. Daniel)

YEAS:

Messieurs

Ames,	Lortie,
Armstrong,	Macdonell,
Arthurs,	McCall,
Barr,	McCarthy,
Beattie,	Magrath,
Blain,	Meighen,
Blondin,	Middlebro,
Boyce,	Monk,
Bradbury,	Nantel,
Broder,	Northrup,
Burrell,	Owen,
Chisholm (Huron),	Paquet,
Clare,	Perley,
Crosby,	Porter,
Crocket,	Price,
Crothers,	Russell,
Currie (Simcoe),	Schaffner,
Daniel,	Sexsmith,
Doherty,	Sharpe (Ontario),
Edwards,	Smyth,
Elson,	Sproule,
Forget,	Stanfield,
Foster,	Taylor (Leeds),
Goodeve,	Taylor (New Westminster),
Henderson,	Thoburn,
Herron,	Thornton,
Hughes,	Wallace,
Jameson,	Worthington,
Kidd,	Wright.—60.
Lancaster,	
Lennox,	

NAYS.

Messieurs

Aylesworth,	McGiverin,
Beauparlant,	McIntyre (Perth),
Béland,	McIntyre (Strathcona),
Bickerdike,	McKenzie,
Black,	McLean (Sunbury),
Brodeur,	McMillan,
Brown,	Major,
Bureau,	Marcile (Bagot),
Calvert,	Martin (Montreal, St. Mary's),
Carrier,	Martin (Wellington),
Carvell,	Mayrand,
Champagne,	Michaud,
Chew,	Miller,
Chisholm (Antigonish),	Molloy,
Chisholm (Inverness),	Murphy,
Clark (Red Deer),	Nesbitt,
Congdon,	Neely,
Conmee,	Oliver,
Currie (Prince Edw.),	Papineau,
Delisle,	Pardee,
Demers,	Parent,
Devlin,	Paterson,
Dubeau,	Pickup,
Dugas,	Proulx,
Ecrément,	Rankin,
Fielding,	Rivet,
Fisher,	Robb,
Fortier,	Ross,
Fowke,	Roy (Dorchester),
Gauvreau,	Roy (Montmagny),
Geoffrion,	Savoie,
Girard,	Schell,
Gladu,	Sealey,
Graham,	Seguin,
Harris,	Sifton,
Hodgins,	Sinclair,
Hunt,	Smith (Middlesex),
Knowles,	Smith (Nanaimo),
Kyte,	Smith (Stormont),
Lanctot (Laprairie-Napierville),	Sutherland,
Lanctot (Richelieu),	Talbot,
Lapointe,	Templeman,
Laurier (Sir Wilfrid),	Tolmie,
Lavergne,	Turcotte (Nicolet),
LeBlanc,	Turcotte (Quebec County),
Lovell,	Turgeon,
Low,	Turriff,
MacNutt,	Verville,
McCoig,	Wilson (Laval)—100.
McColl,	
McCraney,	

PAIRS:

Messieurs

Ministerial.	Opposition.
Allen,	Lalor,
McAlister,	Sharpe (Lisgar),
Prowse,	Staples,
White (Victoria, Alta),	Campbell,
Macdonald	Maddin,
Warburton,	Fraser,
Lemieux,	Haggart (Lanark),
Boyer,	Haggart (Winnipeg),
Stratton,	Gordon (Nipissing),
McLean (Huron),	Wilson (Lennox and Addington),
Guthrie,	Barker,
German,	Marshall,
Meigs,	Roche,
Maclean (Lunenburg),	Rhodes,
Borden (Sir Fred'k.),	Borden (Halifax),
Harty,	Reid,
Clarke (Essex),	Cowan,
Law,	Maclean (York, S.),
Emmerson,	Osler,
Cash,	Lake,
Loggie,	Bristol,
Tobin,	Lewis,
Ethier,	White (Renfrew),
Todd,	Stewart,
Ruttan,	Barnard,
Richards.	Donnelly.

Amendment (Mr. Daniel) negatived.

Mr. TAYLOR. The hon. member for Lisgar has not voted.

Mr. SHARPE (Lisgar). I am paired with the hon. member for Kings-Albert.

Mr. CALVERT. The Hon. the Minister of Public Works has not voted.

Mr. PUGSLEY. Mr. Speaker, I thought in view of the character of the motion it was better I should not vote and I trust the House will excuse me.

Motion (Mr. Fielding) agreed to and the House went into Committee of Supply.

Progress reported.

Sir WILFRID LAURIER moved the adjournment of the House.

Mr. FOSTER. What business will be taken up to-morrow ?

Sir WILFRID LAURIER. We will take up the Bills and resolutions on the Order Paper so as to prepare work for the Senate when they meet again.

Mr. FOSTER. What Bills ?

Sir WILFRID LAURIER. We will take them all except those that are contentious.

Mr. FOSTER. I suppose the Civil Service Bill will not be brought up ?

Sir WILFRID LAURIER. If there is any one as to which there is objection we will not take it.

Motion agreed to, and House adjourned at 12.50 a.m., Friday.

HOUSE OF COMMONS.

FRIDAY, April 16, 1909.

The SPEAKER took the Chair at Three o'clock.

FIRST READINGS.

Bill (No. 135) for the relief of Hannah Ella Tompkins.—Mr. J. D. Reid.

Bill (No. 145) for the relief of Isaac Moore.—Mr. Wallace.

Bill (No. 143) for the relief of Mildred Gwendolyn Patterson.—Mr. Harris.

Bill (No. 140) respecting the Grand Trunk Pacific Branch Lines Company.—Mr. Miller.

Bill (No. 141) respecting the Manitoba Radial Railway Company.—Mr. Molloy.

Bill (No. 144) for the relief of Charles Bowerbank Lowndes.—Mr. Wallace.

Bill (No. 142) to incorporate the Governing Council of the Salvation Army in Canada.—Hon. Mr. Sutherland.

Mr. FIELDING.

BUSINESS OF THE HOUSE—AGRICULTURE ESTIMATES.

Mr. GEO. TAYLOR. Before the Orders of the Day are called, I would like to inquire of the Minister of Agriculture when he purposes bringing down his estimates. I may say that there is a general complaint on this side of the House among those representing agricultural constituencies, that for the last two or three sessions these estimates have been left over until a very late period in the session, and last year they were brought in on Friday night when most of the members were out of the House. This is one of the most important departments in the interest of agriculture, and I think it very unfair that these estimates should be left over to be rushed through at the latter end of the session, without giving an opportunity to discuss them properly.

Mr. FISHER. I shall be most happy to give my hon. friend and his friends every opportunity they desire to discuss these estimates. I have not brought them down earlier, because the Experimental Farm report was only laid on the table a week ago, and I wished to give hon. gentlemen opposite time to consider it before taking up the estimates.

Mr. GEO. TAYLOR. If we expect to get through in a few weeks, they should be proceeded with at once.

Mr. FIELDING. You might have had them yesterday.

THE DUMPING CLAUSE.

Mr. J. A. CURRIE. I would ask the Finance Minister if he would be kind enough to lay on the table of the House copies and a statement of the orders of the Treasury Board in reference to the computations of prices on imports. The government sometimes allows imports under the dumping clause of the Customs Act to be admitted at 7½ or 5 per cent below the fair market price, and it requires a treasury order to do that.

Mr. FIELDING. I understand the hon. gentleman refers to the operation of the anti-dumping clause. I will endeavour to get the information for him.

PAYMENT OF SECRET COMMISSIONS.

Hon. A. B. AYLESWORTH (Minister of Justice) moved that an amendment made by the Senate to Bill (No. 31), to prevent the payment or acceptance of illicit or secret commissions and other like practices, be now read the second time and concurred in. He said: The amendment which has been made by the Senate will be found printed in the Votes and Proceedings for the 1st of April, at page 518. It consists simply in adding to the Bill a sub-paragraph. The

Bill as it passed this House consisted of a provision that every one was guilty of an offence and liable, upon conviction, to certain penalties who being an agent, did certain things, to which the Senate has added this paragraph:

Every person who is a party, or knowingly privy, to any offence under this Act shall be guilty of such offence, and shall be liable, upon conviction, to the punishment hereinbefore provided for by this section.

The general law, under a provision of the Criminal Code, is that every accessory before the fact is guilty as a principal. This amendment possibly goes a little further; that is a matter upon which I would hesitate to express any definite opinion. But if it does go any further than the general law, it is in a direction which I think will meet the approval of the House. It is simply providing that any person who is party or knowingly privy to the offence or offences which this Bill prohibits, shall be deemed to be equally guilty with the principal offender. I thought that there could be no objection to that clause being added to the Bill, and therefore I move the second reading.

Motion agreed to.

IMMIGRATION ACT AMENDMENT.

House resumed adjourned debate on the motion for the second reading of Bill (No. 17) respecting Immigration.

Mr. F. D. MONK (Jacques Cartier). I wish to say that we have been proceeding before the Immigration Committee with the examination of Mr. Scott, and his examination was postponed a few days ago until a later meeting of the committee. When the committee met, the day before yesterday, it was agreed by the committee that the chairman would see the Minister of the Interior and ask him to suspend the consideration of this Bill until we had concluded the examination of Mr. Scott, because much of that examination turned upon questions which are raised by the new legislation in this Bill. I do not know if the chairman of the committee has had occasion to communicate with my hon. friend the minister; but it seemed to be agreed by the committee that it would be proper to finish the examination of the Superintendent of Immigration before going on with this Bill.

Mr. OLIVER. I have no desire to force the Bill forward, but I have not heard from the chairman of the committee, as my hon. friend has mentioned. I do not know the conclusion reached by the committee. The Bill has been before the House for a long time, and I was naturally anxious to take the first opportunity of carrying it forward from the stage in which it now stands. If there is a reasonable objection to it being proceeded with at the present time, I will postpone its consideration. But as the hon. member for Leeds (Mr. Taylor) has remarked, the session is getting well advanced, the Bill is long, and I am anxious to get it forward.

Mr. BLAIN. I wish to endorse what my hon. friend from Jacques Cartier (Mr. Monk) has said. The hon. member for Oxford, who is chairman of the Agricultural Committee, promised to consult with the minister and to get his approval to allowing this Bill to stand until after the further examination of Mr. Scott. That was agreed and generally understood by the committee.

Mr. MONK. We were proceeding in the committee to examine the Superintendent of Immigration with regard to the expediency of examining immigrants on the other side before they embark for America. I have no desire to delay the Bill, but I think it would be well to know what Mr. Scott has to say upon that point.

Sir WILFRID LAURIER. Let the Bill stand.

GOVERNMENT HARBOURS AND PIERS.

Bill (No. 89) to amend the Government Harbour and Piers Act—Mr. Brodeur—read the second time and House went into committee thereon.

On section 1,

Mr. BRODEUR. The existing law provides that municipal councils may lease certain wharfs. It is proposed to give to the Governor in Council the right to lease wharfs to shipping and railway companies also. This Bill is framed on the same lines as the legislation now existing with regard to piers and breakwaters under the control of the Department of Public Works.

Mr. SPROULE. What control does the government keep over the rates to be charged on wharfs so leased?

Mr. BRODEUR. The rates will be the same as they are to-day in the case of wharfs leased to municipal councils. The main object of the Bill is to enable the department to commute the tolls in order to avoid the great difficulty of collection. We have a number of wharfs leased in this way to the Richelieu and Ontario Company, although I do not know that the leases are strictly legal; the arrangement is giving great satisfaction and I think we receive more revenue than from similar wharfs that are not leased.

Mr. SPROULE. Does the minister not think that this might lead to great injustice to some shipping companies which would be placed at the mercy of their competitors? Charges of that kind were made with reference to the Standard Oil Com-

pany in its dealings with other companies upon railroads owned by it. Is there any tribunal to which these rates may be submitted from time to time?

Mr. BRODEUR. We intend to take that power by the leases which will be granted under this Act.

Mr. SPROULE. Why not put it in the Act? If by accident, for instance, it should be omitted from the lease it would be most unfair.

Mr. BRODEUR. Care will of course be taken that that provision is put in the lease.

Mr. JOHN HAGGART. What increased powers are given in this Act over the powers given in the Act of 1906?

Mr. BRODEUR. There is no change in the first section from the Act of 1906, except that power is given to lease not only to municipal councils and provincial governments but also to shipping and railway companies.

Mr. J. A. CURRIE. I would make the following suggestions to the minister: That the wharfs or piers should be leased after public tender; that the leases should be given for a limited number of years and that the government should fix the tolls to be charged before calling for tenders. If the leases fell in after a number of years it might be possible to obtain a much higher rental for the second term owing to the development of business. I am not making these suggestions in any spirit of hostile criticism, as I think it is perhaps better to have the government lease a wharf than to maintain a staff and receive little or no revenue.

Mr. BRODEUR. Our object is to secure a larger revenue. My hon. friend is probably aware that we have many wharfs from which we derive practically no revenue. It is a matter of great difficulty to get any revenue at all from these wharfs under the present system by which the consignees of the goods are charged five cents, or ten cents, or fifteen cents, a package, and it often costs more to collect it, if you can collect it at all, than the debt is worth. The idea is to average the business done at each wharf during the past few years, and after having ascertained the amount of business done by each steamboat company using the wharf, to fix a rental for its use on that basis. I believe in this way we will get a revenue from these wharfs which it is impossible for us to get under the present arrangement. In the case of several wharfs in the lower St. Lawrence the Richelieu and Ontario Navigation Company has been authorized by order in council to commute the rates and the object of this Bill is to legalize that system and to extend it. Under the Bill we take the power to lease the wharfs as is done in the Public Works Department, and we also take power to commute the rates. Possibly the steamship companies may add the wharfage dues to the freight rates but whether or not the system will be more convenient to the public and to the department. My hon. friend (Mr. J. A. Currie) has suggested that we should lease these wharfs by tender and that might be a satisfactory system if there were several persons or companies who were competing for the same wharf, but in the great majority of cases I think only one company uses the wharf.

Mr. J. A. CURRIE. The charges on these wharfs are paid by the shippers and not by the carrying company, and there is nothing in the Bill which says that the tolls shall be fixed by the government. Neither is there anything in the Bill to prevent the lessee of the wharf excluding the general public or other steamship companies from the use of that wharf.

Mr. BRODEUR. It is not the intention to create a monoply.

Mr. J. A. CURRIE. It is well known that in many cases the steamship companies have wharfs of their own which they will not allow the public to use except on the payment of fees, so that the only relief outside steamers have is to tie up at the government wharf and discharge their cargo. Before this Bill is passed there should be provision made to take care that the public shall have the free use of government wharfs. It is quite true that a number of government wharfs do not pay any revenue, but it is also true that the only place certain steamers have to land their cargo is at the government wharfs as distinguished from privately owned wharfs.

Mr. BRODEUR. In any case, where more than one company would wish to use a government wharf, it would of course be stipulated as a condition of the lease that others should have the right to its use. It is not the intention to create a monopoly at all. As to the leasing of the wharfs I do not know whether we will take a great deal of advantage of this legislation or not, because, so far, I do not think there are four wharfs leased to municipal councils. I do not know whether there are two even. I know of one only. Perhaps there has been another one leased during the past year. But, so far, the provision has not been taken advantage of. So, it was thought that if we had the same legislation as they have in the Public Works Department, under the Public Works Act, we might induce some railway and shipping companies to take advantage of it. The part of the Bill to which we attach the greatest importance

is that which makes provision for a commutation of rates for a certain sum of money so as to avoid the necessity of undertaking to collect small sums of money from different individuals, an undertaking which is not always successful. I am under the impression that the Act will be taken advantage of by companies which may use those wharfs. We will make arrangements with three or four companies for the use of a wharf according to the volume of business they are doing at that wharf. There will be no monopoly. It will be an advantage to us not to have to collect these wharfage rates but to charge these companies a lump sum for the use of the wharfs.

Mr. WRIGHT. I would like to draw the minister's attention to the fact that in the building of some of these wharfs the government have monopolized the only approaches to them so that the general public have no method of getting into the towns and villages in which these wharfs are situated except over the property that the government have taken advantage of in the building of the wharfs. Consequently, any man coming to town to buy a few groceries or a bag of flour can only get his goods into his boat or conveyance over the property that the government have taken possession of. If this property is handed over to some steamboat company which would naturally like to cut out that means of transportation they could very easily prevent people from getting in or out of town by charging a toll which would be exorbitant. I think that in handling this matter the government ought to protect the people who would be affected in this way. There is only wharf accommodation to a limited extent and they should not be subjected to a toll in getting in or out of town with a small boat such as I have referred to. In many of these places there are little boats and tugs that are perhaps not controlled by any one particular company, and I do not think the full control of these wharfs should be handed over to any steamboat company. It would be in the interest of the government and of the public if these small wharfs—I am referring now more particularly to the small wharfs—were handed over to the municipal councils. You are taking the power to do that but at the same time you are taking the power to hand them over to steamboat companies.

Mr. BRODEUR. This provision has been in the law for many years but unfortunately it has not been taken advantage of by the municipal councils. I am informed there are two municipal councils which have taken advantage of it. This law has been in existence since 1886.

Mr. WRIGHT. I would draw the minister's attention to the fact that the Department of Public Works has only handed over a few of the wharfs to his department. Consequently there has been no opportunity for the municipal councils to assume control of these wharfs. In the riding which I represent three wharfs have been built, two in rather an important place and in the important places the Department of Public Works has kept control of them. Nobody is in charge of them, and everybody is using them as he likes. One of the unimportant wharfs has been handed over to the minister's department, a wharfinger has been appointed and he is exercising his sweet will and charging the general public whatever he likes to go over this wharf. There should be some control in a matter of this kind.

Mr. BRODEUR. Unfortunately, that legislation by which municipal councils can get possession of wharfs has been in existence for many years and no advantage has been taken of it except in two cases. It is probably because municipal councils are afraid of some burden being put upon them for keeping up these wharfs. If they took over these wharfs they would have to make some ordinary repairs to them. We propose to extend the provision to shipping and railway companies which would take advantage of it because they are more interested than the municipal councils. I do not know what effect it may have but it is in order to obtain a better administration of the wharfs than we have to-day that we are taking this step. As I said a few moments ago the main object is to get a commutation of rates so that we may charge the shipping companies who are using these wharfs a certain fixed sum of money instead of being obliged to collect the small wharf rates that are very difficult to collect. There are several wharfs which have been transferred to this department. It is proposed, after this legislation is passed, that all these wharfs shall be transferred and that active steps shall be taken to secure the good and proper administration of them.

Mr. HUGHES. I would like to ask the minister how it happens that the policy of the department is to get rid of these wharfs by leasing them to private individuals, corporations and councils on the one hand while on the other he is buying up wharfs, as for instance, at Oshawa, Bowmanville, Whitby and other places After buying these wharfs with the object of getting friends of the government out of a hole they are going to turn around and lease them to somebody else. Another point is that in many places, especially along the rivers and inland lakes, the wharf occupies the only available site in the town. It is the intention of the government to lease a wharf that costs a few

hundred or a few thousand dollars, to some individual and allow him to charge rates for traffic with the creation of which he had absolutely nothing to do? My hon. friend from Muskoka (Mr. Wright) has referred to the wharf at Bracebridge which occupies the only available point along the shore of the river.

Mr. BRODEUR. That is a private wharf.

Mr. HUGHES. The government assisted in building it. It was promised by the former Postmaster General as an election bribe some years ago.

Sir WILFRID LAURIER. Order.

Mr. HUGHES. Not at all; I want no order about it. He told the electors that if they returned a certain man they would assist them in the building of that wharf.

Sir WILFRID LAURIER. He is a judge of the land now and that makes it all the worse.

Mr. HUGHES. I hope this will bring him to his senses. He is a little off colour on the Dreadnought business and this may remind him of his duty.

Sir WILFRID LAURIER. Order, order.

Mr. HUGHES. I want the minister to look into this matter and, where wharfs are being let, to take particular pains to see that no monopoly shall be given to the man who occupies the wharf which is in the only possible place where a wharf can be located in the town.

Mr. SPROULE. I think there is the possibility of grave abuses growing up under this system. I can understand why there are not very many of these wharfs rented by municipalities as the government could desire. One reason is because they do not want to assume the responsibility for the damages in the event of injury. A portion may be swept away or other damages may be done for which they may be liable, and that is one reason they do not want it. Another reason is that it must be kept safe for use. That implies responsibility, the extent of which may be unknown, and therefore they are reluctant to assume it. But what seems to me of more interest is this. The minister speaks always of these corporations and wants to commute the rates and receive so much in a lump sum in return for the use of the wharf, and the lessees will have the right to fix the rates on every ton of freight that passes over the wharf. The individual gets a lease of that wharf at a given lump sum per year and then will charge as much as he can to the public for the use of it. If the government do not keep control over the rates and have the power to reduce them from time to time injustice will be done the public.

Mr. HUGHES. Another objection is the length of time for which a wharf may be rented. In the case of some towns, a wharf is of very little importance in early history, and might be leased for a very small figure, just as the water-power of the Cornwall canal was leased for 84 years; but as the town developed, the amount of freight passing over that wharf may increase very considerably and the lease be a very profitable speculation. Again, where one line sends large quantities over the wharf, it may be allowed a lower rate than the ordinary public who ship small quantities. Unless there be some safeguard in the Act itself to prevent the possibility of such abuses, the public may seriously suffer. Take for instance the case of the town of Thornbury, in connection with which I had something to do with getting the Act passed. They had to submit their schedule of rates to the inspection of the department. If it was reasonable, the department ratified it, but the municipality which had control could not make a charge until the rate was consented to by the government.

Mr. BRODEUR. It will be provided that the rates must be approved by order in council. You must not mix up the two things, the leasing of wharfs and the commutation of rates. In the first instance, if there be several companies,the wharf will not be leased, as that will not be necessary, but it would be in the interest of the revenue that we should say to the companies: 'You will pay us each a certain amount for the use of the wharf.' We will then not be obliged, as we are to-day, to collect those small amounts which it is almost impossible to collect.

Mr. SPROULE. Suppose a lumber company owns the wharf and the government commutes the rates, and the lumber company bring in their own lumber free over that wharf, the public may be obliged to pay 50 cents a 1,000 feet for any lumber they bring over it.

Mr. BRODEUR. They will not be in that position because we will know exactly the business they are doing before we lease the wharf, and under the law we can only lease it for a term of three years.

Mr. HUGHES. Who will keep the docks in repair, and what control will the government retain?

Mr. BRODEUR. The company which leases the wharf will make the ordinary repairs.

Mr. HUGHES. Will the government have an inspector to see that the docks are kept in proper repair.

Mr. BRODEUR. My idea is to have a wharfinger who will look after the docks

and will report on the way the business is carried on.

Mr. HUGHES. Why not have a provision in the lease requiring the lessee to keep the dock in repair subject to the inspection of the government?

Mr. BRODEUR. That is a good suggestion.

Mr. BLAIN. This is rather dangerous legislation. Looking over the total revenue from the wharfs of this country and comparing them with the enormous amount expended on these wharfs since this government has been in power, it seems to me that a considerable amount of carelessness is chargeable to some department. The minister has stated this afternoon, as he has frequently done on the estimates, that there is no revenue from certain wharfs because they have not been handed over by the Public Works Department to his department. There are cases where the Public Works Department has expended large amounts on wharfs which have not been handed over to the Marine and Fisheries Department, and from which there is no revenue to the country, although completed years ago. My hon. friend does not deny that. Well, if it is the policy of the government to spend large amounts on wharfs in the public interest, I am not going to complain, provided the money is well expended and the expenditure required in the public interest. No legislation should be passed that would allow the minister to lease these wharfs to any private individual or corporation. I believe the proper policy is for the government to own the wharf, to fix rates of toll and to appoint their own official to look after the business, thus placing everybody who wishes to use the wharf on the same footing. This Bill will allow the minister to select a friend—I am not speaking from a political standpoint—and give him the absolute power over any given wharf. It is true, the minister says the government will fix the rates. But if they fix the rates, why should not they appoint a wharfinger to collect those rates and let the money come into the public treasury? If this is not done, some one company will get control and will squeeze out other people who wish to do business at the wharf. This is already being done at some wharfs in eastern Canada that I could name. It is the public money that has been spent in these works, and the department go so far as to say that they will not expend a dollar of money upon a wharf that is not owned by the government. I would not complain of that if the government would only carry it out in every case—and I am free to say that they do not carry it out in every case. If it is the policy of the government to own these wharfs, to spend every dollar that is spent upon them in construction and repairs, why not appoint a public official to take charge and give everybody equal opportunities ?

Mr. A. K. MACLEAN. What case has the minister in mind in which he will be justified in leasing?

Mr. BRODEUR. The wharfs on the St. Lawrence and great lakes especially. We have been trying to lease these wharfs to municipalities, but so far we have not found the municipalities ready to take charge of them.

Mr. A. K. MACLEAN. And never will.

Mr. BRODEUR. But, though the municipalities are not ready to lease these wharfs, perhaps we can find steamship companies or railway companies that will do so. And the object of this legislation is to extend the existing power to lease to municipalities so as to authorize the lease to shipping or railway companies. Since 1886, we have had legislation authorizing the lease to municipalities or provincial governments, and, except in two cases, this legislation has not been availed of. If we lease to a private company, the department will be relieved of the necessity of looking after these wharfs as closely as it does to-day. My hon. friend from Peel (Mr. Blain) has drawn attention to the fact that we could continue the existing system——

Mr. BLAIN. I did not ask the government to continue the existing system, because it is a very bad one; it allows the Public Works Department to keep control of wharfs for many years instead of handing them over to the Marine and Fisheries Department.

Mr. BRODEUR. Even if handed over to the Marine and Fisheries Department, we might still be in the same position as we are in many cases to-day. In some cases we cannot get anybody to take charge of the wharfs, cannot get wharfingers, because we pay them only a percentage of the receipts.

Mr. LENNOX. Pay them what is right.

Mr. BRODEUR. We have no money provided in the estimates for that purpose, and so these wharfingers are paid by fees. But the amount collected is so small in many cases and the collection involves so much difficulty that we cannot find people to take these positions. The man who occupies the position of wharfinger is obliged practically to quarrel with all the persons in the locality. He has to ask them for small sums of money, it may be ten cents or it may be as much as a dollar, and it is always a great source of trouble for him. That is why we suggest the commutation of rates with shipping and railway companies, they to pay a certain amount and to receive the right to charge the rates which are charged to-day.

Mr. BLAIN. Does not the statement the hon. minister has just made suggest to him that his government have been expending large amounts of money in small places where the expenditure is absolutely unnecessary?

Mr. BRODEUR. It is not so much a question of expense, but because this is a very arduous job and it is very unpleasant for a man living in the locality to be obliged to collect these small sums from his neighbours. Many who have accepted the position of wharfinger have resigned.

Mr. A. K. MACLEAN. I think there can be no possible objection to clause 2 of this Bill, and I think it is absolutely necessary to have such a provision. As the minister tells us, it is much easier to collect an annual rental from a steamship company or an individual desiring to use the wharf than to collect tolls on an amount of freight landed on the wharf.

Mr. BLAIN. Does not the hon. gentleman (Mr. A. K. Maclean) see that some person will have to deal with the public? And is he prepared to state that it would be better to have a steamship company deal with the public in an arbitrary way——

Mr. A. K. MACLEAN. Under clause 2, the company will simply have the use of the wharf; it is not leased to them. But instead of paying a toll for each use made of the wharf they pay a fixed sum. They have no control over the wharf, and the arrangement with them does not affect the user of the wharf by other people. So I do not think there can be any possible objection to the second clause of the Bill.

Mr. GEO. TAYLOR. The hon. gentleman (Mr. A. K. Maclean) is astray. The minister proposes to give the steamship company the exclusive right to collect tolls.

Mr. A. K. MACLEAN. This second clause simply provides that any company or person may pay a fixed annual sum for the use of the wharf.

Mr. GEO. TAYLOR. And he collects the toll.

Mr. A. K. MACLEAN. It does not exclude other people from the use of the wharf.

Mr. GEO. TAYLOR. The company collects in place of the officer who is there now.

Mr. A. K. MACLEAN. No.

Mr. GEO. TAYLOR. That is the way the minister explained it.

Mr. A. K. MACLEAN. No, they pay a fixed sum for the use of the wharf. I do not see why there should be any opposition to this clause. There may be some cases in which it would be well for the department to have the power to lease the wharf, but still I would submit to the minister that such instances would be very few indeed, and that very great care should be exercised by the department in leasing a wharf. A word with regard to the remarks of the hon. member from Peel (Mr. Blain) as to the collection of tolls. There are many cases in which it is very difficult and a hardship to exact toll. The wharf may be erected at a place where there are but a few people, and yet the wharf may be a great necessity and may mean a great deal to the people of that place. It may be a great hardship even to exact tolls from them, and the public as a whole would be pleased to make the expenditure even though they have no hope of receiving revenue by way of tolls.

Mr. BLAIN. Would my hon. friend suggest how this change will improve that condition of affairs.

Mr. A. K. MACLEAN. I am not saying that it will improve it, it would operate in the direction which my hon. friend desires. I merely wish to say that the Department of Marine and Fisheries will find many cases where it will be difficult to exact tolls, and where the public will justify the department in giving free use of the wharf to the public.

Mr. BOYCE. The minister says there is no change in the principle with regard to leasing wharfs; but at the same time he says there is a change with regard to the classes of persons who may use these wharfs.

Mr. BRODEUR. The existing law is found in section 20, chapter 39 of the Revised Statutes, applied to the Department of Public Works, and which reads as follows:

> The minister may enter into arrangements with any provincial government, municipal council, or other local corporation or authority, or with any company in the provinces of Ontario or Quebec, incorporated for the purpose of constructing or holding the works mentioned in this section, or works of like nature in the same province, for the transfer to them of any of the public roads, harbours, rivers or river improvements, bridges or public buildings, whether within or without the limits of the local jurisdiction of such municipal council or other authorities, which it is found convenient to place under their management.
>
> 2. On the completion of such arrangements, the Governor in Council may grant and, by so granting, transfer and convey forever or for any term of years, all or any of such roads, harbours, rivers and river improvements, bridges or public buildings, to such provincial government, municipal council or other local authority or company, upon such terms and conditions as are agreed upon; and

the said governments, municipal councils or other local authorities may enter into such arrangements and may take and hold any works so transferred.

So here is a principle which has been embodied in our legislation for 25 or 30 years, but so far it has not been taken advantage of by the Public Works Department. As my hon. friend is aware, after a wharf is constructed it may be transferred to the Department of Marine and Fisheries to be administered. Then we have a law in our department which is to be found in the Revised Statutes, chap. 12, sec. 16, providing that we may lease these wharfs to municipal councils. In this case provincial governments are not mentioned. This legislation has never been taken advantage of except in two cases; no municipal council has been willing to lease and take charge of these wharfs. When the legislation was introduced in 1886 it was thought that municipal councils would be willing to take advantage of this legislation, but they have not done so. We are considering the policy of extending this privilege to some other persons who probably would take more interest in the administration of these wharfs, and we thought that shipping companies and railway companies might do so if we introduced into the Act the same provision that exists with regard to the Public Works Department. That is the reason why we are extending this legislation, that is why we are asking power to lease, not only to municipal councils, but also to shipping and railway companies. Perhaps they will not take advantage of it; but it may be that some public body will take advantage of this legislation if they are allowed to do so.

Mr. BOYCE. Now the minister has made it clear. This is not an extension of the same principle, but it is an entire alteration of the principle with regard to dealing with such piers and wharfs as are handed over to the Department of Marine and Fisheries. The minister will see there is a vast difference between leasing a wharf to a provincial government, thereby putting that wharf within the control of a government for the benefit of all the people, and giving the minister power to put that wharf under the jurisdiction of a steamboat, or a railway company, or a private individual. It is rather a dangerous invasion of a public right which is given under the old section, and one which I think, as the hon. member for Lunenburg (Mr. Maclean) says, should be exercised with extreme caution. My hon. friend says he proposes to apply this to wharfs on the great lakes. I am particularly interested there. My hon. friend will see that if he applies that principle to wharfs on the great lakes as he does to any other part of Canada, it would be liable to grave abuses, particularly where there are few transportation companies, and these are operating where traffic is small and where distances are great. Where possibly a transportation company may be the only large corporation using a wharf, the power may be open to serious abuses. Once give a steamboat or a railway corporation, or a person, any vested rights, any exclusive rights, subject to whatever conditions or restrictions the minister may see fit to impose, and he thereby excludes to some extent the rights that the general public enjoyed. For instance, let the minister give to a local steamboat company along the shores of Lake Superior, or along the rivers, the exclusive privilege by lease of a pier, and that steamboat company will at once begin to dictate terms to the public, will begin to act in a drastic and sometimes tyrannical manner towards the public, and subject the public to serious inconveniences which may not come to the notice of the minister for a considerable time. I do not see any necessity for departing from the principle which was laid down in 1886, and which is referred to by my hon. friend from Peel (Mr. Blain). Let these wharfs be public utilities, let the public have equal rights with respect to them; let John Jones have the same rights to a wharf as a steamboat company or a railway company, and do not let it be possible, if John Jones wishes to use that wharf for his little traffic, for him to run foul of a steamboat company, or a transportation company, or some person, whose business is served by that wharf, and be told forsooth that they have a lease in that wharf from the Minister of Marine and Fisheries. It would involve a great deal of correspondence with Ottawa, from a long distance, before the matter could be set right by the minister. There is a danger in the extent of power which is granted to the minister.

Another thing occurs to me. There are appropriations for new wharfs on Lake Superior, and is it not competent, under the first part of section 16, for the Department of Public Works to make appropriations for the building of government wharfs and piers in places where they would substantially serve the interest of only one individual, or one corporation trading in the vicinity, such as a lumber firm, or a merchant carrying on extensive business in the vicinity. When a wharf is erected and paid for by the government it may then be leased to a lumber or transportation company or a private merchant, say for 20 years, at such rental and under such terms and conditions as the minister sees fit to impose so that no monopoly of that wharf may be given to the detriment of the people of the district.

I simply wish to point out the dangers of abuse under the proposed legislation.

Mr. LENNOX. Do we collect tolls from all government wharfs or are there some from which we collect no tolls?

Mr. BRODEUR. There have been transferred from the Department of Public Works to the Department of Marine and Fisheries 416 wharfs and we have been collecting revenue from 224 of these. In some cases we cannot get a man to act as wharfinger as his duties may involve him in difficulties with his neighbours. That of course is generally in small places where there is little business.

Mr. J. A. CURRIE. How about the wharfs on the Great Lakes?

Mr. BRODEUR. They are the best we have, we have the least trouble with them.

Mr. LENNOX. Where the revenue is so small that you cannot get a wharfinger, I would suggest that it would be better to make the wharf entirely free for the benefit of the people in the district. Do not let us go into this partnership business with companies and individuals in regard to the building of wharfs.

Mr. BRODEUR. We will draw the line.

Mr. LENNOX. I would draw the line more strictly than the government has been drawing it in reference to the building of wharfs. Wharfs have been built at many places where they are not needed and I would suggest that in these places too where the revenue is only $25 or $50 a year, the wharfs should be made free. There are many of these unnecessary wharfs and whatever benefit there is to be obtained from them should go to the public and not to the middleman, the intermediary, the friend of the government. The minister speaks as if this Bill were simply enlarging the scope of section 16 of chapter 112 of the Harbours and Piers Act, extending a system that has been in vogue for many years. As a matter of fact we are adopting an entirely new principle. The original Act provides that where the annual receipts from any wharf for the three years previous have not exceeded $100 the minister may lease the wharf to the municipality within which it is situated, for a term not exceeding three years. The proposed amendment permits the Governor in Council to lease any wharf, whether the lease be $100 or $10,000 for any length of time to any company or person under any conditions they see fit to impose and they need not make any provision as to whether the public shall or shall not be accommodated or whether the tolls shall be reasonable. The government is not bound to do that, because under section 2, before the matter goes to council, the minister has the alternative of entering into an agreement, in cases where there is not sufficient revenue to support a wharfinger, to divide the revenue with the company or person to whom the wharf is leased. The minister may divide that little pittance and he may say to the company: I will commute the rates with you and there shall be an amount payable yearly by you and we shall have to engage a wharfinger annually as to the balance. I am entirely opposed to anything of this kind. I am speaking of it more because there is a principle involved. If we build railways and pay for them let us control them; if we build canals and the people pay for them let the people have them; if we build a transcontinental railway and the people dip down into their pockets and provide all the funds it is unfair that the company should reap the reward. This is just a means of having a certain amount of truckery that we don't want. If the people supply the money to build these wharfs let the people have the accommodation they afford. If a wharf is not necessary do not build it, but if you do build it let it be used in the public interest and not in the interest of middlemen and hangers on, which would be the result of this legislation. This will result in a large army of people coming and pestering the ministers and members to build more wharfs. Lumber companies that have timber away back in the interior which they cannot get out will want the government to build wharfs for them.

Mr. PORTER. As in the Grande Vallée case.

Mr. LENNOX. Grande Vallée is one of them and there are others. They will get the government to build a wharf on the understanding that as soon as it is built it shall be controlled by them for a nominal rental, and the public shall have the pleasure of paying, and the private company shall have the pleasure of getting all the benefit.

Mr. SMYTH. I wish to point out another danger that must occur if the government wharfs are handed over to private individuals. My riding borders on one of the great lakes and even at present while the wharfs are under the control of the government we have this difficulty: That a vessel is lying at a particular point in the wharf and occupying a particular space, and for reasons of their own they do not want to move her far enough in or far enough out to allow another vessel to lie at that side of the wharf where it would have protection from storms. I have seen the government wharfingers having to throw the lines off a boat and let her go adrift if they refuse to move her up or

down. If that wharf were controlled by the owners of the vessel that was lying there you could see what difficulty the owner of another vessel would have in getting his vessel to the wharf. That is a danger you have to take into account in leasing these wharfs to private individuals. Then again, a lumber company could so pile up that wharf with lumber and keep it there for storage all summer that the public would be greatly hampered in the general use of that wharf. I know something about these difficulties because I have been up against them myself, and I hope the minister will not hand the wharfs over to private individuals.

Mr. BRODEUR. After hearing what has been said by hon. gentlemen opposite I think we should not go the length of giving private individuals the right to lease these wharfs. It would probably bring more trouble on the department than it has now, and I would be willing to strike out the provision about leasing to private individuals.

Mr. SMYTH. And to companies as well.

Mr. BRODEUR. The transportation companies are in a different position because they are serving the public. On Lake Erie, the Canadian Pacific Railway has the exclusive use of a wharf and I think it should be leased to them for the special purpose they use it for. In the same way the Grand Trunk has a wharf at Parry Sound which is used by them exclusively.

Mr. J. A. CURRIE. You would not have to pay a wharfinger in that case at all.

Mr. BRODEUR. Oh, yes, we will require wharfingers.

Mr. PERLEY. There is no provision in the Bill giving the Railway Commission or any other body supervision of the tolls which may be charged by railway companies on these wharfs.

Mr. BRODEUR. One of the conditions of the lease would be that they should charge the rates provided by the order in council.

Mr. PERLEY. But under this section, as I read it, the department would have the right to build a new wharf and lease it to a steamship company or a railway company without any provision for maintaining the rights of the general public.

Mr. BRODEUR. That is not the intention. In cases in which we have leased wharfs to the municipal councils they have been required to charge the same rates as were charged by the public wharfs under the control of the department. It is intended to continue that system.

Mr. GEORGE TAYLOR. The Department of Public Works controls a certain number of wharfs and the Department of Marine and Fisheries controls others, and let me suggest that all the wharfs should be transferred to the Marine Department. Then, the Minister of Marine should make out a statement by next session of parliament of the total number of wharfs owned by the government, and if there are special ones which he wants to lease to certain companies let him bring down a Bill empowering him to do so. I fancy he has not studied those as thoroughly as he ought to have done because he now offers to withdraw a portion of it. Let him come down and place a statement of all the wharfs the government owns before the House. Then let him propose legislation dealing with a certain number that the government ought to lease to steamship and railway companies and make regulations governing the whole of the balance as to what the rates shall be, defining those that will be under wharfingers and those that the government will allow to be used free of rates by the public. It would be better to come to a business arrangement with regard to the whole system of wharfs and introduce new legislation with regard to all the wharfs owned by the country. I think that would be a better plan than perhaps getting us into trouble by passing this legislation now when neither side of the House thoroughly understands it.

Mr. BRODEUR. I do not think there would be any trouble, because, as far as the wharfs which are to-day under the control of the Department of Public Works are concerned, legislation similar to this has been in existence and has not been taken advantage of. However, in view of the suggestion which has been made by the hon. member for Simcoe (Mr. Lennox), and the hon. member for Algoma (Mr. Boyce), I think we might make a modification in this Bill. Perhaps some abuses would be created if we were given power to lease to private persons. Lumber companies have been referred to, and perhaps these companies would like to have the power to lease these wharfs. Possibly that should not be done. I am willing that they should not have the power to lease these wharfs notwithstanding the fact that this power has been in existence under the Public Works Act and that no abuses seem to have resulted from it. But in view of the discussion which has taken place, I realize that some abuses might occur. This is an experiment in order to meet the situation which exists to-day. To-day the situation with regard to these wharfs is far from being satisfactory. We have legislation in the Department of Marine and Fisheries providing that these wharfs should be leased to municipal councils, but it has not resulted as we had ex-

pected it would. This clause has been on the statute-book for twenty-three years and it has not been taken advantage of except in two cases. Now, we are proposing to extend this power to shipping and railway companies and also to private individuals. But, in view of the discussion which has taken place we might drop out the portion which concerns private persons and confine it to municipal councils, harbour commissioners, shipping and railway companies. I am sure that with the conditions that are put into this law there will be no abuses in so far as the public are concerned, and it will give the department a better means of administering these wharfs.

Mr. GEO. TAYLOR. Let me tell the minister what happened in our town. We had two or three private wharfs. A railway company acquired control of them and nobody could land at the town without going over the railway property. They, of course, charged for every trunk and everything else that passed over these wharfs, and the result was that in order to satisfy the requirements of the people the town itself had to spend $2,000 or $3,000 to build a public wharf. They have that wharf now free to the citizens of the town. That might happen in a number of towns where my hon. friend would rent wharfs to shipping or railway companies. They might collect wharf rates where people have been in the habit of using the government property at lower rates or practically free. The railway and shipping companies will not allow this. I think it would be better for the minister to look into the whole question of the wharfs controlled by the Public Works Department and his own department, ascertain which of these wharfs can be properly leased to railway and shipping companies and then let the government lay down a tariff that they cannot exceed.

Mr. BRODEUR. That is what is to be done.

Mr. GEO. TAYLOR. No, this does not make provision for that.

Mr. BRODEUR. In case of a wharf being leased it will be provided that they will not be able to charge more than the order in council allows. The company leasing the wharf will have the administration of it and they will probably relieve the department of the repairs which appertain to it.

Mr. A. K. MACLEAN. Why would not the second clause meet the case of railway and steamship companies?

Mr. WRIGHT. I think the clause giving power to the minister to lease to railway and shipping companies is a most dangerous clause. The public might be affected very injuriously by the power which would be conferred upon a steamboat company to charge exorbitant rates as against any other steamboat company using that wharf. I think that provision ought to be made, if you are going to lease a wharf to a steamboat company, that other companies shall have equal powers to utilize that wharf. I think there should be no charge for all small shipping as against farmers and others who may have occasion to go over a leased wharf. If there is no limitation of this kind it will shut them out from using a leased wharf when they desire to go to the town to do their shopping or attend to their business. These people have to get over the wharf some way, and the steamboat company which has a lease from the government will be able to charge them a toll which may be prohibitive. I would like to ask the minister a question with regard to the present condition of affairs. Do the wharfingers have to submit the toll charged to the minister for his approval?

Mr. BRODEUR. Orders in council have been passed at different times giving the rates which are to be charged on these wharfs. My hon. friend speaks of the danger of a company charging exorbitant rates for the use of a wharf by other persons. There is no danger because it has always been provided in the law and it is the intention to provide in this law that they shall not have the right to charge anything more than the rates provided for in the order in council. Everybody will always be on the same footing.

Mr. WRIGHT. I see very great danger in handing over the exclusive control of a wharf to any individual or steamship company. They can go up to a wharf, transfer their goods over it and shut out every other man. Even if another company had a right to the wharf under a lease it would be almost impossible to enforce that right. I have seen these wharfs built by the government and supposed to be under the control of the Public Works Department, utilized by a single steamboat company to the detriment of all others. I have even seen them used for the piling of a hundred cords of wood which may be allowed to remain there for weeks and months and the people have to go around and land as best they can on the river frontage. I do not think a steamboat company should have any lease that would give them greater power than any other company or individual.

Mr. BRODEUR. In a case where there is only one shipping company that goes to a wharf it would be advantageous to have it leased to that company in order that the company might look after the wharf.

Mr. WRIGHT. In all the northern waters there are gasoline launches, canoes, row-boats, and lumbermen's boats, and craft of all kinds, which might not be described as steamboats, and which might be put in the unenviable position of being

refused landing facilities by the steamboat company in charge of the wharf.

Mr. BRODEUR. It could not do that.

Mr. A. K. MACLEAN. I agree to some extent with hon. gentlemen in their opinion against the policy of leasing wharfs, and I do not see why the second clause does not give the department ample power to deal with any case such as that described by the minister in connection with the Canadian Pacific Railway or the Grand Trunk Railway. If the Governor in Council is to be given power under clause 16, there should be some amendment to that Bill in order that the public rights be more amply protected. There should be some terms and conditions defined. I suggest that the hon. minister, after the discussion we have had this afternoon, should let the Bill stand over in order that some amendment may be devised to clause 16. It is rather difficult to draft one off-hand.

Mr. BRODEUR. I have no objection to having the Bill stand in order to see whether an amendment might not be drafted to protect the public against any possible danger. Our intention is not to give any undue privilege to anybody, but simply to obtain the power to better administer the wharfs under our control.

Mr. BRADBURY. I would call attention to the fact that the proposition may be very serious to Manitoba. We have in Selkirk a wharf with about 2,000 feet frontage, and if it be possible to lease that to one shipping company, a dangerous monopoly might be created. Under the present arrangement, there is one company, which has a large business in lumber and fish, which practically monopolizes the wharf to-day. There is so much lumber piled on it at times, that it is almost impossible to walk down the docks. I do not know whether it has been passed over to the Marine Department or not.

Mr. BRODEUR. I do not see it in my list.

Mr. BRADBURY. There is the trouble. I presume it is under the control of the Public Works Department, and the public have no recourse against the inconvenience from which they are suffering.

Mr. J. A. CURRIE. There is no mention of it at all in the public accounts.

Mr BLAIN I presume we get no revenue from it at all. If this Bill becomes law, there are two or three companies doing a large business at this wharf and the minister will be compelled to make a selection among them.

Mr. BRODEUR. No, my intention is simply to provide for places where there is no competition, and where consequently no one company can be given preference to the detriment of another. In cases where there is only one company, it would be an improvement to give that company a lease under the control of the department and on the condition specified in the lease.

Mr. BLAIN. Would not that be creating a monopoly?

Mr. BRODEUR. No, because there would be only one company. Where there are two or three companies, there would be no necessity to exercise the power given by that Bill.

Mr. BRADBURY. Who controls the wharf at Selkirk? There is a wharfinger there who is paid some $300 a year. Is he paid by the government or the steamboat men?

Mr. BRODEUR. I do not know about that. That wharf is not on my list.

Mr. BRADBURY. There is nothing in the blue-book to indicate who pays this man.

Mr. BRODEUR. I do not know about this wharf. I will make inquiries.

Mr. J. A. CURRIE. So far as the records show, there is no wharf there at all—no account of it in either the Public Works or the Marine Department. Money was voted to build a wharf there, but there is no revenue, no wharfinger appointed, no further record of it. It may be like the armouries in Toronto—nobody seems to know who owns them or what department holds them. The Public Works Department seems to get a certain distance with these works, and even to finish them, but without turning them over to any department to take charge of them. There is no account of any revenue from the wharf at Selkirk. I approve of the proposal of the minister to have these wharfs taken over and administered by his department. It should have been done long ago. As to the matter of tolls, in case of a lease, to prevent exorbitant rates, could not the matter be left to the Railway Commission to deal with on complaint of parties who feel aggrieved? Other things of this kind are left to the Railway Board, and perhaps this suggestion may meet with the approval of the minister.

Mr. BRODEUR. In the case of a railway it might be done, but not in the others. These rates are fixed by the Governor in Council.

Mr. CURRIE. I was suggesting to the minister that if a man leased a wharf he might be permitted to make his own

schedule, subject to the control of the Railway Commission.

Mr. BRODEUR. The rates would be fixed by the order in council.

Mr. LENNOX. We have lost two hours over a Bill which might have been put through in half an hour if proper preparation had been made. The minister tells us that this is an experiment. We do not want experiments. This matter had not come under public attention, but now that it has come before the House a certain amount of attention has been drawn to it. Bills have often been introduced in this House and allowed to stand over for a year. If that were done in the present case, no harm would result and good would be done. I can well understand that the minister wants to get the power he is asking for. But first let him get control of all the wharfs. Between now and next session let him take an inventory and let his officers report as to every wharf. Then next session let him bring down to parliament the information that parliament has a right to have, that members may know what they are doing. Then let the minister bring down, not a statute such as this, which is virtually a direction to the government to do whatever they like in the matter, but a statute which embodies the main conditions under which these wharfs should be dealt with. As to the lease, let us have not a mere promise, vague and unwritten, but the necessary conditions of the lease, so that in this statute, as in other statutes, the terms upon which this public property is to be handed over should be known and understood. Among other things, that the rights of the public may be safeguarded let it be provided that after the wharf is under the control of any lessee all persons should have the right to use it upon reasonable specified terms. With this before us we can put through a statute in half an hour, and do it intelligently, and do it in a way to respond to the duties we owe to our people. As it is now, we cannot do that. I ask the minister to let this stand over until next session. None of these wharfs will run away—of course, some of them may be swept away—in the meantime——

Mr. J. A. CURRIE. Business will not stand still. If the minister is seized of the situation, he can bring down amendments to the Bill this session.

Mr. BRODEUR. After the discussion I can realize what my hon. friend (Mr. Lennox) is asking.

Mr. LENNOX. I do not agree with the hon. member for North Simcoe (Mr. J. A. Currie). I think that hasty legislation is worse than no legislation. The law now on the statute-book has been there unchanged for twenty-five years, as I understand it. No great harm will be done by waiting another year. The minister, if necessary, can make temporary arrangements with parties in the meantime.

Mr. BRODEUR. I have no power.

Mr. LENNOX. Ministers often do things they have no power to do. It can be done all right. I appeal to the minister, in the interests of the public to let the matter stand. It will go to the public, and their attention will be attracted to it. Next session we can have before us a great deal of information which we have not now. I venture the opinion that very few members have any instructions from their constituents in regard to the matter. The public generally do not know there is such a Bill before the House. But, with the information that we ought to have, next session we can put through a good Bill and do it quickly.

Progress reported.

DEPARTMENT OF EXTERNAL AFFAIRS.

Bill (No. 90) to create a Department of External Affairs.—Mr. Murphy—read the second time, and House went into committee thereon.

Mr. J. A. CURRIE. I understand that the hon. leader of the opposition (Mr. R. L. Borden) wished to speak on this Bill when it came before the House.

Sir WILFRID LAURIER. I was not aware of that, but if it is desired, we can postpone the consideration of it.

Mr. J. A. CURRIE. I understood the leader of the opposition to say that he would have something to say about it when it came up.

Mr. GEO. TAYLOR. The hon. gentleman (Mr. R. L. Borden) will be here after dinner, and the Bill might stand over until then.

Progress reported.

CANADA—FRANCE STEAMSHIP SERVICE.

House went into committee to consider the following proposed resolution:

That it is expedient to authorize the Governor in Council to enter into a contract or contracts for a term not exceeding ten years with any individual or company, for the performance of a steamship service between a port or ports in Canada and a French port or ports, on such terms and conditions as the Governor in Council deems expedient, and to grant therefor a subsidy not exceeding two hundred thousand dollars a year, based upon a minimum service of fifteen round voyages a year, and a subsidy therefor not exceeding one hundred thousand dollars, and so in

proportion for a more frequent service.—Mr. Brodeur.

Mr. LENNOX. Would the minister explain how these two sums work out? There is first a subsidy of $200,000 a year, based, as I understand it upon fifteen round voyages.

Hon. L. P. BRODEUR (Minister of Marine and Fisheries). If my hon friend (Mr. Lennox) will permit me, I will explain it. Last year we passed legislation of the same character as this; but this year, instead of taking power to make only one contract, we take power to make one or several contracts. Last year legislation was passed for the purpose of enabling the Governor in Council to pay a subsidy to the Allen Line, which is doing the service between France and Canada, and it was contended that the fact that we had made a contract for only one year precluded the government from making another contract. We did not intend to make a contract for a long period, in view of the fact that we did not know whether the French parliament would ratify the treaty. But now that the treaty has been passed by the Senate, who were formerly objecting to it, we expect it will come into force very soon. We therefore take power this year, not only to make a contract for the present year, but to make a contract for a period not exceeding ten years. Then, whereas we provided by statute last year a sum of $5,555 for each trip, this year we propose to improve the service, and for that purpose to give a mimimum sum of $6,666.66 per trip. Those are the two changes made; first, we take power to renew the contract at discretion, instead of being obliged to come to parliament next year for new authority; and in the second place, instead of giving $5,500 a year, we propose to give $6,600.

Mr. LENNOX. On that basis, for 15 trips, it will be in all $200,000?

Mr. BRODEUR. Yes.

Mr. SPROULE. I do not notice anything about the size of the boats, or their capacity, or the tonnage. Should there not be provision that the boats shall be of a certain tonnage, and some guarantee of the quality of the service?

Mr. BRODEUR. The conditions my hon. friend mentions have never been heretofore put in the Bill. It is provided however, that instead of having a 10 knot service as at present, we will have a 12 knot service.

Mr. SPROULE. You think it is unnecessary to specify any minimum of tonnage for the boats?

Mr. BRODEUR. That is provided for in the contract. The hon. gentleman will find the conditions of the contract in the report of the Trade and Commerce Department.

Mr. WRIGHT. I presume the purpose is to promote trade between France and Canada as a consequence of the present French treaty. Could the minister tell us if France is giving a like amount, or what amount is she giving on her part to promote commerce between the two countries.

Mr. BRODEUR. The French government proceeds in a different manner from ours, it encourages shipping from its ports by the payment of a certain sum of money to vessels plying to other ports. In Canada we subsidize a mail service between different countries and our own, but in France they subsidize the boats themselves. I am told, however, but not officially, that perhaps the French government will put on a line of their own between Canada and France.

Mr. HENDERSON. I assume the object of this subsidy is to promote trade between France and Canada. We wish to find better markets in other countries for the products of the Canadian farms and industries. I notice that the difference between our exports to France and our imports from France last year is very great. If we are going to derive no greater trade advantage than we have done in the past, it seems to me that we are paying a very large sum of money for something that is not of great value. I notice, in the answer made by the Minister of Customs to a question of the hon. member for North Toronto, that for the year ending 31st March, 1908, our imports from France totalled $10,251,717, while our exports amounted to only $1,806,732. Now, it does seem to me that we are simply providing a means of furnishing a market in Canada for the people of France, instead of doing what I think we ought to do, trying to find a market in France for the products of Canada. If there is to be no great advantage by reason of the French treaty—and I must confess that I have very little faith that we are going to derive any material advantage, even if we get the minimum tariff of France—if we are not going to change the relative difference between imports and exports very much, Canada is certainly paying a very high price for the privilege of trading with France. We are practically paying $200,000 a year to enable France to come into our markets to the extent of $10,251,717, while all the advantage we get in return is that we are able to send to France $1,806,732. I think the aim of the government should be to find new markets for Canada, instead of continuing the policy of finding new markets in Canada for every other country in the world. I think the

government has absolutely failed in carrying out the promises that were made to us many years ago, that they were going to find new markets for Canada. We have heard a great deal about the sixty million market in the United States, but practically the promise made in that respect has never materialized. We heard a good deal about the Japanese treaty; I am not aware that we have secured, for the products of the soil at any rate, any advantage from that treaty, although we have given to Japan very material advantages in our markets. The same in regard to the French treaty. Whilst we permit the people of France to trade with us on certain terms under this French treaty, we extend the same terms to some twelve or thirteen other countries from which we receive no concessions. We should think seriously before we throw away $200,000 a year for such a very small advantage to Canada. I think we are paying very dear for the privilege of trading with the French republic. Surely the government must have some assurance that our market in France is going to be very materially increased before they would feel warranted in asking parliament to pay out $200,000 a year for such a trifling advantage. I have not looked at the schedules of the French treaty during the past year, but my recollection is that there is very little in those schedules that will inure to the benefit of Canada or enable us to get into their markets on favourable terms. Their tariff is so high that I do not think we would be able to get over it, and I certainly hesitate to support a resolution to give away $200,000 a year largely for the purpose of finding a market for French products in Canada. It is easy to throw open our doors and ask people to come and trade with us, but surely the policy of the government should be rather to find markets for Canadian products than to open the Canadian market to the goods of every other country. We have a British preference now which provides a market in Canada for the products of Great Britain and nothing was ever done by the government to assist us in getting a better entry into the British market. The Minister of Agriculture even failed to secure the removal of the embargo on cattle, which would have been a tremendous boon to the people of Canada. I doubt if the minister will be able to do anything along that line owing to the stand he and other members of the government, especially the Prime Minister, have taken in educating the people of Great Britain to believe that we do not want anything in return for the preference.

It looks to me almost as if we were making a free gift to France. Are we to pay $200,000 a year to enable us to give them that gift absolutely free? Not only are we going to open our doors to them and furnish a market for their products, but we are practically going to pay the transportation charges on their products into our country. What material advantage is that to the people of Canada? Even suppose we do get wine a few cents a gallon cheaper, we have the grapes in this country and we could manufacture the light wines in sufficient quantities for our own use. There may be a few items like silk which are put down at a low rate of duty, so that we could get them more cheaply. But silks are not very expensive in Canada and the people of Canada could afford to buy them on the ordinary terms. I do not think it would pay us to give a bounty of $200,000 a year in order to get silk and wines and a few other articles cheaper from France than we have been getting them. I cannot see my way to support this resolution. I think we are paying too much for the whistle, and I hope the minister will have some explanation to give to us which will show that there will be an advantage to Canada commensurate with the large amount of money we are paying. In ten years this subsidy would amount to $2,000,000, a very considerable sum. We talk about millions now as though they did not amount to anything, but we have to provide a great many millions in order to carry on our government and we must be careful of our millions because when they are multiplied by tens they become a serious charge. I hope the minister, before pressing this resolution, will be able to show us that we are going to get something in return for the large amount we are called upon to pay out.

Mr. BRODEUR. If the government did not think that this resolution would improve the commercial relations between Canada and France, we would certainly not have introduced it. This is not a new policy, it has been in existence for many years. The first legislation subsidizing a line of steamships between Canada and France was passed in 1884. The Act of that year provided for a weekly service between Canada and Great Britain, calling at a French port, and offered a subsidy of $500,000. In 1894 another statute was passed increasing that subsidy to $750,000. In 1896 provision was made for a weekly service with a subsidy of $750,000 and a section was added providing for a five-years' contract, and a fortnightly service between Canada, France and Belgium at a yearly subsidy of $50,000. This was increased to $100,000 in 1901. Nothing was done even under this offer of $100,000 until a few years after this subsidy had been on the statute book. At last the Allan line agreed to undertake that service and for some years past they have been performing it.

Mr. ARMSTRONG. They were doing it previously for $100,000 a year.

Mr. BRODEUR. Yes, but they were giving only a tri-weekly service with slow

boats, and the proposal now is, to increase the payment for each trip from $5,500 to $6,600.

Mr. T. CHISHOLM. Is the French government aiding in this subsidy ?

Mr. BRODEUR. The policy of the French government is to subsidize the construction of the steamers, but they have no subsidy similar to that which we pay in Canada. Some years ago there was informal negotiation with a view of the French government contributing to this subsidy but the question came up as to under what flag the ships should sail and it was found impossible to reach an agreement. My hon. friend (Mr. Henderson) has spoken of the trade between Canada and France, and I might point out that the treaty of 1893 included but a very few articles which were subject to the French minimum tariff.

Mr. DANIEL. What ports will be served by this line ?

Mr. BRODEUR. Quebec and Montreal in summer, and St. John in winter.

Mr. DANIEL. What ports on the other side ?

Mr. BRODEUR. Havre. Under the treaty of 1897 with France, a very long list of Canadian goods will be allowed into France under the minimum tariff, and in return we have given to some 80 articles of French production the benefit of the intermediate tariff. My hon. friend (Mr. Henderson) is not sure that we will derive any benefit from the French treaty but I hold a contrary opinion. In view of the fact that before the treaty of 1907 Canadian goods generally had to pay the very high maximum tariff and came into competition with goods from countries contiguous to France which paid only the minimum tariff, it was impossible for us to do any extensive trade with France. It is natural to expect, now that Canadian goods have the benefit of the minimum tariff, that there will be a large development of Canadian trade with France. Indeed, since the establishment of this steamship line, and notwithstanding all the difficulties that had to be encountered in the past, we have increased our trade to some extent. There are many commodities which we might export to France with profit. There are some other articles of fish that we could export to France. Now we are having the benefit of the minimum tariff on our fish we may also expect to sell more of that product in France.

Mr. HENDERSON. How much lower is the rate on lobsters than was the rate under the tariff of 1893?

Mr. BRODEUR. It is the same.

Mr. HENDERSON. Well then we do not expect to get any advantage.

Mr. BRODEUR. No, but I was telling my hon. friend that under the treaty of 1893 we have been exporting lobsters there and we may expect, when we are enjoying the minimum tariff, not only on that article but also on 150 other articles, that the development of trade which has taken place in regard to that specific article will also occur with respect to the other articles which are mentioned in the treaty.

Mr. HUGHES. Could the minister tell us the value of the lobsters shipped to France ?

Mr. BRODEUR. $500,000 or $600,000 worth, if not more.

Mr. DANIEL. Over $600,000 worth.

Mr. BRODEUR. I think perhaps it is over $600,000 worth.

Mr. HENDERSON. Then that would be about one-third of the whole shipment to France.

Mr. BRODEUR. Precisely, but my hon. friend has not caught the argument that I am trying to make. I say that we have been able, due to the fact that we have a minimum tariff on this article, to develop a large trade with France. Now, we have the minimum tariff not only on this article but on 150 other articles which we are producing in this country. Take, for instance, cheese, butter and other products of the farm.

Mr. S. SHARPE. What is the tariff on cheese and butter ?

Mr. BRODEUR. On cheese, 25 francs maximum and 12 and 15 francs minimum. The tariff on butter is 20 francs minimum and 30 francs maximum. It was absolutely impossible for us to compete with regard to butter or cheese with Denmark which is enjoying the benefit of the minimum tariff.

Mr. BLAIN. I would like the minister to state whether the government have made any calculation as to the quantity of farm products that we may expect in the coming years to export from Canada to France under the new treaty?

Mr. BRODEUR. I do not know whether any calculations have been made by the Department of Finance or not. I have not got them under my hand, but I may mention a case which was brought to my notice when I was in France two years ago in connection with this treaty showing the great advantage it would be to us to enjoy the benefit of the minimum tariff. It has reference to the export of hams. I got this information from a gentleman who had been importing from Canada to France. He told me that at one time he was doing a very fine business with France because there was only one duty. Ham was not enjoying any minimum tariff so that

we were in the same position as competing European countries which are neighbours of France. He told me that in 1903, I think, they changed their tariff in France and put on hams a maximum and minimum tariff. The result was that the countries which had treaties with France, like Austria, Russia, Germany, Switzerland, Denmark, Sweden, Norway, Spain and Italy, could export their ham at the minimum rate while we had to pay the maximum rate. This business was lost to the Canadians and this firm which had established a very fine business between France and Canada was obliged to cease business in that line. What is the situation under the new treaty? Under the new treaty we enjoy the benefit of the minimum tariff so that we will be in the same position in France as that occupied by our European competitors. We expect to develop a business which has been absolutely killed by the absence of a treaty.

Mr. GEO. TAYLOR. Perhaps my hon. friend could get these statistics, if they are made up in the Finance Department or in the Trade and Commerce Department, and give them when the Bill is under discussion and let us pass the resolution and have the Bill introduced before six o'clock.

Mr. BRODEUR. I will inquire in the Department of Trade and Commerce whether they have these figures.

Mr. BARR. When the treaty was passed the hon. Minister of Finance (Mr. Fielding) promised to make an effort to prevent the importation of absinthe. I would like to know if any progress has been made along that line or if there is any hope of that change being made. I noticed a short time ago that Germany had taken steps to prohibit the importation of absinthe into their country. Also with regard to the importation of wines, there is great danger that we may ruin our own wine business because we can raise all the grapes we require. It would be important to know whether steps have been taken in these directions.

Mr. BRODEUR. We probably will have to introduce this session some legislation with regard to the approval of the change which has been made in the treaty and I will draw the attention of my hon. friend the Minister of Finance to the question which has been put by my hon. friend from Dufferin.

Mr. BARR. I hope the minister will do so in very strong terms for I do think the danger from the introduction of absinthe is greater than any advantage which we receive from this Bill.

Mr. SPROULE. Is it contemplated to have any control over the freight rates in connection with these boats?

Mr. BRODEUR. There has been an undertaking by the company and it was stipulated in the contract which was passed last year that the rates between Havre and Canada shall be the same as those between Havre and New York.

Mr. McKENZIE. Before this resolution passes, I think this would be an opportune time to bring to the notice of the hon. minister and the government the great necessity which exists for a port of call in Nova Scotia for those lines in the summer time. Take this proposed line of steamers which ply between Montreal and Quebec and some port in France, we are told by the hon. minister that fish, particularly lobsters, is one of our largest exports to France. It would therefore be a great boon to Cape Breton and the coast of Nova Scotia if we had a port somewhere in the Province to which these steamers would call and on which we could ship our fish and other exports to France, where there is an excellent market for them. These steamers will pass by our doors practically within a few miles, and it will be too bad if provision be not made for them to call at North Sydney. At that port there is considerable French trade. It is the headquarters of the French trawlers, a trade which has only been developed the last few years. These steamers also take a large quantity of coal, and it would be much cheaper for them to purchase it at North Sydney rather than at Montreal or Quebec. If they were to call at North Sydney, they would there get their bunker much more expeditiously and cheaply, which would be an inducement to them to call there. What I have said regarding this new line between Canada and France also applies to the steamers plying between Canada and Mexico. In the maritime provinces, we have no chance of communicating with those lines unless they call somewhere on the coast of Nova Scotia, and North Sydney is the nearest point and not at all out of their way. The English mail has been landed there, and if that does not put the mail steamers much out of their course, the delay would be still less of a disadvantage in the case of freight boats. Besides North Sydney being the terminus of the Intercolonial Railway, it would become the point of shipping for the whole province of Nova Scotia and the provinces of New Brunswick and Prince Edward Island during the summer thus giving to those provinces the advantage of the French market. In winter of course the steamers will go to St. John. but in the summer we have no better means of accommodating them than by their calling at North Sydney, which would give us the advantage of shipping to the French and the Mexican markets, and give them the advantage of cheaper coal. I do not

think I would be justified in allowing this opportunity to pass without bringing this matter to the notice of the Prime Minister and the Minister of Marine and Fisheries.

Resoution reported, read the first and second time and concurred in.

Mr. BRODEUR moved for leave to introduce Bill (No. 146) to amend the Act relating to Ocean Steamship Subsidies.

Motion agreed to and Bill read the first time.

At six oclock, House took recess.

After Recess.

House resumed at eight o'clock.

PRIVATE BILLS.

SENATE AMENDMENTS.

On the order being called for

Consideration of amendments made by the Senate to Bill (No. 59) to incorporate the Victoria and Barkley Sound Railway Company.—Mr. Smith (Nanaimo).

Mr. SPEAKER. Is it the intention of the House that these Bills be not proceeded with in the absence of the promoters?

Some hon. MEMBERS. Yes.

Mr. HENDERSON. In the case of the Bill standing in the name of the hon. member for Toronto (Mr. Claude Macdonell) my hon. friend requested that it should be proceeded with.

SECOND READINGS.

(Bill No. 129) for the relief of Evelyn Martha Keller.—Mr. Pardee.

Bill (No. 132) respecting certain letters patent of Franklin Montgomery Gray.—Mr. Rankin.

Bill (No. 134) to incorporate the Canadian Medical Association.—Mr. Roche.

Bill (No. 130) for the relief of Frank Parsons.—Mr. Tolmie.

Bill (No. 133) to incorporate the Kootenay and Alberta Railway Company. — Mr. Knowles.

Bill (No. 138) respecting the Quebec Oriental Railway Company.—Mr. Geoffrion.

Bill (No. 139) respecting the Ottawa Fire Insurance Company, and to change its name to Ottawa Assurance Company.—Mr. Perley.

AGRICULTURAL FERTILIZERS.

Bill (No. 110) respecting agricultural fertilizers.—Mr. Templeman. Read the second time and House went into committee thereon.

On section 1,

Mr. TEMPLEMAN. The present law respecting agricultural fertilizers, which has been on the statute-book, I believe, for twenty years, has been found inoperative and ineffective to secure the object for which it was passed, that is, to protect the purchasers of agricultural fertilizers. It is proposed to repeal the existing Act absolutely, replacing it by the Bill now before the House. The present law requires the manufacturers to submit their fertilizers to the Department of Inland Revenue for analysis. The Department of Inland Revenue publishes in bulletins the results of these analyses. These bulletins are supposed to inform the farmers or purchasers of the quality of the fertilizers. The manufacturers are required by the law to send in their samples for analysis in the month of January. As a matter of fact the samples this year did not arrive in the department very much before February or March and before the issue of the bulletin in April this year the farmers had already purchased all they required for the year and the work of the department was useless.

Mr. SPROULE. Why?

Mr. TEMPLEMAN. Because the analysis was made too late.

Mr. SPROULE. The Act provides that they shall.

Mr. TEMPLEMAN. But they don't do it; and even if it comes in in the month of January, the bulletin could not be got out in time to place the evidence before the purchasers and enable them to judge from the analyses the value of the fertilizers they are purchasing. At all events, it has been found after years of experience that the issuance of these bulletins, with the analyses of the department, has not accomplished the object for which they were issued, that is, to inform the farmers of the character of the fertilizers placed on the market. The new Act is a radical change. We do not propose to analyse for the manufacturers. The law as it exists has been altogether in the interest of the manufacturer rather than of the purchaser. The department has been analysing these samples all these years for $3, whereas it costs the department $7 to make an analysis of a fertilizer.

Mr. SPROULE. What was this chapter of the old Act?

Mr. TEMPLEMAN. I think it is 132. We propose under the Act now before the House to require the manufacturers to register their brand with the department, they will receive a number, and they will sell their brand of fertilizer under a distinctive number. That is necessary

from the fact that many of the fertilizers now on the market have names very similar, so that in the event of prosecutions for failing to live up to the guarantee they are supposed to give of the merit of their fertilizers, it is hard to distinguish what particular fertilizer was bought, because there are so many of practically the same name. It is proposed that every manufacturer should receive a registered number under which he will sell his fertilizer, the trade mark and the name of the brand. We propose that he shall himself place on the label or tag of the fertilizer a guaranteed analysis of the component parts of the article; that is, the manufacturer shall put on the parcel, bag or box, as it may be, a guaranteed analysis of the fertilizer. That is the main principle of the Bill. Then when it is on the market we can collect samples, and by analysis ascertain whether the manufacturer is living up to his guaranteed analysis as published by himself.

Mr. ARMSTRONG. Did the minister say that the manufacturers' goods were only analysed once a year?

Mr. TEMPLEMAN. No, I did not say that. Under the proposed Bill the manufacturer will place upon the bag, or box, or tin can of the fertilizer he is selling, a label with the name of the brand, the registration number, the name and address of the manufacturer, and an analysis as guaranteed by him, which analysis will show the percentages. A guaranteed analysis means the valuation of a fertilizer in terms of its contents of phosphoric acid, nitrogen and potash. They would place that on the label, and they must live up to that guaranteed analysis. All the fertilizers they place on the market must be of the value which they guarantee. Samples will be collected from the dealers from time to time, and will be analysed, and we will thereby ascertain whether the manufacturer is living up to his guaranteed analysis as published.

Mr. ARMSTRONG. I understood the minister to say that under the old Act the manufacturers have their goods analysed only once a year; will the minister tell us how often their goods are likely to be examined under the new Act?

Mr. TEMPLEMAN. In the first place, the manufacturer must publish with his goods the analysis thereof, so that every purchaser can read it. The department will then from time to time procure samples of the fertilizers on the market and analyse them, and ascertain if the manufacturer is living up to his guaranteed analysis. A farmer purchasing any particular fertilizer may, under the Act, procure an analysis of a sample of the fertilizer; therefore any particular brand of fertilizer may be analysed as often as samples are sent in to the department.

Mr. GEO. TAYLOR. Then you will publish in a bulletin the results of analyses of the different samples you have gathered?

Mr. TEMPLEMAN. Yes.

Mr. BARR. Will any farmer have a right to send down samples to be examined without charge?

Mr. TEMPLEMAN. Not without charge. The charge in the Bill is $5.

Mr. BARR. Couldn't that charge be much cut down?

Mr. TEMPLEMAN. The actual cost to the department of analysing a sample of fertilizer is $7. It is a difficult analysis to make. Section 10, providing for the fee, reads thus:

> Any purchaser of a registered fertilizer may obtain from the minister an analysis of the fertilizer as delivered to him, by making application for such analysis accompanied by a sample of the fertilizer of at least one pound weight and taken in accordance with the directions given in schedule B to this Act, and on payment of a fee of $5.

The House will readily understand that if there was no fee or only a very small fee imposed, the department would be flooded with requests for analyses. The inspectors will send in the samples and the results of the analysis will be published in a bulletin. It will then be known whether the manufacturer is living up to his guarantee, and if he is not there is a penalty provided.

Mr. SEXSMITH. If a farmer sends in a sample and the analysis does not agree with the statement published by the manufacturer, who will prosecute?

Mr. TEMPLEMAN. Under section 12 it it is the duty of our own officers to collect samples and if the analysis proves that the fertilizer is not up to standard we prosecute. Although this Act does not provide for prosecutions when a sample is sent in by a farmer or any person other than an officer of the department, I would be of opinion myself that in the event of a sample being found deficient it would be the duty of the department to prosecute.

Mr. SEXSMITH. Would it not be well to have that provision included in the Bill?

Mr. BARR. What officers will be appointed under this Act?

Mr. TEMPLEMAN. The inspectors under this Act will be the same as the inspectors under the Adulteration of Food Act. It is not the intention of this Act to appoint any new or special officers.

Mr. TAYLOR. If a farmer wanted to send in a sample, his most convenient way would be to hand the five dollar fee and his sample to an inspector.

Mr. TEMPLEMAN. The most convenient way would be to get the inspector of food to take the sample.

Mr. SEXSMITH. I would assume from the statement of the minister that if a farmer were suspicious that a manufacturer was selling a fertilizer which was not up to the government standard, all he need do is to write to the inspector and the inspector would take samples.

Mr. TEMPLEMAN. There is no standard fixed by the government. The standard is fixed by the manufacturer, who places that standard on a printed label on the package guaranteeing his own product as being equal to that standard. He must live up to that, so that the purchaser knows what he is buying.

Mr. BURRELL. What was the original charge for analysis?

Mr. TEMPLEMAN. Three dollars.

Mr. BURRELL. It seems to me that the manufacturer who is putting immense quantities of fertilizers on the market, should at least be compelled to pay the full fee when samples are analysed in the public interest. The weak spot in the Inspection of Food Act is that the fines imposed are not heavy enough, and I believe that will be found to be the weak spot in this Act. Fraudulent manufacturers should be fined sufficient to pay for the operation of all the machinery for carrying out the law.

Mr. TEMPLEMAN. The Bill proposes to protect farmers without any cost to them whatever. The manufacturer pays $2 for registration and an annual license fee of $5 for selling, and as we do not analyse for the manufacturer under this Bill we do not charge; he has got to do the analysing himself.

Mr. SPROULE. Suppose he puts a sample on the market that is not up to the standard, what protection is there for the farmer? The farmer who buys a small quantity is not going to pay $5 and send the sample down to Ottawa to be analysed.

Mr. TEMPLEMAN. It is the duty of the department to collect samples of every fertilizer on the market and to analyse the same to know whether the manufacturer is living up to his own guaranteed analysis. We do not debar persons from collecting samples and sending them in, but in that case we propose a fee of $5.

Mr. SPROULE. It would shut them off.

Mr. TEMPLEMAN. It would deter many, but if a farmer or other person buys a large quantity of fertilizer and has reason to think that it is not up to the standard, a fee of $5 is not prohibitive.

Mr. BARR. Would it not be fairer if, in case a farmer sends in a sample and it it is proven that it is not up to the guarantee, the manufacturer and not the farmer should pay the fee?

Mr. TEMPLEMAN. In the case of a prosecution of a manufacturer by an officer of the department, or by a private individual, as the result of an analysis made by the department, there is a penalty of $50 provided under clause 15.

Mr. BARR. But it would be fairer that the farmer should not be called upon to pay the fee if the article is not up to the standard.

Mr TEMPLEMAN. It might be. I do not think that, under this Bill, there will be many prosecutions by private individuals. Nor do I think there will be many analyses made at the request of individuals. There are only two or three hundred fertilizers all told on the market. It would not be difficult for the department to analyse one or two samples of each kind every year and publish the result.

Mr. BARR. How will the work of the inspection be carried on?

Mr. TEMPLEMAN. Under the Adulteration of Food Act there are fifteen or sixteen inspectors. As I said a moment ago, that word 'inspector' is a misnomer. These men are officers of the department with other duties to perform. When instructed they purchase samples of food and divide each sample into two, sending one part to Ottawa and leaving the other with the vendor. The vendor knows that the sample is to be analysed, and if it is not up to the requirements he is liable to be prosecuted. One inspector or purchaser of samples of fertilizers could in one week collect samples of all the fertilizers sold in Ontario.

Mr. BARR. The danger is that manufacturers may be sending out to retail dealers all over the province stuff that is not up to the standard, but the inspector inspects that which he finds in the factory.

Mr. TEMPLEMAN. If the manufacturer sends out fertilizer not up to the standard, he is liable to punishment.

Mr. J. A. CURRIE. The minister will see that there is a clause applying to fertilizers made to order and not intended for sale.

Mr. TEMPLEMAN. Of course.

Mr. J. A. CURRIE. The only person this law can get after is the manufacturer. And it is provided that the sample must be taken 'in the presence of the manufacturer

or his agent.' Why not make the vendor responsible, as well as the manufacturer? If you do that, the vendor will see to it that he is getting the right article in the first place. As the hon. member for Dufferin (Mr. Barr) suggests, suppose there is dishonesty or collusion between the manufacturer and the retailer there is nothing to prevent the manufacturer making an arrangement under which he could give out a fraudulent fertilizer. After the fertilizer has left the manufacturer's hands and gone into that of the dealer, there is no machinery in the Act to provide for the prosecution of either the manufacturer or the dealer.

Mr. TEMPLEMAN. Every fertilizer is sold under a registered number, and that carries back to the manufacturer, who is the party who ought to be prosecuted. My hon. friend spoke of making the vendor liable. Under the Adulteration of Foods Act, one of the difficulties is that the innocent dealer is held liable for the adulteration of the manufacturer in many cases. I appeal to the House that the guilty party is the manufacturer rather than the innocent seller?

Mr. J. A. CURRIE. But how do you catch him? Suppose he is an American manufacturer?

Mr. TEMPLEMAN. Under section 4, every foreign manufacturer has to appoint a resident agent in Canada who, for all the purposes of this law, is regarded as a manufacturer.

Mr. J. A. CURRIE. But the minister will notice that the sample must be taken 'in the presence of the manufacturer or his agent.' How can a farmer go into the factory and take a sample of the fertilizer in the presence of the manufacturer or his agent? If you were to say that the registration number is prima facie evidence that the article was made by the manufacturer represented by that number, and if the vendor proved that he purchased it from the manufacturer, he should be free, you could follow it up on that line. But you bar out everything of this kind by providing that the samples must be taken in the presence of the manufacturer or his agent.

Mr. TEMPLEMAN. I have here an amendment which I shall propose that samples must be taken 'in the presence of the vendor or his agent.'

Mr. WRIGHT. Suppose the manufacturer in Toronto turns out these goods, sells them to a wholesale dealer in Winnipeg, who sells them to a retailer in Calgary, through whom they finally find their way into the hands of a farmer in that section of the country. In case of a violation of this law in the case of those goods, where would the trial take place? If the manufacturer is to be prosecuted, do you propose to go out to the place where the purchaser lives to collect your evidence? I am afraid there will be a great deal of difficulty in enforcing this law.

Mr. TEMPLEMAN. Because the prosecution in that case should be of the manufacturer.

Mr. WRIGHT. At Toronto?

Mr. TEMPLEMAN. At Toronto, and the material evidence is found in the city of Ottawa by the analyst who makes the analysis and proves that it is not up to the standard. The inspector who makes the purchase would be a material witness in a case of that kind. This Bill throws the onus on the manufacturer to live up to his guaranteed analysis.

Mr. WRIGHT. How would you get your evidence to substantiate the fact that the farmer purchased the identical goods and that he sent the identical goods down to your department for analysis? You would have to bring the retailer, the wholesaler and the farmer down to enable you to produce your evidence.

Mr. TEMPLEMAN. Not at all.

Mr. LENNOX. What section is it that throws the liability on the manufacturer?

Mr TEMPLEMAN. Section 15.

Mr. LENNOX. I do not read it in that way.

Mr. TEMPLEMAN (reading):

> Every person who sells or offers or exposes for sale——

That certainly includes the manufacturer.

Mr. LENNOX. That is not what the minister said I understood him correctly. I would not take that to mean what the minister said a moment ago. I do not know what the minister's aim is. I understood the minister to say that the object of this Bill was to throw the liability upon the manufacturer. Section 15 provides that:

> Every person who sells or offers or exposes for sale——

That is not limited to the manufacturer, or the first purchaser or the second purchaser or any intermediate purchaser. It applies to every purchaser who happens to sell this article, from the manufacturer down to the last retail dealer. Would not that be the case? Is that what the minister intends?

Mr. TEMPLEMAN. Yes, the intention is to make the manufacturer liable if his guaranteed analysis as printed on the label is not lived up to.

Mr. LENNOX. That is quite true. I understand that part of it.

Mr. TEMPLEMAN. Every sample of fertilizer is sold under a number, it is regis-

tered, the manufacturer's name is on it, his guaranteed analysis is on the label and if it does not comply with the guaranteed analysis he may be prosecuted under section 15. If it is not clear that section 15 refers to the manufacturer, then we will make it so because that is the intention.

Mr. LENNOX. While I think it is quite clear that it does include the manufacturer, I think it is also quite clear that it includes everybody else who sells the fertilizer. If the minister does not intend to include any one but the manufacturer I think an amendment would be necessary. It certainly does include the manufacturer but it includes a great many others as well.

Mr. TEMPLEMAN. I do not know that we should confine it absolutely to the manufacturer. It may be that after it leaves the manufacturer and passes through two or three hands some person may manipulate the goods.

Mr. SPROULE. Do you not think that a heavier penalty should be inflicted upon the manufacturer for selling, because he knows what he puts into it, than upon some innocent purchaser who bought it on the strength of the tag attached to it and who believed it to contain the full percentage.

Mr. TEMPLEMAN. I want to move an amendment to paragraph (d) of section 2, being the definition of the word 'agent.' I am afraid that the definition as printed is too general. I propose to substitute the following.

Agent means any person whose name has been filed with the department as provided by section 4 of this Act.

An agent under this Act means the representative of a foreign manufacturer and not a retail merchant who may be selling fertilizers.

Mr. SPROULE. Why do you say 'foreign' manufacturer?

Mr. TEMPLEMAN. He must have an agent in Canada to represent him.

Mr. SPROULE. Yes, but there are a lot of fertilizers being manufactured in Canada. For instance, there is the production of phosphate and almost every slaughter house is manufacturing fertilizers.

Mr. SEXSMITH. In case a farmer, or any one purchasing a fertilizer, has good reason to believe that the article he has purchased from the manufacturer is not up to the standard as designated by the tag, if he notifies the inspector, giving his reasons, would it not be the duty of the inspector to come and take samples?

Mr. TEMPLEMAN. Unquestionably, and if any farmer has reason to think that any fertilizer is not up to the analysis he can notify the inspector or, better still, notify the department in Ottawa which would instruct the inspector to secure samples of that particular fertilizer. It is important that the inspector, or whoever purchases, must do it in such a way that he can give evidence in court that the specimen he bought was a specimen of the particular fertilizer and the specimen that he sent to Ottawa to be analysed and then our analyst proves in court that it is not up to the standard.

Mr. SPROULE. If the sample were taken under such circumstances by the inspector would you still charge the farmer $5 for analysis?

Mr. TEMPLEMAN. No. The $5 fee imposed by this Act is more to guard against the department being flooded with requests for analyses that are really unnecessary than anything else. We will analyse all the samples that are necessary if no person sends them in, but still we want to leave it open to any person to send in a sample if he wishes. The department has been flooded with requests for work of this kind. We do a great deal of analytical work in the laboratory and it is necessary to put a check upon it in some way. It is not necessary in this Act that we should make a free analysis of all the fertilizers.

Mr. HENDERSON. A farmer has to pay $5 for an analysis, but what is going to arouse his attention to the fact that a certain fertilizer is not up to standard? How is he to determine whether there is anything wrong with it or not?

Mr. TEMPLEMAN. He ought to have some reason for sending in a sample to be analysed. What is going to arouse his attention, I do not know, unless he has used it for several years with poor results.

Mr. HENDERSON. There will be no use then in throwing away $5 to have it analysed. He would simply not buy any more of it.

Mr. TEMPLEMAN. The Act supposes that every fertilizer put on the market must be analysed by the department and the result printed in a bulletin, and the farmer will know from this analysis, whether the particular fertilizer he has bought is up to the standard or not.

Mr. HENDERSON. When a man buys a box or sack of a certain fertilizer, it is impossible for him to tell whether it is up to the standard or not, and I fail to see how he is to get the information which will enable him to do so.

Mr. GEO. TAYLOR I think the present Bill better than the old one, because the manufacturer under the old one, could send a sample to the department and have it analysed and a bulletin issued showing that it was manufactured up to such a brand.

Then he might manufacture an adulterated article and put it on the market. Of course, he can do that now but is liable to be caught, because the department will be likely to analyse it.

Mr. MARSHALL. Would not the sample to be analysed be similar to the samples of the jellies and jams?

Mr. TEMPLEMAN. It will be sampled the same way.

Mr. MARSHALL. The department is collecting these every day, and I do not think there will be any difficulty in that respect. Would it be possible to raise the standard of fertilizers that are manufactured and make them come up to a standard fixed by the department?

Mr. TEMPLEMAN. We do not attempt to fix any standard. The manufacturer himself fixes the standard by printed analysis. I am also advised it would be very difficult to fix a standard for any particular fertilizer. There would have to be scores of standards according to the different characters of the different soils. A certain soil might require a fertilizer containing more nitrogen or more phosphoric acid and so on. We require that the manufacturer shall state distinctly what constituents are in his fertilizer and he must live up to that standard, and the purchaser judges whether the particular number is the quality he wants. The standard is created by the manufacturer and all we do is to compel him to live up to his own standard.

Mr. DEPUTY SPEAKER. The discussion is too general. The Bill should be taken clause by clause. Section 2 is now under consideration, and there is an amendment moved to subsection (d) providing that the words 'not a manufacturer who sells or offers for sale any fertilizer' be struck out, and in its stead the following inserted:

Agent means any person whose name has been filed with the minister as provided by section 4 of the Act.

Mr. J. A. CURRIE. Should we not define the word 'vendor'?

Mr. TEMPLEMAN. I do not think the word 'vendor' need be defined at all. The word 'agent' refers solely to a person appointed by a foreign manufacturer to represent him in Canada.

Mr. J. A. CURRIE. In the Bill as printed the word 'agent' meant vendor. Is that intended?

Mr. TEMPLEMAN. No.

Mr. J. A. CURRIE. Then, under schedule B, there will be no method by which we can attack the seller.

Mr. TEMPLEMAN. We are going to change schedule B.

Section 2 as amended, agreed to.

Mr. G. TAYLOR.

On section 3,

Fertilizers shall be considered as distinct brands, when differing either in guaranteed compositions, trade mark, name or in any other characteristic method of marking.

Mr. SEXSMITH. We have been discussing whether a certain standard could not be devised. I think it would not be wise to have a standard set because any manufacturer can describe the standard on the back of the package, and according to the quality the price will be fixed. I would be perfectly satisfied with that.

On section 4,—Name of Foreign Manufacturer's Agent or Representative in Canada to be filed with the minister.

Mr. J. A. CURRIE. What is to prevent the manufacturer from putting up a man of straw as his agent?

Mr. TEMPLEMAN. It is hardly probable that a large manufacturer would put up a man of straw as his agent, considering that he has to register every year and get his license to sell. He might do it once, but he could not do it a second time, because he could not get his license to sell in Canada again.

Mr. LENNOX. In some subsequent part of the Bill is there provision for prosecuting the agent instead of the foreign manufacturer?

Mr. TEMPLEMAN. The object of section 4 is to require the foreign manufacturer to name an agent in Canada who registers and who can be proceeded against, I assume, as the representative of the foreign manufacturers.

Mr. LENNOX. I would not like to 'assume' about it, but I would like to know from the minister if there is provision in the law for reaching the agent. I have not paid very close attention to the measure, but I have not seen any provision under which we can reach the agent in that way.

Mr. TEMPLEMAN. I inferred that the agent of the foreign manufacturer could be proceeded against. If it should appear, when we have gone through the Bill that that is not the case, we can make an amendment. The object of having an agent appointed is to have the representative of the manufacturer where he can be reached.

Mr. LENNOX. I do not wish to embarrass the minister, but he will understand that we cannot leave a matter of this kind to mere probability. I do not know of anything in the Bill to enable us to deal with the agent. Section 15 provides that the person who offers or exposes for sale may be prosecuted. Unless under that clause, I do not see any way in which we

can deal with the agent. Will that cover it?

Mr. TEMPLEMAN. I think so. Under section 2, 'guaranteed analysis' means the valuation of a fertilizer by a manufacturer or agent in terms of its content of phosphoric acid, nitrogen and potash. It seems to me that the agent would be liable to prosecution as the representative of the foreign manufacturer who gave this 'guaranteed analysis.' However, that is a legal point on which I would not care to be too positive. We can make the point clearer if necessary.

Mr. J. A. CURRIE. We all know that frauds are being perpetrated on the farmers right along in these fertilizers, and that is the reason why this Bill is before us. Suppose that a bunch of these fraudulent dealers in fertilizers in the United States get together and call themselves the Diamond Fertilizing Company. They send a sample of their brand to Canada, and it is analysed by the department and proved of high value. A man from Buffalo or from Chicago, perhaps unknown to fame, is appointed to act as agent, and establishes himself in an office that is not too conspicuous. With the certificate of analysis given by the department, the representatives of this brand go all over the country and sell large quantities, because they have a certificate, and because they are underselling the dealers here. All the material sold comes into Canada within a week. After ten days or two weeks an analysis is incidentally made with a sample taken by the inspector. But by this time the machinery of the department is put in motion, the 'agent' is out of the country and all the small storekeepers and dealers are left loaded up with worthless fertilizers. Then, the same gang get together again to put out, let us say the 'lightning' brand, and puts it through the same process. These methods have been carried on in other lines of business, and even manufacturers have been swindled in this way. This is done, for instance, with a brand of steel. This material is sold all over the country, perhaps at fifty cents a pound, and when the man gets his five or ten or twenty pounds, he finds that it is not better than wrought iron. But what I would suggest is that any foreign company appointing an agent in this country should be called upon to deposit with the Inland Revenue Department at least $500 as a guarantee of good faith, so that if they turn out to be a fraud you will have something.

Mr. BEATTIE. I should think the common law would cover that. In any case, a manufacturer would hardly appoint an agent for the purpose of defrauding decent people. Certainly such a thing is unknown in my experience in business.

Mr. J. A. CURRIE. The hon. member (Mr. Beattie) knows very well that fully 50 per cent of the goods sold in the United States by manufacturers, so-called, are not manufactured by these people. The goods of Smith, Jones & Robinson, 'manufacturers,' may be all made in the same place.

Mr. BEATTIE. That is a different thing. But the manufacturer who sends out a brand of goods expects to continue in the business and he would not spoil his reputation for the sake of selling a few hundred dozen.

Mr. J. A. CURRIE. This Bill is designed to prevent a specific kind of fraud, fraud that has been committed on the farmers so often and so widely that the government deems it necessary to pass special legislation on the subject. As to nine-tenths of these brands of fertilizers, there is not even an office at the headquarters of the so-called factory.

Mr. BEATTIE. But it would ruin the manufacturer's business to send out an inferior article. If I were a manufacturer I certainly would not send out a spurious article if I intended to remain in business.

Mr. SAMUEL SHARPE. I think the difficulty could be met if the minister would adopt the suggestion of my hon. friend from North Simcoe, and make the agent subject to all the pains and penalties of a defaulting foreign manufacturer. If the agent is subject to these liabilities, he will stand between the manufacturer and the public, he is a guarantee and protection to the public.

Mr. GEORGE TAYLOR. Another thing the minister might do is not to license or appoint an agent unless he is a responsible man.

Mr. SPROULE. Here is where I see a difficulty. An agent sells goods in wholesale lots to a druggist, the druggist sells to a farmer, and the farmer finds that he has a lot on hand that is not up to the standard. Now how is he going to get redress? According to Schedule B, samples for analysis must be taken in the presence of the manufacturer or his agent; but the seller is not the manufacturer's agent.

Mr. TEMPLEMAN. We are going to change that to vendor.

On section 6—Application for registration number.

Mr. SPROULE. What do you mean by 'guaranteed analysis'?

Mr. TEMPLEMAN. Guaranteed analysis means the valuation of a fertilizer by the manufacturer or agent in terms of its content of phosphoric acid, nitrogen, and potash. These are the three ingredients

which I understand, compose the fertilizer. I understand these include all the essential chemical combinations.

Mr. SPROULE. Your old Act provides that the samples shall contain so much ammonia, and so much phosphoric acid, and some have a combination of the two. Which one are you going to take as the standard? Because many of these fertilizers contain two ingredients in the same sample.

Mr. TEMPLEMAN. The manufacturer will state that on his label.

On section 7—Registration number, how affixed. Statement required.

Mr. TEMPLEMAN. I propose to strike out the word 'importer' so that we will deal only with the manufacturer or agent.

Mr. J. A. CURRIE. Again I wish to call the attention of the minister to this matter of agency. Does the minister presume to think that nobody will import a fertilizer into this country except through an agent? There is nothing to prevent me importing a fertilizer from the United States or Europe for any purpose, and selling it here, and no law will compel me to have a registered agent.

Mr. TEMPLEMAN. We are passing that very law now.

Mr. J. A. CURRIE. I wish to impress upon the minister the importance of this agency. There is no use in having anybody appointed agent unless you have somebody responsible. I would suggest that when a foreign manufactured article of this description is brought into the country to be sold under guarantee, there should be a deposit made of a sum of money with the government, so that in case of default there would be something that you could lay your hand upon.

Mr. TEMPLEMAN. I would not care to impose conditions that would be too onerous. I think my hon. friend is too much afraid that a man of straw may be appointed an agent. I am disposed to think that any reputable manufacturer would appoint an agent of some repute, and there is little fear that the department will have to deal with that agent. We might not recognize him if we thought he was a man of straw. I agree that if you were to require a deposit of $500 or $100 from a manufacturer, his bona fides would be better established. But it might be that in imposing restrictions we would hamper trade when it was not necessary to do so.

Mr. J. A. CURRIE. I am not desirous of imposing onerous conditions. This Bill is intended to deal with reputable manufacturers, it is intended to meet a condition which has existed in this country to a large extent, not only in relation to fertilizers, but to nursery stock and other matters of that kind. For instance lawn shrubs are sold all over this country as nursery stock from the Aurora Borealis Nursery of Syracuse, or some other high sounding names. It has turned out that people have found themselves with this stock on hand and could not get satisfaction. The minister will recognize that if there was a bona fide guarantee required the company desirous of obtaining a market here for its brand of fertilizer would willingly pay a deposit as I have suggested, whilst if it was a fraudulent concern that desired to do business, they would hesitate. When you ask a company, before they do business in this country, to appoint an agent, then you must specify that that agent must be an attorney, acting in a position of trust.

Mr. S. SHARPE. If the agent was required to be resident in Canada and acceptable to the government it would meet the objection of my hon. friend (Mr. J. A. Currie).

Mr. TEMPLEMAN. I am willing to amend it in that way.

Section 7, as amended, agreed to.

On section 4,

Mr. TEMPLEMAN. I would move to add after the word 'agents' 'acceptable to the minister and resident in Canada.'

Mr. SPROULE. Supposing the agent is a travelling saleman, perhaps selling drugs, who carries this as a side line, a perfectly respectable man, but not a man of financial standing, would he be considered acceptable?

Mr. TEMPLEMAN. If he was a respectable man, well known in the community and vouched for, I think he would be.

Mr. SPROULE. But such a man might have sold $200,000 worth of fertilizer and might then leave the country. You only impose a fine and what could be done if you could not collect the fine?

Mr. TEMPLEMAN. Then we would lose. It is of course impossible to so regulate the sale of fertilizers or anything else that some man cannot circumvent the law.

Mr. BEATTIE. I think the discussion has taken a very wide scope. I do not think that any responsibility rests on the agent; the whole responsibility in practice falls on the merchant. As a merchant I go to the United States or to England and buy what I consider a good fertilizer. When I bring that to Canada and sell it to my patrons I am responsible for that brand. It is very unlikely that a manufacturer will

send an agent here to sell his product; the man who imports direct is more likely to buy direct from the manufacturer so as to get the article at a lower price. I think the man importing is more reliable than the agent. If he sells a fraudulent fertilizer this year, where will he be next year? I am rather astonished that hon. gentlemen think manufacturers will commit frauds. That has not been my experience; I have very seldom been caught by an agent. I have generally dealt with houses that when a complaint was made to them would rectify it.

Mr. BARR. Evidently the hon. gentleman is not a farmer or he would know that very large quantities of useless fertilizers are brought from the United States and sold to the farmers. There is great danger that an agent may be a man of straw. I am inclined to think the amendment will be an improvement, and will be some protection to the farmers against fraud of this kind. It is necessary to watch carefully the fertilizers which come from the United States.

Mr. BEATTIE. If the hon. gentleman thinks a manufacturer is going to make an article that will only last one season, his argument is good. But if the manufacturer expects to remain in business for years to come he will not put a fraudulent article on the market. That is my experience, and I do not think the manufacturers as a rule go into business to sell an article which is a fraud on the public. I am sorry to think that we have a class of people in this country or the United States who will sell articles not up to the standard represented.

Mr. BURRELL. I would suggest that some such method be adopted as we adopt in British Columbia in reference to the agents of United States nursery men. In order to protect the purchaser who may not be able to get a remedy against the producer in the United States the agent has to put up a $2,000 bond, and if anything goes wrong there is a direct recourse against the agent.

Mr. S. SHARPE. In default of paying the money penalty I suppose there will be a term of imprisonment provided ? In that case the agent will see that the fine is paid and the brands kept up to grade.

Mr. J. A. CURRIE. If we insert the words that the agent must be acceptable to the minister it means that the minister will be responsible for the action of the agent, and if the agent is guilty of fraud the minister would have to take the responsibility.

Mr. TEMPLEMAN. I will take it.

Mr. BEATTIE. Suppose I should go to the United States or to England and buy a brand of fertilizer from a manufacturer who has no agent in Canada, who would be responsible then? If I should prefer a certain brand of fertilizer the manufacturer of which was not represented by an agent here, I do not see why I should be prevented from buying it. Dealers do not always want to buy the same brand that everybody on the street keeps; they want if possible to sell an article that their competitors have not got.

Mr. S. SHARPE. The hon. gentleman from London (Mr. Beattie) has suggested a difficulty. Suppose a resident dealer goes to the United States and purchases goods and imports them himself, who is to be responsible?

Mr. TEMPLEMAN. He cannot purchase them for sale unless there is a resident agent in Canada.

Mr. S. SHARPE. But he may become the agent as well as the importer.

Mr. TEMPLEMAN. If the importer brings it into Canada he is the agent.

On section 10,

Mr. S. SHARPE. Do I understand the minister to say that the actual cost of the analysis will be $7?

Mr. TEMPLEMAN. During past years it has cost $7 for each analysis of fertilizer.

Mr. S. SHARPE. I suppose you have an official in the department to do that work?

Mr. TEMPLEMAN. Yes, quite a number.

Mr. S. SHARPE. It seems a large fee.

Mr. TEMPLEMAN. It is, but I am advised by the chief analyst that it costs the department more to make an analysis of fertilizers than of ordinary food stuffs.

On section 12,

Mr. J. A. CURRIE. I do not see that it is anybody's business to prosecute under this Act, and there does not seem to be any machinery provided for a prosecution. The report of the department, issued a couple of days ago, contains a list of a large number of samples of coffee and other articles that were found to be adulterated, but there is no machinery under the Act for punishing the people guilty of manufacturing and selling these adulterated articles. I think there should be a clause added that the inspector, if he finds the article adulterated, shall proceed against the party who is responsible under the Act. This would throw the onus on the inspector. At all events, it will then be somebody's duty to institute a prosecution.

Mr. TEMPLEMAN. I do not think that would be feasible. It would be the duty of the minister to prosecute, just as it is the duty of the minister now, under the

Adulteration of Foods Act, to prosecute. The knowledge of the fact that the guaranteed analysis has been violated by the manufacturer is not possessed by the inspector. The chief witness will be the chief analyst in Ottawa, who makes the analysis.

Mr. J. A. CURRIE. You provide that his certificate shall be taken as evidence, do you not?

Mr. TEMPLEMAN. Yes. Prosecutions, under the Adulteration of Foods Act, are by the Justice Department under instructions of the Inland Revenue Department. As a matter of fact, the number of prosecutions under that Act has not been as numerous probably as it ought to have been, for a good reason indeed. We have no food standard as yet. We have failed in some prosecutions because we had no standard. The question of fixing the standard for all food products in Canada has been engaging the attention of the department for the last year or two. It is a work of considerable magnitude to formulate a standard for all food products. At the present time the officers have the standard pretty well prepared, and we hope to put it in force by order in council under the Adulteration of Foods Act before long.

Mr. SPROULE. Have you got another difficulty under the Act? Formerly it was provided that you had to comply with certain provisions of the law, but as the result of an amendment made to the Inland Revenue Act some years ago I understand you could not prove your case. Therefore, prosecutions were practically dropped. This matter was brought to my attention by a prominent lawyer, and I remember discussing it in this House at some length while it was under consideration. The contention of the department was that there was nothing in it whatever, but afterwards it was frankly admitted, I think, by the minister at the head of the department, that prosecutions could not succeed because of this difficulty.

Mr. TEMPLEMAN. It is true that prosecutions have failed because of the fact that we have no standard. One case in particular was with respect to maple sugar or maple syrup.

Mr. SPROULE. I think there were more than that.

Mr. TEMPLEMAN. We have had a great many analyses. We have had prosecutions, some of which succeeded and some did not. But the penalty, under the Adulteration of Foods Act, to the party adulterating, has been almost wholly from the publicity which is given to the publications of the bulletins. We are going to try to establish a standard under the Adulteration of Foods Act. We are specifying the standard in this Act. The standard is what the manufacturer says the article is.

Mr. SPROULE. You had a standard under the old Act for fertilizers. They shall not contain less than four per cent.

Mr. TEMPLEMAN. That was quite an impracticable standard, I am advised by my chief analyst.

Mr. SPROULE. Was not the effect this, that the law provided that certain evidence shall be admissible? That was the evidence of a certain analyst, I do not know whether the chief analyst or not. That law was changed so as to enable the minister to select analysts all over, but when the certificate of any such inspector was taken into court it could not be accepted as evidence, because the Act provided that only the certificate of another analyst could be accepted, and that other analyst had never analysed the sample.

Mr. J. A. CURRIE. I would suggest that this amendment be added to clause 12:

All inspectors of fertilizers shall, whenever so instructed by the minister, obtain for analysis a sample of every fertilizer for sale in the district for which he is inspector, and shall forthwith lay the information and prosecute, in the event of the provisions of this Act not having been complied with.

The minister says that the chief analyst is the man who should prosecute. I wish to take issue with him. I know it is very difficult to get any authority away from the central department at Ottawa, but, as a matter of fact, the man who takes the sample from the parcel and sends it to the department in a registered letter, where it is analysed and a certificate given, is the man who should lay the information before a magistrate in his district. It is not the high court, I think, which deals with the matter. I make this suggestion because, under Acts of a similar character, for instance the Ontario License Act, the inspectors are the parties who prosecute and not the government. It is the duty of the officers, who are appointed to see that the law is carried out, to lay an information before a magistrate if they find that the law is broken.

Mr. TEMPLEMAN. I am afraid this would be delegating to officials of the government the authority to enter prosecutions.

Mr. J. A. CURRIE. That is right.

Mr. TEMPLEMAN. But all prosecutions are entered by the Justice Department. Speaking for the Inland Revenue Department, I am certain of that.

Mr. SPROULE. What about the Customs?

Mr. TEMPLEMAN. I am not sure.

Mr. J. A. CURRIE. Take the Marine Department; when there is a breach of the Marine Law, the inspector of hulls may seize the vessel and prosecute the party.

Mr. BURRELL. Under the Fruit Marks Act, the local inspector has authority to lay the information.

Mr. CONMEE. It is always objectionable to make an inspector a prosecuting officer as well. There is a great difference between the customs officials and those under this Act. And the customs officers do not in all cases prosecute. They report to the department and get instructions. They cannot put the law in motion of their own free will. The hon. gentleman is mistaken about the license inspectors under the provincial law. They are not prosecuting officers or detectives in the sense he assumes. If a complaint is put into their hands they can act on it; in ordinary cases they act when they get their instructions.

Mr. SPROULE. Suppose an inland revenue inspector finds an illicit still?

Mr. CONMEE. If he is instructed to take action he does so; but an inland revenue officer, under provisions which might justify action regarding an illicit sale or manufacture of liquors, would be in a very different position from an officer under this Act taking the law into his own hands of his own sweet will. The people do not want to be dragooned in that way. It is bad legislation, and I do not think any member should propose it.

Mr. TEMPLEMAN. No doubt the officers of the Inland Revenue Department make seizures in the case of illicit distillation or for any infringement of the excise law, but every prosecution is made through the Justice Department.

Mr. J. A. CURRIE. I quite agree with the hon. minister, but the point I wish to make is this: somebody must lay the information, and the party who lays it is invariably the inspector. As regards the customs officers, the Customs Department is supreme in itself. There has been a clause in the Customs Act from time immemorial under which the Customs Department can seize an article and confiscate it and fine the guilty party. That department is above the Justice Department in that respect. Various attempts have been made in England to change that clause, but parliament would never grant authority to narrow down the powers of the Customs Department in that respect. An officer of the Inland Revenue Department can seize an article, and the department can impose a fine, and does not even have to take him before a magistrate.

Mr. CONMEE. Where does the hon. gentleman get that information?

Mr. TEMPLEMAN. The Inland Revenue Department does impose certain conditions. If the party who has tried to defraud the revenue is willing to pay into the treasury a certain sum, he has the power to do so, but if he thinks that the department is trying to impose too onerous conditions, he can allow the matter to go to court, and then he is prosecuted by the Justice Department. If the department imposes a certain fine, he has the right to refuse to pay and to have his case heard in court.

Mr. SEXSMITH. One of the most satisfactory inspectorships we have in the province of Ontario is that of milk inspectors. They have power to inspect factories and to prosecute offenders. I do not think there has ever been an inspector in that province that has done so much good and has given the people so much satisfaction. But they are not responsible to the minister, nor to the government, nor to anybody, but their duties are defined by an Act of the legislature, and they are doing very effective work.

Mr. J. A. CURRIE. There must be somebody responsible to authorize the officer to proceed.

Mr. TEMPLEMAN. That somebody more responsible than the inspector is the Minister of Inland Revenue. The enforcement of the law is in the hands of the Minister of Inland Revenue.

Mr. SEXSMITH. I would like to see this Bill made workable. Let the minister suggest an amendment himself that would relieve him of responsibility. I think that if there were a great many requests coming in for prosecution, the minister would not feel so favourable to handing out his authorization. But if some inspector had the authority, it would relieve the minister, and the Act could be better enforced.

Mr. TEMPLEMAN. I have no objection to an amendment, say: 'And shall prosecute the offender whenever instructed by the minister to do so.'

Mr. CONMEE. I do not think that would make the law workable. What would be the result of that? The inspector knows that he has to make a report to the minister, that entails delay. Then he has to get instructions. Why, the whole position might be changed in the meantime, he might not be able to find the parties, and the whole conditions might be changed from what they were.

Mr. SEXSMITH. Where is the objection to empowering the inspector to prosecute under certain restrictions? If we pass an Act without providing any machinery to carry it out, what good will it do? There will have to be so many preliminaries before prosecutions can be undertaken that

the manufacturers will not fear the Act much. But if there is an inspector appointed, like the milk inspector in the province of Ontario, with power to prosecute for violations, I think the law would be much more workable.

Mr. CONMEE. There is great objection to giving power to a single individual to become a prosecuting officer on his own discretion. Such laws as that are of pretty ancient date, they have gone out of existence.

Mr. S. SHARPE. The liquor license inspectors have such power.

Mr. CONMEE. He can only prosecute under certain conditions. In the great majority of cases he makes his report to the government, and he is instructed to act. He has no more authority than a policeman, and a policeman can act in certain minor cases if he see the law being broken, but otherwise he has to get authority from a magistrate to act under certain conditions. So it is with the license inspectors.

Mr. BLAIN. The hon. gentleman is entirely wrong as regards the province of Ontario. I know a case in my own county where the inspector goes to the hotel, and finding liquor there contrary to law, he seeks a magistrate, lays information and then proceeds with the charge.

Mr. CONMEE. This motion is to compel an officer to be prosecuting official. He has no choice, he would have no discretion in the matter.

Mr. J. A. CURRIE. The word is 'may' not 'shall.' It is not obligatory upon him.

Mr. CONMEE. Where the word 'may' is used that means 'shall' in the law.

Mr. SEXSMITH. Under the Ontario Act no man other than the inspector has any thing to do with prosecutions. He lays the complaint and he prosecutes. I have been director of a cheese factory for many years, and I know how these cases are conducted. Under certain conditions the inspector is allowed to go on and prosecute, even without any preliminaries. In the present Act I would not put in a clause compelling him to go on, but I would provide that he shall have power to go on.

Mr. BEATTIE. The milk inspector is an officer of the public health, and these officers have very wide powers. But a license inspector would not prosecute without referring the matter to his license board.

Mr. SEXSMITH. It is done every week in the year.

Mr. BEATTIE. No. I have had some experience in this matter, and no license inspector would take action without reference to his commissioners.

Mr. SEXSMITH.

Mr. SPROULE. I have seen it done more than once. The inspector goes into a place, finds a hotel violating the law, gives information, and lodges a complaint within two hours.

Mr. BEATTIE. That is not my experience.

Mr. SPROULE. The methods in the small places and in the cities are evidently different.

Mr. CONMEE. I understood the hon. member for North Simcoe (Mr. J. A. Currie) to say that there are certain officers in the province of Ontario empowered to impose a fine without going to a magistrate. Is that what the hon. gentleman said?

Mr. J. A. CURRIE. No. The idea is to have somebody charged with the duty of conducting these prosecutions. If a farmer feels that he has been defrauded in a purchase of fertilizers, and, when he asks that a sample be taken and analysed, it is found that the material is wrong, the farmer who was the means of making known the case should not be called upon to lay the information against the storekeeper; outside officers should do that. I think the amendment proposed by the minister is acceptable.

Mr. CONMEE. If I understood the amendment, I object to it also.

Mr. TEMPLEMAN. My hon. friend wants to give the inspectors power to prosecute, and I suggested that it should be under instructions by the minister. But, the amendment in that form would mean nothing, because in the case of a prosecution under this Act, the prosecutor is the minister, or the official of the department under the minister, which is the same thing. We may require our inspectors under the Adulteration of Food Act or under this Act to prosecute offenders through the Justice Department,—all our legal business is done through the Justice Department.

On section 15—penalties—proviso as to evidence of fraudulent intent.

Mr. SPROULE. Does the minister intend to leave this only a money penalty? Is there to be no penalty in case of failure to pay the fine?

Mr. TEMPLEMAN. I should think the money penalty would be sufficient. However, I am in the judgment of the House on that matter.

Mr. GEO. TAYLOR. Make it read that in default of payment of the fine the party should be imprisoned.

Mr. TEMPLEMAN. I am not averse to that if hon. members think it necessary.

Mr. SPROULE. The person prosecuted may be a man of straw, and it is better

that there should be something more than a money penalty.

Mr. S. SHARPE. I move that after the words 'penalty not exceeding one hundred dollars' the following words be added: 'and in default of payment of such fine to a term of imprisonment to one month in the common jail of the county or district where the prosection is laid.'

Mr. CONGDON. It is unnecessary to specify the place of imprisonment; that is provided for in the General Act.

Mr. S. SHARPE. Very well, leave that out.

Mr. SPROULE. It should be 'thirty days,' as 'one month' is not a definite time.

Mr. CONGDON. There should be a discretion in the magistrate. It should read 'not exceeding 30 days.'

Amendment agreed to.

On schedule (a). Provisions for taking samples, analysis, &c.

Mr. J. A. CURRIE. I object to the very high price placed on that analysis, $5.

Mr. S. SHARPE. The resident agent is not made liable to the penalties under the Act. I would suggest a substantive clause making the resident agent of the foreign manufacturer liable for a breach of the Act.

Mr. CONMEE. Did the minister accept the suggestion of the reduction in the amount of the fee? I agree with the hon. member in that respect.

Mr. FISHER. I would suggest to my hon. friend (Mr. S. Sharpe) that it would be better to make clause 4 at line 25 read:

And such agent shall be subject to the same penalties and have the same responsibility as a manufacturer under the terms of this Act.

Mr. SPROULE. The minister said that any one who offered the article for sale would by that act become an agent, the vendor would become an agent.

Mr. TEMPLEMAN. I would think that in clause 15 'every person' includes the manufacturer and agent.

Mr. S. SHARPE. Under that provision the corner grocery man is responsible.

Mr. TALBOT. In the province of Quebec he would be responsible for the goods he sells.

Mr. S. SHARPE. Then the grocer will have to have an analysis of every sample he sells?

Mr. FISHER. I would like to have a lawyer's opinion as to whether the words in section 4 'for all purposes of this Act' would include the responsibility upon the agent.

Mr. S. SHARPE. I do not think you can makes a man responsible under the Code by inference.

Mr. FISHER. I think the words mean he would really take the place in Canada of a manufacturer.

Mr. LENNOX. It would be better to have it clear as it is a penalty clause.

Mr. TEMPLEMAN. We might pass the last schedule and leave the Bill in committee so that we can make that point clear.

Progress reported.

DEPARTMENT OF EXTERNAL AFFAIRS.

House in committee on Bill (No. 90) to create the Department of External Affairs. —Mr. Murphy.

1. There shall be a department of the government of Canada to be called the Department of External Affairs, over which the Secretary of State for the time being shall preside.

Mr. CONGDON. The words 'for the time being' might be omitted.

Mr. MURPHY. That section is exactly the same as the similar sections in the other statutes creating departments.

Mr. R. L. BORDEN. There seems to be a great diversity in the language of the sections creating the different departments, and one would think it desirable to have them as uniform as possible.

Mr. MURPHY. I do not see how we can have uniformity without recasting the other statutes.

Mr. R. L. BORDEN. The statute creating the department of Secretary of State uses these words:—'and the Secretary of State shall have the management and control of the department.' Was there any reason for omitting these words here.

Mr. MURPHY. No.

Mr. R. L. BORDEN. I wonder why the words were omitted, but it does not make much difference.

2. The Governor in Council may appoint an officer who shall be called the Under Secretary of State for External Affairs, and who shall be the deputy head of the department, and may also appoint such other officers and clerks as are requisite for the due administration of the business of the department, all of whom shall hold office during pleasure.

Mr. LENNOX. The section says that there shall be an under Secretary of State for External Affairs but there does not seem to be any Secretary of State for External Affairs.

Mr. MURPHY. The position would be analogous to the Interior Department and

the Department of Indian Affairs which are under one minister, and also the Labour Department and the Post Office Department which are in the same position.

Bill reported, read the third time, and passed.

Sir WILFRID LAURIER moved the adjournment of the House.

Mr. R. L. BORDEN. What business will be taken on Monday?

Sir WILFRID LAURIER. After private Bills, and motions, and questions we shall go into Committee of Supply so as to give an opportunity to the member for North Toronto to bring up a certain matter of which he has given notice.

Mr. R. L. BORDEN. As I have mentioned to the Prime Minister privately, the hour may be so far advanced that the hon. member for North Toronto would not think it desirable to bring on his motion that day. That will depend on circumstances. He is absent at present but as soon as he returns from Toronto I will ascertain from him his views and communicate with the Prime Minister.

Motion agreed to, and House adjourned at 10.45 p.m.

HOUSE OF COMMONS.

MONDAY, April 19, 1909.

The SPEAKER took the Chair at Three o'clock.

COLD STORAGE ACT AMENDMENT.

Hon. SYDNEY FISHER (Minister of Agriculture) moved for leave to introduce Bill (No.147) to amend the Cold Storage Act.

Mr. R. L. BORDEN. Please state the purport of the Bill.

Mr. FISHER. It makes a change of only one or two words, and is designed to enable the department to make better provision for the cold storage of fruit.

Motion agreed to, and Bill read the first time.

INTERNATIONAL WATERWAYS TREATY.

Mr. R. L. BORDEN. I would like to inquire from the Prime Minister whether the government has yet come to a determination respecting its acceptance or non-acceptance of the rider or amendment to the Waterways Treaty proposed by the Senate of the United States; and if no decision has yet been arrived at, when we may expect some intimation as to what the determination of the government will be.

Rt. Hon. Sir WILFRID LAURIER (Prime Minister). The government has come to no conclusion yet whether they will accept the treaty with the amendment that has been made by the Senate in its acceptance thereof. The matter is under consideration. I cannot say at present whether I will be in a position to give an early answer to my hon. friend.

CANADA LIFE ASSURANCE COMPANY.

Mr. A. H. CLARKE moved that the order for further consideration in Committee of the Whole of Bill (No. 56) respecting the Canada Life Assurance Company be discharged, and that the said Bill be referred back to the Select Standing Committee on Standing Orders to inquire and report to this House what notice has been given to the public and to the policy-holders concerning said Bill. He said: I think the proper course to pursue would be to refer this Bill back to committee to inquire and report upon what notices have been given. On the 25th of March last, after reference to that committee, a report was made that two of the sections were within the terms of the published notice—the notice did not sufficiently indicate the nature of the powers to be granted under section 2,—and that the last two sections were not mentioned in the notice or in the petition, without recommending what course should be taken by the House. Since then, I am informed that these defects have been remedied by further notices.

Mr. HENDERSON. I did not understand from the promoter of the Bill that a notice has yet been given sufficiently long to enable the Standing Orders Committee to deal with the matter. I presume we will have to wait for at least ten days?

Mr. A. H. CLARKE. I understand that the last notice will be this week. I thought that this might as well be got out of the way, and the committee can regulate its meetings. By the time the committee will be convened, no doubt the last publication will have taken place.

Motion agreed to.

ONTARIO AND MICHIGAN POWER COMPANY.

House again in committee on Bill (No. 34) to incorporate the Ontario and Michigan Power Company.—Mr. Conmee.

Mr. LENNOX. When this Bill was before us on the last occasion the Right Hon. the Prime Minister (Sir Wilfrid Laurier), I think, asked to have it stand inasmuch as the Minister of Railways and Canals was not present.

Mr. MIDDLEBRO. The Minister of Justice.

Mr. LENNOX. Possibly it was the Minister of Justice. I thought it was the Minister of Railways and Canals. I think it would probably facilitate the consideration of this Bill if the government would indicate what attitude they propose to take in reference to it. There is a good deal of feeling in reference to what should be done in this case and probably if there were a clear statement made as to the attitude which the government would take we could save time.

Mr. R. L. BORDEN. Are the amendments printed?

Mr. DEPUTY SPEAKER. The Bill appears reprinted as amended and reported by the Committee on Miscellaneous Private Bills.

Hon. A. B. AYLESWORTH (Minister of Justice). Mr. Chairman, I do not know that I am authorized to speak for anybody but myself in reference to this measure; nor do I understand exactly what it is that the hon. member for South Simcoe (Mr. Lennox) or any other hon. member of this House would desire from me in regard to this Bill. As far as the question of the power of this parliament to pass a measure of this sort is concerned, I do not suppose any one will have any question. I do not have any idea that in that respect, or upon what may be called the constitutional aspect of this question, I can say anything which will be an enlightenment, or will add in any way to the knowledge, of any hon. member of this House, whether or no that member happens to be of the legal profession or happens to be an ordinary business man. I think our constitution, the British North America Act, is very plain in its intention and in its expression of that intention in regard to the incorporation of companies. What are the provisions of that Act, that we are concerned about? I take it that they are, the distribution of legislative powers in regard to the incorporation of companies, the assigning to the provinces of the power to incorporate companies of a certain class and the assigning to the Domniion of a like power to incorporate companies of another class. I think it is reasonably clear, upon the language of the British North America Act, what the line of demarcation between the two jurisdictions was and is. The incorporation of a company by Act of Parliament, or by the issue of letters patent under the authority of some general Act, is simply the creation, by the proper authority in that behalf, of a new artifical, legal being with power to transact business of the character specified in the articles of incorporation. If here was but one legislative authority in Canada no question could arise. That legislative authority would have the power to create such an artificial, legal being for any and all legitimate purposes. But there being throughout Canada a dual legislative authority the British North America Act sought to define the limits of the authority with respect to the incorporation of companies which each of these legislative bodies had. Certain subjects are declared to be within the exclusive legislative power of the Dominion parliament. Certain other subjects are similarly declared to be within the exclusive legislative power of the provinces. No one would imagine—I have not heard any one suggest—that either of these legislative jurisdictions could encroach upon the authority of the other as to the class of subjects in regard to which or for the purposes of which companies may be incorporated. For instance, no one would suggest that the provincial legislature had any power to incorporate a company for the purpose of transacting business with regard to navigation or shipping, or with regard to banking or any of the other subjects which by the 91st section of the British North America Act are assigned to the legislative jurisdiction of parliament. In a similar way exactly no one would suggest that this parliament had power to incorporate a company whose business was limited to the purposes mentioned in the 92nd section as assigned exclusively to the control of the provinces. But the business which a company desires, when it comes into being, to carry on may be of a general character and may not deal exclusively with regard to banking, navigation, shipping, or any other subject which is assigned exclusively to the jurisdiction of the one parliament or the other, and accordingly there is another line of demarcation pointed out under the statute in the most distinct manner as the one that is to govern, and a boundary line laid down over which neither jurisdiction ought to step in the way of encroaching upon the authority of the other. That boundary line is very clearly and distinctly expressed. In the 91st section it is declared that the parliament of Canada has exclusive jurisdiction to legislate in regard to subjects which are, by the British North America Act itself, taken out of the jurisdiction of the provinces. We look at section 92 to find, with regard to companies, what those subjects are which are excluded from the jurisdiction of the provinces and we find in article 10, paragraph a, of the 92nd section, a provision that the provinces may legislate with regard to local works and undertakings other than such as are of the following classes. Then are mentioned works and undertakings extending beyond the limits of the province. So that, the constitution has very plainly stated that with regard to any work or undertaking which is to extend beyond the limits

of the province, not the province, but the Dominion, has the exclusive power to legislate. With regard to the incorporation of companies that is a line of demarcation between the two jurisdictions which is certainly very clearly expressed in the statute and I think ought not to be difficult to follow. I am sorry to say that in practice it seems to have been difficult to adhere to that line of demarcation. In the three years during which I have had charge of the Department of Justice it has been an annual occurrence, and I think the same is true of the past, that legislation of different provincial legislatures has required to be noticed in which by special Act some company has been incorporated with the apparent intention that its business operations should not be limited to the province which had incorporated it. It has been and is not an uncommon thing to see in a special Act of a provincial legislature a provision with regard to a company that its head office is to be within the province, but that it is to have authority to establish offices and agencies at its pleasure outside the limits of the province. It has been a not infrequent thing that a railway company, for instance, would be incorporated by a provincial legislature with power to build its line of railway from some point in the province to a point mentioned upon the boundary line of the province, nothing being said as to what was to happen to the line of railway when it reached the boundary line, the inference plainly to be drawn being that it was to carry that line farther either into an adjoining province or across the international boundary and that the same company, or the same individuals under a separate incorporation elsewhere, were to carry on their works and undertakings beyond the limits of the province. Indeed so far has this practice gone in provincial legislation or in the operation of provincial general Acts that I am aware of at least one case where a company has been incorporated in one of our provinces with the exclusive and sole object of doing business in another province altogether, and I think that in the forty years of confederation the idea has grown up in the minds of business men, possibly in the minds of lawyers as well, and in the minds of our provincial legislatures, that the authority of the provinces, in the matter of incorporating companies, is practically, if not absolutely, co-equal with the authority of the Dominion parliament, and that a company once incorporated by a provincial legislature has the power, if it pleases, to do business at its will the wide world over. Lawyers frequently refer to the principle spoken of as the comity of nations, and it is argued that by the comity of nations, by the good fellowship or the neighbourliness of other jurisdictions, a company once incorporated by any competent jurisdiction anywhere in the world may transact its business at pleasure anywhere else on the face of the globe. While I think it of the utmost importance that this parliament should not overstep the limits which in the matter of incorporating companies, as in other matters, have been assigned to it by the British North America Act, it is of at least equal importance to the body politic that the provincial legislatures should not on their part overstep those limits either. But no question of course arises, so far as this measure is concerned, of the character I have been adverting to, where provinces for any reason have seen fit to incorporate companies and have conferred upon the companies so incorporated powers apparently to transact business beyond the limits of the province. That is a large question, about which lawyers might differ and it does not arise for consideration here.

The practical question for consideration upon this measure is whether or not this parliament ought to exercise the power, which in my humble submission it undoubtedly possesses, to constitute these gentlemen named in the Bill, and others who may associate themselves with them, a new legal being, entitled to do the business which this Bill sets out. This measure, in essence, proposes that a company shall be incorporated which shall have the power, as set out in section 8 of the Bill, to carry on, among other things, the business of manufacturing electricity or electric power, heat and light, and transmitting the same for use in any manner at any place in Canada and the United States. I think it goes without saying that no provincial legislature would have power to incorporate a company with the right to do the business defined in the Bill. I do not think any one would contend that a provincial legislature had that power. If any one does so contend, I can only say that it is entirely contrary to my opinion of what the British North America Act, in plain words, states. I think that under the British North America Act no provincial legislature has any power to incorporate a company whose works and undertakings are intended to extend beyond the limits of the province. No provincial legislature has the power to incorporate a railway company whose line is to be laid down in more than one province, nor any railway company or telegraph company or any other company of like character whose works and undertakings are intended to extend beyond and across the provincial boundary line. The works of this company, as stated on the face of the Bill, are proposed to be carried across the international boundary and into the United States. If that is so, it is from this parliament, and this parliament alone, that such a company can seek and obtain valid incorporation in Canada, and the question reduces itself, I submit, to a simple ques-

tion of the propriety of this parliament taking the action which the supporters of this Bill desire. That is a question of policy in regard to which I do not suppose that my opinion is desired by anybody. I think that we ought, in considering a measure of this kind, unless there is some evidence to the contrary, to attribute honesty of intention to those who propose the legislation. If any number of men come to this parliament and declare that they wish to be incorporated for a certain legitimate business purpose, it is perfectly competent for any one who suspects the honesty of the statement which they make as to their business intentions to question that statement and to investigate and to demonstrate if it is possible that the statement is not made in good faith. But unless there is some evidence to the contrary, I think one ordinarily, in common business affairs, takes the statement of intention which any one makes to him in a matter of business as being correct. But, having regard to the stage which this Bill has reached, it would seem to me that this committee ought to consider that any question of the honesty of the intention of the promoters of this Bill had been disposed of by the committee which has considered this measure and reported it to the House. That was the place, when this measure was before the special committee to which it was referred, when inquiry into the bona fides of the applicants for incorporation could have readily been made. I do not know whether that inquiry was made or not, but I have no doubt that this Bill was not reported by the special committee which had it in charge without such questions being there discussed. The necessary inference from the action of the committee in reporting the Bill is that the committee was satisfied that this measure was being put forward in good faith, and that it was the honest intention of the promoters of the Bill to use their power to transmit their product across the international boundary for sale in the United States. Not many years ago there was a precisely similar enterprise at Niagara Falls, a company desiring incorporation for the purpose of manufacturing electric power upon Canadian soil, but with the intention to export that power to the United States to sell it to United States consumers. That company obtained its incorporation at the hands of this parliament; that company is doing business to-day under that incorporation; and the validity of that incorporation has been authoritatively passed upon by our Supreme Court in the course of litigation, declaring that this parliament had undoubted power to give the incorporation which that company obtained. That decision of the Supreme Court would undoubtedly settle any question, if there were such a question, of the power of this parliament to pass the Bill now under consideration; and giving credit as I do to the promoters of this Bill for honesty of intention, in stating that the powers which they wish and which they consider to be of vital consequence to their enterprise, should go the length of authorizing them to transmit their electric energy across the line into the United States, and that they should have power to construct and operate lines of telegraph and telephone along with their lines for the transmission of electric energy beyond the limits of the province, it seems to me that all questions fall to the ground as to whether or not this parliament has the power to pass the Bill which it is desired to enact, and as to whether or not this parliament is the proper place to which the promoters of this measure ought to come. With regard to the special provisions of the Bill, no doubt other considerations arise. I do not suppose at this stage of the discussion it is necessary or would be appropriate for me to go into the details of the measure. As to those details, opinions may differ. This House in its wisdom may not see fit, even though the Bill itself is passed, to grant the company all the powers which it asks here. That is a question simply of policy, upon which every member of the committee will make up his own mind and vote according to his views. I might mention one feature of the Bill which stares one in the face the moment he looks at it—the second section, which declares that the works authorized by this Act shall be for the general advantage of Canada. That is a declaration which no other body than this parliament has power to pronounce. It is a declaration which probably we all think has in the past been too freely made, a declaration which it would be well in the general interests of Canada should not be made unless clear reason was shown for it in any individual case. I must say, so far as my individual opinion goes, that I cannot see any reason on the face of this measure, or in considering its provisions and details, for making that declaration in this case. It would not seem to me to be the truth. I cannot see how this undertaking, which appears to be entirely local in its character, so far as its area of operation is concerned, can be truthfully said to be for the general advantage of Canada. It is no doubt for the advantage of all Canada in the same sense that any new undertaking or enterprise, no matter where in the Dominion it may be situate, is for the general advantage. But I cannot see anything special about the undertakings described in this measure which would make those undertakings any more for the general advantage of Canada than the establishment of any manufactory in any town or city between the Atlantic and the Pacific. It is primarily at any rate

for the advantage of the immediate locality in which it exists, and it can only be, I think, in the most remote degree that these works can be said to be for the general advantage of the whole of Canada. I am not able to see, I must say, any advantage there is to anybody in making the declaration in question. Of course, we all know its effect. Once this parliament sees fit to declare that any undertaking, no matter what its character, is one for the general advantage of Canada, thenceforward this parliament, and this parliament alone, has power to legislate in regard to that undertaking. That undoubtedly is the jurisdiction which was conferred upon this parliament of Canada by the imperial parliament in the British North America Act. But the question whether or not in any given case we ought to make that declaration is for us to consider, and in my humble opinion is a question which we ought always to consider with the utmost care. This Bill proposes an undertaking which in my opinion this parliament alone has the power to sanction, because the proposition is to extend its operations beyond the limits of the country. If this parliament agrees in that view and passes this Bill without the declaration that the works are for the general advantage of Canada, the undertaking will remain one in regard to which this parliament and this parliament alone can legislate hereafter.

Mr. SPROULE. That only applies to one of the rivers. It does not apply to the Nipigon river, which is not a boundary river.

Mr. AYLESWORTH. I have not made my meaning clear to my hon. friend if he thinks my remarks do not apply to the Nipigon river. This Bill proposes, as I have pointed out, to incorporate a company to manufacture electric energy by water-power on the Pigeon river and on the Nipigon rlver, and the electric energy so manufactured, no matter whether on the Nipigon or on the Pigeon, this Bill proposes that the company shall have the power to transmit and sell for use at any place in the United States. There is no distinction, on the face of the Bill, between the power to be manufactured by the water of Pigeon river and that which is to be manufactured by the water of the Nipigon river. I speak without knowledge but my supposition is that the company do not intend to distinguish at all, in their operation, between the power manufactured at the one place and that manufactured at the other. The Nipigon is some 60 miles to the eastward of the cities of Port Arthur and Fort William, the Pigeon river is some 40 or 50 miles on the other side, and my supposition was that the corporators named in this Bill intend to manufacture electric power on both these rivers to supply any market there might be in Port Arthur and Fort William, which lie between, and to export the surplus power across the Pigeon river into the state of Minnesota or from the Nipigon river, through Lake Superior, across the international boundary, and to the discontinued mines of Isle Royale. I have seen it stated that one of the principal markets this company expects to obtain for its electric power is the copper mines on Isle Royale, now shut down, and that that market would probably be of equal value to them with the home consumption in Canada. At all events that is the proposition on the face of the Bill, and the observations I have made apply as much to the water-power of the Nipigon as to that of the Pigeon river. I cannot understand how water-power could be utilized on the Pigeon river otherwise than by the construction of a dam across that river, which would have one end necessarily on United States' soil, and this parliament alone would have the power to incorporate a company for that purpose.

The question here resolves itself simply into this. You have a body of gentlemen before you who say: 'We have the financial means necessary to carry on this undertaking, we ask power to carry it on, and we ask power to transmit our product by wire laid across the international boundary, whether across the boundary between Ontario and Minnesota or between Ontario and Isle Royale'. In either case that is something with regard to which the Dominion parliament has already acted and in regard to which no local legislature has the power to act, and in regard to which unless we are satisfied—and I have not been able to satisfy myself—that these promoters are not honest in stating their intentions, it seems to me this parliament alone has the power and ought to act.

As respects the details of the Bill, apart from the actual incorporation of the company, that is entirely another question. Powers may be asked incidentally which this House may not see fit to grant. As regards the declaration that these works are for the general advantage of Canada, I cannot see any benefit it will be to the promoters to have these words included, and as that declaration has in the past been far too freely granted, my view would be against including it in this Bill.

Mr. BOYCE. I have sent a question over to the hon. minister. Would he kindly answer it ?

Mr. AYLESWORTH. The hon. member for West Algoma (Mr. Boyce) asks me if in my opinion the fact that this Bill empowers the company to sell its products beyond the boundaries of the province

gives this parliament exclusive jurisdiction over it. If I am to answer that question exactly as it is put, I would say yes. At the same time it is a legal question by no means free from doubt and one which has been recently under consideration, indirectly rather than directly, by the Supreme court. There was a division of opinion on the point among the judges of that court, and substantially an equal division, so that we shall require no doubt the views of the judicial committee of the Privy Council before that point can be said to be settled. But in my opinion the British North America Act by the words 'extending beyond the limits of the province' intended that any company incorporated for the express purpose of transmitting its products into a foreign country should be incorporated by this Dominion parliament alone.

Mr. MIDDLEBRO. While personally I do not like to disagree with the hon. the Minister of Justice, at the same time I am forced to an opposite conclusion on the point last referred to. He says that the only reason why jurisdiction is given this parliament is because this company is given by this Bill power to export its products. It occurs to me that this parliament has no jurisdiction to authorize the construction of any work in a foreign country, so that no matter what we do here to-day our authority only extends to the boundary line. In that respect, therefore, the operation of the company will be exclusively confined to the province of Ontario. Let me point to a case on this very point, in which a company in the province of New Brunswick was proposing to build a railway in that province and also to carry on its operations into the State of Maine. It was held that the fact that the legislature of a foreign country had authorized the construction of a line of railway in that country for the purpose of connecting with the provincial railway does not in any way affect the authority of the provincial legislature to legislate with respect to the railway within the boundary of the province. (European and North American Railway Company vs. Thomas, 2 Cartwright, page 439). The point in that case is that, notwithstanding that the railway company in the province of New Brunswick applied for and obtained a charter from the provincial legislature for the purpose of constructing a railway which was to extend not only through a part of the province but into the State of Maine, it was held that the local legislature of the province of New Brunswick had exclusive jurisdiction to pass that charter, I submit that, this being the case, the mere fact that a company, wholly local in its character, is going to export some of its products into a foreign country is no justification for our assuming jurisdiction. We might as well say that because a sawmill company in the province of Ontario is going to export some of its product to the United States and because that this fact is stated in the Bill, the charter is within the exclusive jurisdiction of the Dominion parliament and the province has no legislative authority with respect to it. We have a very striking precedent, the incorporation of the Niagara Power Company under the provincial law. I understand that, subsequently to their incorporation by the province, the company came to this parliament, believing that if they had their charter ratified by this parliament it would be more within the law. But I am told that when they came here their application was refused and they are operating to-day under a provincial charter and carrying on their affairs as effectively as if incorporated by this parliament.

Mr. SPROULE. Notwithstanding that it is a boundary stream.

Mr. MIDDLEBRO. Notwithstanding that there is no doubt whatever about the Niagara river being a boundary stream. But I am glad to hear the Minister of Justice say that the mere fact that either one of these is an international stream does not affect the right of this parliament to grant this charter. I understand that the Pigeon river is partly an international river, but so far as the Nipigon river is concerned, it is wholly within the bounds of Ontario. Even as to the Pigeon river, one-half its bed belongs to the province.

Mr. BURRELL. The member for Rainy River (Mr. Conmee) says that the Nipigon is an international river.

Mr. MIDDLEBRO. I take issue with him on that point; I believe that the Nipigon is not at all an international stream, and the Pigeon river is only partly international. But, one-half the bed of the Pigeon river belongs to the province of Ontario, and, that being the case, the province certainly has the power to grant incorporation to a company such as this. This company applied for incorporation in 1906 under the name of the Port Arthur Power and Development Company. This was a purely local name. I understand that it did not purpose exporting to the United States.

Mr. CONMEE. I desire to correct the hon. member Mr. Middlebro). If he looks at the Bill of that year, referred to, he will find the same declaration for exportation as in this.

Mr. MIDDLEBRO. I observe that the name is a purely local name—the Port Arthur Power and Development Company. But that Bill was thrown out. The mat-

ter came up again in 1908 in its present form. I understand that that Bill was introduced in the Senate and thrown out by the Senate Committee, and now we have the Bill before this House. As the Minister of Justice (Mr. Aylesworth) has said, this is a question of expediency as well as a question of power. I think the time has come when we should be very careful in disposing of our national assets. We have arrived at a time when we think these assets of such importance that we have established an international commission to care for them. The object of the North American Conservation Commission is stated in its declaration of principles as follows:

We recognize the mutual interests of the nations which occupy the continent of North America, and the dependence of the welfare of each upon its natural resources. We agree that the conservation of these resources is indispensible for the continued prosperity of each nation. . . We agree that those resources which are necessaries of life should be regarded as public utilities, that their ownership entails specific duties to the public, and that as far as possible effective measures should be adopted to guard against monopoly.

One thing seems to me certain—that the incorporation of this company is not pro bono publico. If it is incorporated, it is not, as the Minister of Justice has said, for the general advantage of Canada. We have in Ontario a public utilities commission known as the Hydro-Electric Commission, which was expressly constituted for the purpose of taking charge of the great public assets of the province of Ontario, such as are covered by this Bill. These are public assets, and it will not be many years before they are required by the province as motive power for our manufacturers. Our fuel must be depleted, but the 'white coal' will go on—men may come and men may go, but this, we hope, will go on for ever. It is the most useful and economical kind of power, and it behooves us to pause long before we grant incorporation to such a company, not for the public good but for the purpose of enriching a few private gentlemen.

If we look at the public press, we find everywhere throughout the country that they are alive to this matter. I have here an editorial of the Toronto 'Globe,'—and no person will say that that journal is unfriendly to the present administration. This is from April 1, 1909.

Mr. Conmee's Little Bill.

It is disappointing, to say the least, that thirty members of the party which is identified with the maintenance of the provincial rights should be found voting for the Bill of the Ontario and Michigan Power Company. The province was represented by counsel in opposition to granting a charter, but his protests were of no avail, as the committee seems to have been lobbied on a party basis, and, with the exception of Mr. Black, the Liberal member for Hants, the committee was divided on strictly party lines. Mr. Black is to be honoured for his vote.

As Mr. Calvert said, it was more a question of policy than of jurisdiction, and, as policy strongly calls for leaving provincial matters alone, it is a pity he did not vote that way. The contention that the Nipigon river is an international stream, as Mr. Blackstock says, affronts common sense. Even if it were, it is surely not so distinctly an international stream as the Niagara river, over whose power rights the Ontario government has exercised complete jurisdiction.

The Liberal members in parliament are not sent there to get in behind Mr. Conmee's Bill or to promote his commercial ventures, if he has any. We do not pretend to settle the constitutional or legal question raised. All that we——

Mr. DEPUTY SPEAKER. I think it is against the rules of order to quote from any newspaper in this House reflecting upon the action of members of parliament in parliament. I think it is not in order for the hon. member (Mr. Middlebro) to quote from a newspaper in that respect?

Mr. MIDDLEBRO. Does the Chairman say that this is against rule 19 and is offensive?

Mr. DEPUTY SPEAKER. No, but there is a distinct rule of the House, to be found in Bourinot and May, that newspaper articles reflecting upon the action of members of the House in the House may not be read.

Mr. MIDDLEBRO. I am just reading the comments in the public press. If you, Mr. Chairman, rule that editorial articles to be found in the 'Globe' are offensive and unfit to be read to the Liberal members of the House——

Mr. DEPUTY SPEAKER. I have risen to order. The hon. gentleman (Mr. Middlebro) will please take his seat. It is not in order to comment in any way on the ruling of the Speaker or of the Chairman; his ruling must be accepted, unless there is an appeal against it to the House. I think it proper to say as well that, inasmuch as I would refuse to allow my decision to be discussed, I think approbation or disapprobation of it by applause or otherwise, is also out of order.

Mr. SPROULE. Is it out of order, on any question that comes up from time to time in this House, to read the comments of the press, because that would apply to the budget speech, to protection or to anything else which is constantly referred to in the press?

Mr. DEPUTY SPEAKER. If the circumstance arises I will endeavour to rule at the moment, but I am not supposed to answer hypothetical questions.

Mr. MIDDLEBRO. I bow to your ruling. Now, a word as to what the Minister of Justice said with reference to provincial powers. As I understand the British North America Act, all powers which previously belonged to the provinces, and which have not by the express terms of the British North America Act been conveyed from the provinces to the Dominion, still remain within the exclusive jursdiction of the provinces; so unless there is something in the British North America Act which expressly takes away the former power of the provincial legislature to incorporate such a company as this, then it certainly remains within the exclusive power of the provincial legislature. The section to which the Minister of Justice refers is subsection 10 of section 92. Among the exclusive powers of provincial legislatures are:

> Local works and undertakings, other than such as are of the following classes:—
> a. Lines of steam or other ships, railways, canals, telegraphs, and other works and undertakings connecting the province with any other or others of the provinces, or extending beyond the limits of the province.

Now, unless it can be said that a company that simply exports its product, extends its operations beyond the limits of the province, then it does not come within that limitation. My contention is that the mere fact that this Bill proposes to give a company power to export its product does not make it of an international character, therefore it comes within the exclusive jurisdiction of this parliament. Now, the Minister of Justice has said that this company is entirely local in its operations, and, therefore, he does not think it would be correct to say that this company is for the general advantage of Canada. Now, if that is so, it seems to me it must be a local undertaking; if it is not for the general advantage of Canada it must be a local undertaking, and if it is a local undertaking, then it is within the exclusive jurisdiction of the provincial legislature. Apart from the question of the legality of the Bill, I say that as a matter of policy it would be extremely inadvisable to pass it, especially in view of the fact that we are now taking action for the purpose of conserving our national resources, and in view of the fact that we have established in the past few years in the province of Ontario a hydro-electric commission for the very purpose of developing the powers which this Bill proposes to place in the hands of private parties.

Mr. CONMEE. The hon. gentleman has asserted that I had claimed at some time that the Nipigon river was an international river. I never made any statement of that character. The hon. member for Hastings on a former occasion made some reference to a statement of mine on that matter, and I corrected him. What I really did say can be found in the 'Hansard.' I merely pointed out that the Nipigon river is one of the main tributaries to Lake Superior which is a boundary water, and in view of that it necessarily became more or less of an international character. I think my position is supported by good authorities. It is difficult in some instances to draw the line and say where a river commences, or to say where a lake begins into which the river flows. The Nipigon river is one of that class. There is a large estuary of the Nipigon river and it would be a difficult matter to say exactly what part of it is river and what part of it is bay. As a matter of fact, the river is navigable for three miles above ith mouth, and both American and Canadian vessels have frequently navigated it for that distance; in fact the river is navigated for twelve miles further up and in other stretches. I think the river must necessarily be more or less of an international character. It is claimed by Mr. Moore in his 'Digest of International Law,' referring to Tributary Streams, volume 1, page 677.

> Both parties, Great Britain and the United States, have the right of navigation from the highest navigable source of the lake to the sea, through all the water connections by which they are connected with one another or the ocean.

I think that is all that is necessary to say on that point. The stream has that character for a certain distance. The hon. gentleman who has just taken his seat, I think, has been a little unfortunate in his reference to the British North America Act. But let me first call the attention of the committee to what the Bill really says. Section 8, subsection (b). provides that the company may:

> Construct, maintain and operate all necessary works, dams, wing dams, canals, intakes, tail-races, channels, conduits, tunnels, transmission lines, structures, buildings, machinery, plant appliances, instruments and devices, and erect and maintain poles and towers, and lay and maintain pipes, cables, wires or other conductors and connect them with similar lines in other provinces and in the United States.

Now, these are very different things from selling or exporting power. When hon. gentlemen read this Bill and ignore all the provisions in it for the sake of making an argument in regard to the export of power, they are simply begging the question. The construction and maintenance for the business of the company, and connecting the line with similar lines in other provinces and in the United States, are certainly substantial matters. There is no question that the Bill does provide that the company may export a certain portion of its power.

But apart from that consideration, the works of the company, the cable and transmission line and so forth, must be constructed, maintained and connected with other lines either in the other provinces or in the United States. When the Bill was before the committee maps were placed upon the wall showing the position of these two rivers and the position occupied by Isle Royale, which is a portion of the United States. Isle Royale is 40 or 50 miles east of Port Arthur and Fort William. It is directly opposite the mouth of the Nipigon river. This island is 45 or 50 miles in length. It is also practically opposite the mouth of the Pigeon river although these rivers are a long distance apart; so that the transmission lines naturally converge upon that island. These maps were produced and I think the committee was fully satisfied of the bona fides of the proposed company in that regard.

As some suspicion has been cast upon the action of this company I wish to call to the attention of the House who the parties are who are asking for this legislation. There is Mr. Herman Finger, of Port Arthur. Mr. Finger is a well-known lumberman and a man of considerable wealth; another is Mr. J. C. Hunter. Mr. Hunter is a banker. He is the gentleman who came into our country and established the furnaces that are now at Port Arthur. Another is Mr. D. C. Cameron, of Winnipeg, a large lumberman and a wealthy man. Another is Mr. J. D. McArthur, a well-known contractor in this country, a man who was able to put up $4,000,000 of security that he would carry out his contracts. These certainly are not men of straw. They are not men who should be treated as some hon. gentlemen opposite would desire to treat them, and they are not men against whom insinuations can be made with regard to this undertaking.

I think that the hon. member was a little unfortunate in his statement about the British North America Act. I followed very closely the remarks of my hon. friend the Minister of Justice (Mr. Aylesworth) and I think the force of his argument in regard to the legislative jurisdiction of this parliament must have been apparent to everyone who gave attention to it. But, I claim that this legislation is within the competence of the Dominion parliament upon grounds other than those stated by the Minister of Justice. There is no other legislative body in this Dominion that can pass this legislation. I think it will be acknowledged by all those who have paid any attention to the subject that for a great many years, parliaments, led by both political parties, have held practically the same view as regards navigable waters. They have been regarded as being under the legislative control of the Dominion. Indeed, some of the Ministers of Justice went very much farther. Sir John Thompson held that they were the absolute property of the Dominion. An Act for the building of a bridge across the Red river at Winnipeg passed by the legislature of Manitoba, was disallowed upon the report of Sir John Macdonald, acting Minister of Justice, because it was proposed to be constructed across navigable waters. A similar Act to provide for the building of a bridge across the Assiniboine river was vetoed upon the report of Mr. Blake when he was Minister of Justice. I could go on and show the House what the various Ministers of Justice have held in the past. I might refer the committee to the opinion expressed by Sir Oliver Mowat on this question. Some gentleman has seen fit to assert that there is a question of provincial rights involved in this Bill. I do not think so. There can be no question of provincial rights unless this legislature goes outside of its sphere of action and enters into that of a provincial legislature. If this Bill proposed any step of that character the question of provincial rights might arise. Touching on the question of the navigability of the rivers, my argument is that, because these rivers are navigable, quite apart from the question of their international character, if they have any, this parliament, and this parliament alone, can create this company and give it the legal authority to carry out the undertaking embodied in this Bill. I will refer the committee to the decision of the Privy Council and to the answers which it made to a series of questions submitted with regard to a similar matter. I may say that in this submission the provinces, not only of Ontario and Quebec, but the other provinces, joined with the Dominion. One of the questions submitted was this:

> Is the Act of the Dominion parliament, revised statutes of Canada, chapter 92, entitled 'an Act respecting certain works constructed in or over navigable waters' an Act which the Dominion parliament had jurisdiction to pass either in whole or in part?

That is very plain language. The Act is very well known to hon. members. It provides that no bridge, no dam, no construction of any character may be placed upon navigable waters or upon foreshores that would affect such waters except with the aproval and consent of this parliament. If the contention of the hon. gentleman who has taken his seat be correct that Act was an evasion of provincial rights. The province it contended owned the entire river in one case and to the centre of the river in the other case. I am not going to split hairs about how much it

owned, or as to whether it owned, in the case of an international stream, to the centre of the river or not.

Mr. BOYCE. Does the hon. gentleman concede that the province owns half the bed of an international stream?

Mr. CONMEE. No, I do not, and I will give my reasons for that. I am just proceeding to do that. In the very case that I am calling the attention of the committee to, it was held that:

Whatever proprietary rights were vested in the province at the date of the British North America Act, 1867, remained so unless by its express enactment transferred to the Dominion. Such transfer is not to be presumed from the grant of legislative jurisdiction to the Dominion in respect to the subject matters of these proprietary rights.

These are the words of the Privy Council. I have already stated the question submitted. These words which I have just quoted are the general remarks preceding the reply, and then the reply is in these words:

Held that the Dominion legislature had power to pass the revised statute of Canada, sec. 92, entitled 'An Act respecting certain works constructed in or over navigable waters.'

That Act is now contained in Section 115. According to the Privy Council, the highest court in the realm, that point seems to be definitely settled. I would call the attention of the hon. member for West Algoma, who asked me a question as to whether the provincial government owned the bed of the river or not, to the distinction that is made here between proprietary rights and legislative jurisdiction; these are two different and distinct things.

Their lordships point out that the distinction between the question of the ownership of proprietary rights and the question of legislative jurisdiction are very broad and quite distinct one from the other. Therefore I submit that, by that judgment alone, there can be no doubt that the authority rests with this parliament as having exclusive legislation.

Mr. BOYCE. What judgment is the hon. gentleman referring to?

Mr. CONMEE. The judgment in the Privy Council appeal cases, 1898, pp. 700 and 701.

Mr. BOYCE. That is the fisheries case?

Mr. CONMEE. The fisheries question was involved in the same judgment, certainly. My contention is that the declaration there is to the effect that in some instances proprietary rights remained in the provinces absolutely, notwithstanding the formation of the Dominion, that in other cases proprietary rights remained in the provinces but that, notwithstanding that, the legislative jurisdiction was given to the Dominion in regard of the subject matter of these proprietary rights. I think that is quite clear. I shall read the words again in case the point is not fully understood.

Whatever proprietary rights were vested in the provinces at the date of British North America Act, 1967, remained so unless by its express enactments transferred to the Dominion. Such transfer is not to be presumed from the grant of legislative jurisdiction to the Dominion in respect of the subject-matter of those proprietary rights.

I think that language is very clear. Then the following words are to be found in their decision:

Held, further, that the Dominion legislature had power to pass the revised statutes of Canada, c. 92, entitled, 'An Act respecting certain Works constructed in or over Navigable Waters.'

I contend that this decision is a declaration that notwithstanding certain proprietary rights may have remained or did remain in the provincial legislature, the Dominion and the Dominion alone had the legislative authority to deal with them. I think that is clearly borne out by some of the decisions of our own courts in the matter. I wish to refer to one or two cases respecting the findings of the Supreme Court of Canada. I would refer to the case of the legislation affecting the rights of the Dominion and the province, the Quiddy River Driving and Boom Company, 3rd Cartwright, 2 and 3.

Mr. Justice Strong in that case at page 297 used the following language:

No one can deny that by subsection 10 of section 91 of the British North America Act, exclusive power to legislate respecting navigation is conferred on the parliament of Canada, and as little is it open to any one to dispute that this power respecting navigation includes the exclusive right to legislate so as to authorize an obstruction in a navigable public river.

That I think is a very plain finding and there are others. The last speaker dealt with some of the power companies. Let me say that a considerable number of power companies have the same powers as are asked for in this Bill. The Hamilton Erie Power Company got their Act in 1895. The Grand Falls Water Power and Boom Company also got theirs in that year and the Erie Ontario Power Company got theirs in 1903. There was an issue in the courts as to the Ontario Niagara Power Company. The Parliament of Canada by the Act of 51 Victoria, 1897, chapter 120, incorporated the Canada Power Company. The company was authorized to develop a water-

power on the Welland river, to distribute electric power and to connect its wires with those of companies in the United States. Let me say for the information of the committee that the Welland river is in exactly the same position as the Nipigon river, it is entirely and wholly in the province of Ontario. It is a tributary of the Niagara of course, but it is no more a tributary of a boundary stream than is the Nipigon river, so that these two rivers are on all fours. By subsequent legislation the name was changed to the Ontario Power Company of Niagara Falls, and I think that is the same company to which the hon. gentleman referred, saying it was operating under a provincial charter. I am informed that none of these companies are operating under provincial charters, that although they obtained provincial charters in the first instance they later came here and got Dominion charters. If they are operating under provincial charters, then from the information which I have been able to obtain they are doing it illegally, and any shareholder or any creditor could set their incorporation aside because if they are operating under such a charter it is an encroachment upon the federal jurisdiction. It not only gives to the company the right to make use of the Welland and Niagara rivers, but it gives them the right to take the waters of Lake Erie, about which there can be no question, for the purposes of their power company. There can be no question about these waters being international, but whether they are international or not they are navigable. If they are operating under such a provincial charter it is only because no one has objected to their doing so.

However, I wish to continue my reference to this particular case. The Act of incorporation did not contain in any enacting clause, a declaration that the works of the company were for the general advantage of Canada, but in the preamble it was stated that it was for the general advantage of Canada that a company should be incorporated for the purposes mentioned. This Act was held intra vires of the Dominion parliament by the Supreme Court of Canada in the case of Hewson vs. the Ontario Power Company; and, although the judgment is rather long, I would ask the indulgence of the committee while I read it, because I think it deals pretty fully with a similar case:

> Mr. Justice Davies in his judgment in that case (with which Mr. Justice Sedgewick concurred) said (p. 605):
>
> The chief contention on the part of the appellant was that the charter of the respondent was null and void as not being within the legislative jurisdiction of the parliament of Canada and as being a purely local work and undertaking which the legislature of Ontario could alone authorize.
>
> The Court of Appeal for Ontario held the charter of the respondent to be intra vires of the Dominion parliament on two grounds: first, that the general recital in the incorporating Act, that it was desirable for the general advantage of Canada that a company should be incorporated for the purpose of utilizing the natural water supply of the Niagara and Welland rivers, was a sufficient declaration within section 92, subsection 10 (c) of the British North America Act; and, secondly, that the power given by section 2 of the company's charter to connect its wires with the wires of any electric or other company in the United States, made the work one extending beyond the limits of the province and so within section 92, subsection 10 (c).
>
> As at present advised I do not think the general declaration in the preamble of this private Act such a declaration as that contemplated by subsection 10 (c) of section 92 of the British North America Act. In my present view of that section I should be inclined to think that with respect to a work or undertaking of a purely provincial kind solely within the jurisdiction of the provincial legislature, and with respect to which parliament was assuming jurisdiction on the sole ground that the undertaking was for the general advantage of Canada or two or more of the provinces, the declaration intended, was an enacting declaration to the effect required by the Imperial Act. Such a declaration is not, I think, one which might be spelled out of the charter granted or inferred merely from its terms or deduced from recitals of the promoters in the preamble, but one substantially enacted by parliament. It is not necessary for me, however, to decide the point now, as I hold the charter valid on other grounds and wish to leave the point open.
>
> The jurisdiction of the legislation of Ontario is limited to the incorporation of companies with provincial objects only, and such legislature could not confer on a company incorporated by them such extensive powers as are conferred on this respondent company.
>
> It is true that the location of the works where 'electric power is to be generated is near Niagara Falls and solely within the province.' But the undertaking of the company is not simply to generate power, but to supply such power 'to manufacturers, corporations and persons for use in manufacturing or any other business or purpose.'
>
> Now the subject-matter of the charter is obviously not merely a local one. On the contrary, it is obviously one which contemplates extension over large areas. I do not find in the Act any words importing or implying a limitation upon these powers as to area. I should read the second section of the Act as giving powers to extend if found necessary or desirable to any part of Canada which was found practicable.
>
> The second section, as I read it, not only gives them general and unlimited powers of supplying electric power to parts of Canada beyond the province where their generating works are to be situate, but expressly auth-

crizes them 'to connect with the wires of any company in the United States.'

Mr. Lafleur felt himself obliged to contend that the local legislature could grant similar powers of connection, and I was disposed at the argument to agree with him. But a closer examination of the clauses of the British North America Act has led me to entertain very grave doubts that this is so. It seems clear to me that the legislature could not grant a local company power to connect its wires with those of a local company in any of the other provinces. If it could, each company would cease to be one of a 'local or private nature' and become interprovincial and general. How then could the legislature grant power to connect the wires of the company it was creating with those of the companies of a foreign country. The local or private company on such connection taking place would at once cease to be 'local or private' within the British North America Act and become international.

It was argued that the province has as much right to confer powers beyond its jurisdiction upon the corporations it calls into existence as the Dominion parliament has beyond Canada. In a certain sense that may be true. But there is a difference and a rational one too. Provincial charters are defined by the British North America Act as matters of a local or private nature not 'connecting the province with any other or others of the provinces,' and 'not extending beyond the limits of the province.' Dominion charters are not controlled by any such statutory limitations, and while the exercise of the powers they confer upon a company connecting at the international boundary line with the works of a foreign company may be subject to the municipal law of that country and permitted and controlled by the comity of nations, there is no statutory prohibition in the British North America Act preventing the granting of the power by the Canadian parliament to a company it incorporates to connect with a company of the United States at the boundary line.

It is not necessary, however, for me to decide whether a grant by the legislatures of the province to a company created by it to connect its wires with those of a foreign corporation, at the frontier, would be necessarily beyond its powers or would invalidate the charter altogether or simply in part. That question was not argued excepting incidentally, because the validity of a provincial charter was not an issue on this appeal. Whether there exists a concurrent jurisdiction in the Dominion and the province to confer such a power, I am not called upon now to decide. I do hold the power to exist in the Dominion parliament; and that, because of its exercise with respect to this special corporation and also because of the general extent of the powers granted, the Act of incorporation here in question is legal and valid.

That is a case pretty much on all fours. There are a number of other judicial findings to which I could refer, but I think sufficient has been said to show that, quite apart from the question dealt with by the Minister of Justice the legislation asked for by this company should be granted. I was somewhat surprised at some of the remarks of the hon. Minister of Justice; if he has suspicions they are not well founded. The declaration in this Bill that it is for the general advantage of Canada is an honest one. What works are covered by it, which are not of that character? If this company goes on with its undertaking, that will mean the investment of several million dollars in the establishment of hydraulic works.

Mr. J. D. REID. To supply power to the United States.

Mr. CONMEE. If the hon. gentleman were to treat this Bill fairly, he would not make that remark. The Bill provides that the company must retain half of its power for consumption in Canada. In what other Bill is there that restriction?

Mr. J. D. REID. Why should not all the power be kept for Canada?

Mr. CONMEE. When these other Bills were going through why did my hon. friend not insist on their containing a provision of that kind? He must have been asleep.

Mr. J. D. REID. What Bill does the hon. gentleman mean?

Mr. CONMEE. I have reference to a Bill regarding power on the Welland river. There is no provision that they shall not export their power.

Mr. J. D. REID. It is an international stream.

Mr. CONMEE. Not at all. It is entirely within the province of Ontario, and not more an international stream than is the Nipigon. Neither is the Welland river an international stream in the sense my hon. friend means. The company will have to establish manufactories to use that power and employ large numbers of men. Take the case of the water-power at Sault Ste. Marie. There was just about as much suspicion and nonsense with regard to giving that charter and developing that power as there is in this case. We had the same difficulty then as now and the same suspicion. But that company has done good work. It has established great works there. The customs revenue collected there has reached nearly half a million dollars a year in consequence of its establishment. Take the Shawinigan company in the province of Quebec. At that place formerly there was no revenue at all, but since that company has been established, it now gives a revenue to the customs of $100,000 per annum. Take all works of that character and you will find they are a source of great public revenue. Besides you do not get from the revenue returns in the immediate locality of the works, anything like the general advantage to the country which such works bring about. The labour employed sends its wages away, and revenue is derived from the amount of business done in re-

turn for these wages at hundreds of places throughout the country. In this case the company propose to manufacture pulp, paper and electric appliances. These are articles of commerce which serve the wants of the people throughout the entire country. I would ask hon. gentlemen to point out what other class of work is of greater general advantage than establishments of this kind, which develop the resources of nature now going to waste. I want to dwell on that subject just a little. I think that the best declaration on that point was made in the language which I propose to quote: I am reading from a work published by Mr. Farnham, on water and water-rights, edition 1904, volume 1, page 29:

The gifts of nature are for the benefit of mankind, and no aggregation of men can assert and exercise such rights and ownership of them as will deprive others, having equal rights, and means of enjoying them, of such enjoyment.

That is about as strong a contention in that regard as can be made. I am a subscriber to the principles enunciated there. There is nothing in this Bill to interfere with the rights of the public, there is nothing in it to take from the use of the public any advantage these water-powers can give, I had something at stake in presuming to introduce this measure. I have no more interest in it than simply as being the one who introduced it. I am free to say that I believe it will aid in the development of the section of the country from which I come. I believe the measure will be for my advantage in that respect, but I had a good deal of trouble with some of the promoters to get them to consent to clause 14 of the Bill. I submit that no Bill which has passed through this House or the legislature of Ontario within the last 20 years, contains as many safeguards for the people's rights. Let me read section 14:

In case of any dispute or difference as to the price to be charged for power or electrical or other energy, for any of the purposes in this Act mentioned, in use or to be provided for use upon the Canadian side of the international boundary, or as to the methods of distribution thereof, or as to the time within which or as to the quantity to be furnished, or the conditions upon which it shall be furnished for use, such dispute or difference shall be settled by the Board of Railway Commissioners for Canada on the application of any user of or applicant for power, electrical or other energy produced by the company, or upon the application of the company.

Mr. LENNOX. May I ask a question, so that we may follow exactly the hon. gentleman (Mr. Conmee) as he goes along—was this clause in the Bill of last year?

Mr. CONMEE. I do not think it was in quite the same words.

Mr. CONMEE.

Mr. LENNOX. But substantially the same thing?

Mr. CONMEE. Well, I think, pretty much. I would not say it was in the same words. But I want to point out to the committee how far-reaching that is. The language covers every dispute that can arise in the interests of the people, not only in the interests of the people in that particular district, but the people of Canada so far as they may be affected by the action of this power. But, further, this parliament created the Board of Railway Commissioners, it is a high court for the purpose of dealing with the rights of the people as affected by corporations. And parliament never, in my judgment, passed a better Act for the benefit of the general public than when they established that court. Now, parliament has control of that court, so that if this Bill passes, the people of Canada, the people of the district, the government of Canada, the representatives of the people on the floor of this Chamber, have just as much control and just as effective control over that water-power and the works that are established and the development that takes place there, as they have if the Bill does not pass or if any other power in this land passes it.

Some hon. members opposite would probably tell me that there is in Ontario a Hydro-Electric Commission for the purpose of dealing with water-power. Giving all due credit to the government that established that commission, recognizing that their purpose was to preserve, as far as they could, the benefits of their water-powers to the people of the province by preventing extravagant charges for water-power, and that through the machinery and instrumentality of this commission they are going to control these prices, I am not going to debate that question further than to point out that they have been a good while at it, and they have not reduced any prices yet.

Mr. LENNOX. The hon. member has been a good while at this Bill.

Mr. CONMEE. Yes, I have. And as they are not going to give up their commission, I am not going to give up my Bill either. But what is the provision? The people of that portion of the province within a certain distance from Niagara, within a comparatively short distance of the source of the electric energy—for electrical energy can be transmitted commercially for only a short distance—may receive all the benefits we are told about, but, if the highest hopes of the legislature can be realized they can only reach a very small area of the province.

Mr. BLAIN. Will not that be a very good thing for the province?

Mr. CONMEE. The hon. member (Mr. Blain) asks if that will not be a good thing

for the province all over? I say no. I am not arguing that the time may not come when this will benefit all parts of the province, but that will not come while the hon. member and I are on earth—what may happen in the great future I know not. This Hydro-Electric Commission is only a board composed of so many gentlemen. Are they more capable, are they of a higher class, are they better qualified, are they more zealous for the public interest generally, or more ready to protect the rights of every man than would be the Board of Railway Commissioners? I do not think they are. Giving them all due credit, I do not think there is any possibility of that board protecting the public interest more than it is protected under this Bill.

Let me refer to another matter in this connection. Has this Hydro-Electric Commission protected the public interest in the past? We can judge it because it exists and has acted. Take the case of the Kaministiquia power: that company developed power on the river within 20 miles of the city of Fort William. The hon. member for North Grey (Mr. Middlebro) read from the columns of the 'Globe.' If he will look at the back numbers of the 'Globe,' and see what it has had to say about the Kaministiquia power——

Mr. BOYCE. The hon. gentleman (Mr. Conmee) does not take recent copies of the 'Globe'?

Mr. CONMEE. I do. But I deny that a gentleman sitting behind a desk in the editorial office of the 'Globe' or any other paper has better qualifications of moulding the public policy of this country or has better opinions in regard to the great questions of public interest than the men whom the people have chosen to represent them in this House. That is my position with regard to the 'Globe' or any other newspaper. But I tell my hon. friend that if he will go back far enough he will find that the 'Globe' for months and years—certainly for more than one year—was telling the people of the great power there was in the Kakabeka falls and how it should be conserved for the benefit of the people and how the rates to be charged for power should be controlled by the then government, which was a Liberal government. I have the references here, and I could give them to the House, but time will not permit. When I ceased to be the representative of that section in the local legislature, the power was still in the hands of the government to control these rates, if the provincial legislature could control them. I may say I then had different views from those I hold now. What has happened since that time under the Hydro-Electric Commission? What the previous government had done was to refuse to deed the land except upon condition that the rates should be controlled. But this government came to the conclusion that they had their Hydro-Electric Commission, and therefore had control. They deeded the land in fee simple, without conditions—and the company is now operated and charging what it pleases; nobody has any control over it; there is no control. In that connection, let me say that there is a question of dealing with a navigable river. Under chapter 115 of the revised statutes no works may be placed upon a navigable river without approval of those works under provisions of that Act. These works on the Kaministiquia are placed there under the Act of the Ontario legislature without any such approval.

Mr. BOYCE. When was the Act passed?

Mr. CONMEE. In 1899.

Mr. BOYCE. The hon. gentleman (Mr. Conmee) had charge of the Bill?

Mr. CONMEE. I had. That is why I know something about it. But it was renewed in 1903 or 1904 so far as relates to the power of the company to divert the Kaministiquia river. Of course no provincial legislature has the power to authorize the diversion of the water of a navigable stream. But the provincial legislature gave this company power to divert the waters of this river for twenty miles and to cause them to empty not into the river but into Thunder bay. This is the river which forms the second largest harbour in the Dominion. The volume of traffic in the harbour of Fort William, formed by the Kaministiquia river, is next to that of Montreal. But I submit that even under the powers of section 115 there is no authority for the Minister of Public Works to approve of plans of that nature, they are confined to the building of a wharf, dock and works of that character, or a bridge, or works connecting or necessary therewith, all specifically defined in section 115, none of which contemplate a diversion. Therefore I submit there is no power to ratify works of an entirely different character which are involved in the diversion of a stream. No water-power development can take place without the diversion of the waters of the stream. I think I need not argue the point very long that no provincial legislature could give authority to divert navigable waters from the natural bed of a stream. Now, Sir, some very peculiar legislation has been passed by the provincial legislature, and I want to call attention to it. I have in my hand an Act in regard to the Ontario and Minnesota Power Company, passed by the parliament of Canada in 1895. Among other things the Act provides that the company shall not export any of its power to the United States —meaning that half of the power which belongs to Ontario or to Canada—except by

order of the Railway Board of Canada. It also provides that the Railway Board shall have control in fixing the rates to be charged to the municipality of Fort Francis or the township of McIrving, in which it is situated. It goes on to stipulate in regard to the character of the works, and provides among other things that the company should not in any way obstruct or interfere with the lock at Fort Francis. I may explain that term by saying that a lock was built many years ago at Fort Francis, under the Mackenzie administration. It was nearly completed for the depth of water then thought to be necessary, with the exception of the gates. The Act of this House provides for the protection of the flow of water, and provides that navigation may be obtained both above and below the dams and structures which the company may make, and also in regard to the level to which the water may be raised in the river, or in Rainy lake. Now I want to make a short statement as to what has happened in regard to that Act. I assume that hon. members are not generally aware that the province of Ontario has assumed power to veto Dominion legislation, as appears from an Act which I have in my hand. This is an Act of the Ontario legislature in the following year, 1896. The statute of Canada, 1905, was passed on the petition of the Ontario and Minnesota Power Company, Limited. The Ontario Act provides:

> And whereas certain provisions thereof as to the supply of power in Canada from the water-power on the Rainy river at or near the town of Fort Francis, are in the interest of the province of Ontario, and whereas notwithstanding the provisions in the said statute contained, it is contended that the company are not bound thereby but are entitled to deal with the said water-power free from the restrictions in respect thereof imposed by the said Act.

That is what I call a veto.

Mr. LENNOX. It is the other way, it is carrying out the objects which the legislature had in view.

Mr. CONMEE. My hon. friend is entirely wrong about that. It is setting aside all the provisions of the Dominion Act.

Mr. LENNOX. Just the opposite.

Sir WILFRID LAURIER. What is the enactment?

Mr. CONMEE. The Act goes on to provide for some of the same provisions that are contained in the Dominion Act.

Mr. LENNOX. This is the Ontario Act which supplements the Act of the Dominion parliament.

Mr. CONMEE. It will be time enough for the hon. gentleman to give an opinion after he has read this Act.

Mr. LENNOX. I have read it.

Mr. CONMEE. Well, I shall have to ask you to read it again. All I can say is that if you are a lawyer, as I believe you are, and you have read this Act and are going to contend as you do just now, I would be very sorry as a client to employ you.

Some hon. MEMBERS. Order.

Mr. DEPUTY SPEAKER. The hon. member will please address the Chair, and not the hon. member for Simcoe (Mr. Lennox).

Mr. CONMEE. Under the provisions of the Dominion Act disputes were to be settled by the Board of Railway Commissioners; under this Act, there is a very different provision:

> In case of any dispute as to the price of power or electrical energy in use or to be provided for use upon the Canadian side of the international boundary line, or the methods of distribution thereof, or the time within which, or the condition on which, the same shall be furnished for use, such dispute shall be settled by the Lieutenant Governor in Council on the application of any applicant for power, or of the company or the town of Fort Francis.

That changes the jurisdiction of this parliament. Under the Dominion Act it is provided that a portion of the power, if it was so ordered by the Board of Railway Commissioners, might be exported for use on the American side under such conditions as the board might impose. Now this Act provides in a different way:

> No part of the power or electrical energy to be provided for use on the Canadian side of the said boundary line shall be diverted to or used in the United tSates without the order of the Lieutenant Governor in Council.

Now the Lieutenant Governor, under this statute, takes away from the Board of Railway Commissioners, the power which was given by Dominion statute, and takes to himself to say just what power shall be exported. I want to say to the hon. member that I do not believe the Act is worth the paper it is written on. But, it just goes to show where the question rests. It goes to show that there is a necessity for action on the part of this government with regard to this question. This was an international stream. Why the provincial legislature should have assumed to set aside the Acts of this parliament and to deal with an international and a navigable stream is something that I do not know. It is certainly taking a very extreme course, to say the least about it. But, if hon. gentlemen are questioning the pro-

priety of passing this Act, what have they to say as to the propriety of their friends at Toronto in passing that Act? If these gentleman say, 'You may possibly be invading our rights,' surely they should come here with clean hands. That is a principle of British law and British practice. I will point to only these two Acts, although I could refer to a dozen Acts, in which the same principle was involved. This is a clear case of usurping the authority of the parliament of Canada. Let me give another case in point. Nipigon lake is a large body of water, with about the same coast line as Lake Ontario; yet, the Ontario government have assumed control of it. They have undertaken to forbid anybody to navigate it unless he gets a license from the provincial government. I would like to ask hon. gentlemen where they get any authority for that? If there is anything clear about the British North America Act, if there is anything that is fully established by the statutes of Canada based on that Act, it is that the Dominion has control of navigable waters. Yet, the provincial government assumes to exercise the paramount control over one of the great lakes of the country. Well, I will leave that question for hon. gentlemen to think over. Now, what I have to say with regard to this Act, is, that in my humble opinion, it is evidently an Act that should be passed by this legislature. But, I would like to meet the views of my hon. friend the Minister of Justice, and I have this suggestion to make if it will meet with his approval. I recognize that that section 2, which contains a declaration that these works are for the general advantage of Canada, may be open to some objection. Let me say to the committee that this is not at all the Bill that was defeated last year in the Senate. The reason for the defeat in the Senate in part was that the Bill of last year provided for the company going out along all the branches of the Nipigon and Pigeon rivers and erecting storage works for the control of the flow of the water. That has been entirely cut out of the Bill because of the criticism in the Senate Committee. It was pointed out that some of the streams might partake of a different character from either the Nipigon or the Pigeon rivers and might not be fairly classed as navigable streams. In view of the force of that statement the clause of last year has been entirely cut out of this Bill, so that, in that respect, it is quite a different Bill. I propose that section 2 shall read in this way:

> The works authorized by this Act, in so far only as relates to the development of water powers and electrical transmission, are declared works for the general advantage of Canada.

That would confine it to the two objects alone. I do not know whether that will meet the views of the Minister of Justice or not, but it seems to me that it would be a very fair declaration. Some hon. gentlemen have asked: 'Why have that declaration at all? What is the purpose of having that declaration?' In answer I may say that this company is proposing to expend a large sum of money. They will have to go into the money markets and borrow upon their security, no doubt, to carry out their undertaking. They do not want any doubt as to their rights. They do not want any doubt as to whether the Act which they obtain is beyond dispute or not, and in that sense the declaration is regarded as being of some advantage to them. Whether that is a sufficient reason or not I am not prepared to say, but I do say that it is a shield against attack. We see that some of these companies have been dragged into the courts and from court to court under one pretence or another in regard to their charter and the idea was that as a shield against such attacks a declaration, framed as I have just read it, would be of advantage to the company. I cannot see wherein any interest or any individual could possibly be prejudiced by the insertion of that declaration in that section.

Mr. SPROULE. Does the hon. gentleman think we could insert in a section like that, the declaration that a certain part of the works are for the general advantage of Canada while excluding a certain other part?

Mr. CONMEE. Certainly; you can declare that certain works are for the general advantage of Canada, and if you do not declare that other works are for the general advantage of Canada they will not come within that classification.

Mr. SPROULE. But it is part of the same works.

Mr. CONMEE. No. This would cut out the manufacturing works. This company propose to create manufacturing establishments. They propose to manufacture pulp and paper and land and marine motors. They would not come under that declaration at all. As I understand the Minister of Justice, if that amendment were not put in all the works of the company might fall under the exclusive jurisdiction of the Dominion. Whether that would prejudice anybody or not I am not prepared to say, but I thought that the amendment which I have submitted would be a pretty fair proposition.

Mr. BOYCE. I am sure that the committee has been very gratified to have listened to such an excellent dissertation upon law and fact as we have listened to during the last hour from the hon. member for Thunder bay and Rainy river (Mr. Conmee). He has given to the consideration of these questions a great deal of thought and in his

remarks he has brought to bear upon the consideration of the many matters involved vast experience and learning. But I must confess, Mr. Chairman, that as the hon. gentleman struggled through, as he did in a most able manner, the various intricacies, the constitutional by-ways and the various decisions affecting the respective rights appertaining to the Dominion and the provinces under the British North America Act, recalling, as the hon. gentleman's remarks did, to my mind, various other statements and arguments that in days long gone by I had heard the hon. gentleman make, both from the public platform and in the legislature of Ontario, of which he was then a member, I was forcibly reminded, Sir, of the story of a western statesman who, having argued volubly from a public platform in favour of the policy which he was advocating, concluded his remarks with these words: 'Now, ladies and gentlemen, these are my views and if you don't like them they can be changed.' The hon. gentleman peculiarly has arguments which, according to time and season and the expediency and exigencies of each situation can be made to adapt themselves as the situation requires. I think that it can be said that there is no question upon which the hon. gentleman has varied his policy and has changed so diametrically his views as he has upon the questions which are involved in and which form the main principles of this Bill. Why, from 1885, when the hon. gentleman first went into the political arena and became a supporter of the late Hon. Sir Oliver Mowat, that doughty champion of provincial rights, whose policy the hon. gentleman so loyally followed—

Mr. CONMEE. And still follows.

Mr. BOYCE. Yes, and still follows, the hon. gentleman in every campaign in which he was following loyally declared in favour of provincial rights, everything for the provinces, the mines, the lumber, the licenses, the fisheries, the surrendered Indian lands —everything should go to the provinces, including the water-powers. But a change suddenly came over the spirit of the dreams of the hon. gentleman. It was not a gradual change, it came suddenly, almost in a night, and that was the night of the 25th day of January, 1905. Why, Sir, from 1886 until the night of the 25th of January, 1905, the hon. gentleman from Thunder Bay and Rainy River (Mr. Conmee) had the most implicit confidence in the fullest possible powers of the legislature of the province of Ontario to pass such legislation and to control companies of this kind which were exclusively within their jurisdiction. What do we find? The first step the hon. gentleman took was with regard to a company with which he was intimately connected, of which he was an incorporator and provisional director and which from 1886 to 1904 had been incorporated and kept exclusively within the jurisdiction and control of the province of Ontario.

Mr. CONMEE. What company was that?

Mr. BOYCE. That was the Pacific and Atlantic Railway Company.

Mr. CONMEE. Oh.

Mr. BOYCE. Yes, yes, yes.

Mr. CONMEE. I would like to know what the Pacific and Atlantic Railway Company has got to do with this.

Mr. BOYCE. My hon. friend from 1886 to 1905 laboured, I presume, under the delusion, as he would have us now believe, that these matters were within the legislative control exclusively of the province of Ontario. He secured the incorporation of that company in an Act of the Ontario legislature which gave it very large powers. He renewed that charter and renewed it, and renewed it, without having performed one of its stipulations. Session after session he secured from the legislature of Ontario unconditional renewals of the powers granted by this Act until this awful calamity happened on the 25th of January, 1905. After that calamity he knocked but once more at the doors of the legislature and he was met with the condition that he must proceed with the work and must spend $300,000 in one year. What did he do? Not one single thing to carry out the conditions.

Mr. CONMEE. I rise to a point of order. The hon. gentleman is addressing his remarks to me. I had nothing to do with the railway company of which he speaks for more than 20 years.

Mr. BOYCE. Except as an incorporator, a provisional director.

Mr. CONMEE. My name was used on one or two occasions. I never had a dollar's interest in it, I never was a promoter, I was never anything more to the company than the member who introduced the Bill.

Mr. BOYCE. I was proceeding to say that the moment the Ontario legislature, as constituted in 1905, directed the company to do something to carry out the objects of incorporation and spend $300,000 in one year, the company, without having done one single thing, without having spent a dollar as ordered by the legislature, came to the parliament of Canada of which the hon. gentleman was then a member, and he said: 'This is a matter entirely and exclusively within the control of the Dominion parliament, it must

be relegated to Dominion jurisdiction and there it must stay,' and that railway, which for all these years, had nestled snugly and safely in the lap of the provincial legislature, the moment something was to be done, the moment terms were imposed by the Tory administration, the hon. gentleman comes here and says: 'Jurisdiction over this company must be taken away from the province of Ontario and it must be declared a work for the general advantage of Canada.' The hon. gentleman argued from his place that the work mentioned in that Bill was a work for the general benefit of the Dominion of Canada, and he gave no other excuses for the non-performance of the conditions imposed by the legislature of Ontario in regard to promoting and safeguarding the interests of the public than that it had suddenly grown, by reason of this awful calamity, a work for the general advantage of Canada and this House so declared it.

Mr. CONMEE. Does the hon. gentleman say I was an incorporator of that company?

Mr. BOYCE. Yes, I say he was that.

Mr. CONMEE. If the hon. gentleman looks at the Act he will find he is mistaken.

Mr. BOYCE. Has he the document?

Mr. CONMEE. No.

Mr. BOYCE. Neither have I.

Mr. CONMEE. Then he should not make the statement.

Mr. BOYCE. I have made the statement before and you never denied it.

Mr. CONMEE. I deny it now.

Mr. BOYCE. I accept the hon. gentleman's denial.

Mr. CONMEE. I understood the hon. member to say that I was one of the incorporators of the company when it came here. I was not one of the promoters, not when it came here.

Mr. BOYCE. I did not say that. I do not want to do any injustice. I say that the hon. gentleman was one of the original incorporators and directors of that company when it was originally incorporated in the Ontario legislature.

Mr. CONMEE. I understood the hon. gentleman to say 'then what did the hon. gentleman do? He came down to this House,'—and then he went on to state what I had done here. I had nothing to do with the Bill for many years before it came here. Mr. Clergue and his companies had control of it.

Mr. BOYCE. I accept entirely the hon. gentleman's explanation of what happened after the incorporation of the company. This is one of the questions on which the hon. gentleman who has become an authority on these great constitutional questions, has changed his views. There are others. We listened to a learned disquisition on this subject from the Minister of Justice, and while the hon. member for Thunder Bay (Mr. Conmee) did not agree with the Minister of Justice in all respects, he went a little further in some respects. The hon. gentleman said in this House that this Nipigon river was an international stream.

Mr. CONMEE. No.

Mr. BOYCE. Was international in its character. At page 1068 of 'Hansard' the hon. member said:

> The Pigeon river is an international water and the Nipigon is a navigable water, and, in my opinion, also international in character.

Then at page 1069 we find:

> Mr. BOYCE. That is an international water.
>
> Mr. CONMEE. Certainly, so is the Nipigon river, to a certain extent at least, in my opinion.
>
> Mr. BOYCE. Not seriously?
>
> Mr. CONMEE. Yes, I am quite serious, and I am quite prepared to back up my opinion with sufficient evidence.

That was on the 15th of February, 1909, upon this very same Bill, and yet the hon. gentleman now argues solemnly before this committee that the Nipigon river is not an international stream, but that as a navigable stream it should be subject to the jurisdiction of this parliament.

Mr. CONMEE. The hon. gentleman will pardon me for a moment. He has made the statement that I stated in the House that the Nipigon river was an international stream.

Mr. BOYCE. I read the hon. gentleman's remarks in 'Hansard.'

Mr. CONMEE. It does not matter what the hon. gentleman has read from 'Hansard.' I never made the statement. Another thing, I cannot find those words in 'Hansard.' The hon. member for Hastings repeated——

Mr. BOYCE. I gave place to the hon. member to ask a question, not to make a speech.

Mr. CONMEE. If the hon. member wants to insist on that sort of buncombe, I suppose he can do it.

Mr. DEPUTY SPEAKER. The hon. member should not use an expression of that kind.

Some hon. MEMBERS. Take it back.

Mr. DEPUTY SPEAKER. I did not say that it was necessary for the hon. member to withdraw the expression. I think that much liberty of expression the Chairman has. I called his attention to it as an inappropriate expression, but it does not follow that on all occasions such expressions must be withdrawn.

Mr. BOYCE. The hon. gentleman seems to be very scrupulous. I said I did not want to do him any injustice, and I quoted his words from 'Hansard'; and yet the hon. gentleman gets up and says he did not use those words and cannot find them. I will give him the pages—1068 and 1069, dated February the 15th, unrevised 'Hansard.' The first ground the hon. gentleman took to argue himself into a position to assert that this parliament and no other should have jurisdiction over the Nipigon river was that it was an international water—international in character; I suppose he means of international reputation. I think the hon. gentleman's remarks this afternoon have sufficiently disposed of that argument. Now, the hon. gentleman argues that by reason of the Nipigon river being a navigable river, this parliament should have jurisdiction over it. I take issue with my hon. friend upon that point; and in the next place, conceding for the sake of argument that the Nipigon river may be considered to be a navigable river for the purposes of this Act, the legislature of Ontario has full legislative jurisdiction. Looking at a sketch of the Nipigon river which I have I see that very close to the mouth of the river there are rapids, and that the river is navigable for a distance of only about three miles beyond those rapids until there is another rapid; that is, it is navigable in the sense of being deep enough for boats to travel between those two points. From there on it is not in any sense a navigable river. But if we concede for the sake of argument that the two or three miles between those two rapids make of the Nipigon river a navigable stream, what then? My hon. friend has quoted voluminously and learnedly from a case in law to establish the fact that where there is a navigable stream, the jurisdiction of the province must perforce cease; but there is where I must take issue with the hon. gentleman, and upon the very case which he has cited. He quotes from the decision of the Privy Council in the fisheries case, reported in Appeal Cases of 1898, at page 700. Lord Herschel was one of the Lords Justices who delivered judgment in that case, and this is what he said at page 714—and I commend it to the mature deliberation of my hon. friend from Thunder Bay and Rainy River, because he must have omitted this paragraph from the judgment which he read:

> Lord Herschel expressed the view that R.S.O., 1887, chap. 24, sec. 47, is within the legislative authority of Ontario, except so far as concerns lands in public harbours and canals, if any of the latter be included. This section authorizes the Lieutenant Governor to make sales or appropriations of 'land covered with water in the harbours, rivers and other navigable waters in Ontario, under such conditions as it has been or it may be deemed requisite to impose, but not so as to interfere with the use of any harbour as a harbour, or with the navigation of any harbour, river or other navigable waters.'

That is a part of the dictum in the fisheries case. Where does that leave my hon. friend? There is no part of the Nipigon river which the hon. gentleman proposes to develop under this power Bill which can by any stretch of imagination be said to be navigable. Nothing that the Ontario legislature could do in the exercise of its legislative jurisdiction could possibly interfere with the navigation of that river. My hon. friend must therefore see that where there is no interference by the actual exercise of jurisdiction by the local legislature, there is no clash of jurisdiction with the Dominion parliament, and the matter rests solely within the jurisdiction of the provincial legislature. But my hon. friend has experienced, even in this connection, and it is lamentable to notice it, a great change of heart—a great reversal of judgment; and I cannot understand why he should have reversed his judgment when he thought that the judgment he expressed to-day was so much in line with what Lord Herschel and the Lords Justices had said in deciding the fisheries case. The hon. gentleman's argument to-day was in line with the way in which he read the fisheries case, when he said that where there was a navigable river and where the works proposed to be constructed would interfere with the navigation of that river, then the jurisdiction passed to this parliament. After first approving of that decision of the Privy Council, after removing for all time any doubt as to what their lordships really meant, after having given the people of Canada his dictum as to what was in their lordships' mind, when they gave that judgment, although not expressed in it, my hon. friend said—and I refer to his remarks because they are very pertinent in this connection. They will be found on page 66697 of 'Hansard,' June 30, 1906:

> Whatever power is available for the Canadian side is a question entirely within the jurisdiction of the Ontario government, first, as regards the use of the bed of the river for that purpose, and second, of this government as regards the use of the stream, because it is an international stream.

Does the hon. gentleman say that to-day?

Mr. CONMEE. Certainly. I have never argued that the provincial government had not rights. But what I say is that whatever rights they have, whether in an inter-

national stream or a navigable stream, are not interfered with by this Bill.

Mr. BOYCE. The quotation I have read refers to the St. Mary's river, which undoubtedly is an international stream, and in that connection he says you have to go to Ontario in order to get your rights.

Mr. CONMEE. Not at all.

Mr. BOYCE. The hon. gentleman said:

Whatever power is available for the Canadian side is a question entirely within the jurisdiction, as I understand it, first, of the Ontario government as regards the use of the bed of the river——

The hon. gentleman was talking about the St. Mary's river, which is an international and navigable stream, and he says that the first thing you have to do is to go to the Ontario government because it owns the bed of the stream.

Mr. CONMEE. If the hon. gentleman will only use my words and not enlarge on them the committee will understand him better.

Mr. BOYCE. I must ask my hon. friend to allow me to retain the floor.

Mr. CONMEE. Go on and make all the misrepresentations you please.

Mr. BOYCE. I rise to a point of order. The hon. gentleman must withdraw those words.

Mr. DEPUTY SPEAKER. The hon. member has no right to charge misrepresentation, and I hope he will withdraw the expression.

Mr. CONMEE. Surely no one is obliged to sit and listen to another misrepresenting his words without making some protest.

Mr. DEPUTY SPEAKER. The hon. gentleman has no right to make comments on my ruling, but must withdraw the expression which I have ruled out of order.

Mr. CONMEE. I said that I never made use of the words the hon. gentleman attributed to me, and under the rules of the House he is bound to take my word.

Mr. DEPUTY SPEAKER. The hon. gentleman has the right to make an explanation on the point of order, but not to make a speech or any lengthy remarks.

Mr. CONMEE. What I say is that I never used the language the hon. gentleman has attributed to me. I went on to correct him and he objected. I never used the language or contended for the principle he imputes to me.

Mr. LENNOX. The hon. gentleman said to the hon. member for Algoma that he could go on and make misrepresentations to any extent he saw fit.

Mr. DEPUTY SPEAKER. That was the expression I thought not in order, and the hon. gentleman must withdraw both the use of the word 'you,' thus addressing a member directly insisted of the Chair, and the charging of an hon. member with misrepresentation.

Mr. CONMEE. I bow, Sir, to your ruling, but let me ask that the rules of the House be enforced equally against all members. I rose in my place and said I had not used the words which the hon. gentleman cited as mine, and he continued to repeat them, and was not called to order. I ask now that he be called to order regarding the statement he has made.

Mr. DEPUTY SPEAKER. It is too late now to raise a point of order with regard to words uttered some time ago. Had I noticed any unparliamentary words I would have had them withdrawn, but my attention was not called to any such. I understand that the hon .member for Rainy River has withdrawn the expression I ruled out of order.

Mr. BOYCE. You state, Sir, that the hon. gentleman has withdrawn the expressions. I have read the hon. gentleman's words as they appear in the records of the House. The hon. gentleman stood up and said he did not use these words.

Mr. CONMEE. I ask the hon. gentleman to withdraw that statement. I have no objection to his reading any words I have uttered, but what I do object to is the misrepresentation he applies to them. What I object to is his misrepresentation of my words and not to his reading them.

Mr. BOYCE. I was proceeding to state that the position which the hon. gentleman found it then expedient to take was a position, as appears by his own words, that in St. Mary's river, an international, navigable stream, whatever powers are there available for the Canadian side come entirely within the jurisdiction, first, of the Ontario government as regards the bed of the river, and secondly, of this government, as regards the use of the water. He could not have made use of a broader example, because, if there be any stream in Canada in which there would be an interference by the provincial government in the exercise of what it conceived to be its legislative jurisdiction, it would be that river because it combines the two elements about which my hon. friend has argued separately. Because, in the Nipigon river he has, according to his own contention, a navigable, but—contrary to his own contention on the same Bill a few days ago—not an international stream; and in the Pigeon river, he has an international, though I understand that he does not argue it to be a navigable stream.

Mr. CONMEE. I argued that both were navigable.

Mr. BOYCE. Then, I misunderstood the hon. gentleman. But, as I say, the hon. gentleman has stated as strong a case as possible for the contention that where you have an international and navigable stream, you must go to the provincial legislature for whatever power you require. And therefore I say to him now that I accept his word as contained in that argument, and I say that is the place for him to go and that is where he ought to be.

Mr. CONMEE. I again call attention to the hon. member's (Mr. Boyce's) course. In the language which he read, I merely stated that the ownership, or control if you choose to use the word, of the bed of the river was in the provincial government, and the hon. gentleman continues to misrepresent in that respect.

Mr. BOYCE. The hon. gentleman (Mr. Conmee) did not say that. In order that he may not forget the words to which I have referred, I will read them again:

> Whatever power is available for the Canadian side is a question entirely within the jurisdiction, as I understand it, first, of the Ontario government as regards the use of the bed of the river for that purpose; and, second, of this government as regards the use of the water, because it is an international stream, and I assume they would have to get the consent of this government.

At six o'clock, committee took recess.

After Recess.

Committee resumed at eight o'clock.

Mr. BOYCE. When you left the Chair, Mr. Chairman, I was proceeding to discuss the question of a navigable water as affecting the question of jurisdiction, and as being one of the excuses which the hon. member who is promoting this Bill has put forth, supported by the Minister of Justice, for interference with what I conceive to be the exclusive jurisdiction of the province of Ontario in this case, and of other provinces in cases of a similar nature. The main contention of my hon. friend, as I understand, is that because the Nipigon and Pigeon rivers are navigable to some extent, any works for the development of power, or any works which in any way encroach upon these navigable rivers, would be beyond the jurisdiction of the province, and therefore ultra vires of its legislature. Now I do not understand that there is any longer any virtue in that argument, I understand that such arguments have been at least discussed by the fisheries case, and disposed of by another case with which I suppose my hon. friend is familiar, that is the case of McMillan vs. South West Boom Company, reported in 2 Cartwright, page 542. The gist of that decision is that the fact that a river is navigable does not in itself alone transfer that river to the Dominion jurisdiction. That is the gist of the decision in the McMillan case, and it runs through the Fisheries case, as I have shown, and is in accordance, as I understand it, with the views laid down by my hon. friend himself three years ago. If I were to go further along the line I was following before recess, I would point out to my hon. friend the position in which he found himself when he advocated that principle. He was asking this parliament to declare as a work for the general benefit of Canada a railway company which was incorporated in Ontario and continued to be under provincial jurisdiction. I know he will remember, and that other members of the committee will remember, the strenuous objection that was raised from this side of the House on the ground that the declaration of that work as one for the general advantage of Canada would seriously interfere with provincial jurisdiction, and would deprive the province of certain water-powers which were in a state of semi-development on that river. My hon. friend's contention, in order to get his measure through, was this: 'We cannot take your water-powers, we are not interfering with your water-powers; if we wished to interfere with your water-powers we could not for the reason'—and the reason is given in the quotation I made to my hon. friend of his own words—'that these water-powers are entirely within the jurisdiction, first, of the province of Ontario as regards the river bed, and secondly, of this parliament as regards the question of an international stream.' Now my hon. friend has said that these are powers which should not be given by the Ontario legislature, that they are powers ultra vires of the Ontario legislature. My answer to that is what my hon. friend announced as his principle on the 30th day of June, 1905, and that he had consistently adhered to prior to that time; because I find on reference to the Acts of the Ontario legislature so far back as 1886, which was the year after my hon. friend first entered public life and became a legislator in this country, that he introduced a measure, or was the promoter of a measure, called the Ontario & Rainy River Railway Company, incorporated by chapter 75 of the Ontario Act of 1886, and I commend to my hon. friend the reading of some of the powers which are given to that company by that Act. It was an Ontario railway which was promoted towards Rat-Portage, and by section 33, these powers were given to that company:

> It shall and may be lawful for the company at any point where the railway, or any

branch thereof, approaches within two miles of any navigable waters, to purchase and hold as its absolute property, and for the use of the company, wharfs, piers, docks, water lots, water frontages, and lands; and upon the said water lots, water frontages and lands, and in and over the waters adjoining the same, to build and erect elevators, storehouses, warehouses and engine houses, sheds, wharfs, docks, piers and other erections.

'On navigable waters,' which are as my hon. friend contends now, absolutely and exclusively within the jurisdiction of this parliament. So we find the hon. gentleman, during the time the late Hon. Mr. Mowat was Prime Minister of Ontario, promoting and advocating a Bill and getting it carried into law, giving to this company all sorts of powers which are exercised upon navigable waters. Well, if I wanted to elaborate and multiply instances, I might also refer my hon. friend to the Bill incorporating the Pacific and Atlantic Railway Company, the very railway which we were discussing before recess. Section 6 of the Act, which is chapter 76 of the Ontario statutes of 1886, gives the company power:

To purchase, lease, or acquire at any point where their railway or any branch thereof touches, or approaches within two miles of any navigable waters, sufficient land for the uses of the company, their railway and vessels run or navigated in connection with said railway, and the company may erect warehouses, elevators, docks, wharfs, stations, workshops, and such other buildings as may be necessary for the purposes of the company, and may sell and convey such land as may be found superfluous for any such purposes.

These are similar powers to those given to the Ontario & Rainy River Railway Company. My hon. friend admitted that he was the promoter of this Bill. I also noticed that by section 1, one J. Conmee is an incorporator of the company and a provisional director. So that my hon. friend was doing——

Mr. CONMEE. When was that?

Mr. BOYCE. In 1886——

Mr. CONMEE. Oh.

Mr. BOYCE. Do I understand my hon. friend to say that that was not he?

Mr. CONMEE. No, I was only asking the date. Go ahead; it is all right.

Mr. BOYCE. 1886. So that what my hon. friend was doing, in the Ontario legislature in 1886, a year after he came into public life, when he had drawn the first innocent breaths of his political career, before he had become contaminated by his associations and by different spheres of activity——

Mr. CONMEE. Be careful now.

Mr. BOYCE. What he was doing, as the promoter of a Bill of which he himself was incorporator and a provisional director, was exactly what he now says the Ontario legislature has no power to do, namely, to give power to construct works upon navigable waters. The other excuse that my hon. friend puts forward, and one which was emphasized very strongly by the Minister of Justice, had reference to the right given to this company to export power. I must confess that it was a somewhat shocking and sweeping proposition for the Minister of Justice to say that because this company purported to have power to export its surplus product to the United States, the Ontario legislature was deprived of jurisdiction to legislate with reference to this matter and that therefore the question was brought exclusively within the jurisdiction of this parliament. I was not absolutely certain that that was what the Minister of Justice meant to say and I sent him over a written question in order that I might be sure. He read that question over and sent an answer in the affirmative. Let us see where that leads us. Because there is inserted in any Dominion Bill introduced on behalf of a company seeking power to export its surplus product to the United States the Ontario legislature is deprived of jurisdiction. What is to prevent any power company under the sun from coming to this House, putting in its Bill the right to export its surplus product and thus take away from the province of Ontario every vestige of power rights it has? I think this committee will desire something more weighty from the Minister of Justice than a proposition like that. It certainly does not appeal to me as being founded on sound common sense from the legal point of view, and it is certainly not such an opinion as we should expect to receive from that hon. gentleman. But it does seem to me that if ever there was a paltry, flimsy excuse by which the jurisdiction that the Ontario government is exercising with regard to the power question can be stolen from it the Minister of Justice gave it to this committee this afternoon in the speech which he made.

Now, I want to refer for a moment to some of the Ontario legislation with respect to power. I will first refer to the Act which was passed by the Ontario legislature respecting water-powers in 1898. By that Act, Chapter 8, the commissioner of Crown lands was given power to:

Reserve from sale any water-power or privilege on the Crown lands of the province, and a sufficient area of land in connection therewith for the erection of buildings and plant, together with the right to lay out and use such roads as may be necessary for passage to and from such water-power or privi-

lege and land, and may under regulations to be approved by the Lieutenant Governor in Council, make terms and conditions upon which such water-power and land so reserved may be sold, or leased, and developed.

That was assented to on the 17th January 1889. At that time the hon. member for Thunder Bay and Rainy River was a supporter of the government in the Ontario legislature, and I do not know that he lifted up his voice or made any very strenuous objection to the Ontario government exercising control over the waters or over the bed of the river when they took that course. Then again, following the history of Ontario legislation in regard to power, we find an Act passed in 1903, just before the late government went out of power. That was an Act providing for the construction of municipal power works and the transmission, distribution and supply of electrical and other power and energy. I shall not take up the time of the committee by reading it at length, but I would commend to my hon. friend and to other members of the committee the full powers which are given to the municipal commission under this Act for the acquisition and the control of power rights. Then, we find that the present government, in the year 1906, introduced an Act which was passed by the legislature of Ontario, being chapter 15, and entitled 'An Act to provide for the transmission of electrical power to municipalities'; otherwise known as the Hydro-Electric Power Commission Act. It gave certain powers to a commission to examine into, to inquire and to report upon water-powers in the province of Ontario. By section 11 that Act provides :

The commission may, from time to time, report to the Governor in Council, designating such lands, water privileges, water-powers or the lands, works, machinery and plant, or any portion thereof of any company or person owning, or holding under lease or otherwise, or developing, operating or using any water privilege or water-power, or transmitting electrical or other power or energy in the province of Ontario which should, in the opinion of the commission, be purchased, acquired, leased, taken or expropriated, developed, operated or used by the commission for the purposes of this Act, or may designate what quantity of the product of any such corporation or individual developing electrical power or energy in the province of Ontario, or purchasing such power or energy the commission requires for the purposes of this Act.

Again, by section 12, the Lieutenant-Governor was authorized:

to acquire by purchase, lease or otherwise, or without the consent of the owners thereof, or persons interested therein to enter upon, take and use the lands, works, plant and property of any company or person owning, using and developing or operating lands, water, water privileges, or works, plant and machinery for the development of any water privilege or water-power for the purpose of generating electrical power or energy, or for the transmission thereof in the province of Ontario, and to develop and supply electrical power or energy.

That was an absolute legislative assertion of the right of the province of Ontario to deal with and to exercise control of, to expropriate and to manage exclusively any water-powers in the province of Ontario and to control the rates. That power policy has been approved of by the people of Ontario and is now being carried out by the government of that province to the great and lasting benefit of the people. The power commission appointed by the Ontario government made a special report with regard to the water-powers in the Algoma, Thunder Bay and Rainy River districts. In that report the very water-power sought to be acquired by this company is dealt with as a part of the power policy of the Ontario government. At page 17 of the commission's fifth report there is a reference to the Cameron Rapids development, the very power which my hon. friend in committee admitted this company proposed to use. How then could this parliament authorize a company to utilize that power without a direct clash of authority?

Section 8 of this Bill provides:

The company may—

(a) acquire, develop, improve, maintain and operate water-powers, use, supply and sell water-power for any purpose, by any means of application, generate, by means of water-power or otherwise, electricity, heat, light and any other form of energy, and transmit the same by any means to, and supply and sell the same for use in any manner at, any place in Canada and the United States.

The one point on the Nipigon river is the very point referred to in the report of the Ontario Hydro-Electric Commission.

The last report of the Waterways Commission, which is a Dominion commission, expressly seeks to prevent the giving away of any further water-powers until such time as a thorough examination shall be made as to their extent and development. Supplementing that I would quote from a newspaper account of a very interesting lecture delivered here by Professor Shortt before the Canadian Society of Civil Engineers, on 'Water-powers.' The keynote to his address was: 'Keep your water-powers, do not give them away or dissipate them now because therein lies the future welfare of the manufacturing industries of this country.' May I quote from the report of Professor Shortt's address in the Ottawa 'Citizen' of April 5:

The people of Canada were beginning to wake up to the fact that the resources of the country were being rapidly depleted and from this awakening the movement for the conservation of resources had sprung. The recent conference at Washington had been a very

hopeful sign, and the document sent to Canada as the result was a wise one. It was vital that the idea of conserving resources should be brought home to the individual realization of the people of the continent. The steps already taken should be augmented by the full awakening of public sentiment.

The water resources of Canada were of special importance on account of the immense economic possibilities of the water regions of the country.

Professor Shortt is an eminent authority upon economic questions and has devoted a great deal of study to the question of our natural resources. It will be a serious handicap to our industrial development if the government continues to give away our water-powers.

We were told in one of the committees of the House the other day by a gentleman who was called before that committee as an expert that the National Transcontinental Railway Commission had now under consideration the electrifying of their railway right in this Nipigon region. It is the most expensive part of the railway to run, the part where fuel is most difficult to get, and the part where the cost of operation will be most heavy. Therefore, it is surely very much in the interest of the people of Canada that the cost of operating that railway should be minimized as much as possible. But if the largest water-power in that district, the Cameron Rapids, is given to a private corporation, where is the benefit of that power to the people of Canada? Where is the opportunity for the National Transcontinental Railway Commissioners in the future, ten or twenty years from now, to give to the people of Canada on that portion of the railway which is being built for and will be owned by the people of Canada, the advantage of lessening the cost of operation of the railway, which will be enormous in any event? The future of the towns on the great lakes is a manufacturing future. Large manufacturing industries will undoubtedly be established there, it may be in a very short time. The natural fuel there is white coal, from the water-powers which nature has so lavishly bestowed on that country, and if we are to have, as we all hope we shall have, large manufacturing centres established on the great lakes, what greater impetus can there be to the easy and expeditious establishment of such industries than the fact that we are conserving the magnificent water-powers which will give the power to turn the wheels of those great industries? My hon. friend from North Grey (Mr. Middlebro) has just placed in my hands an extract from an address before the Ottawa Canadian Club on this subject by Mr. Gifford Pinchot, in which he said:

> Coal will be finished by the middle of the next century. High grade iron ores, oil and gas will disappear by the middle of this century. Waste by erosion of lands easily prevented was incalculable. Forests were not producing anything like what they should; of every 1,000 board feet of lumber in the woods only 310 was made into lumber. The reasonably available water-power in the United States could operate every railway, run every trolley car, light every home, turn every spindle in the country. If coal disappeared at once, water-power could easily take its place. The commission (the International Conservation Commission of the United States) found that these water-powers were fast becoming controlled by far-sighted capitalists. If this were carried on the nation would find itself, when coal was used up, at the mercy of the greatest monopoly ever formed in the world. For when fuel disappears for motive power, heat and light, every one must go to the water-power for it.

There is one of the most cogent hints ever given by a man well versed in the subject to this government to conserve the water-powers and to refuse to put the water-powers of our country under the control of capitalists and corporations. Now, a word with regard to the position taken by the hon. Minister of Justice. That hon. gentleman, in a speech delivered in this House during this session, stated that his party was the champion of provincial rights. In contrast with the attitude taken by the hon. minister upon this Bill, his prior statement is open to some exception. He virtually tacitly assents to the measure now before this committee, which takes from the legislative control of the province of Ontario the whole of the bed of the Nipigon river and half of the bed of the Pigeon river, upon the legal or legislative fiction, first, that these rivers are at those points navigable waters, and, secondly, that power is to be exported to the United States of America in each case. Both of those arguments could be applied to every river and stream in the province of Ontario. If it is because the Nipigon river is navigable for two miles, several miles below the point at which my hon. friend's company proposes to take its power, that this government claims jurisdiction, as in the case of the Pigeon river, the same legislative fiction could be applied to every river and stream in the province of Ontario, because at some point or other every river and stream can be said to be navigable by the application of the same logic by which my hon. friend reaches the conclusion that the Nipigon river and the Pigeon river are navigable. Then you have no reason for denying to any company the right to come to this parliament and ask for the water-powers on any stream or river in Ontario. My hon. friend has referred to the Bill respecting the Ontario and Minnesota Power Company. If the hon. gentleman had carefully considered the situation before he cited that Bill as a part of his case, he would have hesitated. Let us see where it would land him. My

hon. friend is claiming that this parliament has power and that the legislature of Ontario has no power to give to the Ontario and Michigan Power Company the right to own, control, develop and operate water-powers on the Pigeon and Nipigon rivers. He cites the case of the Ontario and Minnesota Power Company, which in the year 1905 came to this parliament to ask by private legislation for certain powers. My hon. friend was the promoter of that Bill, and certain powers were granted subject to certain conditions.

Mr. CONMEE. No, I was not the promoter. I opposed the Bill.

Mr. BOYCE. That legislation passed and certain powers were granted over an international stream practically along the lines of this Bill. My hon. friend referred to it as a precedent for the very legislation he is now introducing.

Mr. CONMEE. I did not cite the case of the Ontario and Minnesota Power Bill as a justification for this measure, but as a case in which the interests of the people were not guarded by provincial legislation.

Mr. BOYCE. That legislation passed, and in the year 1906, we find that company going to the Ontario legislature for the Act to which my hon. friend has referred. Why did it go to the Ontario government after having come here?

Mr. CONMEE. They went there to escape the obligations which this parliament imposed upon them in the interests of the people.

Mr. BOYCE. I accept, so far as it goes, my hon. friend's explanation, but I do not know that it places him in any better position. They went because it was contended that the company was not bound by the conditions imposed by this parliament but was entitled to deal with the water-power free from the restrictions imposed by the Dominion Act. What is the provincial legislation which was granted? Clause 1 gives the company the right to provide power on the Canadian side of the river. Subsection 2 provides that the works shall be on the Canadian side. Subsection 3 provides for the settlement of any dispute regarding the rates to be charged for the power, bringing the whole question back within the jurisdiction of the provincial legislation. In answer to my hon. friend from South Simcoe (Mr. Lennox) my hon. friend said that the Ontario government were usurping the jurisdiction of this parliament in passing that Bill.

Mr. CONMEE. Yes.

Mr. BOYCE. He further said that that Act was ultra vires the province of Ontario. The Minister of Justice made a similar argument this afternoon. If what he said was the case with regard to the Ontario and Minnesota Power Company, as it should be with the Ontario and Michigan Power Company, that Act was ultra vires the province of Ontario. But did we hear of any application for disallowance? Did my hon. friend make any such application? Why did he, with all his knowledge of constitutional questions, not suggest to the Minister of Justice that that Act was ultra vires of the province of Ontario and a usurpation by that province of the rights of this parliament? I do not know that the argument of the Minister of Justice could have any more conclusive answer than my hon. friend has given him in the case he cited of the Ontario and Minnesota Power Company, because if there be any virtue in the argument of the Minister of Justice or of my hon. friend, the Ontario government had no power to pass that Act and it should have been disallowed. However, it was not disallowed and remains to-day as law, although to-day it is recognized as a usurpation of the jurisdiction of this parliament by that same minister, before whom it came up in order to determine whether it was a proper Act for the Ontario legislature to pass or not. He must therefore be assumed to have passed upon its validity and to have recognized that the Ontario government had the power to control the water in an international and navigable stream. Consequently his action in that matter negatives his argument to-day.

One more word and I am glad to see the right hon. the Prime Minister in his place. The right hon. gentleman has adopted the policy of the conservation of our natural resources. But the most important of those is our water-powers. Is he going, notwithstanding the warnings of men like Prof. Shortt and Mr. Pinchot and the speeches made by the Minister of Agriculture (Mr. Fisher), to allow the water-powers of this country to be given over to the control of corporations, which will thereby obtain vested rights in them to the great disadvantage of our people, particularly in the future when our New Ontario will have blossomed as the rose. Of what use will be the committee which the right hon. gentleman has appointed on our forests, waterways and water-powers, unless such questions as this are to be brought before it? Why could not this Bill be referred to that committee? I again appeal to him to carry out his policy of conservation and to stick to his principle of provincial rights. There is here a very serious conflict of jurisdiction from which he cannot escape. The Ontario government takes control of certain powers in certain rivers and streams in Ontario and provides for the regulating and developing of those

powers and the rates that shall be charged the public for their use. That policy is a popular one endorsed by the people of that province. This Bill cannot be regarded as other than a direct and flagrant interference with that policy and an attempt to wrest from the province of Ontario the jurisdiction given it by our constitution, by our laws, by the precedents of our judges in contested cases, and by the right of user. Therefore, I say to the right hon. the Prime Minister that I sincerely hope, before he allows this Bill to go, either now in committee or before it has received its third reading, he will consider well these two questions, the question of provincial rights, and the question of conservation of our natural national resources, that he will look to the future, and will stay this Bill with what I conceive to be its iniquitious provisions and the extraordinary powers it grants.

Mr. LENNOX. There has been a great deal of argument on this Bill which we should take very seriously into consideration. I do not think I shall go into the question, interesting as it is, of jurisdiction. I think that has been presented so very well from this side of the House that it is almost useless to argue it further. Of course I was very much interested in the elaborate argument of the hon. member (Mr. Conmee) who is promoting the Bill. It is always interesting to hear him speak, and especially to hear him deal with questions of law. In fact, we had rather a rare treat this afternoon, because we had first the learned and clever argument of the Minister of Justice (Hon. Mr. Aylesworth) which I think I can compliment myself on having elicited, and then we had the speech of what I may call the junior counsel, the hon. member for Thunder Bay and Rainy River (Mr. Conmee). It is always particularly interesting to hear him deal, with such complete confidence as he shows with legal questions, especially those questions that are probably more difficult than any others, the questions of jurisdiction between the province and the Dominion. I am sorry that I cannot transfer to 'Hansard' and embalm in its pages a very pretty little picture I clipped some time ago from the Toronto 'Telegram.' It expresses the situation very nicely. It shows upon the platform the hon. gentleman who is promoting this Bill—an excellent likeness of him, as any one who looks at the picture will recognize—He is in an eloquent attitude, and fortified with a glass and pitcher—I presume, of water—and evidently intends to discuss the question at any length as he discussed this afternoon the question of law. Sir J. P. Whitney is figuratively at the feet of this Gamaliel, below the platform. He ventures a suggestion, 'You cannot give a charter contrary to provincial rights.' Sir. J. P. Whitney has not been in the House of Commons, or he would recognize that that is limiting our power very decidedly, and that we can and that we do grant charters contrary to provincial rights. But my hon. friend from Thunder Bay and Rainy River sets Sir J. P. Whitney right, and expresses the situation in a few words. I may say that the Minister of Justice (Hon. Mr. Aylesworth) is represented in the picture also, in a somewhat less conspicuous attitude than the hon. member for Thunder Bay and Rainy River, and a very excellent likeness of the Minister of Justice it is as well. To Sir J. P. Whitney replies James Conmee, J.P., M.P., expressing himself much to the same effect as he did this afternoon: 'If me and me learned friend Brother Aylesworth read the British North America Act aright, we kin give a man a charter to take the furnace out of your cellar for the general advantage of Canada.'

Mr. CALVERT. Is that sarcasm?

Mr. LENNOX. Perhaps? I am not responsible for it. It is from a leading daily newspaper, the 'Evening Telegram' of Toronto.

Mr. CONMEE. Mr. Chairman, I would call your attention to the action of the hon. member (Mr. Lennox). I do not think he has any right, according to the ruling this afternoon, to read articles that reflect upon members of this House.

Mr. LENNOX. I might just interject here that this——

Mr. CONMEE. I have called attention to a point of order.

Mr. LENNOX. I suppose I may address the chair on the point of order—

Mr. DEPUTY SPEAKER. There is a definite rule under which I ruled this afternoon. I scarcely think the item desirable, but I am not prepared to rule it out of order as a reflection upon the hon member (Mr. Conmee).

Mr. CONMEE. I call attention to the language. I do not object to the picture, but the language used would certainly fall under rule 19 as well as other rules of the House as I understand them.

Mr. DEPUTY SPEAKER. If I thought the article really reflected injuriously upon the hon. gentleman, I would not allow it, but I do not think it does.

Mr. LENNOX. This matter is really becoming a roaring farce—

Mr. CONMEE. I think so.

Mr. DEPUTY SPEAKER. It is not allowable to characterize any proceeding of this House as 'a roaring farce.'

Mr. LENNOX. I withdraw 'roaring farce,' Mr. Chairman. It would be a roaring farce if it were outside. But I may be permitted to say that we can carry to an absurd length the practice of constantly objecting to statements made in the House. The matter I have referred to concerning my hon. friend (Mr. Conmee) is such that a man has to be very sensitive and thin-skinned indeed—my hon. friend is a very sensitive gentleman, I presume—to feel hurt or injured by it. I do not know anybody who could be more perturbed than I would be if I intentionally caused any worry to the hon. gentleman. I recognize that he has the greatest consideration for every hon. member on this side of the House, and it would be very bad taste on my part to say anything that would cause him annoyance. I hope he will not object to my paying him a little special attention, if he would so designate it, in reference to his Bill—without any covert meaning on the word 'special' either. But I regard his Bill as of sufficient importance to call for very careful attention, not to say special attention, on the part of hon members of this House.

Now, I said I would not discuss the question of jurisdiction. But I want to say as distinctly as I can that it is our duty to consider his measure very carefully from the point of view of policy. If you admit that we have jurisdiction to pass this Bill, still, as the Minister of Justice said this afternoon, there remains the great question whether it is judicious, expedient, wise, to enact this legislation, and it is from that point of view, Mr. Chairman, that I wish to speak for a few minutes. Like all legislative bodies, we do unwise things at times. I venture to say that we will do nothing more unwise this session than we will do if we pass this legislation, speaking from the standpoint of expediency alone. What are we doing? We are giving a company which is incorporated, not for patriotic purposes, not for the development of any portion of our territory, but for purely speculative and profitable purposes; and we are giving them without one dollar, a right to exploit our rivers, and to collect the latent energy that lies in those rivers, the enormous wealth those water-powers afford to the people of the province of Ontario, and this in face of the fact that the Whitney government have adopted a policy for developing this power throughout Ontario for the benefit of the people, which we are handing over to a corporation to use for their own advantage; and worse than that, to export at least one-half of that power, at their will, into the territory of a foreign power, and by means of that exported energy to enable those people to build up rival institutions in the United States to the detriment of the Dominion of Canada—

Mr. DEPUTY SPEAKER.

that is what we are doing. From that standpoint I for one will oppose to the utmost this legislation and this class of legislation. I have no quarrel with my hon. friend. He and I have had some little passages, and with pleasure I have read the graphic accounts of it in the organ of the Minister of Agriculture, my hon. friend the 'Farmer;' I have read the manner in which I was raked fore and aft by my hon. friend, and how I was completely wiped out the other day. But all the same, I have no hard feelings towards my hon. friend, I am only trying to guard the interests of the people of Ontario and of the people of Canada. We are going to send abroad that which would be our capital at home, which would build up industries in our own country, which would afford occupation for our people, which would develop markets for every person in the country, markets for the farmer, markets for the butcher, markets for the baker, markets for the artisan, and employment for the doctor, and for that most deserving class of all, the lawyers, and work for all; and whilst we are robbing ourselves, we are doing the double injury to this country of building up rival institutions on the other side of the line. We can do nothing more insane than that. An hon. gentleman said to me to-night in conversation 'why, we have done it before.' Yes, we have done lots of unwise things before. I am ashamed to recollect that whilst I listened to that Bill going through, yet because I did not feel I could effectually oppose it, I let it go through virtually without protesting against it. But I venture to say we will be doing less than our duty if we allow any more of these Bills to go through. We should say in every case—and I appeal to the Prime Minister on this matter—that we will not allow any private corporation to develop power from the energy of our rivers, from that great wealth Providence has given us, and export that into foreign territory, with the result that our young men will have to go out and work in that foreign territory, and we shall be compelled to buy back the goods which should be manufactured within our own borders.

Now let me refer to what was said about this matter a year or two ago when this Bill was before parliament on a previous occasion. I think I may say that whilst we are to form our own opinion about these matters, yet surely if we are to live in harmony and work in harmony for the development of Canada, it ought to be the object of this parliament at Ottawa, as far as possible, to work in unison with the interests and the aims of the legislatures of the various provinces. Now, the Ontario government has developed and has set in

operation a great scheme for serving the people by means of the energy and the power latent in its water-powers. When the Bill was before the Canadian parliament to incorporate the Ontario and Michigan Power Company a year ago, Mr. Whitney introduced the following resolution in the Ontario legislature. After reciting the Bills, the resolution affirms:

That the effect of the proposed legislation will be to enable the company, without the consent of the province, to possess itself of valuable water privileges and powers owned by the province, and to export from Ontario the power generated by means of them.

That the proposed legislation will have the effect of preventing the province from utilizing, in accordance with its declared policy, the valuable water privileges and powers of the Pigeon, Nipigon and Sturgeon rivers for the benefit of the public, and will enable the proposed company to exploit them for private gain.

That this House views with alarm the repeated encroachments of the parliament of Canada on the rights of the province, and its efforts to withdraw from provincial jurisdiction and control works of a purely provincial character, and earnestly protests against such action, which this House believes to be contrary, if not to the letter, to the spirit of the British North America Act and to the intention of the framers.

That in the opinion of this House the proposed legislation would be an unwarranted and illegal interference with the territorial sovereignty of the province, and with its exclusive legislative authority under the British North America Act, and this House earnestly and firmly protests against the proposed Bill being given the form of law.

And this House hereby declares its readiness and determination——

Remember that this resolution passed unanimously, Liberals as well as Conservatives supporting it.

And this House hereby declares its readiness and determination to support with all the means, constitutional and material, which it can command, the government of Ontario in taking such measures and proceedings as may be deemed requisite to assert, maintain and defend the legislative and territorial sovereignty of the province against all aggression and encroachment by the federal government and parliament, and if necessary in appealing to the imperial parliament for such amendments to the British North America Act as will safeguard the sovereignty of the provinces therefrom.

It has been ruled this afternoon that we are not at liberty to quote here, for the benefit of hon. gentlemen, and in order to remind them of what they are forgetting, from editorials of the 'Globe.' But we cannot shut our eyes to the fact that the press of the country, the 'Globe' amongst other leading papers, are being aroused to the circumstance that members of this parliament, led by the right hon. gentleman, is receding far from their former declarations as to provincial rights, and that no people are more alarmed than the Liberals themselves at the attitude that the government has assumed in this regard. I am sincerely glad that, although there is not that evidence of complete amendment which we could desire, yet there is some evidence of improvement, of contrition, on the part of the government in the announcement made this afternoon by the Minister of Justice. We have been fighting strenuously against that iniquitous proposition which has been incorporated in so many Bills declaring, absolutely without evidence, that the enactment is for the general advantage of Canada. I am glad that the Minister of Justice, to-day, has to some extent come over to the views of the opposition by declaring that he cannot support that declaration in this charter. As regards the second clause he says that it is impossible to say that this is an enactment for the general advantage of Canada and that the clause should be struck out. In 1905 I find that Sir Wm. Mulock, in this House, enunciated sentiments somewhat along the same line, but I am sorry to say that the government has had a sad relapse since then. Sir Wm. Mulock said:

I think there is much in the observation of my hon. friend. The parliament of Canada has, in the past, been too careless in seizing and usurping jurisdiction by declaring works to be for the general advantage of Canada without having some inquiry to justify that declaration.

We have been doing that and there is nothing fraught with greater danger to the maintenance of the proper relations between the provinces and the Dominion. There is nothing fraught with greater danger to the Dominion as a whole than in the parliament of Canada, with a strong hand, in defiance of fact and evidence and without justification, seizing to itself certain rights which it does not, in justice or in fact, possess, by merely making the bald declaration that the work is for the general advantage of Canada. We will have that provision eliminated from this Act. On the other hand, I ask the government at this stage to pause and consider whether some other policy, aside altogether from all technicality and keeping in view the best interests of Canada, with the object of conserving our great waterfalls for the development of the industrial interests of Canada, for the building up of enterprises within our own limits, and increasing our population and wealth should not be adopted. I would ask the government whether it is wise or expedient to permit a private corporation to have control of a great source of wealth such as this, to exploit it and to export it to a foreign land in rivalry with the industries of the people of Canada?

Mr. BARR. Mr. Chairman, it is not my intention to detain the committee with any extended remarks on this occasion, but I would not like to see this Bill, that I consider so important to this country, pass without entering my solemn protest against the interference with the rights of the province of Ontario which is involved in the measure. I do not think that any speaker on the other side of the House contended that this Bill does not enroach upon provincial rights. I was somewhat surprised at the speech of the Hon. Minister of Justice (Mr. Aylesworth). Brilliant and strong as it was thought to be and as it was, and no doubt intended as it was to make an impression on this committee, I could not help noticing that he balanced and turned one way and the other to as great an extent as it was possible for him to do. I do not believe that he liked the task imposed upon him of defending so iniquitous a Bill as this one is. The only argument that he put forward in support of this Bill was that it had passed the committee, and he said that, in having passed the committee, this House should adopt it. I think that is the most dangerous doctrine that can be put forward. It would be a severe blow to the independence of this House if we were to consider that any Bill that had passed the railway or any other committee should go through this House in the form in which it had come from the committee. That committee is only intended to investigate and inquire, but it was never intended that the consideration of a Bill by the committee should ensure its passage through this House. What are the facts in connection with this Bill? If there was ever a Bill which had passed the Railway Committee which should receive careful consideration at the hands of this House it is the Bill which we have now before us. There are a number of the members of the committee who take a deep interest in the different Bills that come before it, but I am sorry to say—and I am not speaking of one side or the other—that there is a large quantiy of voting material available when it is required. Whenever a Bill is presented which is difficult to get through the committee and this House there is a certain amount of drumming up in order to fill the back seats of the committee—the smoking department of it—and the result is that when voting time comes these members are on hand to give their votes although many of them do not know anything of the merits or demerits of the Bill. This is a Bill in which the drumming up process was in evidence to a greater extent than in regard to any Bill which we have had before the committee this session. When this Bill was before the Railway Committee, while we pointed to the iniquitous part of it, we had only to look around and see behind the force that could vote down our objections, no matter what arguments we employed, no matter what position we took upon this great question that we consider of the utmost importance. It was under these circumstances that a vote was not insisted upon in the committee. We said: Let the Bill go through and throw the responsibility upon them. We could scarcely get in a remark because we could not occupy five minutes without such a noise being made behind us that we could not be heard. That was the reason why we let this Bill go through, and it was not because we did not believe it was a most iniquitous measure. We believed that when the Bill came to this House there would be such a weakening of the support of those who were promoting it that it would not be possible for the measure to pass. It is not now so iniquitous as it was when it was before the committee. At that time we were convinced that it was so flagrant an attempt to violate the principle of provincial rights that it could not pass the House, but we are free to admit that the amendment which has been proposed makes a little improvement in it. Still the Bill is one which should not pass. Our water-powers are amongst the greatest assets we have. We can only look forward to the time when our water-powers must supply a want which no other resource in this country can supply. It is a well-known fact that year after year fires are sweeping away our forests and that our supply of coal in the lower provinces is becoming less. Under these circumstances I think it is a most unfortunate thing that we should alienate our natural resources. In looking over the history of the parliament of Canada and that of the province of Ontario, I think my hon. friend the member for Thunder Bay and Rainy River (Mr. Conmee) will agree with me when I say that as far as these natural resources are concerned my hon. friend has figured largely not only in this House but in the provincial House. I well remember in the dying days of the session of 1904 a fight over the Kakabeka falls when my hon. friend and his friends secured the right to that water-power from another company. We thought that was unjust and unfair, and there is no doubt that my hon. friend's action then alienated a large number of voters. The responsibility of that dying government seemed to be thrown upon my hon. friend and he was deserted by his former friends as well as the Conservatives. The result was that the action of two years before was reversed, and that company is now going ahead under the control of other men. Now we find my hon. friend going along a different line.

Mr. CONMEE. I rise to a point of order. The hon. member states or insinuates that

I was one of the parties interested in the Kaministiquia Power Bill. The hon. member should withdraw that. I never had any interest direct or indirect in that Power Company.

Mr. DEPUTY SPEAKER. That can scarcely be called a point of order, it is rather one of personal explanation. But I may say to my hon. friend who has the floor that it is desirable to keep as closely as possible to clause 1, the incorporation of the company.

Mr. BARR. I think my hon. friend had charge of the Kakabeka Falls Bill; he certainly had charge of one that passed some time before that.

Mr. CONMEE. My hon. friend is wrong; I was opposing the Bill.

Mr. BARR. The question of water-powers has engaged attention in the past, and it is a subject that we should carefully guard. It is important to consider whether it is in the interest of the country that the province should have control of water-powers. It would appear from the success of the Ontario government in developing water-powers during the last few years that as far as possible we should leave them under provincial control. The result of the last provincial election in Ontario demonstrated that the people of that province strongly approve of the policy of the provincial government in developing water-powers and in guarding provincial rights. In the early days of the government of Sir Oliver Mowat, the Liberal party proclaimed themselves the champions of the rights of the provinces. We have to-day in Ontario a government that consistently follows the same policy and guards the rights of the province against every attempt at encroachment. I believe that it will be no longer possible to dissipate our natural resources and to give away this great asset which we are to-night endeavouring to guard. It seems unfair for the Dominion government to endeavour to encroach on the rights of provincial governments. My own view is that a large number of these questions which may give rise to friction at any time should be referred to the Privy Council in order that the rights of the Dominion and of the provinces may be more exactly defined. In the meantime before the committee an able lawyer representing the government of Ontario voiced that government's objection to this Bill, and it was evident that that government considered it of the greatest importance. Under these circumstances I submit that in passing this Bill we would not be acting in the best interests of the country. I hope the government will carefully consider this question, and that the House will vote down the Bill.

Mr. J. D. REID. I wish to enter my protest against the passing of this Bill. It is of course advisable that many of these private Bills should pass, and I am glad to say that in the committees they are nearly always considered entirely independent of party. Members of each party differ among themselves and as a rule the Bills are fairly discussed, but when this Bill was before the committee it seemed that the very minute opposition was raised by members on this side it became a party measure and the whip of the Liberal party immediately rounded up all the Liberal members to vote and make this simply a party question. I feel that this is unfair, and I think that the Bill should have been treated on its merits. There are two rivers mentioned in this Bill, the Pigeon and the Nipigon. There may be some justice in stating that the Pigeon river is an international river, but the Nipigon river is entirely in the province of Ontario. When this Bill was before the committee, there was no deputation from Port Arthur or Fort William or any other place to urge the passage of the Bill as being necessary for the development of that part of the country. This Bill, if passed, will give this company power to dam the Nipigon and Pigeon rivers, which will practically give them the control of those two rivers for all time to come, because any other person who attempts to dam either of these rivers would be liable for damages. It therefore seems to me unreasonable that this parliament, even if it has the right, should legislate away such a valuable asset, when there is no call for doing so at this particular time. The Bill proposes to give these parties the right to transfer to the other side of the line one-half the power they develop. This means that they can export more than half the power, because it is also provided that they can refuse to supply less than 500 horse-power to any one person. A great many manufacturing establishments employing a great many hands would probably require not more than 200 or 300 horse-power. That provision is inserted, I believe, simply for the purpose of enabling this company to export more than half the power to the other side of the line. Had the Bill provided that all the power must be used in Canada if it could be used, a certain part of the objection I have to it would have been removed. With regard to the rates, some of the provinces have absolute control of rates, prescribing the maximum rates to be charged for power developed from any of the water-powers they grant. The water-power question is now so important to Canada that we should be careful not to give away these valuable privileges too freely. For these reasons I

think the government should hesitate about allowing this Bill to go through during the present session. It has been up before, and no harm would be done by allowing it to stand over for another year; and as the country develops, if it is found necessary for that part of the country that this company or any other should have the right to develop water-powers on conditions that are fair and just and in the interest of the people of this country, I believe the members of this House would be unanimous in granting that right so long as the interests of the people were protected and the powers were distributed for the building up of that part of Canada, which I believe we are all anxious to see done at the earliest possible moment.

Mr. W. R. SMYTH (East Algoma). As one of the members from that part of Ontario known as New Ontario, I desire to enter my protest against this Bill. If all the members of this House were as familiar with that great country as some of us who are sitting on this side, they would think twice before they would allow our great water-powers, which should be conserved in the interest both of the province and of the Dominion, to pass into the hands of private corporations. The government of Ontario have seen fit, after a great deal of argument and persuasion by the members from northern Ontario, to conserve those water-powers for the people; and I might just remark that they have a solid vote from that part of the province, due no doubt to the action of the members from northern Ontario in urging the conservation of our natural resources. As this House is no doubt aware, the northern part of Ontario is considered to-day to be the greatest asset the province has—the national treasure house, as my hon. friend from West Algoma (Mr. Boyce) has called it—especially in timber and minerals; and recognizing that the only means of developing these great resources is by our water-powers, the Ontario government has been very careful during the last few years in conserving them for the people. Time and again private individuals have made application for water-powers, and some water-powers which have been held for years by companies incorporated under the old Ontario Act, have been cancelled by the government in the interest of the people, and they are not allowing any water-powers to pass into the hands of private corporations. I am not in a position to discuss the question of what are provincial rights and what are Dominion rights as well as some of my hon. friends who have preceded me.

My hon. friend from West Algoma, who knows the subject quite well, has gone very fully into that question, as have other hon. gentlemen who have discussed it. What I wish particularly to do is to enter my protest against the water-powers of this country being allowed to pass from under our control. I appeal to the right hon. the Prime Minister to see that our water-powers are conserved in the interests of the people, along the lines adopted by the Ontario government. That government did not act hastily but only after due deliberation and after many a fight in the local legislature and the committees, and after a fight to the finish, as it were, by the hon. member for Thunder Bay and Rainy River (Mr. Conmee). This is not the first contentious Bill which that hon. gentleman has brought before parliament. In the old days, in the local legislature, every time the hon. gentleman's name was at the foot of a Bill, we knew there was a fight on because we always found something behind the measure which we could not very well see through, and we took the precaution of knocking it on the head as a matter of prevention. I think there is something behind this Bill which we have not seen, and in my opinion, in the interests of the people of Ontario and of Canada generally, it should not be allowed to become law; and I appeal to the right hon. the Prime Minister to see that the interests of Ontario in particular and of Canada at large are served by his refusing to allow this measure to pass.

Mr. SPROULE. I notice there are quite a number of Bills on the Order Paper, which, in my judgment, are not of a contentious character, and could be disposed of in a reasonably short space of time; and as the present measure is likely to occupy considerable time yet in discussion, I would suggest the desirability of the committee rising, reporting progress and asking leave to sit again, and thus allow us to get on with the other Bills.

Mr. CONMEE. The hon. gentleman is not speaking to the question before the House.

Mr. SPROULE. Yes, I am asking that the committee rise and report progress in order that we may expedite business by going on with other Bills, which are of a non-contentious character and can be easily disposed of, and then resume the consideration of this measure. I suggest this proceeding to the right hon. leader of the House and would like to have his answer.

Mr. FOWKE. I was very pleased——

Mr. SPROULE: Might I ask the right hon. gentleman for a reply?

Sir WILFRID LAURIER. This is a new member, and we ought to hear him.

Mr. FOWKE. It is with much pleasure indeed that I heard the tribute paid by the hon. gentleman who last addressed the House on this Bill (Mr. Reid), to the spirit in which the deliberations of the various committees of this House are conducted; and I might add that I am glad to see that he, as a leading member of the opposition, has set a splendid example in that respect. In the various committees he has shown complete freedom from partisan spirit in approaching the questions that there come before us. But I was sorry to hear him conclude his remarks by saying that the committeee which dealt with the Bill under discussion was rounded up by the whip on the government side, and that the Bill was treated by it altogether from a partisan point of view. Now, Mr. Chairman, I happen to be a member of that committee, and also a supporter of the government, and I was not one of those who was rounded up by the party whip. I was there to hear the pros and cons and to act on my judgment; I supported the measure in the committee with the view of having it brought down to the House and there discussed, and I told its promoter there and then that I reserved to myself the right to act as I might see fit when it reached the House. I listened very attentively in the committee to the argument advanced by Mr. Blackstock on behalf of the Ontario government; and as nearly as I can remember he did not differ materially in his expressed opinion from that given this afternoon by the hon. member the Minister of Jusice. That hon. gentleman told us that the question of jurisdiction would probably have to reach the Privy Council before it can be definitely and clearly settled. However, I am not troubling myself very much with the question of jurisdiction when I say that I do not feel inclined to support the Bill. It proposes to give very large powers of expropriation of provincial utilities and interest which in my judgment ought not to be granted, but there is another feature in connection with the measure to which I am decidedly opposed and shall ever be opposed and it is that of giving franchises in perpetuity of the natural resources of our country. For that reason, if for no other, I should deem it my duty to vote against the Bill. I shall not detain the House by any lengthy remarks, but I did not wish to give a silent vote. I intend to oppose the measure in its present shape for two reasons. First because it is bartering away one of the natural resources of our country in perpetuity; and second, because it is granting expropriation powers and privileges over Ontario interests which I do not think ought to be granted. No doubt at present large volumes of water are going to waste, and perhaps for the present this Bill would serve a good purpose in distributing those powers to be used in various communities in this country and the United States. I do not object to the power in the meantime being sent out of the country if need be and if the country gets paid for it; but I can readily understand that the day will come when, in all probability, we shall require all the power within the limits of our own Dominion, and I believe we would then experience great difficulty indeed, after an investment of half a million dollars had been made in a power plant, should we conclude to take hold of and administer that power ourselves. That might lead to international difficulties. At any rate when large investments are made, vested rights and interests are thereby created which it becomes very difficult to deal with, and I would rather deal with them now, before the privileges asked for are granted.

Mr. J. D. REID. My authority for the statement I made was the editorial of the Toronto 'Globe.'

Mr. ARTHURS and Mr. Sproule both rose to speak.

Mr. DEPUTY SPEAKER. The hon. member for Parry Sound has the floor.

Mr. SPROULE. Will you, Mr. Chairman, allow me to make an explanation? I rose to address the committee on the Bill, but before proceeding with my argument I put a question to the right hon. the Prime Minister. I only resumed my seat in deference to his expressed wish that I should give way to a new member.

Mr. DEPUTY SPEAKER. The hon. member for Parry Sound has the floor and the hon. gentleman has consequently no right to address the Chair.

Mr. ARTHURS. I have no desire to take up time in discussing the constitutional question, which has been pretty thoroughly threshed out, but I wish to express my conviction that legislation, such as that now asked for, will create great confusion, particularly throughout the northern part of Ontario, and more especially if granted on the grounds urged by the hon. member for Thunder Bay and Rainy River. The principal argument used by the hon. member was that all navigable streams, including the water-powers upon them, are under the control of the Dominion government, and any stream that is navigable for any part of its length is a 'navigable stream' according to his definition. If we accept this definition, we find many streams in northern Ontario which are navigable for a greater portion of their length than the Nipigon. For instance, there is the Mag-

anatawan, which is navigable for fifty or sixty miles in different stretches. If the hon. member's contention is right, that the Dominion government alone has power to grant water-powers on a navigable stream, the men who have located on the Maganatawan, and have large factories established, are there illegally. The hon. member for Thunder Bay and Rainy River, in fact, used this argument in the case of a certain power company at Niagara Falls and stated that, in his belief, they were operating illegally because operating under a charter from the legislature of Ontario.

The principal argument put forward by the hon. Minister of Justice (Mr. Aylesworth) was that this company should be granted this charter on the ground that they will develop electrical power for export to a foreign country. I think it will be just as reasonable to say that a company that was going to use water-power to manufacture lumber or flour for export should be given a Dominion charter. The hon. member for East Algoma (Mr. Smyth) has already called the attention of the House to the fact that these water-powers of northern Ontario are practically unknown to many members of this House, and also to the fact that the time is coming,—and, we believe, is about due—when it will be absolutely necessary that these powers be conserved for the people of those districts. These people will require these water-powers for the development of their mines and the operating of factories that will necessarily be established there. The policy of the Ontario government, so far as the water-powers there is concerned, is to grant only short leases on water-powers capable of developing more than 75 horse-power, and in all cases they reserve the right to take over these water-powers at any time. I think that the fact that this is the policy of the Ontario government is the real reason why this House is asked to pass this Bill. These men have unsuccessfully tried to get a charter from the province of Ontario, and we are asked virtually to override the decision of the Ontario authorities in regard to this water-power.

Mr. SPROULE. Mr. Speaker, first I must thank the Prime Minister (Sir Wilfrid Laurier) for the contempt with which he receives my suggestions—

Sir WILFRID LAURIER. Did I understand the hon. gentleman (Mr. Sproule) to refer to me?

Mr. SPROULE. Yes.

Sir WILFRID LAURIER. If I did not answer my hon. friend's (Mr. Sproule) inquiry, it was not from want of courtesy but because I saw other members wished to speak, and I did not wish to deprive them, especially the new members, of an opportunity to express their views. With regard to the suggestion that the committee rise, report progress and ask leave to sit again, I must say that I am disposed to regard it favourably. We have been six or seven hours on this Bill, and it has blocked the passage of other Bills and it is evident from the temper of the House that it is very questionable whether my hon. friend (Mr. Conmee) can have his Bill this evening, if he can get it at all, because there seems to be a wide difference of opinion regarding it. Therefore, I would suggest to my hon. friend that he accept the suggestion that the committee rise and report progress, so that we can proceed with the other business of the House. In the meantime, let me say a word which may possibly contribute to clear the atmosphere. This Bill, as I understand, has been carefully considered by the Railway Committee. As a rule, so far as I am responsible for the business of the House, I have always deemed it my duty to support, as far as possible, the findings of the Railway Committee. Not that that is a law absolutely binding upon us, not that every member of the House must abdicate his judgment when the Railway Committee has spoken; but I have always thought that when a matter of importance has been discussed in the Railway Committee or any standing committee, and a conclusion has been reached, then, unless there is some strong reason to the contrary, the finding of the committee should be followed. In this instance, there is very strong reason why we should question the finding of the committee. The question of jurisdiction has been brought to the attention of the House. It has been stated and argued with great force by my hon. friend from North Grey (Mr. Middlebro) that this House has no jurisdiction, that the jurisdiction in matters of this kind belongs to the local legislature. It has been argued with no less force by my hon. friend the Minister of Justice (Mr. Aylesworth) not only that this House has jurisdiction, but that, in his opinion, this House alone has jurisdiction. At the same time the hon. Minister of Justice stated very frankly that it is only his personal opinion, it is not an opinion to be taken as law. He has stated that there is a good deal of conflict of opinion as to the right in this matter, but he gives us his opinion that this parliament has exclusive jurisdiction, and not the local legislature. In such a case, I would be disposed to follow the opinion of the Minister of Justice. But that is not the kernel of the discussion we have had at present. It matters not whether this parliament has jurisdiction, or whether the local legislature has jurisdiction, the point is this: Are there provisions in this Bill which affect the power of the local legislature and the local government? That is the only point which weighs with me. Section

2 of this Bill is a clause with which we are familiar—and it was not invented I may say to my hon friend from South Simcoe (Mr. Lennox) by the Liberal party; it is a relic of former days, and, perhaps in the case of this as in the case of other relics, we may be wrong in not doing away with them. At all events, the hon. gentleman and I may agree that it ought to be eliminated from the Bill. But the whole discussion we have heard this afternoon has been directed to one point, and one point alone—and that is that the power of expropriation of water-powers belonging to the local government of Ontario contained in this Bill should be eliminated. I think if these two sections were amended, there would not be so much objection to the Bill. I would have some objections to another which I shall come to presently. I was struck by the argument put forward by the hon. members on either side—especially that of the hon. member for East Algoma (Mr. Smyth) that the local government of Ontario has a policy on this question reserving to themselves the exploitation of all water-powers, refusing to give them to private companies. If we pass this Bill we interfere directly with this principle; and under those circumstances, holding as I have held all my life, to the sacredness, if the word is not too strong, of provincial rights, while we have the brute power to override those rights, it is a question whether we should do so, and it is a question upon which I would invite the serious consideration of my hon. friend who is promoting this Bill. There is another feature of this Bill to which I would call his attention; that is section 13, which says:

The company shall at all times be prepared to furnish for use in Canada one-half of all power then developed.

That is to say, the power developed is divided into two parts, one-half for exportation and the other half for local consumption. I would be disposed to go much further than that, and to say that if we grant this legislation we should reserve for local consumption not only one-half but the whole of the power.

Mr. CONMEE. If the right hon. gentleman will permit me—I think section 15 provides for that; the works of this company would be subject to the electricity and Fluid Exportation Act, and this government would be in a position at any moment to stop it.

Sir WILFRID LAURIER. Then if that be the intention, I would make it perfectly clear, and say that the provisions governing the exportation of power at Niagara should govern at the Nipigon river. Therefore, if the Bill is to go through, I think it should be amended so as to make it clear that there will be no conflict between this Bill and the laws mentioned in clause 15. But there is a serious conflict of opinion, I am afraid, with regard to the power of expropriation. On the whole, seeing that if we proceed with the Bill we shall not be able to get it through to-night, I move that the committee rise, report progress, and ask leave to sit again.

Motion agreed to, and progress reported.

PATENT OF THE SUBMARINE COMPANY.

House in committee on Bill (No. 77) respecting a patent of the Submarine Company.—Mr. Proulx.

On section 1,

Mr. J. D. REID. Why is this patent extended?

Mr. PROULX. The company have not paid their fees.

Mr. J. D. REID. Is it going to be the policy of the government to allow patents to be renewed simply because the owners have not paid their fees? Why, all the patents in the country could be renewed after they have been allowed to expire. The original patentees of this article have had the use of it for a number of years, and now when the fees have not been paid they come and ask for a renewal. I suppose this is under the Department of the Minister of Agriculture. I am not objecting to this Bill particularly, but this Bill may form a precedent in consequence of which any number of patentees may come along and ask for a renewal. I think the government should state their policy, whether they are going to renew patents simply because a man comes along and says that he did not remit the fees and now wants the patent continued for another term of years. The owners of this patent knew well enough when the fees were to be paid.

Mr. FISHER. My hon. friend has appealed to me as being the minister in charge of the administration of the Patent Act. I do not know this particular Bill.

Mr. J. D. REID. How long since this patent expired?

Mr. PROULX. Since 1906.

Mr. FISHER. This Bill has apparently been passed upon by the Private Bills Committee, of which I am not a member. It is the practice for the deputy commissioner of patents to go before the Private Bills Committee and make a statement with regard to each Bill. In many cases Bills of this kind come before us, in consequence practically of the negligence of the attorneys of the patentees or the owners of the patent. These delays are only for a few weeks or months. Under these circumstances it seems rather hard that the

patentee should suffer. In this case, however, apparently a much longer time has expired. I can only take it for granted that the Private Bills Committee received some information to justify the passage of this Bill and the sending of it back to this House. On the face of it I think it hardly comes within the category of the ordinary Bills which are passed by the Private Bills Committee and come before this House. Personally, long ago I took occasion before the Private Bills Committee to object to the very frequent practice of the reinstatement of patents which had lapsed through the fees not being paid. But the Private Bills Committee seem to have thought, and perhaps rightly, that where the patentee has not been himself at fault, or where the negligence has been very slight, it is rather hard to annul the patent for ever and that the punishment of forcing him to come before parliament with a private Bill and pay the necessary expenses therefor has been sufficient. In cases of a different character frequently the deputy commissioner of patents has given the Private Bills Committee information and stated the policy of the department in such a way that the Private Bills Committee have thrown out these Bills concerning patents.

Mr. GEO. TAYLOR. If the minister looks at clause 2 he will notice that the Private Bills Committee have made a reservation that anybody who commenced manufacturing this article since the expiry of the patent may continue to do so.

Mr. FISHER. That clause is included in all these Bills to secure the rights of anybody who has acquired rights during the lapse of the patent. The only proposal, however, that can be brought forward for undertaking to treat this Bill differently from most of the Bills that come before us is that the time since the patent was allowed to lapse has been longer than in most other cases. The Private Bills Committee I think must have had some information before it which justified it in reporting the Bill, because otherwise it is not likely that it would have reported favourably to the House.

Mr. SPROULE. The hon. gentleman who has the Bill in charge ought to give us the reasons which were given to the committee.

Mr. PROULX. A full explanation was laid before the committee. The Bill was passed without any opposition. The solicitor for the promoters of the Bill explained that no person in Canada had manufactured any of the appliances that are proposed to be manufactured under this patent. The apparatus covered by the patent is very costly and the promoters have already expended $100,000 in making this apparatus. There have been three assignments of this patent. Probably that explains the omission in paying the fee.

Mr. WRIGHT. I notice that in the preamble they give the date of the patent as the 12th November, 1900; so that this patent is nearly nine years old.

Mr. PROULX. The hon. gentleman is mistaken. It is given for six years.

Mr. WRIGHT. That is the date of the patent.

Mr. FISHER. Yes.

Mr. WRIGHT. I think that if the fees had not been paid there is not sufficient evidence before this committee to warrant it in extending its time.

Mr. FISHER. The fees were paid for six years. The practice is to pay on taking out the patent for six years and then, before the expiry of these six years, to pay for another term of six years and then again for another term of six years. So that this patent was valid for a period of six years from the time it was taken out. The fees were unpaid only for a little over two years.

Mr. WRIGHT. If they have had a patent for nine years and this article has never been manufactured, it would seem to me that they have no claim for an extension of time. I think there is perhaps too much laxness in regard to extensions of time and in regard to many matters that come before this House. The fact that it has passed the Private Bills Committee is not a sufficient reason why it should pass this House. There are many members of this House who are not members of the Private Bills Committee. If there is any member of this House who may be conversant with the reasons that can be advanced as a justification for renewing this patent he should give us the benefit of them. If the hon. member who is promoting the Bill has not a valid reason why the Bill should pass perhaps some other member has. I have an intimation that there are probably a good many members that could give good and sufficient reasons why an extension of time should be granted.

Mr. GOODEVE. As a member of the Private Bills Committee I might explain that this Bill passed unanimously for this reason: This patent has reference to an appliance for breaking rock under water; it is a very heavy class of machinery, and the promoter of the Bill explained to the satisfaction of the committee why the patent was allowed to lapse. They had expended a considerable amount of money in building models and showing the working of this appliance. It is done by means of a tower. They felt that there was no great work going on in Canada at that particular time that would warrant them in building the

necessary machinery and bringing it into this country. They pointed out that unless they had some protection nobody would build it because of the large amount of money involved and because of the limited opportunities of using the machinery. I have no interest whatever in it, but I am simply a member of the committee explaining why it was unanimously passed by the committee.

Mr. LENNOX. I have no objection to this Bill going through if the minister thinks it ought to go through.

Mr. FISHER. I know absolutely nothing about the Bill except what has come up now, but I know that the Private Bills Committee generally lay a matter of this kind before the Deputy Commissioner of Patents, and I take it, from the fact that it has recommended the Bill to the House, that it was satisfied in regard to it.

Mr. LENNOX. I do not rise for the purpose of trying to obstruct the passage of the Bill which may be quite right, and of course it is a matter that the minister would know more about than I would. But, I am trying to ascertain whether the company accomplishes anything by this legislation. Is there not a provision in the Patent Act that if a patented article is not manufactured within a certain limit of time the patent ceases and the right becomes public property. How would that operate here?

Mr. FISHER. I think in 1900, parliament amended the Patent Act by providing that patents for articles which could not be manufactured easily, that could not be kept in stock or put on the market for ordinary sale, could be placed under a special clause by which the requirement of manufacture within two years would not be operative. Judging from the description of this patent I should say it was of this character. Probably these people applied when they got their patent or immediately afterwards to be put under that clause of the Patent Act. This is likely an article that would only be manufactured to order; it may be that accounts for the negligence in the payment of fees and that a demand has now arisen for the article so that the patentee is asking to be reinstated.

Mr. J. D. REID. I know nothing about this Bill but years ago the House objected very strongly to the renewal of patents in this way. If the patentee did not fulfil the conditions of the law the patent became available for public use. I presented a Bill for a renewal of a patent for one of my constituents when the fees had been mailed the day before expiry of the time, but for some reason were 24 hours late in reaching the department. The fees were not accepted and we had to prove to Sir John Thompson that the fee had been mailed the previous day before he would consent to a renewal. Other similar cases have occurred. Here the patent has lapsed for over three years and to renew it might establish a dangerous and troublesome precedent. I have warned the minister and if he wishes to establish a precedent by allowing this Bill to pass he must assume the responsibility.

Mr. FISHER. Long ago I took the ground my hon. friend is taking to-day, and objected to the reinstatement of patents. I think the practice has grown lately and every session we have Bills of this kind, although I must say I cannot remember any case where the lapse has been as long as this.

Mr. SPROULE. I remember one case of a two year's lapse.

Mr. FISHER. I know nothing of this particular patent. Under the clause I have referred to, the article must be manufactured in Canada if it is manufactured at all. Therefore if there is a demand for it in Canada it cannot be imported. I suppose the Private Bills Committee satisfied themselves that there was some justification for the long delay. If they have not done that I quite agree that the House should not grant a renewal after such a long delay.

Mr. HENDERSON. I happened to be in the committee room when the committee dealt very severely with a patent renewal Bill; they threw it out unhesitatingly. A similar Bill will come before the committee perhaps at the next meeting and will be seriously contested. I do not know the merits of this case but it seems difficult to pass one application and refuse the other. I think it would be well for the minister to allow this to stand over until the other similar Bills have been dealt with by the Private Bills Committee, so that this cannot be quoted as a precedent. I am saying this as a protection to myself in connection with a vote I must give when another Bill comes up.

Mr. FISHER. The precedent of renewing a patent when the trouble arises from nonpayment of fees is an old one. Each case of this kind must be decided on its merits. That is the business of the Private Bills Committee and the committee having passed this Bill I would be disposed to support it. If another Bill was rejected by the Private Bills Committee, I would be disposed to endorse their action and if the Bill was brought up by some other means in the House, I would oppose it. But this Bill seems to be quite innocent and quite satisfactory. Some hon. gentlemen opposite say that it is. I have no knowledge of it myself. I do not think that because any other Bill has been rejected by the Private Bills Committee, that is any reason why we should reject this one.

Mr. SPROULE. I have listened to discussions with regard to many Bills of this kind before the Private Bills Commission, and we have always made it a rule to have a good and sufficient reason given why the patent had lapsed before renewing it. It was generally the fault of the attorney who had instructions to renew the patent, and failed to do so. We considered it wise to insert a clause in any such Bill to protect those who had gone into the manufacture of the article, by allowing their right to manufacture to be continued. From that time on, I think every case we decided on its merits. In this case, having regard to the nature of the patent, and to the fact that the article, if built in Canada, would have to be built where it was going to be used, and that it would not be advisable for any one to build except on an order, I think we are amply justified in passing the Bill. I do not see any objection to it at all.

Mr. J. D. REID. According to the statement of the minister, he never knows anything about a Bill for the renewal of a patent until it is presented to this House. When a Bill affecting any of the other departments is brought before the House, as I understand, the deputy watches it and informs the minister of the position, so that he is thoroughly posted in regard to it.

Mr. FISHER. The hon. gentleman did not listen to what I said. I said that it was usual for the Deputy Commissioner of Patents to be present in the committee to give the necessary information in regard to any Bill of this nature. He always brings to my notice any Bill that interferes with a patent, but a Bill which is usual he does not bring to my attention. This Bill he did not bring to my attention and therefore I take for granted that he passed it as satisfactory.

Mr. J. D. REID. Would it not be expected that any Bill affecting the department would be submitted to the minister? Here is a Bill to renew a patent which has lapsed for three years. It is forming a precedent; I defy the minister to produce one case like it; and yet he says he never heard anything of the Bill until he heard of it to-night. It is a strange proceeding; yet if he wants the Bill to go through, so far as I am concerned, I have no objection.

Mr. JOSEPH TURCOTTE (Translation). Mr. Chairman, I am a member of the Private Bills Committee, and when this Bill came before the committee the principle of it had been discussed at length. The result of the discussion was the following:

We gathered information as to whether any injustice would be done or not through the renewal of this patent. We desired to know if this patent, delivered a few years ago—in 1900, I believe—had not, one way or another, become a public property, that is, if other companies or individuals had not availed themselves of the same invention, and put similar articles on the Canadian market. We were answered that nobody had taken advantage of the fact that this patent had become a public property. Consequently, nobody could suffer from this renewal. Under these circumstances, we have deemed this renewal to be equivalent to an original application for the patent. Advantage being taken by nobody of this invention and no similar products having been put on the market, we have considered this second application as an original one. We had contradictory discussion. The hon. member for St. Antoine (Mr. Ames), who is now in his seat, will be able to give information to the House if he is willing to do so, because he took part in this discussion. It has been decided that this application for renewal was bona fide and that it should be granted under such circumstances, because there was no objection whatever to it. Subsequently another application of the same kind was made, but then it was about explosives and we answered : 'This very patent the renewal of which you are now asking for, is now on the market, and we would cause considerable damage to those who are working this patent if we granted the same privileges.' That is all the difference. Accordingly, we have granted the application in one case and refused it in the other.

Bill reported.

Mr. PROULX moved the third reading of the Bill.

Mr. HENDERSON. I think it would be better for the hon. member to let the third reading stand over until the next time Private Bills are called.

Mr. PROULX. For what reason?

Mr. HENDERSON. In order to allow an opportunity for members to look into the Bill. There has been considerable discussion on it in committee. I do not think the hon. member will lose anything; he will get his Bill as readily.

Mr. PROULX. The amendments were only clerical.

Mr. SPROULE. It is a Bill with amendments, and if objected to it cannot be read the third time now.

Mr. SPEAKER. At the next sitting of the House.

CONSIDERED IN COMMITTEE—THIRD READINGS.

Bill (No. 82) respecting the Monarch Fire Insurance Company.—Mr. Beattie.

Bill (No. 95) to incorporate the Royal Guardians.—Mr. Lachance.

Bill (No. 114) to incorporate the British Colonial Fire Insurance Company.—Mr. Beland.

Bill (No. 115) for the relief of Victor E. Blackhall.—Mr. Sutherland.

Bill (No. 116) for the relief of Annie L. Coltman.—Mr. Turriff.

Bill (No. 118) respecting the Anglo-Canadian and Continental Bank.—Mr. Gervais.

SECOND READINGS.

Bill (No. 140) respecting the Grand Trunk Pacific Branch Lines company.—Mr. Miller.

Bill (No. 141) respecting the Manitoba Radial Railway Company.—Mr. Harris.

Bill (No. 142) to incorporate the Governing Council of the Salvation Army in Canada.—Mr. Miller.

Bill (No. 143) for the relief of Mildred Gwendolyn Platt Patterson.—Mr. Harris.

Bill (No. 144) for the relief of Charles Bowerbank Lowndes.—Mr. Wallace.

Bill (No. 145) for the relief of Isaac Moore.—Mr. Wallace.

Sir WILFRID LAURIER moved the adjournment of the House.

Mr. SPROULE. I suppose that we will have the budget speech to-morrow.

Sir WILFRID LAURIER. Yes.

Motion agreed to, and House adjourned at 11.10 p.m.

HOUSE OF COMMONS.

TUESDAY, April 20, 1909.

The SPEAKER took the Chair at Three o'clock.

WAYS AND MEANS.—THE BUDGET.

Hon. W. S. FIELDING (Minister of Finance) moved that the House go into committee to consider the ways and means for raising the Supply to be granted to His Majesty. He said: In the presentation of the budget it is usual to devote some attention to each of three fiscal years. First we have to consider the completed year, the accounts of which have been laid before parliament in due course; next we have to consider the current year, or as in the present instance the year which actually ended a few days ago, but the accounts of which have not yet been closed; and lastly we have to consider what is the outlook for the year that lies ahead of us. It is now some time since the accounts for the fiscal year 1907-8, were submitted to parliament and probably most hon. members who are interested have given them consideration; nevertheless for the convenience of reference it is always well to note in the budget speech the principal features of these accounts and therefore I desire to call attention to the chief points in them. The results of the operations of the fiscal year 1907-08 (that is, the year which was closed on the 31st of March, 1908) did not differ very materially from the anticipations expressed in the last budget speech. My expectation was that we should receive a revenue of $96,500,000; the actual revenue was $96,054,505.81, or $445,494.19 less than my expectations. I had counted, however, on an expenditure chargeable to revenue fund of $77,500,000, but the actual expenditure proved to be $76,641,451.59, or $858,548.41 less than the estimate. The falling off in the expenditure was more than sufficient to balance the shortage of the revenue, and the net result was that whereas I had anticipated a surplus of $19,000,000 the actual result was a surplus of $19,413,054.22.

CONSOLIDATED FUND—1907-8.

—	Actual.	Estimated Budget Speech 17th March, 1908.	Greater than Estimate.	Less than Estimate.
	$ cts.	$ cts.	$ cts.	$ cts.
Revenue	96,054,505 81	96,500,000 00		445,494 19
Expenditure	76,641,451 59	77,500,000 00		858,548 41
Surplus	19,413,054 22	19,000,000 00	413,054 22	

The previous fiscal period was one of nine months and therefore it would not be convenient to make any comparison between that period and the last fiscal year. It may however not be without interest that I should call attention to what are the sources of revenue as shown in the accounts of that year:

Sources of Revenue, 1907-8.

Customs	$57,543,811 25
Excise	15,782,151 68
Post Office	7,107,886 86
Dominion Lands	1,883,619 88
Railways	9,534,596 20
Miscellaneous	4,202,439 94
	$96,054,505 81

It is to be noticed that the customs revenue was the largest in the history of the Dominion. It is also gratifying to be able to state that that very large revenue was realized with a lower rate of customs taxation than had existed in former times, as will appear from the following comparison:

Average Rates of Customs Duty.

	Average Rate on Dutiable Imports.	Average Rate on Dutiable and Free.
1896	29·974	19·129
1897	29·967	18·613
1908	26·582	16·480

Particularly gratifying was the continued increase in the revenue of the Post Office Department. The affairs of that department for 1907-8 show a surplus of $1,101,957.12. I am sure the House will agree with me that this is a most gratifying return, especially when we bear in mind that there has been a wide extension of the service, that we have cheaper rates of postage, and that this department a few years ago was a constant burden on the treasury, showing year after year a very large deficit.

I have dealt so far with the consolidated fund expenditure. There is, however, a large expenditure in addition, known as capital and special expenditure. For convenience of reference I put in a statement showing what this expenditure for the year amounted to :

Capital and Special Expenditure, 1907-8.

Capital Expenditure.		
National Transcontinental Ry	$18,910,253 58	
Railways	4,761,299 54	
Canals	1,723,156,07	
Public works	2,969,049 08	
Dominion lands	768,243 94	
Militia	1,297,904 65	
		$30,429,906 86
Special Expenditure.		
Railway subsidies	$2,037,629 30	
Bounties	2,787,354 21	
Charges of management	682,337 91	
		$ 5,507,321 42
Total		$35,937,228 28

A large proportion of this capital and special expenditure was provided out of the revenue by means of our surplus of 19½ millions of dollars. Deducting from the total capital and special expenditure of $35,937,228, the surplus of $19,413,054, sinking fund expenditure of $2,234,263, and a small refund of $910, in all $21,648,228, it will be found that the increase of the net debt on the 31st of March, 1908, was $14,288,999.88, notwithstanding the fact that in that year we expended $18,910,253 on the eastern division of the National Transcontinental Railway alone. But for that outlay, there would have been a reduction in the debt of $4,621,253.

Coming now to the affairs of the fiscal year 1908-9, which ended a few days ago, I have to point out that our practice with regard to the closing of the accounts of the fiscal year in Canada differs from that of the mother country. There the fiscal year closes on the 31st day of March, and the accounts are closed up immediately. That is quite possible in a country with conditions such as those of England with comparatively short distances and complete means of communication. But in a country like Canada, with a vast territory and public business going on all over the wide Dominion, it has not been possible to close up the accounts so early. The law permits three months for closing the accounts, though we always endeavour to close them in less time. Consequently, although the fiscal year has actually closed, we are not by any means in a position to determine precisely what has been the revenue and what the expenditure for the year. The best we can do is to take the figures as we have them up to date, and make reasonable allowance for probabilities, and thus reach an estimate of what is likely to be the outcome for the year. The revenue of the year, I need hardly remind the House, was affected by a world-wide stringency which started in the fall of 1907. The revenue of 1908-9, as received and accounted for up to the 10th of April, 1909, was $84,352,581.30. My estimate is that when the returns are completed and the account is closed, the revenue will be found to have amounted to 84½ millions of dollars. This is 11½ millions of dollars less than the revenue of the previous year, or a shrinkage of 12 per cent. In the face of such a falling of revenue, in view of the trade depression so well known, in view of the difficulties which Ministers of Finance the world over are experiencing in the preparation of their budgets, it would not be surprising if it became my duty to report a very considerable deficit on the operations of the last year. I confess that at one time I viewed the situation with anxiety, and would not have been surprised if on the closing of the accounts there had turned out to be a balance on the wrong side. I am happy to say, however, that my apprehensions in that di

rection are not to be realized. I am glad to be able to say, as far as the accounts at present indicate, that we shall close the affairs of the last fiscal year with a surplus of $1,500,000. The expenditure, as shown by the returns up to the 10th of April, 1909, amounted to $72,939,642.22. Taking the expenditure for the balance of the year at about the same as it was in the previous year, we estimate the total expenditure of the year chargeable to income at about $83,000,000 ; and, as I estimte a revenue of $84,500,000, this will leave us with a safe margin of surplus to the extent of $1,500,000, and I am not without a hope that on the final closing of the accounts the surplus may be even somewhat larger. I am sure it will be felt that this statement, if it be realized, will be a most satisfactory one for Canada, for we are dealing with a period when throughout the world there have been financial conditions which have much disturbed business, and when in the natural order of things a very unfavourable balance might have been expected. That statement, of course, deals only with the consolidated fund revenue and expenditure, what for convenience I may call the ordinary expenditure of government.

There is of course to be considered capital and special expenditure. We estimate that it will take twenty-five and one-half million dollars to pay the outlay of this year last past for the Transcontinental Railway. The taking over of the Quebec bridge adds to our debt the sum of $6,424,000, and other capital and special charges amount to $17,300,000. These sums aggregate $49,224,000. From this we will hve to deduct the surplus, estimated at one and a half million dollars, and sinking fund amounting to $1,675,000. These two aggregate $3,175,000 which, deducted from $49,224,000, would leave a balance of $46,029,000, in round numbers $46,000,000, which will be added to the net debt of Canada for the year closing on the 31st of March of this year. This is a very large increase but it is to be noted at once that $32,000,000 of that amount is accounted for by the National Transcontinental Railway and the Quebec bridge, which is to be deemed hereafter a part of the National Transcontinental Railway. So it will be seen that if we have a very considerable increase in our debt, it is due to the very special expenditure that we are incurring in connection with the great work of the construction of the National Transcontinental Railway.

Mr. FOSTER. Can my hon. friend give the items of revenue, customs and excise?

Mr. FIELDING. No, I have not these figures at hand in detail. I gave my hon. friend a day or two ago the latest information we had on the subject, and a simple computation for the few remaining days of the year will enable him to work it out for himself.

Mr. FOSTER. Can the minister give me the amount paid out for bounties in the Consolidated Revenue Fund Expenditure for the year just closed?

Mr. FIELDING. I have not the figures at hand, but from memory about $2,238,000. If that is not substantially correct I shall give my hon. friend the exact figures later.

I freely say that we might have avoided this addition to the public debt. In the first place, we might have avoided it by refraining from the construction, in the whole or in part, of the eastern division of the National Transcontinental Railway. I have occasionally heard suggestions of something of that kind from the members of this House. Particularly have I heard criticisms of the construction of that section of the line which lies between Quebec and Moncton. Now, whatever may be said by people living in more remote districts, who are not familiar with the needs of that line, there was no portion of the Transcontinental Railway which was so unanimously demanded by the people particularly connected with it as the line between Quebec and Moncton, no portion, I say that without reserve. Time and again representations were made to the government of Canada as to the need for the construction of that road. Not to have built the eastern division, particularly that section, would have been a narrow, almost a provincial policy. The people of the maritime provinces, without regard to party, without regard to any differences they might have on other questions, were practically unanimous in demanding that if Canada was to engage in the enterprise of another transcontinental railway they should have connection with that road by some line which was better suited for a transcontinental service than the old Intercolonial Railway. The legislatures of the provinces, boards of trade, the various representative bodies of that portion of the country, again and again called upon the government of Canada to build that section of the road. Therefore, when hon. gentlemen criticise the construction of that road, I would have them bear in mind what I stated a moment ago, that there was no portion of the whole transcontinental line which was more universally demanded by the people immediately concerned, than that between Quebec and Moncton.

There was another way in which we might have avoided this addition to the public debt. We might have followed the example of our predecessors as to the man-

ner of aiding the construction of a transcontinental railway. I do not say this in order to criticise the action of our predecessors. We know very well that aid was granted to the Canadian Pacific Railway in three forms. There was a gift of finished road, costing an enormous amount of public money, a gift of $25,000,000 in cash and of 25,000,000 acres of land. Leaving out of consideration the cash bonus and gift of finished road to the Canadian Pacific Railway, and considering only the land grant, I venture to say that if we had been willing to give the Grand Trunk Pacific 25,000,000 acres of land in the west, we could have devised a scheme which would not have added one dollar to the public debt of Canada. But would it have been a wise policy? I am sure upon that question there will not be a very wide difference of opinion. Whatever may be said of the wisdom of the government of that day in granting such a large land subsidy to the Canadian Pacific Railway, and I have no desire now to criticise that policy, whatever may be said as to the merits of that policy judged in the light of the time when it was devised, it is but the simple truth to say that as the years rolled on that policy caused widespread dissatisfaction in the western country, and if it had been proposed to again adopt the policy of subsidizing a great transcontinental railway by giving a large block of land in the Northwest territory, I am satisfied that such a policy would not have commended itself to the judgment of this House or of the country. The land for the settler, not for the railway corporations, is the demand of the western people.

Some hon. MEMBERS. Oh, oh.

Mr. FIELDING. So I say that if we had regard only for appearances, if we were afraid of adding to the public debt, we might have avoided it, we need not have responded to the wish of the maritime provinces as to the construction of the eastern division, we need not have paid the large sums that we are paying out now from time to time. We might have given land and I am sure the Grand Trunk Pacific would have received a policy of that kind with great favour. But we were of opinion that a policy of that kind was not a wise policy and that our true course was to build the eastern division of that road as a government work, to pay for it out of the public treasury, to face the responsibility it would bring on us for a short time until that responsibility becomes, as it will at an early period in its history, an interest-bearing asset. While the cost of construction will remain as a debt, there will come a time in the early history of that road when the Grand Trunk Pacific Company must pay 3 per cent on its cost. Practically therefore, that portion of the debt of the country will be wiped out because it will be represented as an interest-bearing asset. So we say that while a few short-sighted people, well-intentioned no doubt, might say that we should not have incurred this debt, I am sure that the sounder judgment of the country will say—not necessarily condemning the policy of former times because conditions may have differed then—that it would have been a mistake to-day to adopt that policy of land subsidy, and that we did well to face the financial responsibility which is involved by these additions to the public debt.

Our trade statistics for the past year will necessarily be unfavourable, but they will not be more unfavourable than the statistics of other countries. The year 1907 was only a partial year, a period of nine months in our financial accounts, and therefore it is difficult for us to make comparisons. The total trade for the fiscal year 1908 reached a very high figure, being just $100,000,000 more than that of the fiscal year 1906, the last full period of 12 months.

In 1906 our exports amounted to $256,586,630. In 1908 they increased to $280,006, 606. Our imports in 1906 were $294,286,015, and in 1908, $370,786,625. Our total trade in 1906 amounted to $550,872,000, and in 1908 to $650,793,131. I do not attempt any comparison with the previous year because our fiscal period then covered nine months only. For the fiscal year 1909, we have no official returns that are complete; but from the best information we can obtain in the uncompleted returns, our exports in 1909 amounted to $261,379,904, and our imports to $292,358,021. Our total trade thus amounted to $553,737,325. Our exports have fallen slightly, but there is a marked decline in our imports. In this respect we are able to make very satisfactory comparison with the United States. As regards imports, Canada and the United States stand on even terms, the decline being about the same in both cases. But taking the figures of the calendar year, it would appear that the exports from Canada have decreased but a small degree, whereas those of the United States have decreased very largely.

Coming now to the year 1909-10, with the adequate resources and widely recognized energies of the Canadian people, it is only fair to assume that we shall speedily be able to overtake the falling off of the past year. It is only reasonable to suppose that the conditions of the past year are quite abnormal and due to special circumstances, which I think will disappear to a sufficient extent the coming year to enable us to receive a very considerable increase of revenue over that of the year just past.

Of course I do not think we would be justified in expecting to reach the very high revenue of 1907-8, but we do think that the revenue of 1909-10 will considerably exceed that of the year which has closed. The year just closed we are estimating to give a revenue of 84½ million dollars. For the coming year we estimate that we shall realize a reasonable percentage over that, but we do not expect to approach at all the revenue of the previous year which was $96,000,000. It will take us undoubtedly another year to overtake that and possibly a little more. We think there is every reasonable probability that the turn of the tide has come, and that from this out our revenue will steadily increase. But for the present the revenue of 1907-8 must stand as the high water mark of our income.

With this condition of revenue and with the very many demands being made upon us, it would almost seem unavoidable that we should meet the difficulties by an increase in taxation. In some other countries that seems to be the remedy for the financial conditions that have there arisen. In our judgment, however, there is no need here of increased taxation. We think the truer and sounder method is to meet the situation by a substantial reduction in our expenditure, and that is the method we have adopted. Unquestionably if we were to continue the same rate of expenditure as that which has prevailed in recent years, we should be obliged to add to the burdens of taxation; but we have come to the conclusion that the part of wisdom is to ask all concerned to be patient with us for the time while we put the brakes severely on expenditure. I have prepared a statement showing the reductions in the estimates for 1909-10 as compared with 1908-9. It is but fair to say that the estimates for 1908-9 which I quote are the complete estimates for that year. That is to say, they are the estimates submitted in the previous session and the supplementary estimates of the current session. The estimates for 1908-9 on consolidated fund amounted ta $89,412,868. For the new year now beginning, the estimates for the same account have been reduced to $80,078,624. So that in that account there is a reduction of $9,324,243. If we turn to the expenditure on capital account, we find that in 1908-9 our estimates amounted to $43,658,365, and for the coming year the figures are $30,411,150. So that, taking the decrease of $9,334,243 on consolidated fund account and $13,247,215 on capital account, we have a total decrease in estimates on the whole expenditure of $22,581,458. Here are the details:

REDUCTIONS IN ESTIMATES FOR 1909-10.

——	1908-9.*	1909-10.	Increase.	Decrease.
	$ cts.	$ cts.	$ cts.	$ cts.
Consolidated Fund—				
Public Works	17,422,354 78	8,184,408 06		9,237,946 72
Agriculture	1,719,627 06	1,112,500 00		607,127 06
Militia	5,749,275 22	4,813,150 00		936,125 22
Marine and Fisheries	5,923,900 00	4,879,980 00		1,043,920 00
Railways and Canals	12,435,373 08	11,880,857 33		554,515 75
Other Departments	46,162,338 17	49,207,729 51	3,045,391 34	
	89,412,868 31	80,078,624 90	3,045,391 34	12,379,634 75
Net decrease Consolidated Fund				9,334,243 41
Capital—				
Public Works	3,635,542 29	4,512,000 00	876,457 71	
Railways and Canals	37,819,566 75	23,828,150 00		13,991,416 75
Dominion Lands	903,256 06	771,000 00		132,256 06
Militia and Defence	1,300,000 00	1,300,000 00		
	43,658,365 10	30,411,150 00	876,457 71	14,123,672 81
				876,457 71
Net Decrease Capital				13,247,215 10
Total Decrease Consolidated Fund and Capital				22,581,458 51

*Including all Estimates of the Year.

The reductions, therefore, that we are making in the estimates are very considerable. We have yet to bring down some supplementaries for the current year, but they will not materially alter the figures. They will be very moderate. The supplementaries which have to be brought down towards the close of the year are one of the

unseen things we cannot determine in advance, except to say that it is the determination of the government to keep the expenditure of the year within very moderate figures. We ask hon. members to appreciate the difficulty we have in making reductions. There are demands from hon. gentlemen of both sides and from all over the country for many public works, and undoubtedly, in many instances, these works are urgent and important, and with better conditions it would be our duty to respond to those demands. But we wish to point out to those interested that they must submit to the sacrifice, if a sacrifice it be, for a short time, and consent to a severe cut in our expenditure in order that our burdens may not be too heavy and our credit be well maintained. We know that in many parts of the country great works are projected—railways, canals, and other enterprises which may in themselves be worthy enough, some of which will have to be undertaken at a later date and will figure largely in the development of Canada; but it is much more important that we should, in the present condition of affairs, await an improved financial condition. Therefore we say to the promoters of all the enterprises, no matter how worthy they may be, that they must be content to let them stand aside for the present.

Mr. FOSTER. What amount of capital expenditure is proposed for the eastern section of the Grand Trunk Pacific?

Mr. FIELDING. $20,000,000. We think that our aim ought to be — and we shall endeavour to accomplish it as far as possible — to provide out of our revenue, during the year now opening, for all the ordinary expenditure and for a considerable part of our capital expenditures—if possible even for all of them. There is one work as to the wisdom of borrowing for which there can be no question, and that is the Transcontinental Railway. If we can succeed in keeping down our borrowings for new works during the coming year to the sum which we wish to expend on the Transcontinental Railway, I am sure we shall have a very good statement to present. I do not know that we can accomplish this, but it is to be our aim, and I am sure that if for the works of the year we have to borrow any sum in excess of that required for the Transcontinental Railway, it will not be very large.

Now it has been our good fortune to be able to present an uninterrupted series of surpluses for a long period of years. For the first year of this government, 1897, a year in which we had only what I may call a partial control of public affairs, there was a deficit of $519,981.44. Since that, we have had, if I include the estimated surplus for the year just closed, twelve surpluses amounting to $115,059,087.83. If we deduct the $519,981.44 of our first deficit—if it be chargeable to us—we find that for the twelve and three-quarter years we have had a total surplus of $114,539,106.39. This represents a net average annual surplus for these twelve and three-quarter years of $8,983,459.32.

Now, I am not unmindful of the fact that, as regards one item, the method by which these surpluses have been estimated has been occasionally questioned in the House. I refer to the item of bounties, which is charged to a special account. I have explained this point on several occasions, but, as there are many new members this session, it may possibly not be wrong if I again state the view the government entertained when the change was first made. Under the former government, the bounties, which did not amount to a very large sum, were treated as a drawback. It seemed to be assumed that there was money paid in some way into the treasury, and that it was received back by way of drawback; at all events the common understanding of a drawback is the repayment of money which has been received.

Mr. R. L. BORDEN. They were charged to revenue, were they not?

Mr. FIELDING. That was the result, although it did not take that form. They appeared to be treated as a reduction of the customs duty—the customs duties were understated, in reality, because they were subject to this drawback of moneys which had never been paid in. It reduced the revenue and so was equivalent to a charge on revenue account. We thought that was not the best way of dealing with the matter, that the account should be treated differently. And, as, at that time, the whole bounty question was being re-considered, we came to the conclusion that bounties being a temporary aid to industries,—they have been somewhat longer in existence, it is true, than was expected at the time—they might properly be treated in a special account in the same way as a railway subsidy was treated. When you pay a sum of money as a railway subsidy, you receive nothing for it; you do not get any property, you have no assets to represent it, but you give these sums as temporary aids to a great enterprise, which, no doubt, will bear fruit in future years in the development of the country. And we thought that the bounties, which were to be regarded as temporary assistance to great industries, might properly be treated in the same way. Therefore, they were treated in what is called a 'special account,' the same as railway subsidies. I am aware, as I have said, that the propriety of that has been questioned, but I think that the reasons which

led us to take this view are sound reasons. But, without arguing that, I have thought it better to present the calculation of what would have been the surplus if the bounties had been charged to income.

Mr. R. L. BORDEN. Will the hon. minister state how much these bounties have amounted up to the present time—in other words, what is the amount of this special account?

Mr. FIELDING. Speaking from memory, something over twelve million dollars or $1,000,000 a year. If we charge the bounties in this special account all to ordinary revenue account we shall find that the result will be to show a total surplus for the twelve and three-quarter years of $99,832,075.55, and an average annual surplus for the twelve and three-quarter years of $7,869,182.39. It will be seen, therefore, that while the change in the method suggested by some hon. gentlemen would make a difference in the surpluses of that period, it is by no means a very large difference—the surpluses have been so large for the whole period that a change in the method of keeping the account would not materially affect the result.

Mr. MIDDLEBRO. What deficit would there be this year if the bounties were charged to revenues instead of to capital?

Mr. FIELDING. Both sides of the account would come pretty close together; there might be a small deficit; and this is the only year in twelve and three-quarter years when this change in the method of keeping the accounts could possibly have affected the question whether there was a surplus or a deficit. The heaviest item of these bounties, the bounty on iron and steel, will expire in 1910. The bounty on lead will expire in 1913. There is a bounty on electric smelting which runs for two years longer than the other iron and steel bounties, but I do not think that much will be claimed under that item. So, whatever may be said with regard to these bounties, the heaviest items will expire shortly, and I suppose there will hardly be much room for contention as to their proper place in the accounts. I merely wished to emphasize the fact that if a different method of keeping the accounts had been employed, while the surplus would have been reduced on the whole, yet the bounties have played no very large part in that result.

There is another point I wish to deal with relating to surpluses and deficits. I have regretted to observe a disposition on the part of some of the public press to create a new standard in these discussions of surpluses and deficits. One Conservative newspaper sets forth in flaming headlines the statement that in the public accounts for the year there is a deficit of $30,000,000, with more to come. I have seen similar statements also in the other newspapers. Now, I submit in all fairness that that is not a candid way of dealing with the public accounts. The word 'surplus' and the word 'deficit' have a meaning, a well established meaning, in the finances of Canada. It is not a meaning which I have created, it is not a new meaning, it is a meaning which has existed throughout the public accounts of Canada from the beginning of confederation to the present moment. If we go back to 1867 and look through the public accounts from that year down to the present, we shall discover that if this modern method of computing the surpluses be accepted, we shall be forced to the conclusion—a conclusion which I refuse to accept—that the Finance Ministers from Sir John Rose down to the hon. member for North Toronto (Mr. Foster), juggled with the accounts, falsified the accounts of the each year's operations. I say I do not make that charge; I say that it is not the case. But I say that this tendency on the part of our critics to take the balance at the end of the year, the balance which is added to the public debt, as a deficit is altogether unfair and at variance with the established practice of the Dominion of Canada.

Mr. AMES. What is the established practice of Great Britain?

Mr. FIELDING. I was dealing with the established practice of Canada.

Mr. R. L. BORDEN. Might I ask the Finance Minister whether this system, which we have undoubtedly in Canada since 1867, of dividing the expenditure into capital and revenue, prevails in any other country, and if so, in what country? I would like also to ask whether if our practice is different from that of all other civilized countries it would not be a good time to conform our practice to that of other countries when we have been having an enormous superabundance of revenue during the past eight or ten years?

Mr. FIELDING. I do not agree with that. I think we are more concerned with what has been the established practice of Canada than with what has been the established practice in other countries, the conditions of which may be utterly unlike those of Canada. I say that when we find the public press treating deficits in this way, when they say: Your total expenditure for the year in any class was so much and your revenue so much, and the balance is a deficit, I say that is a misleading statement, it is an unfair statement, and it ought not to be made by any respectable journal in this country.

Mr. R. L. BORDEN. What is the practice of the United States?

Mr. FIELDING. Really I would not like to answer definitely. I think in England the practice is different. But there are reasons why this practice in Canada would not be a sound practice. I think a country which has to engage in large operations, a country which needs to borrow money in order to develope its resources, must establish a different condition from that in an old settled country which has hundreds of years of experience.

Mr. R. L. BORDEN. What is the practice in Australia and New Zealand?

Mr. FIELDING. I am bound to say that I am not aware. But I do not think it is important.

Mr. R. L. BORDEN. They are like us, are they not?

Mr. FIELDING. I do not admit they are entirely like us. I think my hon. friend should recognize that I am not at present discussing the practice of Australia; I am not concerned in discussing the practice of England and the United States; I am chiefly concerned in showing the unfairness of my Conservative friends in applying to the finances of the present time a test which they never applied to the finances when their own friends were in power. That is the point I wish to make, that is the point I may expect to make with any fair-minded man in the Dominion of Canada.

Now, let us see how this would work out. Let us go back to the early days of our confederation in 1869 when Sir John Rose was Minister of Finance. The accounts of Sir John Rose for that year showed that he had a surplus of $341,090.52. Now, according to the present contention of my critics, these accounts were deceptive, Sir John Rose had no surplus that year, but he had a small deficit of $102,184. His accounts were misleading. But he was considered to be a pretty good Minister of Finance, and the fact that he adopted that method is a reason why I, his junior for so many years, should pay profound respect to the method; I believe he adopted it for good reasons, and I think reasons which were good then are good to-day. Then we had another eminent Finance Minister in the person of Sir Francis Hincks. In the year 1872 Sir Francis Hincks published a return showing that he had a surplus of $3,125,344.86. But if the present method which is advocated by my Conservative friends in the press is correct, a method which is occasionally heard of in this House, instead of having that surplus of $3,125,000, Sir Francis Hincks had a deficit of $4,480,554.39. So you see the effect of applying to the Ministers of Finance of earlier days the very criticism that is now offered respecting our methods with this subject. Sir Leonard Tilley was Minister of Finance in 1873, when his accounts showed a surplus of $1,638,821.53; but, according to the present contention, instead of having a surplus for that amount, if the same criticism had been applied to Sir Leonard Tilley that is applied to the surplus of the present Finance Minister, it would have shown that instead of his having a surplus that year of $1,638,000, he had a deficit of $17,661,389.60. Then we come again to Sir Leonard Tilley in 1881, when he showed a surplus of $4,132,743.12, but, according to the present contention, he should have shown a deficit of $2,944,191.79. Again, in 1883 Sir Leonard Tilley showed a surplus of $7,064,492.35, the largest surplus ever reported by a Conservative Minister of Finance, but, according to the present contention he had no surplus at all, but he had a deficit of $4,805,063.68. Now, let us come nearer home. My hon. friend from North Toronto (Mr. Foster), and my immediate predecessor in the post of Finance Minister, in 1889 showed a surplus of $1,865,035.47. But, according to the contention of my critics and their friends to-day, his accounts were wrong; he juggled with the accounts; he misled the people, for he should have shown a deficit of $2,998,683.49. In 1890 my hon. friend showed a surplus of $3,885,893.94, the largest surplus he ever had. He was not very lucky in the matter of surpluses; but in that case, if he had shown the accounts in the way that his friends now demand I should show the accounts, his surplus of $3,885,000 would have been wiped out, and he would have been obliged to show a deficit in the accounts for the year.

Now I do not mean to say for a moment that Sir John Rose, Sir Francis Hincks, Sir Leonard Tilley and my hon. friend from North Toronto falsified their accounts, but the Conservative critics of to-day would say that, because they demand a standard of declaring a surplus which, if applied to the years I have spoken of, would show that these accounts were incorrect. On the contrary, I claim that my hon. friend, my predecessor, treated the accounts in a proper way. In a country like Canada, with large needs, a country which must borrow a great deal of money for development, a country which cannot possibly, as a rule, manage its public affairs with the ordinary revenues, I say it is a proper distinction to make between charges to income and charges to capital. There may be room for dispute as to a particular item, whether it should be charged to one account or the other, but that does not touch the principle. There always will be room for difference of opinion in that matter. But I am dealing with the principle, and I say the principle which was adopted by Sir John Rose, by Sir Francis Hincks and by Sir Leonard

Tilley and by the hon. member for North Toronto, is the principle on which accounts are made up to-day, and therefore the very criticism that is offered by some of my Conservative friends as to my method of making up the accounts is entirely unjustified.

A very interesting feature of our expenditures in recent years has been the very large amounts of money that have been applied to expenditures upon these capital or special services with a very moderate addition to the public debt. Now the very purpose of making a distinction between charges against income and charges against capital, is to indicate that you may probably need to borrow money to meet your capital account. That is, the assumption that you cannot provide out of your ordinary revenue for these special and large needs. Well, what do we find? We find that the total capital and special outlay for the period I have spoken of, for twelve and three-quarter years, has amounted to $212,449,526.42. I say that represents a class of expenditure as to which, if it had not been charged to capital account, and if the financial condition of Canada to-day obliged us to charge it to capital account, no just criticism could have been offered against such a course.

But what is the fact? While we have spent the enormous sum in the twelve and three-quarter years of $212,449,000 on these capital and special charges, we have only added to the public debt during that time $65,500,000. We have paid no less than $147,000,000. less a fraction of that large expenditure upon capital and special accounts out of the ordinary revenues of the country; we have provided 69 per cent of that class of expenditure out of the ordinary revenues. I venture to say that in no previous period in the history of this Dominion has there been such a large expenditure on capital and special accounts with so small an addition to the public debt.

We have had during recent years very large loan operations. For a number of years Canada went but seldom to the English money market, but during the last year or two we have been obliged to go there more frequently. There are several causes for this. First we have had considerable sums of old loans maturing and these have had to be provided for; second, we had heavy obligations arising on account of the construction of the National Transcontinental Railway; third, considerable sums were required for the taking over of the Quebec bridge; fourth, there were considerable withdrawals from the government saving banks; fifth, we required a considerable sum to be loaned to the Montreal Harbour Commission; sixth, we had to provide considerable sums of money in connection with the seed grain distribution, and then we had a very heavy falling off in our revenue during the past year.

Parenthetically I would say that a much respected member the other day in discussing another subject to which I am not permitted to refer, said that one of the first things before you begin to lend money to any one is to have it to lend. I am afraid if we had adopted that principle in respect to the Montreal Harbour Commission my hon. friend would not be able to see the great improvements which now greet his eye when he visits his beautiful city.

The consequence of all these demands was that we have needed to go to the money market more frequently than usual. We have borrowed the following sums since the last budget speech:

June, 1908, £5,000,000, 3¾ per cent, due 1st May, 1912.

October, 1908, £5,000,000, 3½ per cent, due 1st July, 1950, with option of redemption after 1st July, 1930, after six months' notice.

January, 1909, £6,000,000, 3¾ per cent, due 1st July, 1919, with option to redeem after 1st July, 1914, on three months' notice.

This last mentioned loan of £6,000,000 which was offered at 99¼, was the largest colonial loan ever placed on the London market. It was at first only partially taken by the public. That is not an unusual thing in the London money market, but very soon after it was issued it was readily taken.

Mr. FOSTER. What proportion was taken by the public?

Mr. FIELDING. Forty-one per cent was taken by the public, the balance for the moment remained on the hands of the underwriters. That loan now stands at a premium of nearly 3½ per cent, so that if the loan was not immediately taken by the public it was no reflection on the credit of the Dominion. There were special reasons for placing this loan at the time and in the way we placed it. A 3½ per cent loan may now be regarded as our standard security. Many years ago we issued one at 2½ per cent and then one at 3 per cent, but in the present conditions, and they are likely to continue for the early future, I suppose we will have to regard the 3½ per cent loan as our standard security. With improving conditions we may get back to the 3 per cent rate, but in the meantime we must be content with 3½ per cent, and so it was important that we should keep our 3½ securities on a good basis in London.

Mr. FOSTER. Can the minister give the brokerage and commission on the 1909 loan?

Mr. FIELDING. The answer to that question was ready yesterday but as I was not in the House it was not given. My hon. friend's question was :

What amounts have been paid for commission, brokerage and other expenses, respectively, on loans made since December 31, 1908?

The answer is:

	£	s.	d.
(a) Commissions..	90,000	0	0
(b) Brokerage..	13,790	4	6
(c) Other expenses..	13,900	18	11

As I said, a previous issue of 3½ per cent which had been taken by the underwriters on terms quite satisfactory to the government, had not been fully absorbed by the investing public. Under the conditions it would have been difficult to place another 3½ per cent loan on the market and after full consultation with our agents, we concluded that the best way to meet the situation was to issue a different class of loan of special character which would meet the then existing conditions of the market and which would prove attractive to investors. We thought that in that way we would not materially depress the value of our 3½ per cents. We decided therefore to issue this loan at the rate of 3¾ per cent and to make it a short loan for a period of ten years with the right to redeem it after five years if we so desired. Another reason why we fixed that period of ten years was that the loan will thus fall due at a very convenient time, when we will not be embarrassed by other maturities.

Hon. gentlemen who have devoted attention to the condition of the public debt of France will know that a large part of the French national debt is held by the French people who buy the bonds in very small sums. It was suggested that an effort should be made to reach the same class in England, and after careful consideration we came to the conclusion that we might appeal to the small investors in England. It was not that we expected thereby to get any large sum of money, as it takes a great many small contributions to cover a loan, and I have no doubt that if we had considered our own convenience only we might have done as well without appealing to the small investor. My idea was that this plan had a value apart altogether from the mere getting of the money. There are thousands of men of small means in England who seldom or never invest in Canadian securities, and I thought it desirable that we should reach these people, not merely to get money from them, but to interest them in the affairs of Canada. I thought that such a thing was most desirable and therefore, after very careful consideration, because it was somewhat of a departure from the established practice in the English money market, we decided to issue this new loan in bonds as low as £10 each. That experiment was watched with a great deal of interest by the financial public and by the public generally. The British Chancellor of the Exchequer, Mr. David Lloyd George, did us the great honour and great compliment of approving of the project, and in order to show his approval he publicly subscribed for one of these modest £10 bonds in order to set a good example to the moderate class in England, and I wish here to thank Mr. Lloyd George for that evidence of his good will to Canada. He has been adversely criticised; he has been told that he had better look after the finances of England and leave other people to look after the finances of Canada. I hope he may have success in looking after the finances of England; I know that in the step he took he meant to pay a compliment to the Dominion of Canada and I avail myself of this opportunity to express my appreciation of it. Well, the financial journals of England gave this their hearty approval and the greatest of them all, the London 'Economist,' gave us the most cordial commendation and expressed the hope that the British government would follow our example. I may say also that others than the financial publications in England commended our course in this respect. We hope and believe that the experiment will be of value to us, not because of the amount of money it produced, but because of the interest which it has aroused amongst the smaller investors. We had no less than 603 applications from persons who subscribed for £90 or less, so that we had quite a large number of applicants although the total value of their subscriptions was not very great. We could have got the money just as easily by going to one big broker and inducing him to subscribe to the loan, but in view of the experience of France in such matters and in view of the interest which was being manifested by thoughtful men in England in this question, we deemed it well to make the experiment of trying to interest the men of small means throughout the United Kingdom in the securities of Canada, and I believe we have succeeded.

Mr. FOSTER. What is the comparison in cost between the two methods?

Mr. FIELDING. It really makes very little difference; it is a mere question of the clerical labour and the printing. It is no doubt somewhat troublesome to the gentlemen who are employed in the office of our financial agents in London, but besides the greater volume of clerical work and the printing there is no increased cost. I am hopeful that when we have occasion to go again on the money market, we will have these same people and others interested in our loans, and not only interested in our loans but interested in anything that concerns the welfare of Canada.

Since the issue of that large loan we have borrowed some other sums which I should state to the House. We have made two loans, one of £1,000,000, and one of £500,000, or a total of £1,500,000; one of these loans

for 12 months and the other for 15 months. They have been negotiated quite recently in view of the improving conditions of the money market and the rate of interest we paid for them was 2⅞ per cent; that is the net rate to the government, it covers all bank charges of whatever nature. Therefore, our latest financial transaction in the way of short loans is to borrow £1,500,000 at the very low rate of 2⅞ per cent.

Mr. SPROULE. If that be so, how do you reach your conclusion that our average is 3½ per cent?

Mr. FIELDING. Because, these were short loans, for one year in one case and for fifteen months in the other case, and it is quite imposible to compare them with a long term loan. Excluding temporary loans which are soon repaid, we have issued from 1896 up to date loans to the amount of £27,470,242, an enormous sum of money. But it is important to note that a large part thereof was not for present operations but for the repayment of old loans maturing. I have here a statement of the loans which have matured and which we have paid off since 1896; they are as follows:

LOANS MATURED AND PAID OFF SINCE 1896.

The following Loans have been paid off since 1896:—

	Amount.	Date.
4 p.c. Intercolonial Railway Guaranteed Loan	£ 1,500,000	October 1, 1903.
4 p.c. " " " "	1,500,000	April 1, 1908.
4 p.c. Ruperts Land Guaranteed Loan	300,000	April 1, 1904.
5 p.c. Intercolonial Railway Unguaranteed	500,000	October 1, 1903.
4 p.c. Loan of 1875	1,000,000	November 1, 1905.
4 p.c. " 1876	2,500,000	November 1, 1906.
	£ 7,300,000	
4 p.c. " 1874 (part)	1,595,256 13s. 6d.	May 1, 1904. May 1, 1907.
4 p.c. " 1878-79	4,500,000	November 1, 1908.
	£13,395,256 14s. 6d.	

We have had some sinking funds against these and the balance we have had to provide. These loans which we have paid off account to a very considerable extent for the large borrowings we have had to make. Up to 1885, with the exception of one loan, we had provided small sinking funds ranging from one-quarter per cent to one per cent in connection with our various loans. In later years, from 1885 onward, the sinking fund policy was abandoned as it did not seem to be necessary. My own observation of the London money market leads me to the conclusion that it would be a wise policy for us to return in some degree to the sinking fund policy, and it is my intention in any further loans I may have to issue to attach a moderate sinking fund to them. As to the precise rate we may attach it is a matter of detail, and it is not necessary at present to make a statement, but I think it well to return to our former policy of having some sinking fund attached to each of our loans.

In connection with the earlier budget speeches of some years ago a return was published giving the cost of all loans for many years. This year a supplementary return was brought down, and I think as a matter of convenience it would be well to have it included in the budget speech, and if there is no objection I will hand it to 'Hansard.' It will then be in the possession of the House and it will be more easily referred to in the budget speech than if it is only to be found in the form of a return:

MEMORANDUM OF CANADIAN LOANS PLACED

—	Price in Prospectus.	Price Realized.	Duration of Loan, Years.	Rate per cent.	Total Issue.	Discount or Premium.
		£ s. d.			£ s. d.	£ s. d.
Intercolonial Railway, 1869, guaranteed.	.....	105 12 11½	35	4	1,500,000 0 0	P. 112,946 0 0
Intercolonial Railway, 1869, unguaranteed.				5	500,000 0 0	
Intercolonial Railway, 1873, guaranteed.	.....	104 7 8	30	4	1,500,000 0 0	P. 78,971 6 8
Rupert's Land, guaranteed.....			31	4	300,000 0 0	
Loan of 1874.	90	90 3 3	30	4	4,000,000 0 0	D. 393,476 17 6
Loan of 1875, guaranteed.....	....	99 1 8	35	4	1,500,000 0 0	D. 22,930 9 1
Loan of 1875, unguaranteed.....			30	4	1,000,000 0 0	
Loan of 1876.....	91	91 0 0	30	4	2,500,000 0 0	D. 225,000 0 0
Loan of 1878, guaranteed	96½	96 11 9	35	4	1,700,000 0 0	D. 102,347 12 6
Loan of 1878, unguaranteed.....			30	4	1,500,000 0 0	
Loan of 1879.....	95	95 1 10½	29	4	3,000,000 0 0	D. 147,206 6 4
Loan of 1884	91	91 2 2	*25	3½	5,000,000 0 0	D. 445,870 0 0
Loan of 1885.....	99	101 1 8	*25	4	4,000,000 0 0	P. 43,416 0 0
Canada Reduced.....	.....	.....	24½	4	6,443,136 2 9	D. 54,576 2 9
Loan of 1888.....	92½	95 1 0	50	3	4,000,000 0 0	D. 197,904 0 0
Loan of 1892...	91	92 0 10½	46	3	2,250,000 0 0	D. 179,009 16 0
Loan of 1894.....	95	97 9 2	43	3	2,250,000 0 0	D. 57,145 6 9
Loan of 1897.....	91	91 10 5	50	2½	2,000,000 0 0	D. 169,625 5 0
4 p.c. Loan of 1908–12.....	100	100 0 0	5	4	1,500,000 0 0	....
3½ p.c. Loan of 1930–50 (February issue).	100	100 0 0	22¼ or 42¼	3½	3,000,000 0 0	.....
3¾ p.c. Loan of 1908..... .. .	100	100 0 0	4	3¾	5,000,000 0 0	..... .
3½ p.c. Loan of 1930–50 (October issue).	100	100 0 0	22 or 42	3½	5,000,000 0 0	.....
Loans extended.						
4 p.c. Loan of 1874 (due May 1, 1904)	.....	....	3	4	2,500,000 0 0	.....
4 p.c. Loan of 1874 (due May 1, 1907)	.....	....	4	4	1,831,398 1 5	.....

* Or 50 years calculated for 25 years only.

a Does not include the bonus of stock for conversion into 3 p.c., 1938.

b This amount includes £11,943 2 6, being balance of Commutation of Stamp Duty (at rate of 12s. 6d.

c This amount includes £2,473 2 6, being balance of cost of Stamp Duty yet payable (at rate of 2s. 6d.

d This amount includes £9,374 7 6, being balance of Commutation of Stamp Duty (at rate of 12s. 6d.

FINANCE DEPARTMENT,
April 19, 1909.

ON THE LONDON MARKET SINCE 1867.

Amount Realized.	Charges, including Discount for immediate payment and Interest on part payments.	Net Amount of Cash realized.	Conversion of Stock and Bonds of maturing Loans.	Total Amount realized.	Annual effective Rate of Interest per Unit.
£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	
2,112,946 0 0	29,896 18 5	2,083,049 1 7	.....	.....	·04125
1,878,971 6 8	33,449 18 11	1,845,521 7 11	.....	.....	·03916
3,606,523 2 6	60,289 9 9	3,546,233 12 9	.....	.....	·04875
2,477,069 10 11	42,847 16 1	2,434,221 14 10	.....	.....	·0416
2,275,000 0 0	57,122 9 7	2,217,877 10 5	.....	.....	·0475
2,897,652 7 6	36,852 15 7	2,860,799 11 11	.....	.....	·043
2,852,793 13 8	47,988 8 3	2,804,805 5 5	.....	.....	·045
4,554,130 0 0	94,693 3 4	4,459,436 16 8	.....	.....	·04042
4,043,416 0 0	82,098 2 1	3,961,317 17 11	.....	.....	·045
6,388,560 0 0	32,977 1 0	6,355,583 19 6	.....	.....	·04083
3,802,096 0 0	67,598 4 3	3,734,244 7 6	.....	.....	·0321
2,070,990 4 0	31,365 6 7	2,039,624 17 5	.....	.....	·0341
2,192,854 13 3	24,807 0 4	2,168,047 13 0	.....	.....	·0311
1,830,374 15 0	22,347 17 2	1,808,026 17 10	.....	.....	·0288
1,500,000 0 0	*a* 29,473 11 2	1,470,526 8 10	.....	.....	·04796
3,000,000 0 0	*b* 74,665 15 1	1,801,534 4 11	1,123,800 0 0	2,923,334 4 11	·03704
5,000,000 0 0	*a* and *c* 82,923 9 2	3,489,734 6 3	1,427,342 4 7	4,917,076 10 10	·04298
5,000,000 0 0	*d* 120,236 17 10	4,389,313 5 8	490,449 16 6	4,879,763 2 2	·03783
2,500,000 0 0	*a* 33,193 15 2	2,466,806 4 10	.....	.....	·04556
1,831,398 1 5	*a* 26,819 19 4	1,804,578 2 1	.....	.....	·04452

p.c.), yet payable on inscription of stock certificates.
p.c.), on £5,000,000 3¾ p.c. debentures.
p.c.), yet payable on inscription of stock certificates.

I have noticed some criticism as to the cost of our loans, but I am glad to be able to say that there is no ground for the charge that the expenses in connection with our loans are very high. Of course we have had very large transactions, and we have had to pay on very large sums. We have handled enormous sums of money in our finanical transactions during the last few years and you cannot carry on these enormous operations without large expense. I am glad to be able to say that in every instance, so far as I am able to ascertain, the expenses are fair and reasonable. We are now paying the same charges generally as we paid in former years. Our financial agents in London (The Bank of Montreal) charge precisely the same rates now that they have been charging for a long time, and we have no reason to doubt that they are fair and reasonable. There is only one item that is new, only one item which did not appear in the charges of former times, and that is the charge for underwriting. We have sometimes paid three-quarters per cent for that, and sometimes when the money conditions were not so favourable we have had to pay one per cent. and one per cent is about the best rate that first-class loans will be underwritten for in London. This underwriting is simply an assurance that the money will be provided. The underwriters are the very best judges of the character of a loan; they are better judges in a certain way than the public themselves, and experience has shown that it sometimes happens that the public are not ready to take up a loan. Then, the underwriter who is an experienced financial man and who weighs every element in the money market is able to come to an understanding of what is the fair value of a loan, and if the Minister of Finance is satisfied with the price at which the underwriter is willing to do the business then the transaction is closed and the Minister of Finance knows at all events that he is going to get the money; he need not care very much whether the public come in and subscribe or not. In some respects it is always better to have the public subscribe, but if the public should subscribe too readily, if the public should come in and rush after the loan and subscribe to it many times over, the Minister of Finance would be open to the charge that he had made a mistake, that he had fixed the price of his loan at too low a figure, or in other words that he was selling his goods too cheaply. In the case of our loan recently issued only 41 per cent was taken by the public, which was the best guarantee that the underwriters gave us the full value of the money. If we had not agreed to the underwriting of the loan, we would have been obliged to have named a lower price for it. So I am satisfied that the modern system of underwriting, while we may regret that we have to resort to it, has the advantage of securing to the government the best possible price for our loans. No colonial government now borrows money in London without underwriting. I think I am correct in saying that no foreign government now borrows money in London without underwriting. It has become the established practice of the money market. The imperial government, in dealing with the last India government loan, which is practically an imperial government loan, and which was placed on the market very shortly after our £6,000,000 loan, had to adopt the policy of underwriting, and, I understand, paid for that loan precisely the same price that the government of Canada paid for its loan. Hon. gentlemen will see, therefore, that in this underwriting, which is the only new item, we are simply following the established practice of the money market, which all other governments, including the imperial government in the case of the last India loan, have had to adopt, and I think it may be assumed that we do well to conform to this practice, in view of the fact that the rate paid for our loan was precisely the same as that paid for the recent India government loan. The effect of underwriting is this, that the public know that they have a second chance to buy. If it is thought the loan is not much in demand, an individual investor, even though he wants a large sum, will say to himself: 'I will not send in a subscription, and the loan will be left on the hands of the underwriters; then it will fall to a discount, and I can come in and buy more cheaply.' Sometimes that happens, but it did not happen with us. The public did not take all of our loan at once, but immediately after it was announced that 41 per cent of the loan had been taken up by the public, investors began to run after the balance in the hands of the underwriters, with the result that according to the latest quotations it stands at a premium of 3½ per cent in the money market.

I should call the attention of the House to some early maturing loans, that is, the loans we shall have to deal with during the three calendar years 1909, 1910 and 1911. The £5,000,000 3½ per cent loan of 1884 gives the option to the government of redeeming it between the 1st of June, 1909, and the 1st of June, 1934, on giving six months' notice. We could, therefore, take up that loan, if we so desired, during this year, but under present conditions it is of advantage to Canada to carry this on at the present rate, for we have no reason to suppose that we could do better than 3½ per cent, and no notice of redemption has been given. On the 1st of January next the Canada Reduced 4 per cent loan of £6,443,136 matures. Of this loan there is

held in the sinking fund £2,205,573, leaving £4,237,563 to be paid off in cash. The 4 per cent loan of 1885, for £4,000,000, is redeemable at any time between January, 1910, and 1935 on six months' notice by the government. We are not called upon to touch that matter for the present; we will consider it later on. On the 1st of October, 1910, the 4 per cent guaranteed loan of 1875 for £1,500,000 matures, and for that we have a sinking fund of about one-half the amount. On the 1st of May, 1911, we have a 4 per cent loan of 1874, amounting to £1,831,398, maturing. These are the loans which we have to provide for within the next three years, besides which we have, of course, to provide for what may be required for the possible needs of our work, notably the Transcontinental Railway.

I regret to notice that some very erroneous statements have been made from time to time, both in this House and outside, made no doubt with the best intentions, with regard to the credit of the Dominion. Although I am a strong party man myself, I do not believe that there is any man in tihs House on either side who desires to depreciate Canada's credit. I am sure that any erroneous statements which have been made have been the result of erroneous information, and not of any intention to state other than the facts. We have heard it stated, for instance, that because we borrowed money for 2¾ per cent or thereabouts in 1897, on long term loans, and because we recently paid 4 per cent, therefore the credit of the Dominion is going down. There is no warrant for any such statement. In the first place, in making any comparison of this kind, it is necessary to observe the distinction between the different classes of loans. A long-term loan on the money market should elicit the best terms. For a short-term treasury note, you may sometimes get money cheaply, just as in New York money is occasionally borrowed at a very low rate on call. But for the purposes of the ordinary investor, in a favourable condition of the market, a long-time security, such as a fifty-year loan, is the security most favoured. Our recent loan was for ten years, with the option of five years, while the loan of 1897 was for fifty years, and was issued in a most favourable condition of the money market. Another consideration which we have always to keep in mind is that money is a commodity which rises and falls in value like any other commodity, and the man who wants to buy it goes into the market and pays the market price. To say that because we borrowed money in 1897 at 2¾ per cent and that we now have to pay 4 per cent, therefore our credit is suffering, is an entire mistake. In 1897 monetary conditions were exceedingly favourable, and we were able to place a 2½ per cent loan at a remarkably good price. We seemed to have struck the psychological moment, and obtained the most favourable terms ever obtained for a colonial loan. We have never been able to do it again. Of late years there has been a change in the appetite of the English investor. There was a time when he wanted a gilt-edged security, such as British consols or a Canadian government security, and to get this he was willing to pay a high price and was content with a low rate of interest.

The British investor is becoming somewhat more wide-awake. He is beginning to be willing to take a little risk by putting his money into foreign loans; and at the very moment when we were trying to borrow at 3¾ per cent, a Russian loan was offered at 4½ per cent, and sold at a price under 90. A great many British investors, who at one time would not touch these foreign loans at all, are now disposed to invest in them. The result is a lesser demand for gilt-edged securities, and it becomes a little more difficult to float securities of that character at the best prices. Take, for instance, the drop in British consols, the very highest standard of securities in the world. In 1897 these bore interest at 2¾ per cent and were quoted at 113⅞. The rate has since been reduced from 2¾ per cent to 2½ per cent, which would account for some of the reduction in the quotations but not for all of it. I have the latest quotation, and find it is 85 1-16, and not long ago British consols sold as low as 80. It would not be reasonable to infer that because the price of consols has dropped and the British government have practically to pay a higher rate for money, the credit of that government has suffered. The drop in price does not mean that. It simply means that money is a commodity which rises and falls, and the British, the Canadian, and every other government must be content to pay the market price. Let me give you another comparison. One of the best classes of investment in England is what is known as the Metropolitan Stocks—the stocks issued by the London County Council, a very high class security, probably next to that of the British government itself. In 1896 the Metropolitan 3½ per cents were quoted at 128¼, being their highest point, and Canadian 3½s were quoted at 111⅜. The two classes bear the same rate of interest, yet there was a difference against Canada in 1896 of 16⅞. Coming to 1908, Metropolitan 3½s were quoted at 104⅛ and Canadian 3½'s at 101¼, being a difference against Canadian of 2⅞. The best way to gauge the credit of Canada is to take some other standard stock, and compare the rates at which that standard stock was quoted in former years with that at which Canadians sold in the same time,

and then take the difference in quotations between the same two stocks at present. Taking the Metropolitan stocks as a good example, we find that in 1896 they stood 16⅞ above Canadian and in 1908 only 2⅜ points. My hon. friends will therefore see that the mere fact that we had been paying a somewhat higher rate for our money does not indicate any diminution of Canadian credit.

Mr. AMES. Has the hon. gentleman the figures with reference to our 3 per cents?

Mr. FIELDING. I have not, but I have no doubt that, comparing our 3 per cents with the Metropolitan 3 per cents the result will be the same. I had these quotations made in all good faith. If the others show something different, I shall be happy at a later date to call attention to them, but I am advised that they will show substantially the same results.

Our net debt on the 31st March, 1908, was $277,960,859.84. I have stated that the increase in 1909 would be $46,000,000. Our net debt, on the 31st March, 1909, taking our estimates as near as we can make them, will be in the neighbourhood of $323,960,859.84. Our net increase since 30th June, 1896, amounts to $65,463,427.07, and the average increase per year in 12¾ years amounts to $5,134,386.43. Of this net increase the National Transcontinental Railway is responsible for $52,574,131.71. Excluding that amount, the net increase of debt during the 12¾ years would be $12,889,295.36, or an average per year of $1,010,925.12. So that it will be seen, apart from the National Transcontinental, which is a special item, our additions to the public debt during the whole period have not being excessive.

As to the burden of debt, to which an occasional reference is made, in a country like Canada it is to be expected that from time to time there will be some additions to the public debt. It cannot be expected that the development of a new country like ours can be carried on without any additions to our public debt. On a number of ocasions, when I had the pleasure of submitting statements showing reductions of the public debt, I was always careful to point out that the circumstances were exceptional, and that we must expect from year to year some additions to the public debt. But if we are to consider the public debt as a burden, we must take into account the number of burden bearers. We do not take a census every year, but our census office makes estimates from year to year, which I believe are in the main substantially correct. Take the returns of the last official census, making allowance for what experience has shown to be the natural increase of population, taking careful account of the immigrants coming into the country, we obtain fairly correct annual statements of our population. I have had such a statement prepared, and am glad to be able to say that, for the first time in our history, we are able to claim a population of more than 7,000,000 souls. I submit here a statement showing the debt of Canada for every year since 1891 and also its population, the net debt each year, and the net debt per capita. I think it will be admitted that if you are to measure the burden of the debt, you must consider the number of burden bearers. What do we find? We find that in 1896, 13 years ago, the net debt of Canada was $50.82 per head of our population, and on the 31st March just passed, according to the returns of the Census Department—which we have every reason to believe are substantially correct—on a population of 7,085,219 the net debt of Canada amounts to $45.72 per capita against $50.82, 13 years ago. So that we have the very gratifying fact, having regard to the number of burden bearers, that the net debt of Canada to-day is not an increasing burden but is less of a burden than it was when this government came into power 13 years ago.

I submit the figures for each year:

Net debt per capita.

Year.	Population.	Net debt.	Net debt per capita.
1891..	4,844,366	$237,809,030 51	49·09
1892..	4,889,266	241,131,434 44	49·15
1893..	4,935,748	241,681,039 61	48·96
1894..	4,983,903	246,183,029 48	49·40
1895..	5,003,839	253,074,927 09	50·57
1896..	5,086,061	258,497,432 77	50·82
1897..	5,141,508	261,538,596 46	50·87
1898..	5,199,267	263,956,398 91	50·77
1899..	5,259,491	266,273,446 60	50·62
1900..	5,322,348	265,493,806 89	49·88
1901..	5,413,370	268,480,003 69	49·59
1902..	5,537,500	271,829,089 62	49·08
1903..	5,712,190	261,606,988 87	45·79
1904..	5,890,066	260,867,718 60	44·29
1905..	6,091,136	266,224,166 60	43·70
1906..	6,323,557	267,042,977 75	42·23
1907..	6,655,904	263,671,859 96	39·61
1908..	6,863,500	277,960,859 84	40·49
1909..	7,085,219	*323,960,859 84	45·72

* Estimated.

There is another view of the matter. My hon. friend from North Toronto (Mr. Foster), in one of his speeches on the budget, said that one of the ways of judging the burden of the debt was to take the amount of interest which had to be paid. That is a fair statement, with this proviso, that you must consider the number of burden bearers. In 1896, the total amount of interest on the public debt was $10,502,429.90,

and the amount received as interest on investments was $1,370,000.56, leaving a net amount of $9,132,439.34, or $1.79 per capita. The net interest we had to pay in 1896 on the debt of Canada, therefore, was $1.79 per head. Taking the same computation for the year ending 31st March last, we find that the interest on the public debt will be close to $11,636,550.87. The interest received on investments was $2,168,601.04, making the net interest paid for the year, when the accounts are finally closed, approximately $9,467,949.83, or $1.33 per head for the year, as compared with $1.79 per head for the year 1896.

I think, Sir, that these figures, in which we take into account not only the increasing amount of debt but the increase in the number of burden-bearers—and I am sure that every hon. member will admit that that is a fair method of calculation—show that, while, in the development of our country, we have been obliged to add considerably to the public debt, these additions have not kept pace with the growth of our population, but that our interest charges are materially less of a burden to-day than they were thirteen years ago.

There has been some discussion here and elsewhere with regard to our statement of assets. There are some assets appearing in our accounts that are not of much value—some practically of no value at all. No such asset has been added to the list in recent years; such assets of that kind as appear have been there a long time; it has been thought well not to make changes, but, as a matter of convenience, to allow them to remain. Once in a long period of years the statement is revised by the Committee on Public Accounts. I am glad to know that that is being done this year, and that a number of these items will be thrown out. But I am satisfied that the amount of the items thus thrown out—items placed there many years ago, before I had anything to do with the finances—will not be large, in fact that it will be very small indeed when compared with the total amount of our assets. I am very glad to agree in the view that that statement should be revised and that we should have a statement down to date.

I desire to confirm a statement that I made earlier in the session with regard to the savings bank accounts. I was asked whether we intended to increase the rate of interest paid on these accounts. My answer was that such was not our intention, that this was practically money on call, and it was not to be expected that the same rate would be paid upon it as upon an ordinary investment. But I stated also that I would be glad to provide for the transfer of any of these deposits into stock of a more permanent character. I repeat that now. If it be agreeable to any of the savings bank depositors, we shall be glad to issue new stock for amounts of $50 or upwards to bear 3½ per cent and redeemable in 1925. Therefore, if it be found that any of the depositors in the savings banks wish to take up a more permanent investment, they can have their deposits transferred into savings bank stock at the rate I have named.

Mr. J. D. REID. At par?

Mr. FIELDING. Yes. Frankly, I do not expect that there will be a large demand for this stock; I think the savings bank depositors attach more importance to the convenience and security of the savings banks than to the rate of interest.

Mr. NESBITT. Would the minister say how that interest is to be paid—yearly or half-yearly?

Mr. FIELDING. Half-yearly. We do not propose any extensive changes in the tariff; the one or two changes to which I wish to call attention are rather in the way of regulation than in the way of changes which would affect the finances of the country. For some years, considerable attention has been given to the cultivation of the beet in Canada with a view to the production from it of refined sugar. I think there is no longer any question that we can produce in Canada beet-root of the quality suitable for that industry—I think it has been established that the beets grown in Canada are well suited for the manufacture of sugar. The question has come, whether with the encouragement usually given to other industries in Canada, we can make that industry permanently successful from an economical point of view. The advocates of the industry say that this can be done, but they have asked that special aid be given them in the initial stages of their enterprise. So, for several years, we granted them concessions in the way of free admission of machinery. Several years ago we granted another concession in the way of importation of foreign sugar on the same terms as preferential sugar from the West Indies. In other countries, the beet industry is so carried on that they produce not only refined sugar, as is done in Canada, but also an intermediate grade known as raw sugar, which can be kept in store, handled and shipped, as it is being shipped, to all parts of the world. We have not yet reached that stage in Canada; we carry the manufacture from the beet-root itself quickly into the refined article. And I suppose it is admitted that at Wallaceburg they are turning out a fine grade of sugar as a result of that operation. But this enables them to run their factory only for a short time. In order that they may run their factory for a longer term, and so run it more economically, they ask to be permitted to import foreign sugar at the preferential rate. It is not convenient for them to use the West India sugar, and they thought it a

hardship. when they imported a foreign sugar, to be obliged to pay the higher rate. So, two years ago, we agreed to allow them for three years the privilege of bringing in foreign sugar at the same rate as if it were British grown sugar. The limitation was that they should be allowed to import two tons of foreign sugar for every ton of refined sugar they produced from Canadian beet. That concession remains in our tariff, but it expires at the end of the current year. The promoters of the industry, not only the refiners, but a large connection including farmers, dealers and others, who are interested in the beet industry, have asked us to make a further concession in the same direction. We have decided to allow a continuance of the present system for three years longer and then for two further years on a reduced scale. That is, for three years they will be allowed to import as at present, two tons of foreign sugar for every ton of refined sugar they produce in their factories from Canadian beets, and for two years thereafter they will be allowed to import one ton of foreign sugar for every ton of refined sugar they produce from Canadian beets.

Mr. HUGHES. The minister means two tons of foreign raw sugar?

Mr. FIELDING. Surely.

Mr. HUGHES. Raw beet sugar?

Mr. FIELDING. They prefer the raw beet sugar, but we could not limit it to that. So much with regard to the beet industry, which, as I have said, enlists the interest and sympathy of a large number of people, and to which we have every desire to give a helping hand in these ways at the beginning. We trust that in a short time it will be able to be conducted without these special aids, and, that with the measure of protection given to other branches of industry in Canada, it will be permanently and profitably established.

Another phase of the sugar question has given us some perplexity. The duties on British-grown raw sugar are based on the assumption that the Canadian refiner—I speak now not of the beet sugar refiner, but of those who refine sugar in all forms, the eastern refiners and those on the Pacific coast—will import their raw sugar under the preferential tariff, paying only the preferential rates, and the duty on the British refined sugar is adjusted accordingly, so that our refineries may have what is deemed a moderate rate of protection. The refiners have represented to us that they cannot get a sufficient quantity of British sugar to enable them to import it under the preferential tariff, and to avail themselves of what seemed to be the intention of the tariff in that respect. They say there are two difficulties in the way. In the first place, they are not able at times to obtain a sufficient quantity of West Indian sugar—and when we say British-grown sugar it properly means West India sugar, because that is the only near market—they say they are not able at times to obtain a sufficient quantity of that British-grown sugar of a proper grade and quality for their purposes.

Now they make a more serious complaint. They say that there is a combination amongst the West Indian planters, among the growers of sugar in the West Indies, through their agents and brokers in London, whereby the Canadian refiner is not permitted to buy that West Indian sugar upon the same terms as it is purchased by the British refiner. This question of who shall profit by the preference has been much debated. At one time the West India merchants complained that the refiners in Canada managed to take the whole preference to themselves. Now the accusation is the other way. Our Canadian refiners say that this combination so manages that it will only sell West India sugar at a price which makes the thing of really no more advantage to them than if they were to buy the foreign sugar and pay the higher duty. Of course, no matter what they pay for West Indian sugar, they would only pay a lower rate of duty. But it is claimed that though they do not pay any more duty they are obliged to pay a higher price. They say that the growers in the West Indies, through a broker and agent in London, ascertain just at what price sugar can find admission into the Canadian market, and they only sell at that price, with the net result that while the British refiner who competes with the Canadian refiner in the finished product, practically buys in a free market, the Canadian refiner is only allowed to buy on terms which oblige him to pay in addition to the price of the sugar, the amount of the preferential duty.

Mr. HAGGART. Have you confirmed that by any inquiry ?

Mr. FIELDING. We have not had any official inquiry, and it is well to hear both sides of the story. I am bound to say that the refiners, who are generally of excellent standing, and who I am sure mean to act in good faith, have made a strong impression upon my mind in their presentation of the case. However, we have come to the conclusion to suggest a remedy which can do no great harm to West India men, and which will meet the difficulty, if a difficulty exists, will meet it at all events in a moderate degree. We propose to allow the refiners, other than those engaged in the beet industry—we have already dealt with them —we propose to allow the refiners the privilege of importing foreign sugar at the preferential rate, to the extent, however, of only one-fifth of the quantity of the refined sugar which they produce.

An hon. MEMBER. Is that raw sugar?

Mr. FIELDING. All this has reference to raw sugar. The effect of that would be this: If there exists the combination which is alleged, then the refiner will have access to the foreign market at the same rate to the extent of a moderate quantity. I think the effect of it will be that probably, if that combine exists, it will not continue. When we adopted the West India preference we certainly felt that by lowering the duties on the products of any other country we were doing a friendly act and encouraging trade with that country. But all good trade must profit both the seller and the buyer. It certainly was not contemplated that either the one or the other should use this preference as an instrument of oppression. However, that is a matter which demands careful inquiry. If we were to allow the introduction of a very large amount of foreign sugar at the preferential rate, we should probably strike down the preference, and that we do not wish to do. But we think, to the extent of this moderate quantity, we will be assisting the refiner, and we will be giving at the same time a general intimation to the West India grower that he must be prepared to give and take, and not use the preference as a means of treating our Canadian refiner in a different manner than he would treat the refiner in any other country.

We have been asked to join a commission of inquiry to be appointed by the British government for the purpose of inquiring into the trade relations between Canada and the West Indies, and we have intimated our concurrence. The matter has been discussed for some time. It may be remembered that a year or two ago a conference was held in the Island of Barbados, a conference which was originally designed to be merely an intercolonial conference, but which later on opened its doors to Canada. We sent down two gentleman, Mr. Parmelee, late Deputy Minister of Trade and Commerce, and Mr. A. E. Jones, of Halifax, an experienced West India merchant, who attended the conference, and some progress was made in the direction of better trade relations. The colony of Barbados, following that movement, adopted a preferential tariff whereby Canada would receive a preference on a number of articles provided that Canada in return would give, not only the existing preference, but some further preference. We felt that it was difficult to deal with one island alone, and therefore we did not respond to the proposals of the government of Barbados. But we have intimated to the Imperial authorities, who are responsible for the management of these Crown colonies, that if they desire to go into the question more fully, we are prepared to join in a general inquiry into the trade relations between Canada and the West Indies. Now if that commission be appointed. Canada will be represented on it. At the present moment I am not quite sure—although some communication has taken place—as to who should represent Canada. At all events, Canada will be represented on the commission, and we should have a careful inquiry. This question of combine will be taken up, and if it be established that such a combine exists, we hope and believe that our friends in the West Indies will realize that that is not the proper response to the efforts we have made to encourage trade with that country. We certainly did seek to encourage trade with the West Indies, we certainly did feel that in giving a better market to West India sugar we were giving, in a modest way, some helping hand to the West Indies people; but we certainly did think at the same time that our own consumers would profit by the lower rates of duty that were to be established. So as a temporary means of dealing with this matter, and pending that further inquiry to which I have referred, we propose to permit eastern refiners, all the refiners except those engaged in the beet root industry, to import at the preferential rate foreign raw sugar to the extent of one-fifth in weight of the quantity of refined sugar which they produce in their factories. Our expectation is that they will to some extent meet the difficulty of the moment, pending that further inquiry which we hope will take place during the year.

Mr. AMES. Is it proposed to apply the remedy before the inquiry or after?

Mr. FIELDING. We think the evidence is sufficient to justify us in going this far; and if the inquiry thoroughly satisfies us, we will probably have to apply a more drastic remedy than this. I think the information we have is sufficient to justify us in granting this measure of relief to refiners here. But we do not propose to grant it to them for any fixed period; it is to be granted indefinitely, with a distinct understanding that parliament gives them no vested right in it, and that we may, after the inquiry, withdraw it at any moment.

Mr. AMES. By vote of parliament?

Mr. FIELDING. Only by vote of parliament. We think it should be made definite in the tariff itself, and not be dependent upon mere order in council.

I have said that we do not propose any other tariff changes. In saying this, it is not necessary to contend that our tariff is perfect. I do not suppose that we should ever have a tariff instrument in Canada that will not leave room for much debate,

and we shall never have a tariff with respect to which some person will not feel that it is not working well.

But we remember that it is only two years since our tariff was revised and we think that the idea of tariff stability is worth something to the business of the country. We thought the business men of the country, other than the particular ones who would like particular changes, will readily concur in the view that tariff changes should not be made very frequently, and that it is even better at times for us to bear some little disadvantage that might seem to arise than to be constantly making these changes. Therefore except for these items with respect to sugar, which do not in any way affect the rate of taxation, which do not touch the revenue at all, we have no tariff changes to propose.

For the long period of 13 years it has been my good fortune to present to the parliament of Canada that annual statement of our financial affairs which we commonly call the budget. In almost every one of these speeches I have been able to present to the House a story of expansion of trade, of growing revenues, of satisfactory business, of increased population and of all the things that make for the progress and prosperity of our country. During the past year the conditions have been somewhat less favourable. The monetary stringency, almost world-wide in its character, which began in the autumn of 1907, created much disturbance of the trade and commerce of all countries. Our neighbours to the south perhaps suffered more than any other country. A panic in that country created a paralysis of industry, a paralysis of business. It was not to be expected that under such conditions we in Canada could entirely escape. We know that we did suffer somewhat from the influences of that panic, and yet as we look back we have reason to feel proud of the manner in which Canada has passed through that crisis. It is something creditable, I am sure, whatever may have been the cause of it—and I will not stop to enter upon that—that in that time of trial, Canada, her business, her institutions, everything Canadian, stood well and though here and there the pinch of the money stringency was felt, if we look back over it, we feel proud that Canada came through that period of stress so successfully and so well.

I feel now Sir, that we are at the point when the tide is turning. Already we think we can see signs of the betterment which we believe is to come. With the conditions that we have in Canada, with an energetic people, with vast resources, with an incoming population, with constantly improving conditions in the west, our future is bright. It was stated in the public press the other day that 70,000 people will come this year from the United States alone, bringing with them, according to the estimate of a careful observer, at least $1,000 each in property in addition altogether to their interest in the country. When we think of these 70,000 people coming in, bringing with them, we are told, $70,000,000 of addition to the wealth of the country, when we think of our great natural resources, when we think of the bright prospects of the west and see all around us such signs of energy, we feel, Sir, that we can look forward hopefully to a revival of business and a continuance of that progress and prosperity with which for so many years Canada has been blessed. We may not progress as rapidly as before, we may not have a revival of anything like boom times—nay we would not have it so if we could—but what we do feel is that the business of the country is in a natural and sound condition and that indications go to show that business will be better from this time forward. The money stringency has passed away, it is no longer a barrier to the progress of our country. The banks, which for a time had to curtail their accommodation, are now ready to aid every legitimate industry; the last bank statement shows that more money is being sent out into the various avenues of trade. This means a revival of business and with such a prospect surely we can say, with gratitude for the past, that we have every confidence in the continued progress and prosperity of Canada.

I beg to lay on the table the resolutions to be introduced in committee in accordance with the changes in the sugar duties. The resolutions are as follow:

That it is expedient to amend 'The Customs Tariff, 1907' as follows:—

	British Preferential Tariff	Intermediate Tariff.	General Tariff.
The following items shall be inserted in schedule 'A':			
135b. Raw sugar as described in tariff item 135, when imported to be refined in Canada by Canadian sugar refiners to the extent of twice the quantity of sugar refined during the calendar years 1909, 1910 and 1911 by such refiners from sugar produced from Canadian beet root, and an equal quantity of sugar to that refined during the calendar years 1912 and 1913 by such refiners from sugar produced in Canada from Canadian beet root—the whole under regulations by the Minister of Customs.			

	British Preferential Tariff.	Intermediate Tariff.	General Tariff.
Per one hundred pounds testing not more than seventy-five degrees by the polariscope..	31½ cts.	31½ cts.	31½ cts.
And per one hundred pounds for each additional degree over seventy-five degrees..	1 cent.	1 cent.	1 cent.
Provided that sugar imported under this item shall not be subject to a special duty.			
This item to expire December 31, 1914.			
135c. Raw sugar as described in tariff item 135, when imported to be refined in Canada by any sugar refining company not engaged in refining sugar from the product of Canadian beet root, to the extent of one-fifth of the weight of sugar refined from raw sugar by such refining company in Canada during the calendar year in which such raw sugar is imported, under regulations by the Minister of Customs.			
Per one hundred pounds testing not more than seventy-five degrees by the polariscope..	31½ cts.	31½ cts.	31½ cts.
And per one hundred pounds for each additional degree over seventy-five degrees..	1 cent.	1 cent.	1 cent
Provided that sugar imported under this item shall not be subject to a special duty.			

Hon. G. E. FOSTER (North Toronto). Mr. Speaker, I must say that I miss a great deal in the tone and manner of my friend of ancient days, the Minister of Finance, using the words 'ancient days' comparatively, and having reference to former budget speeches which he has made in this House. In fact the whole speech had a remarkably soporific effect on me and I am not sure that I shall be immediately able to throw off the influence. The hon. gentleman evidently felt that there were some points to be avoided, and it was almost painful to see the great care with which he dragged in a number of considerations to which we would hardly have thought a Minister of Finance would have given much attention. Why he did it I do not know if it were not in the exercise of that ingenuity and finesse of which the Minister of Finance (Mr. Fielding) is a master. We have not heard much to-day about the fine facility with which the Minister of Finance so directed the financial affairs of this country that he was able to guide it through a series of years of very large expenditures and great growth and development without adding to the public debt. To-day he has had to acknowledge that there is a considerable addition to the public debt. We have not heard so much to-day about the surpluses except in a particular way. The Finance Minister was able by his peculiar arithmetic to figure out that on the 12 months of the year there would be a surplus of $1,500,000. That evoked a cheer, not a very hearty one, from my hon. friends opposite. But he still was able to evoke a cheer. One simple consideration will show the importance of maintaining a proper continuity in the system of bookkeeping employed by the government. If the Finance Minister had charged, as the Liberal-Conservatives did, the bounties to revenue and not to capital, as the amount so charged this year was $2,250,000, the Minister of Finance would not only not have had a surplus of $1,500,000, but he would have had to announce a deficit of $750,000. That would not have evoked any cheer, that would have made a difference to the party press. They then could not have jubilantly declared that in this, a year of adversity and financial distress, our Finance Minister had so piloted us that we had a surplus of $1,500,000. How did the Finance Minister get that surplus? He did it, not to use an offensive term, by juggling and falsifying the record——

Some hon. MEMBERS. Order.

Mr. FOSTER. Yes, we will let that sink into the mind—by juggling and falsifying the record in so far that he adopted a system of bookkeeping for which he could not give any substantial reason and under which it would not be possible to give a fair comparative statement of expenditures.

So, that little episode of to-day where the surplus is so small that it is absolutely wiped out by an item in the accounts wrongly charged compared with the former system of book-keeping, shows what the Minister of Finance has been doing all the way through; and, up to date, sixteen million dollars and odd have been credited to his surplus in the books of this country which could only be credited there because he had changed the system of accounting from what it was before he came into power. Having declared that there was an increase of the debt amounting to $46,200,000 in this one year, he began to find reasons why we should not be very much concerned about that. He told us it could have been avoided in the first place by the government not undertaking to build the Quebec and Moncton section

of the Grand Trunk Pacific, and he gave as a reason why the government must build that section that its construction was most earnestly demanded by the people of the locality. I could not help but think of the argument used by the Prime Minister the other day with reference to the Aylesworth ditch. The Prime Minister declared then that $1,200,000 of the people's money must be dumped into that Aylesworth ditch because there was a very urgent demand from the reeves and the wardens and the councillors and a number of the inhabitants in the vicinity of Holland landing and Newmarket. To-day, the Finance Minister tells us that the Quebec-Moncton section of the Grand Trunk Pacific must be built because it was urgently demanded by the people of the locality. The cardinal defect in that argument is, that these gentlemen opposite seem to think that they are here for no other purpose than to give adhesion to the bequests of individuals in scattered localities, and that because somebody comes and urgently and repeatedly asks that money be spent it is a sufficient justification for the expenditure of large sums.

The other day the Minister of Railways declared that there was no hope for the Intercolonial Railway unless it either were linked up with a western road, or that it built and acquired branches, but his chief point was that if it were to be successful it must be linked up with some great western railway. And yet the Minister of Finance declares to-day that a parallel line with the Intercolonial must be built, the only result of which will be to make it a competitor for the present scant freight and passenger business of the government railway. I think sir, that a far better thing to have done would have been to have lessened the grades on the Intercolonial, straightened its curves, and shortened its distances, and as the promoters of the Grand Trunk Pacific scheme represented to the Prime Minister and his government when the undertaking was first mooted, link the Intercolonial system to the west through the Grand Trunk and other connections from the Lakes to Montreal. That was the very proposition that Mr. Hays made to the right hon. gentleman; that was a proposition which under an agreement between the government and the Grand Trunk would have secured a western outlet for the Intercolonial and have avoided that immense expenditure of money not only for the road between Quebec and Moncton but also for the road from Quebec to the head of the lakes. That would have sufficed for the present at least, and so we would not have had this burden, this veritable old-man-of-the-sea which is crushing down upon Canada to-day. We would not have had to raise this immense amount of money in order to build a road long before its time and long before the necessity arose for our undertaking huge financial obligations in connection with it. The Minister of Finance said that we might have given 25,000,000 acres of land as in the case of the Canadian Pacific Railway, but the main objection in his mind to giving land was because he said it was a cardinal article in the creed of the Liberal party that the land must be reserved for the settler. Well, Mr. Speaker, that was particularly rich coming from this government which from 1896 until 1907-8, to come no further down, seemed to make it their chief object in administrative life to get rid of blocks of lande as fast as they could, and in no case, if they could possibly avoid it. let them go to the settler at first hand. The Minister of Finance was optimistic in thinking that the eastern section of the Grand Trunk Pacific would be a good asset, that it would in a very short time cease to become a burden and pay us back the interest upon the whole investment. The hon. gentleman must be optimistic indeed if he believes that within any reasonably short period of years there will be any appreciable income from that railway which will ease the burden of capital expenditure which the people have to bear. Anyway, at present it looks that the money which we put into the eastern section will cost this country an even four per cent or very close to it, and even if the Grand Trunk Pacific Company takes it over and operates it it only has to pay three per cent, so that so far as the people are concerned it will not be a very striking financial or business arrangement for their benefit.

The Minister of Finance slipped carefully and quickly over the depreciation in trade; he noted that there was a decrease of $78,000,000 in imports and of $19,000,000 in exports, and he handed out to us the consoling reflection that we have not suffered as badly as the United States of America. Well, it was ever thus; when the imports were going up and the exports were advancing it was the policy and power of the Liberal government that caused prosperity. It was not of course because of world-wide conditions, and we perceived from the Liberal benches in those days no disposition at all to make comparisons with the general prosperity prevailing in the outside world. But when imports come down and exports are diminishing, then it is not the fault of the government or its policy, but the fault of world-wide conditions. The same spirit seems to have got hold of my hon. friend in this connection as in connection with the bounty business and the surplus. He changes according to the necessities of the case and the further neces-

sity of making good his own position as far as he can. He is hopeful with reference to 1910; he gave a wonderfully precise forecast for that year. Here we are already in the year 1909-10, and yet the only forecast the Finance Minister can give us is that he hopes there will be a reasonable percentage of increases in the revenue over that of last year, while with reference to the expenditure he did not even hazard a guess as to what it would be. Former finance ministers have been a little more daring than that. They have, at least when they were near to the year, made what they considered a fair forecast of both revenue and expenditure, and they put their forecast to the test. My hon. friend did not seem disposed to do that. He says that we must not put on greater taxation, but must rather find relief in a reduction of expenditures. That is a good theory, and I hope my hon. friend will carry it out. But I, and I think others on either side of the House, could not fail to ask ourselves why he as Finance Minister, in 1907, when every third-rate man in a bank, not to speak of the managers and directors of banks, knew that the stress of weather was coming on, felt the forebodings and set themselves by every possible means to strengthen themselves financially for the blast, took no precaution at all. He crowded on all sail, and in that, the worst year in our experience for fifteen years, authorized and carried out his largest, most lavish and most wasteful expenditures. It would have seemed befitting in a Finance Minister who was careful and prudent to have made his provision when the danger was coming, to have drawn in his sail when the storm was about to burst. My hon. friend did not do that—why? Because sound principles of finance were against such a course? By no means. All sound principles of finance and every consideration of good business were in favour of that course. Our hon. friends opposite were not in favour of it—why? Because they lacked the sound business sense, or because they were making preparations for a general election? If the former, it is sad; if the latter, I venture to think it is infinitely more sad; because, of all things, for a government and its Finance Minister to imperil the credit of a country by failing to take the proper precautions when they see a difficulty approaching, in order to help their party fortunes, that is about the limit, it seems to me, and ought to be the strongest possible condemnation of any government or any Finance Minister. And now he appeals to the members to be patient and to be self-sacrificing. Let me add to that appeal by asking the Finance Minister himself to be patient and self-sacrificing. Look at the records of Shelburne and Queens, and compare the expenditures on all sorts of imaginable things in those two counties with the expenditures in the adjoining counties of larger coastal extent and greater importance. Run your eye over them and see the lavish and un-self-sacrificing way in which he provided for Queens and Shelburne, even in the teeth of the storm that burst upon him in 1907. When he appeals to the back benches to be self-sacrificing and to be merciful, maybe some of them will pluck up courage to say to the Finance Minister that it would be well for him to take a lesson out of the same book. For of what avail can a chancellor of the exchequer be as a watch on the treasury if he will not himself be self-sacrificing and self-denying? No chancellor of the exchequer in any country can successfully do what the country wishes him to do, and what the country feels that he ought to do, unless he denies himself even to the limit in order that he may stand well as the sleepless watchdog of the treasury, and prevent it from being raided by his supporters in parliament and by friends outside. But the Finance Minister was not satisfied with the appeal which he made to his followers in timid fashion, but he said that there was another reason—we must maintain our credit. But the credit of this country would have been far better maintained, and my hon. friend would have received a far better reception in Great Britain, and would have paid less of the money of this country to the underwriters, if he had taken the precaution two years ago—yes, and during the last five or six years, in times of heavy surpluses and abounding prosperity—to have strengthened the credit of the country by reducing the figures of the public debt and to have laid up in that way a reserve for the hard days. If he had done that, as he could have done it, he would have gone to the money markets of the old country in 1907 and 1908 with far better results to himself and with far better results to this country. For, let him spend as much time as he pleases in an endeavour to show to the contrary, it is a fact that under his management the credit of Canada has been strained. I shall deal with that more fully later.

My hon. friend, finding no men to engage in the combat on the floor of the House, must perforce spend a half hour of his time in dragging in from the outside a newspaper, setting it up as a contestant, and buffeting it as well as he could with his argument. He declared that some bold and shameless Conservative newspaper, in regard to the surplus and the difference between consolidated fund expenditure and capital expenditure, was accusing him of juggling with and falsifying the figures, and he undertook a wordy

warfare in due form with the newspaper. Well, it seemed to me to be unnecessary, and to be, if I may be allowed to say so, rather outside of the province of a Finance Minister to drag in an outside contestant in that way, and have a long discussion with him about something that did not amount to anything anyway. The Finance Minister will have enough to do if he takes up the contests that are waged with him in this House, on this and other matters.

My hon. friend went into a long laboured discussion and displayed figures to show that all the Finance Ministers in Canada, from 1867 to his time, had kept the accounts in these two ways. That is they had a consolidated fund account and also a capital account. Then he went on to demolish really the grounds for any difference between the two by saying that all governments—his own as well as others—had indiscriminately paid capital sums from revenue and revenue items from capital, so that therefore there is really no generic difference between the two in so far as application goes. The very fact that the hon. gentleman himself does not keep the lines between capital expenditure and consolidated funds expenditure on any basis of principle is sufficient proof that the system is one on which we might very well change, and substitute for it a system followed in all the great countries of the civilized world. My hon. friend was asked two or three straight questions as to whether this was the condition in Great Britain, the United States, Australia, or New Zealand, and he ventured the statement that there were differences in the conditions in different countries. But he was not sufficiently sure of himself to state whether the system followed in Canada is followed in Great Britain, the United States, Australia, or New Zealand. If it be not the one adopted in Great Britain and the United States, we have in these two countries two very good examples. If it be not the one adopted in New Zealand and Australia, we have there two examples, with conditions the same as ours—a sparse population, insufficient revenue and large expenditures which have to be made and which have to be met by raising loans. For myself I have no hesitation in saying that the system is a bad one.

Sir WILFRID LAURIER. Tardy repentance.

Mr. FOSTER. My right hon. friend would do very well sometimes if he would only repent, but the trouble with him is that when he sees he is wrong, he does not repent. I am surprised that he should interject a remark which would lead one to suppose that he took the ground that no one should learn anything and consequently should not change, but my hon. friend cannot surely mean that. His interruption was no doubt simply a pleasantry interpolated and without very much point, so far as any argument is concerned. My hon. friend then went on to discuss the debt of this country and the burden of that debt. He did this by taking the population and dividing the amount into the sum of our debt. So far as that goes, the argument is good, but the argument does not go a very long way. It may be true that, in proportion as our population increases, our per capita debt decreases. So it does, and if you will go to the United States with its 80 or 90 million of people, you will find that its debt per capita is very much less as a burden. Also if you keep the interest about stationary it becomes less per individual in proportion as the population increases. But there is another point about which my hon friend was careful not to say anything, and it is a vital point. The vital point is what you take out of the individual citizen for all purposes. If my hon. friend had taken up that branch of the argument, he would have shown a different state of things. Whereas in 1896 we took from the people in taxes $5.46 per capita, last year my hon. friend took $11 per capita. That is the vital point. Our people paid last year in Customs taxes $57,000,000, and in excise taxes $15,000,000. These two added together are what you had better contrast with the amount paid in 1896, if you want to show the difference. Take the population in 1896 and what it is to-day, and you find that in 1896 we paid $5.46 in taxation per head whereas to-day we pay $11 per head.

As regards what my hon. friend has said about the small changes that have been made in the tariff, so far as I can see, the changes seem to be reasonable. But the proper place to discuss these will be on the tariff item.

At six o'clock House took recess.

After Recess.

House resumed at eight o'clock.

PRIVATE BILLS.

PATENT OF THE SUBMARINE COMPANY.

On the order:

Third reading of Bill (No. 77) respecting a patent of the Submarine Company.—Mr. Proulx.

Mr. FOSTER. I do not see the promoter of the Bill (Mr. Proulx) or the Minister of Agriculture (Mr. Fisher) here.

Mr. FIELDING. I am not advised as respects this Bill. I have no doubt it has received the attention of some other min-

ister. I observe that it has been reported by the Private Bills Committee.

Mr. FOSTER. Neither the minister nor the promoter is here.

Mr. SPEAKER. Stand.

ONTARIO AND MICHIGAN POWER COMPANY.

House again in committee on Bill (No. 34) to incorporate the Ontario and Michigan Power Company.—Mr. Conmee.

Mr. PERLEY. In the absence of the hon. member for Thunder Bay and Rainy River (Mr. Conmee) this Bill ought not to be gone on with.

Mr. FOSTER. I move that the committee rise, report progress and ask leave to sit again.

Motion agreed to, and progress reported.

CANADIAN NORTHERN QUEBEC RAILWAY COMPANY.

Mr. DUBEAU moved that the amendments made by the Senate to Bill (No. 38) respecting the Canadian Northern Quebec Railway Company be read and agreed to.

Mr. SPROULE. What are the amendments made by the Senate ?

Mr. DUBEAU. The reason why this clause has been added by the Senate is that the branch line there referred to is a fraction of a mile more than six miles in length. It is to reach a large mill on the Montmorency river. Had it been less than six miles long, it could have been built under the general powers conferred by the Railway Act, but as it is over six miles long—nearly seven miles—the consent of parliament has to be gained.

Mr. SPROULE. Was notice given of this in the notice of the Bill?

Mr. DUBEAU. Certainly, notice has been given. As to the second clause, that relates to bonding powers. Owing to the increased cost of railway construction, rolling stock and right of way, it has been found that the present bonding powers of the company, $25,000 per mile, are insufficient, and so the company is asking an increase to $30,000 a mile. The Canadian Northern Railway Company is an amalgamation of different companies, including the Chateauguay and Northern. The authorized bonding powers of the Chateauguay and Northern are $30,000 per mile, but the road cost more than that. This company is simply asking for a bonding power of $5,000 per mile more than it now has.

Mr. SPROULE. I think the hon. member (Mr. Dubeau) misunderstood me. I did not ask as to the provisions of the Bill, but as to the Senate's amendments to the Bill.

Mr. DUBEAU. I am trying to explain the reason for these changes. The reason of the first is that the Railway Act does not give power to construct a branch that is more than six miles in length——

Mr. SPROULE. Yes; and what I asked was whether notice had been given of this?

Mr. DUBEAU. I am sure that notice has been given, because the Railway Committee of the Senate has declared that it was satisfied with what was done. I suppose the hon. member (Mr. Sproule) would not ask for more than was asked for by the Railway Committee of the Senate.

Mr. PRICE. I object to this. Notice was given of a Bill containing only two clauses. It passed this House and was referred to the Senate, and a committee of the Senate added two more clauses. One provides that the company may construct a certain railway line and the other gives them further bonding privileges.

Mr. TALBOT. Do I understand the hon. gentleman for Quebec West to say that he objects to the Bill now because two clauses have been added to it by the Railway Committee of the Senate, and that insufficient notice has been given?

Mr. PRICE. Yes.

Mr. TALBOT. How can a notice of amendments be given, either by a committee of this House or by a committee of the Senate? We cannot forsee anything of that kind. Why should we ask it to be done?

Mr. PRICE. I submit that these amendments cannot be passed without first being referred to the Standing Orders Committee of this House.

Mr. SPEAKER. Does the hon. gentleman propose an amendment?

Mr. HENDERSON. I do not know that he is proposing an amendment. I understand the hon. gentleman objects to the Bill in toto.

Mr. R. L. BORDEN. The hon. gentleman raises the point that no amendments ought to be adopted by this House until the House is satisfied by reference to the committee that the notice as given does cover the amendment.

Mr. PRICE. I move that the order be now discharged, and that the said Bill be referred back to the Committee on Standing Orders.

Motion agreed to.

CONSIDERED IN COMMITTEE—THIRD READING.

Bill (No. 139) respecting the Ottawa Fire Insurance Company, and to change its name to Ottawa Assurance Company.—Mr Perley.

WAYS AND MEANS—THE BUDGET.

House resumed debate on motion of Mr. Fielding, that the House go into Committee to consider of the Ways and Means for raising a Supply to be granted to His Majesty.

Mr. FOSTER. Mr. Speaker, the Minister of Finance did not spend much time with reference to the trade aspect of the country in the speech which he made this afternoon. Of course, it is apparent from the limited statistics that he quoted, that during the last year we have had to face falling imports to a very large extent, and a falling off in exports to a limited extent. I notice with reference to imports and exports for the last fiscal year of which we have complete returns, that there has been a large difference between them, leaving a balance of trade, on the whole of a little over $100,000,000 against the country in that year. When we take up some of the principal countries, we find that we imported from Great Britain $95,313,730, and exported to her $134,477,124, being an excess of exports of $39,000,000 in our trade with Great Britain, which follows the course of our trade with Great Britain for a number of years. When we come to the trade figures with the United States, we find a great difference, and a great increase on the difference of the preceding year, inasmuch as we imported from the United States $214,787,269, and exported to the United States $96,931,138, leaving a balance of imports from the United States as against our exports to that country, of $118,000,000. Last year I drew the attention of the Minister of Finance and of the House to the large balance against us in our trade with the United States. In 1906 that adverse balance was $85,000,000, the largest in the history of the country up to that time. Now, in 1908, it is $118,000,000, being an increase of $33,000,000 from 1906. All the older members of the House will remember how much was made against the tariff in Liberal-Conservative times because it failed to redress that balance of trade between the United States and ourselves. In those days the balance of trade was very small; under the present regime it has continually expanded until this balance of $118,000,000 in the last fiscal year is the largest in the history of the trade. We notice also with reference to France, that whilst we imported from France $10,250,000 we exported $1,800,000. leaving a balance against us of $8,400,000. With reference to Japan, we imported from her $2,196,284 and we exported $749,000, leaving a balance of trade against us of nearly $1,500,000. So that the favourable balance of trade existing with reference to Great Britain of $39,000,000, is far more than wiped out by the adverse balance with the United States; and when you add these other countries, they make the total balance of trade against us a little over $100,000,000. Well, my hon. friends opposite, though they objected a great deal to an adverse balance of trade in the case of the United States, have found that they were unable in any way to arrest it, and it has been continually expanding. It is more rapidly becoming a menace.

Our friends on the other side have not, during the past year, opened to us any new markets. It was always the cry of the older members of the party when in opposition, that what Canada needed was new markets. Well, they have been in power a long while, and they have not opened to us the market of a single foreign country on any plan of duties more favourable to us than we had in 1896 when these gentlemen brought in their policy which was to open new markets. In fact, a prospective new market which we had in connection with the French treaty seems to have been partly closed. I notice that the Finance Minister did not say anything with reference to that, although it was a very important matter. We remember that the Minister of Finance and the Minister of Marine and Fisheries made a good deal of the opening they were going to make into the French market. After having succeeded in getting a treaty, and after an attempt which did not succeed in making the people believe they had adopted an entirely new method of negotiation, in which Great Britain was kept outside while these gentlemen did the work themselves, and after having gained a good deal of glory on their first arrival in the country after having negotiated that treaty, we find that in some way or other the treaty slipped a cog, for one year at least, and my hon. friend went over to see that the matter was set right and that our French treaty should be brought into force. Well, as a result of the negotiations which he has had, I cannot see that he has gained anything for us in the way of admission of Canadian products into France. He has had to acknowledge a very regrettable error, which does not auger very well for these new diplomats; he failed to let France know just how many most favoured nation countries there were that would come in under the concessions that were given to France. As he did not seem to have mentioned Switzerland, the French treaty was hung up for a year or more on that account.

Now my hon. friend has had to pay the penalty of his mistake. Instead of being able to say, as he did before, to the farmers of Canada that by the minimum tariff they had gained an entrance for their fat cattle into France, the hon. gentleman has come back minus his fat cattle. The maximum tariff is now in force against the fat

cattle of the people of Canada and I do not imagine that he or anybody else thinks that many fat cattle will be taken into the French market under a duty of 2·7 cents, pretty nearly 3 cents per pound standing weight. As to stockers, I imagine that the duty of 1·7 cents per pound standing weight will prevent any large trade in stockers between the farmers of this country and the French market. Thus this matter has been placed in even a more unfavourable light than it was before. I have not heard yet that my hon. friend has moved to have the French treaty ratified in the House. The result of the negotiations in reference to the French treaty is that we have the number of articles limited, it seems to me, in a very important particular with reference to the item I have just read. I wish to call the attention of the Minister of Finance to what seems to be a more important fact which has developed in connection with this matter in the legislation which is now being considered in the United States and to which he did not advert in his address this afternoon. As my hon. friend knows, the tariff of the United States is being revised. The Payne Bill, in a slightly amended form, has already passed the House of Representatives and is now being debated in the Senate. One very important clause in that Bill which, if it becomes law, and general opinion seems to take it for granted that it will become a part of the tariff, imposes a maximum or increased range of duties against countries which do not give to the products of the United States the most favoured entrance into their markets. Just how the Bill will pass out from the Senate and the House we do not know, but it seems to be taken for granted that that article, in one form or another, will become a part of the tariff. If it does it raises a pretty serious question. Our trade with the United States is a very large trade. In the French treaty there was given a list of 97 articles in reference to all of which the French got the advantage of reduced duties over our general tariff in the Canadian market. When we were discussing that treaty it was said in the House that although this was a large range of articles a great many of them were items in reference to which we would not look for very much competition from France owing to the nature of the articles and to the manufacturing conditions in France. These 97 articles covered, however, a very wide range, and if the United States is to be allowed into our market on those minimum duties with reference to those articles, a very serious state of things will exist. Diminutions of duty ranging from 7 per cent to 50 per cent of the general rate are made in these articles and some of the articles are even below the preferential rate which is offered to Great Britain, so that on the 97 articles in the one schedule and the 12 in the other and the long list of unenumerated articles on which there is a reduction of 2½ per cent, if the United States comes into Canada with their trade they will have the advantage of a lessened duty with reference to that wide and important range of manufactured goods and products. I shall not take up time by reading that list. If I did my hon. friends opposite would see in a moment that many of the articles included in that list are articles in which the United States are very large manufacturers and are very heavy competitors with our own and British producers. Take the manufacture of metals, iron and steel and others; the French goods under those items come in under a lessened duty. Then this United States tariff, as I understand it, comes into force automatically. The rate of duty goes on and after a certain time the increase in duty, which I think runs to about 20 per cent, applies to the products of every country which does not give the most favoured nation treatment to the United States.

Mr. PATERSON. That is not the law.

Mr. FOSTER. I have said that is not the law. I have said that is the proposition.

Mr. PATERSON. There is another proposition that the duties that are mentioned are to be the maximum and that any nation giving favoured nation treatment will have a 20 per cent reduction.

Mr. FOSTER. And it means exactly the same thing, for the maximum duty is put on a range that will make no difference whether you take it the one way or the other.

Mr. PATERSON. I beg pardon.

Mr. FOSTER. It is proposed to have a maximum duty and a minimum duty. The country which does not give most favoured nation treatment does not get the minimum duty but is put upon the maximum list and in arranging their duties they arrange the minimum list so as to give themselves a complete protection and they practically prohibit any large trade in the goods of the country which is put upon the maximum list from entrance into the United States market. That, as I have said, raises a very large question. Owing to the operation of the Japanese treaty the Japanese, by virtue of the most favoured nation clause, get the benefit of the reductions granted under the French treaty without any compensation to this country. If the United States adopt the clause to which I have referred, and press for its acceptance by Canada, the alternative is the payment of the maxi-

mum rate on all Canadian goods entering the United States. And, if we feel that the trade is so large and the advantage to us so great that we could hardly refuse it, then the United States would claim the whole range of the most favoured nation privileges which are not only given to Japan but to France as well. Then, in two months the process would be completed and after the expiry of that time our trade with the United States would be met by the maximum duties.

Mr. PATERSON. Of course nothing has been decided yet, but as I understand it the proposition before the United States Senate is that it shall not go into operation for a year.

Mr. FOSTER. However that may be, the gravity of the situation will be easily appreciated. We would have to make up our mind whether we will give to the United States most favoured nation treatment on all these lines for which we get from them no concession, or whether we are to refuse the United States that most favoured nation treatment and in consequence have the $96,921,000 worth of goods which we exported in the last fiscal year, subject to the highest and as I believe a practically prohibitive duty. After the elections had taken place in the United States one would have thought that the Payne Bill would have been a scaling down of the average duties, but I have an analysis made by the clerk of one of the committees and I find to my astonishment that the average under the Payne Bill is higher than it was under the old tariff, and particularly so on agricultural products which to a large extent we export to the United States. We therefore have to consider very carefully whether the theory of most favoured nation treatment is the proper one upon which to base our trade arrangements with other countries. The United States do not hamper themselves with it; they sit down alongside of Japan or of France or of Spain or of any other country and they say: 'Here are our products and there are yours, can we make a trade arrangement between ourselves?' They have only to look to what is beneficial between Spain and the United States; they are not hampered with the knowledge that if they give to one country this or that they would have to give the same to another country, and another country, and another country. They are able to act in the straight business way that a man would bargain with another man, and to make an arrangement between individual countries without considering how it will affect others. I am decidedly of opinion that the old method of most favoured nation treaties is entangling and embarrassing, and that it is constantly leading us into difficulties. With our largely increasing trade in Canada, I believe we cannot go on any longer without very carefully considering and making up our minds on this matter. There is another reason why I would plead with the government to hold its hand for at least a time in making these arrangements with different foreign countries. I am one of the men who believes that if we can get a proper arrangement between ourselves and Great Britain and the British empire, that there is an opening field for the richest, the best, and the most secure trade in the world. I look over this great British empire and I find that there is no variety of climate which it does not possess, there is no possible thing that grows which is not grown in more or less abundance within the borders of the empire. It is in that respect absolutely self-contained with reference to powers of production and facilities for trade. Sometimes we hear of the long distances that intervene, but long distances are not to-day what they were in the past. A man speaks with his trade brother across the ocean in a few seconds, and with multiplied means of quick inter-communication distance is abridged between all parts of the world. Five or six years ago when the question of preferential trade within the empire was mooted, I do not blame a great many people for thinking we would grow old indeed before we would see Great Britain giving up the old free trade doctrine and practice. But I do not think there are many people nowadays who doubt that the time is measurably near when Great Britain is going to make a change in the basis of her fiscal policy. There is no instance in history of so rapid and startling a change of opinion in relation to fiscal and trade questions, hallowed by years of practice, as that which we have seen within the last five or six years in Great Britain. I have no doubt that when the next elections in Great Britain come, the government will either itself change measurably from the autocratic and dogmatic doctrine of free trade in all situations, or, if it should not survive, as the evidence of the by-elections would seem to point to, then the Unionist party, pledged as it is by Mr. Balfour and his adherents, will be in a position to place Great Britain where she can make an offer of mutual trade preferences between herself and the dominions beyond the seas. Now, every little bargain that we make with Spain, with Germany, with France, with Japan, or with any other country, is hampering our freedom when we come to that point, not very far distant, when we shall be invited to sit down together as members of the same great family and the same great empire, and make for ourselves an arrangement for mutually beneficial and preferential trade. So much with reference to the trade question.

Let me come now, and very briefly, to some points with reference to the financial management during the past few years.

The Finance Minister to-day spoke of the numerous surpluses which he has had, which surpluses were got absolutely and solely because of extraordinary taxing powers that the government availed themselves of. If the government had kept the volume and burden of taxation down to what it was, or to anything near what it was, in Liberal-Conservative times, they could not have amassed such immense sums of money, and they could not have had such large surpluses. If a government will tax sufficiently, it will have large revenues and may have large surpluses.

But with all these surpluses there are some considerations that are to be taken into account. One point let me mention, which has not, I think, been mentioned in this House for some time, if it ever has been. The Finance Minister says that from 1886 to 1896 we made an addition to the debt of $35,000,000. That is true; but if you look at the accounts of 1886, you will find an item of over $10,000,000 which was expended on capital account and added to the debt, but for which we got 7,500,000 acres of land in the Northwest. Now, that $10,000,000 went to swell the debt, but for that we purchased outright and kept as an asset for this country 7,500,000 acres of land. This land in the present year, if you put upon it only the small value which has been put upon the lands which have been sold in a restricted sense to the settlers there, of $3 an acre, is equivalent to $22,000,000. But nobody believes that $3 an acre is the fair value of land in the Northwest at the present time; so that if I call the value of that land $6 per acre, taken in the whole, there is an asset which is to-day worth about $45,000,000. That would more than wipe out the accession to the debt from 1886 to 1896. This shows the necessity of examining into the accounts instead of taking them simply upon the surface. What asset has been acquired by the additions to the debt made by my hon. friend opposite during his regime? He cannot point to a single one which to-day could be put upon the market and sold to realize upon. We added $10,000,000 to the debt more than we otherwise would have done in that period of years; but we added at least $40,000,000 or $50,000,000 to the available assets of the country, for the land at present values would realize that and more than that.

Then, with reference to the surpluses, one would think that if the Finance Minister had surpluses amounting to $115,000,000 from 1897 to 1908, he ought to have kept pretty well off the borrowing market; but he did not. Now, I suppose that I shall surprise members of this House who have not looked into it. If you take the list of regular loans, you will find that the Finance Minister put on a regular long-time loan in 1897, and after that he did not go into the money market for a long-time loan until 1904; and during all that time he was having surplus after surplus year by year, by the millions. But the hon. gentleman was borrowing all that time. From 1896 to 1909, the Finance Minister put through 34 temporary loans, by which he borrowed $94,226,333 and paid for interest and charges $1,831,259. It was a revelation to me when I got this return that during all those years of large surpluses the Finance Minister had to be in the banks in London and in this country almost every year. These loans were as follows:

In	1896,	1 loan amounting to.... ..	£ 400,000
	1897,	4 loans amounting to... ..	2,000,000
	1899,	2 "	1,300,000
	1901,	1 loan amounting to..... ..	500,000
	1902,	2 loans amounting to... ..	2,500,000
	1903,	2 "	1,750,000
	1904,	9 "	2,300,000
	1905,	3 "	2,000,000
	1906,	2 "	850,000
	1907,	1 loan amounting to..... ..	500,000
	1908,	2 loans amounting to... ..	2,000,000
	1908,	3 "	$ 5,873,000
	1909,	2 "	10,000,000

These loans were made at rates running up to 4 and 4½ per cent.

All the time the Finance Minister was vaunting his surpluses.

Mr. FIELDING. Has not my hon. friend omitted an important fact?

Mr. FOSTER. What is that?

Mr. FIELDING. That all these loans were paid—that they served a temporary purpose and were paid off.

Mr. FOSTER. No doubt they were paid off. Did the Finance Minister think I said these $94,000,000 still remained?

Mr. FIELDING. I remember his stating that they were a liability we incurred but he forgot to state they were paid off.

Mr. FOSTER. I did not think my hon. friend would ask me to state they were paid off. They were temporary loans renewed from year to year as I said, but the fact remains that he borrowed $94,000,000, and that Canada paid in charges on these loans $1,831,259.

Mr. FIELDING. And there were no similar loans in my hon. friend's time?

Mr. FOSTER. There were no loans under these conditions and to that extent.

Mr. FIELDING. There were loans of precisely the same character and for the same purpose.

Mr. FOSTER. Now, let me come to the other loans, what we call the permanent or long loans. I have a table here which will show the comparison between the two governments. We have been led to believe that such has been the policy of the Finance Minister since 1897, that we have been great gainers financially in the money mar-

kets of the world. I suppose that people generally who have not looked into it, and who support my hon. friend, would think that our rate of interest had gone away down and that our charges were much less than before, due to the great prosperity of Canada under the policy pursued by my hon. friend. If there are any who think so, this table will dispel their illusions. In the first place, here is a table of the loans made under the Conservative government from 1879 to 1894. All of these loans but one were made under the arrangement which we had with Glynn, Mills and Currie, which in 1893 was changed to the arrangement we made then and have had since with the Bank of Montreal—an arrangement much more favourable indeed to the people of Canada because of the better conditions and lower brokerage charges. Bearing that in mind, let us now make the comparison. All of the loans in this first period were made under the most expensive system of agency, and in that time we made loans to the extent of £26,943,136. We paid for brokerage £55,718 and for commissions £214,916. Now, it is a coincidence that the loans made by the present Finance Minister from 1897 to 1909, commencing in 1897, aggregated £26,831,398, within £100,000 of the exact sum that we borrowed in the previous years. The brokerage paid by my hon. friend—and recollect that under his loans the reduced system of brokerage was in force from beginning to end, under the arrangement with the Bank of Montreal, whilst only one of the other loans was made under that system amounted to £60,988 and the commissions to £347,327, a difference between the two in brokerage of £5,270 and in commissions of £132,411, being a total excess of £137,681, or in round numbers $685,000.

Let me now read the rates on the loans by the late Conservative government under the old system. The commissions were 1 per cent on all the loans with the exception of two, where the commissions were ¼ per cent. They were brought down to ¼ per cent by the arrangement with the Bank of Montreal. The present Finance Minister entered the market in 1897 under that arrangement, and his first loan of £2,000,000, to which he alluded this afternoon, was subject to a commission of ¼ per cent. My hon. friend was good enough to say this afternoon that he struck the psychological moment in 1897 and got the loan at an effective rate of interest of 2·883 per cent. He struck that psychological moment because he trod exactly on the heels of the last administration, which had brought the credit of Canada to such a pitch that he was enabled to make a loan under those conditions. The loan which I myself put through a little before that was a shade over 3 per cent, with a commission of ¼ per cent and a brokerage of ¼ per cent. He got an effective rate of 2·883 with a commission of ¼ per cent and a brokerage of ¼ per cent. That was in 1897. He and his government then began to get in their work. He went to the loan market in 1904, after he had been at work for seven years, and then he floated a loan on which he paid 4½ per cent and a little more and a commission of 1 1-13 per cent. Then he went on making loans, the commissons being 1½, 1¾, 1½, 1⅛, 1½, and his last loan was at 1½ per cent. Never before were any commissions like those paid in the history of Canada. I have here a statement of all the loans since 1869. In 1869 a loan of £2,000,000 was negotiated at a commission of 1 per cent. In 1873 we negotiated a loan of £1,800,000 at a commission of ½ per cent, and so on down to 1892.

Well, with reference to costs and charges, the hon. gentleman had managed so well that, with all the improved conditions and prosperity of Canada, when he went into the London market he had to pay commissions raised from ¼ to 1½ per cent. But what did he succeed in accomplishing with regard to the rates of interest applied on the loan? I have here the rates of interest on the old loans commencing 1869. In 1869 the rate of interest was 4·125. In 1873 it was a shade less than 4 per cent. In 1874 it was 4½ per cent. In 1875 it was a shade over 4 per cent. In 1876—that was in the troublous times when my hon. friend opposite had power—the rate was 4·75. In 1879 it was 4 3-10, and in 1879, 4½ per cent. So that the highest rate of interest from confederation to 1879 was 4¾ per cent. Thereafter the rates were as follows:

Year.	Rate.
1879	4½
1884	4
1885	4½ and 4
1888	3·21
1892	3·41
1894	3·11

We come now to the regime of my hon. friend (Mr. Fielding). As I said, his first loan he got in at the psychological moment, and before his policy had been able to do much damage. But what were the percentages after that?

Year.	Rate.
1904	4½
1907	4·8
1907	4½
1908	4½
1908	3·8
1908	4·125

The following table shows the above in detail:

LOANS MADE BY CONSERVATIVE GOVERNMENT.

(Under arrangements with Glynn, Mills & Currie.)

Year.	Amount.	Effective Rate %.	Brokerage.	Commission.	Rate % of Commis'n.
	£	£	£	£	
1879	3,000,000	·045	7,500	30,000	1
1884	5,000,000	·0402	12,500	50,000	1
1885	4,000,000	·045	10,000	40,000	1
1888	6,443,136	·0403	4,500	26,791	¼
1888	4,000,000	·0321	10,000	40,000	1
1892	2,250,000	·0341	5,625	22,500	1
*1894	2,250,000	·0311	5,593	5,625	¼
Total	26,943,136	.....	55,718	214,916	

* New arrangement with Bank of Montreal in force.

LOANS MADE BY LIBERAL GOVERNMENT.

(1897 to 1909.)

Year.	Amount.	Effective Rate %.	Brokerage.	Commission.	Rate % of Commis'n.
	£	£	£	£	
1897	2,000,000	·02883	4,992	5,000	¼
1904	2,500,000	·04556	5,728	26,875	1 1/13
1907	1,500,000	·04796	3,285	22,511	1½
1907	1,831,398	·04452	3,357	22,882	1¼
1908	3,000,000	·03704	7,276	45,009	1½
1908	5,000,000	·04298	10,756	60,033	1¼
1908	5,000,000	·03783	11,804	75,017	1½
1909	6,000,000	·04125	13,790	90,000	1½
Total	26,831,398	.....	60,988	347,327	

So that, both in the charges—particularly in commissions—and in the rate of interest the burden upon the people under these hon. gentlemen has been higher than at any time since confederation over the average of so many years. And all this in a time when money is cheap. Why, for the last eight or ten months in London and in the great cities of the United States, money has been extraordinarily cheap. I notice by the quotations that short time loans are running in London to-day at from 1 to 1⅜ per cent. In New York, loans running for six months have been lately negotiated at 1¾, 2 and 2½ per cent. So, there must be something underneath, rather than simply the circumstances of which my hon. friend spoke this afternoon which brings it to pass that Canada, after being for twelve years under the financial management of hon. gentlemen opposite, must pay these immense underwriting charges and these high rates of interest for financial accommodation.

But there is a worse feature than that about it. Three of these heavy loans—and they are very heavy loans—have been made for periods of four years only, but with underwriting charges and brokerage charges as heavy as if they had been made for fifty years. Here is a loan made in 1907 which expires in 1912, and yet 1¼ per cent commission has been paid upon it, amounting to £22,511. And in less than two years time, that loan will have to be re-made—there is no possibility of it being otherwise paid off—and then will come another brokerage and heavy commission. Another four years' loan expires in 1911. The commission on it was 1½ per cent, amounting to £22,882. In two years time that falls due, and when the Finance Minister goes to arrange it, he goes with the example already set of heavy underwriting charges which in our time we knew nothing of. We had an arrangement with the Bank of Montreal, made by myself, by which ¼ of 1 per cent is given for new loans and a smaller rate

for renewals and extensions, with ½ of 1 per cent additional if we thought the Bank of Montreal was not able to put through the whole loan and had to associate other banks with it. But this commission of ½ of 1 per cent, paid when other banks had to be associated with the Bank of Montreal, has been run up to 1½ per cent. I do not know, but it seems to me that these are indications, as I stated this afternoon, of the somewhat strained credit of Canada in the old country to-day. The hon. minister (Mr. Fielding) made no provision when he could have made provision, that is when he had immense surpluses. He allowed everything to go on accumulating, then found himself in the market in 1908 and the late part of 1907 with maturing loans and new loans following one another in such dangerous proximity and in such large amounts that the market did just as any market will do—if you appear there too often it will make you pay for your visits. If my hon. friend (Mr. Fielding) had taken the right course, the credit of Canada would have insured the loan, and he would not have needed to pay these immense underwriting charges. Why, in one of these loans, he pays the underwriters, then he pays a body of men for arranging the underwriters, then he pays the brokers and bankers for assisting the men who arranged the underwriters—a treble charge and amounting to 1¾ per cent on the whole transaction. It seems to me that this is a matter worth drawing attention to. It seems to me to show clearly that the Minister of Finance, by lack of foresight and of extravagant and reckless expenditure, has put this country into a position where it must pay altogether unnecessarily high for financial accommodation. And my hon. friend taxes some of us on this side with failure in prophecy—with having said that such and such would be the case only to find that it did not turn out in that way. Not many years ago the Finance Minister said, standing in this House and looking forward to the loans maturing in 1910 and 1913:

> We shall save a million dollars in the renewal of these loans from 1903 to 1910, and maybe more.

He has not only not saved a million dollars, but he has been out of pocket in renewing these loans and the interest at high rates will run on for the term of the loans.

Now, a word with reference to the matter of management of a country's financial business. Somehow or other, we are apt to get it into our heads that different principles and different methods are to be applied to the running of a country's business from those to be applied in running the business of an individual or corporation. I think that is a heresy which has much to answer for. In the first place, it induces action on the part of the government which no business man would for a minute undertake, and it lays the foundation for laxity of management of government funds and an extravagant scale of government expenditures, which, if the truth were kept close home both by the government and their followers, that the same principle ought to apply in the management of a government's as in the management of a man's or a corporation's business, we should be less liable to the multifold temptations into which we fall, and the multiplied expenses which these temptations cause us.

Now in the case of an individual, or a corporation, or a government, it is true that in each case the individual, the corporation, or the government are the trustees of the business that they carry on. The one who has less responsibility and can therefore dare more, is the individual, because, as he says, his money is his own. It is not entirely his own, his wife and family have claims upon it, and he acts and works for them; but he has less responsibility and more freedom. But when you come to a corporation and when you come to a government, it is an absolute trusteeship, and from that idea of trusteeship the corporation is never absent, and the government ought never to be absent. Now a business man, governed by business instincts, on what methods will he carry out his business? Well, he will, in the first place, ponder every outlay before he makes it. The government makes the outlay first and does the pondering afterwards. He will sit down and count the cost, and if he thinks he can afford it, he will undertake it. The government enters into it and counts the cost afterwards.

Take for instance, the Newmarket canal. Will my hon. friend the Minister of Customs say that he, as a member of the government, as a trustee of the people, sat down and counted the cost of that Aylesworth ditch before he and his government committed themselves to the expenditure? I do not think my hon. friend will say that, I doubt if any single member of the Cabinet can say that honestly. A private gentleman, or a corporation, would have sat down and counted the cost before they entered into the expenditure. They would have asked very naturally the question, first, if there was any water there to put into the canal after they built it. They would have asked the very pertinent question, is it necessary at that cost? They would have asked another pertinent question, is it advantageous in proportion to the cost? Did my hon. friend sit down and ask either of these questions? Did any member of the Cabinet? If so, they were lamentably dense a few weeks ago in this House when not a single one of them could tell us what traffic or what trade they ever expected to go over that Newmarket canal after it was built.

Now there is another difference between a

government, the trustees of the people's money, and an individual or a corporation which is engaged in constructing works for which it has to pay. In times of prosperity when they decide that the work is to be gone on with, they are very careful to get the proper plan worked out, and to have the proper economy exercised, and to have proper supervision, to see that the work is effective. But that is not the way the government does; that is not the way the government did with reference to the Quebec bridge, that is not the way the government did with reference to the Grand Trunk Pacific, even. The Quebec bridge—fancy a business man undertaking the operation which they undertook, and in the way they undertook it! Fancy any corporation doing it unless it were a corporation which felt that it had sufficient influence to put the government behind its back and see it through if it failed, and pay it interest and a dividend for failing! They paid these gentlemen after they failed, paid them their money back, counted by their stock at par, paid them 10 per cent in advance on their stock as a bonus, paid them 5 per cent on their supposed outlay for the stock from the time that they got their stock and saw that they got good round salaries, several of them, during the whole time they were not doing the business, and after having paid them all that, they assumed the debt, took the assets, and the assets are most of them down in the bottom of the river. Now that illustrates the difference between a government, and an individual or a corporation. I need not elaborate the Grand Trunk Pacific, that is a lesson which is always before us, of a government going into a thing without practically a shred of expert knowledge upon which to base their whole scheme, going into it on estimates made by themselves, or by some others for them, which a few years have knocked into small pieces, and the estimates themselves are doubled and in some cases tripled when it comes near to the period of ascertaining the actual cost.

Well, Sir, these are some of the differences between the way this government operates and the way that an individual or a business corporation would operate. The business man has always to consider two things: What is it going to cost me to carry on my business, and can I pay the debt that I owe when that debt matures? A government seems to be oblivious of the idea of looking much at the probable cost, and as for the day of ultimate payment, it never crosses their mind. Their reply to that is that the country is good for it. I have heard hon. gentlemen opposite say that over and over again. The government—what has it done? And what has my hon. friend the Minister of Finance done? He has taxed to the limit, he has spent to the limit, he has added mortgages additional and additional to this country, and he has added to the interest burden as well. Taxes—in eleven and three quarter years he has taken $555,000,000 out of this country, $223,000,000 more than the Liberal-Conservatives took out in the last eleven and three quarter years of their regime. Taxes—they were $28,600,000 in 1896, they were $73,300,000 in 1908, an increase of around $45,000,000 in that time.

And to all this we get the flippant answer, 'Oh, the country is good for it.' Now let us analyse that for a moment. What does the Minister of Finance mean when he says the country is good for it, or what does any gentleman mean when he says, 'Never mind the debt, never mind the burden, the country is good for it?' Do the creditors of Canada foreclose on your public buildings, your docks and your wharfs in order to get their interest, or to get their principal paid back to them? Do they foreclose on your forests, on your fisheries, on your mines or on any of the assets of this country? Not at all. When you say the country is good for it, what you mean is that so long as you can tax enough or borrow enough you will get along, and you tax the individual and you borrow, and you lay the burden of the borrowing upon the individual. So when you say the country is good for it, what you really mean is that the individual taxpayer is good for it, and has got to shoulder the whole thing in the long run.

Then, Sir, every individual tax payer in this country has other business to do, other taxes to pay, and other burdens to shoulder. In the first place he has to keep himself and his family, to run his business, to borrow what is necessary for it, to pay interest and pay the principal as well. That is his first burden. Then he has to pay the municipal current taxes. That is his second burden. Then he has to pay the provincial current taxes. That is his third burden. Then he has to pay a tax to every corporation which makes the means of living and the facilities of life better for him, he gets a higher scale of living but he pays for it in one way or another. In addition to that he has to pay the loan burden of municipalities and provincial governments, and to a certain extent, of corporations. Then the Minister of Finance saying Canada is good for it, comes upon the poor tax payer who has all these burdens and loads him up from $5.46 per head to $11 per head in his short regime. Let us get rid of the idea that the country is good for it, an indefinite something which owns nothing, which pays nothing, but let us remember that every bit of this burden falls ultimately upon the individual taxpayer and the individual tax payer in this country to-day is drained and drained heavily, in many cases he is drained to the point of weakness. One

thing has helped us and saved us to a large extent and will help and save us in the future, the development and product of our arable lands. The Finance Minister spoke this afternoon of 70,000 immigrants from the United States going up into our new lands. These men, with those who come from other countries, are the people who with dollar wheat—to my mind never to return to the old low rate—raising their productive harvest in the great west and putting it into and vivifying every artery of industry and of commerce in this country are its greatest hope—and these men are coming to Canada owing to the policy pursued by the Liberal-Conservative government long before this government came into power, blazing the path, opening the country, and affording means of transportation for our Northwest, that great last west of free or fairly cheap lands, that is the salvation of our country. As I said, the taxation of this country taking it all through, is for a new and a poor country tremendously heavy and this government ought not to press beyond a reasonable point and add to that already heavy burden. We seldom think of the amount of borrowing that is going on in Canada, of the enormous amount of money that is coming into the country. Sometimes we look at that side of the movement only and forget that every dollar that comes into this country, with its yearly accretion, has ultimately to go out of this country. The moment that a million pounds finds its way into Canada and is invested in any way, that moment begins the return stream, of interest first and finally of principal. I have urged on the Prime Minister such a re-organization of our statistical system as would enable us to obtain from the official publications, statistical information of a practical kind which would be of value to us in our discussions of subjects of this kind, yet to obtain the figures which I am about to give to the House I have had to avail myself of a very excellent little production published by Mr. E. R. Wood of the Dominion Securities Company in Toronto. I find from this that in the years, in Canada, 1904-5-6-7 and 8 the total of bonds issued by governments, municipalities and corporations was as follows:

Issued by.	Amount.
Governments..	$107,580,000
Municipalities..	93,500,000
Corporations..	301,700,000
Total..	$503,900,000

There were bonds issued for use in Canada. Of these bonds $196,400,000 were issued in 1908. This is a vast sum but it is but a small portion of the money which has been brought into this country. Of Dominion government bonds, provincial government bonds and railway bonds, there were running on December 31, 1908, about $802,000,000. All this goes to show the immense amount of money that is coming into this country, and it teaches us as well that beginning immediately and continuing there is to be an immense amount of money that must go out of this country. The issues of Dominion government bonds unfortunately are not for what we might call productive investments. They go to build public buildings, wharfs, Newmarket canals, St. Joseph wharfs, they go to build Quebec bridges which fall down into the water. Some expenditures are not productive but they are of use in the developement of the country. The main point which I wish to drive home is that we must not justify taxation on the ground that the country is good for it, we must remember that it is the country's burden. Our country has within it such resources and such powers that a livelihood for the public who inhabit it is made easy, and poverty cannot be imminent or widespread. But at the same time we must not overburden the individual.

Just one thing in closing—my right hon. friend is proud of his Minister of Finance; he said so in Halifax. He is also proud of his Minister of Public Works; he told us the other night he is now 'PP,' prouder of Pugsley than ever. I suppose that now after my exposition he will be still prouder of his Finance Minister. Far be it from me to pluck a single feather from the cap of the Minister of Finance, but at the same time there are considerations that we might indulge in in a quiet way in order to prevent the Minister of Finance from becoming too much elated by the pride that his Prime Minister has in his performances. Suppose that good naturedly I should go over a number of these as the ending of my remarks. In the first place the Prime Minister should be proud of the Minister of Finance because in all the history of Canada there has been no Finance Minister who has so completely swallowed all his principles and all his professions, fiscally, financially, and otherwise, as has the hon. gentleman (Mr. Fielding). Is not that true? The oldest Finance Minister we have living stood true to his fiscal colours. In the dark times when the Liberals held the government of this country from 1873 to 1878, Sir Richard Cartwright stood to his colours; a free trader he was when he went in, a free trader he was when he came out, and if he was not inclined to be so at all times Alexander Mackenzie kept him so. Even staring defeat in the face they would not change their colours; they were consistent. Sir Leonard Tilley and Sir John Macdonald succeeded. They advocated a new policy when they were in opposition; they were told—my right hon. friend told them—it was only a plea for getting in and that they would not put it in force when they

did get in. But they went in and Sir Leonard put his principles of the National Policy into force and the Liberal-Conservative Finance Ministers kept them in force from that day to the day they went out. Then, my hon. friend (Mr. Fielding) came in. He was a doughty free trader in the days of opposition; he was a red-hot economist in the days of opposition; he was dead against the National Policy and the principle of protection when he was in opposition; he was death to surpluses; it was Liberal creed and Fielding doctrine in those days that there should be no surplus. But the hon. gentleman came into office and where are his free trade principles now; whither has his rigid economy taken flight; where is his hatred of bounties?—bounties on iron, bounties on steel, duties on coal and the necessaries of life, bounties on twine, bounties on oil, bounties on beet root sugar. He is without doubt the champion swallower of his principles and policy. My right hon. friend has a perfect right to be prouder than ever of his Finance Minister and no doubt, in this case, a fellow feeling makes him wondrous kind. Well, Sir, the Minister of Finance is champion in another respect; he is the champion taxer of Canada. Of all the Finance Ministers that have ever been, no one has gone so deep into the people's pockets, no one has piled up the altars so high with the hard earnings of the people. He found the tax $28,000,000 when he came in; in 1908 he had raised it to $73,000,000. In 11¾ years he has taken $223,000,000 more than his predecessors in an equal number of years. My right hon. friend must be proud of him in that respect. If I remember well, once on a time in the city of Ottawa in 1893 he held up the flag inviting all and sundry to march up to the citadel and to put out the men who believed in protection, who overtaxed the people and who were extravagant in their methods of government. Well, Sir, my friend the Minister of Finance also takes some rank as scalping the thrifty depositors of this country of a part of their interest upon their deposits in order to swell that vaunted suplus of his which he must have. If he cannot get it by changing 16 million dollars from current account to capital account he can take $3,000,000 or $4,000,000 by docking the depositors in the savings banks of one-half of one per cent, and paying them a return upon their money one to one and a half per cent less than he is paying to the foreign money lenders. No Minister of Finance in the history of Canada has ever so fattened and fed the foreign lender and the foreign broker, and no one has ever made it so pleasant for the middleman as the hon. gentleman (Mr. Fielding). I have read the story of the commissions and the brokerage charges that have been paid in connection with these loans, and no other Finance Minister of Canada has ever paid as high rates for money in Great Britain as has the present Finance Minister. In that respect also has he a record. He is also—he will not think I am applying it to him in other than the technical sense—he is also the champion spendthrift of Canada. What I mean by that is that he has spent more than any other Canadian Finance Minister. Coming in on the declaration that $38,000,000 was appalling as our annual expenditure, he climbed up last year to an expenditure of $132,000,000, and no other Canadian Finance Minister has ever accomplished such a feat, expenditures commencing with $41,000,000 a year and ending in the year just past with $132,000,000. I am sure my right hon. friend is now proud of the Finance Minister as a spender. And the purposes of this spending—the Quebec bridge, the Newmarket canal, St. Joseph's wharf, not to come nearer home. Go anywhere through this country, and the list is so large, of absolutely useless and wasteful expenditures, gone into without thought—no cost counted until the whole bill was sent in, and then it was paid. And the quality of the expenditures—why, Sir, there is scarcely a thing upon which money can be spent which is not to-day brought within the category of Dominion expenditures, and upon which money is not spent. They have gone so far as to advertise for applications for expenditures. My right hon. friend remembers the doughty economist in the days of his opposition crusade—Sir Wm. Mulock of the present moment, who was in Ontario his right hand in the matter of strict and rigid economy. My right hon. friend will remember that he made him at one time Minister of Public Works, and he had not warmed the seat of that office temporarily for more than a few hours before he actually issued a circular inviting all members of parliament and unsuccessful candidates to just advise him if there were any expenditures in their constituencies which they would like to have carried out, as he would be glad to know what they were.

There is another eminence which the Minister of Finance has. He has promulgated more interesting and misleading fiction as a basis for public expenditures in this country than any Finance Minister I know of. Witness the Grand Trunk Pacific. How certain he was that that would not cost more than $13,000,000 all told to the people of this country. How certain he was that the outlay would not be more than $51,000,000 as an advance; and to-day his Minister of Railways puts the outlay at $114,000,000 on the eastern division, less terminals, less Quebec bridge, less a lot of other things, and before it is through with $180,000,000 will be nearer the figure. $51,-

000,000 was in the preface of that most interesting piece of fiction that the Finance Minister read to us in 1903, and to which he issued a supplement in 1904. To-day he faces and for the last year he has faced the monsters that he has conjured up—wastefulness, extravagance, maturing debt, fresh debt, and all the horrors of the money market, with temporary loans in almost every bank, with maturing liabilities of millions of pounds cropping up every few months, and with the conditions that surrounded general finance in the year 1908. He faces all these things. Will the monsters destroy him? Has his wand lost its efficacy? Can he send them back to the vast deep from which he summoned them? It remains to be seen. But he is face to face with them to-day. My hon. friend must go into the market right now, in the year 1909, to ask for a loan of $10,000,000 extra for the Grand Trunk Pacific, if the government carries its policy through. He has got to ask this year for at least $30,000,000 for the Grand Trunk Pacific and other capital expenditures. That makes $40,000,000 which he has to look for outside in the year 1909. But that does not end it. In 1910, he has $9,000,000 maturing, and he will have to ask another $30,000,000 for the Grand Trunk Pacific and for the Hudson Bay Railway. Why did the Finance Minister omit to speak of the Hudson Bay Railway to-day? The Prime Minister, the Minister of the Interior, the Minister of Railways, all are pledged to the building of the Hudson Bay Railway, and the building of it immediately. Why was no mention of that made to-day? I assume that they will implement their promise; I assume that the west will keep them to that promise. They made it in cold blood, when the worst of the financial proposition was before their eyes, and they knew what they were making. The Minister of the Interior will say we are providing for that out of our lands, selling enough at $3 an acre to pay for it. Let me ask the Minister of the Interior: 'You have sold your lands and got some money for them; where is that money to-day?' Spent, every dollar of it; and if you got in the whole of that money, the next year and the year after, every dollary of it would be spent on consolidated fund account; and when you come to build the Hudson Bay Railway for $20,000,000 or $25,000,000, you must get the money by making a loan on the British market. You have started the annuities crusade and you are taking money from the people of this country for that. Where is the money you are taking in? It is a debt of the country. You put it into the consolidated fund, and you spend it on the things I have been speaking about. Where are the savings of the people which have been entrusted to your care—their capital, on which you pay interest? Every dollar of it is spent. It is now and always has been a debt of the country. In 1910 there is $9,000,000 of debt maturing and $30,000,000 which will have to be borrowed for the Grand Trunk Pacific and the Hudson Bay Railway, making $39,000,000. In 1911 there is $8,600,000 of maturing debt and $30,000,000 more for the Grand Trunk Pacific and the Hudson Bay Railway, making $38,600,000. In 1912 there is $31,000,000 of maturing debt and $30,000,000 to be borrowed for the Grand Trunk Pacific, making $61,000,000 for that year; and you will go on to 1913, unless you finish the railway and make the borrowings before, and have in that year $3,700,000 of maturing debt and $25,000,000 to be borrowed for the Grand Trunk Pacific. Each year the minister has to go to London for forty millions, thirty-nine millions, thirty-eight millions, sixty millions, and twenty-eight millions or thirty millions, simply for the Grand Trunk Pacific, the Hudson Bay Railway and maturing loans, not taking into account the great expenditures which from year to year press themselves upon the people of this country. By a bit of legislation a day or two ago you pledged yourselves to $2,000,000 which you have to raise in the next ten years for a steamship line between Canada and France. The Minister of Railways has pledged himself to a large sum of money for level crossings. And so each year brings its own new burden. These are the things which will strain all the revenue you get, and which will use up the surplus, and more to be raised by borrowing.

Then there are your obligations. What do you suppose the Grand Trunk Pacific will cost in the mountain section? How much short of $100,000 a mile will it cost? Who will have to raise that $100,000 a mile? Now that you have opened the doors to the Grand Trunk Pacific by making that company a loan of $10,000,000, what will you have to reply to them when they come to you next year and say: 'We cannot place our securities on the British market and raise the money we require; help us or this thing will tumble and Canada's credit be ruined.' They will be able to come back with a double force. They have you on the down grade and will be able to push you as far as their necessities make it necessary for them to do so. And the expenditures of capital on your militia and great rivers and lakes—all these have to be raised, and there will be nothing left for you to do but add immense sums to the borrowings you have already incurred. All these things are to the credit of the Finance Minister. We have had a little philosophical talk in a good-natured way, and I wish to decorate him with all those feathers, which, I am sure, he will wear with all due gratitude to the donor.

Hon. R. F. SUTHERLAND (North Essex). The hon. gentleman who has just

spoken (Mr. Foster) at the conclusion of his speech—which I must characterize as a comparatively moderate speech for him—paid certain compliments to my hon. friend the Minister of Finance (Mr. Fielding). Let me at the outset suggest to my hon. friend (Mr. Foster) and the House, that, in my judgment, it has fallen to the lot of few men, in this or any other country, to have occupied the position of Finance Minister for thirteen years with such credit to himself and his country as the present Minister of Finance has done. And let me further say that I doubt if in any country any Minister of Finance ever had the pleasure of presenting to his people so many splendid financial annual statements as my hon. friend has had the satisfaction of doing during his thirteen year's term of office. And I submit that no one who has heard those financial statements from year to year, as I have done, couched in the clear, cheery and eloquent language and reasoning of which my hon. friend is a past master, could fail to see in them the best possible evidence of the progress and prosperity of this country during the term in which this government has held the reins of power, and at the same time the best possible proof of the sound fiscal policy of the present government. I can quite well understand how my hon. friend who has just taken his seat (Mr. Foster) finds himself considerably handicapped in his attempt to criticise our present Minister of Finance. There is scarcely a fiscal irregularity of which my hon. friend has not been guilty, there is scarcely a fiscal difficulty which he has not gone through, and all I can say is that during his term of office, that term was marked by so many deficits, that he should be the last man to cavil at the fiscal administration of the present government. He remarked that he missed somewhat the tone of hilarity in the present budget speech which the Minister of Finance displayed on former similar occasions. Surely, while others might make a comment of that kind, it comes with ill-grace from the ex-Minister of Finance (Mr. Foster) who, during the last years of his term, became quite an adept in producing deficits from year to year. He said that this paltry surplus of $1,500,000 in our financial statement for the closing year evoked a cheer from the government benches. Well, during the last three years during which my hon. friend (Mr. Foster) held office as Finance Minister of the late government, what was the condition of affairs which he presented to the country? In 1893-4 we had a deficit of $1,200,000; in 1894-5 our deficit was $4,100,000; and in 1895-6, the deficit was $350,000. So that during the last three years of his admirable management of the financial affairs of this country, the situation was such that we had deficits aggregating $5,700,000. Surely, under these circumstances much of the criticisms to which we have listened from the hon. gentleman to-night, while they might come with some grace from some others, come with rather bad grace from him.

My hon. friend spoke of the Quebec bridge. Can he have forgotten altogether the Curran bridge? And when he spoke of the Newmarket canal, to which he so characteristically referred as the Aylesworth canal, had we not good reasons to recollect another canal which, if I were disposed to follow the example set by the hon. gentleman, I would call the Haggart ditch.

He talked about our increasing public debt, but he failed to recollect that in the eighteen years of Conservative rule, our debt was increased $118,000,000. My hon. friend talked about this country as a poor country and deplored our piling up the public debt. Well, Mr. Speaker, I do not accept that view of this country. While I am one of those who believe that the government should do as they are doing, while I believe that they should curtail our expenditures, so as to suit the existing circumstances and conditions, now happily passing, at the same time I look forward to the future in the most optimistic spirit. I look to a great improvement in our condition. With our magnificent heritage, our splendid resources and rapidly increasing population, I believe that the present financial difficulties will very soon be a thing of the past, and Canada will be again in as good a position financially as that which she occupied a year or two ago. But if we are spending money too rapidly, what are we to think of my hon. friend who made in Prince Edward Island this statement, which I find published in the 'Examiner,' a Conservative paper of that province:

For myself, I stand ready to implement our bargain with Prince Edward Island by the construction of a tunnel.

Why, Mr. Speaker, that would mean an expenditure of two or three million dollars a year, during some years. And what would our expenditure amount to if we began to give to Britain one or two Dreadnoughts, as my hon. friend, in his eloquent speech in this House a few days ago, suggested we should do?

He instituted a comparison between the request of the people for a local work such as the Newmarket canal and the building of the Grand Trunk Pacific. We all know that these local works are started by the petition of a few people in the locality; and in this particular connection, while he seemed to pay special attention to the people of the maritime provinces, he failed entirely to recollect that while in the one

case the matter was a purely local one, so far as the eastern section of the Grand Trunk Pacific is concerned, that is a work deliberately entered on by this government, which in 1904 obtained the ratification of the entire people, and was re-endorsed by the election returns in October, 1908. Then my hon. friend—and in this I think he was particularly unfortunate—spoke of 'the land for the settler,' and referred in the most sarcastic way to 'the land for the settler' under this government. My hon. friend was very rash in many of his statements and suggestions, but in none more than in this. Let us look at the situation, let us make a comparison of the government of which he was a member and the present government on this point. I find, from a return brought down by the Minister of the Interior a few days ago, that under Conservative rule, the railway grants of land amounted to 31,000,000 acres; the total alienations of land other than to settlers, 46,000,000; and the lands for the settler to 7,900,000 acres. On the other hand, under Liberal rule, the railway grants were not thirty-one millions of acres—they were not one acre, and the alienations of lands to other than settlers amount to 7,921,000 acres. But let us come to the settler—and it was as to this that my hon. friend was particularly sarcastic in his reference to this government. We find that, while in the eighteen years of Conservative rule, only 7,900,000 acres of land went to the settler, the Liberal government has in twelve years handed over 23,590,000 acres to the settler. Could anything show more clearly the difference of policy between one government and the other in reference to this very matter which has been so important in the development of the west and of the country at large?

My hon. friend also stated that the credit of Canada was strained. In my judgment, nothing could have been better for the credit of Canada than the annual statements which have been put forward by this government. Year after year it was known and advertised to all the world that Canada was going ahead financially in an utterly unprecedented way. Year after year it was proclaimed abroad that there was a large surplus of ordinary receipts over the ordinary expenditure of the country. Nothing could more authoritatively stamp with approval the credit of the country. Another fact made known to the world was that, through the enlightened immigration policy of this government, millions of people were entering Canada, and particularly the Northwest. Another thing to establish the credit of the country was the fact that, year after year, until last year, the trade of Canada was expanding more rapidly than that of any other country in the world, or at least as rapidly as any. These are pertinent facts, it seems to me, to show that the credit of Canada has not been depreciated but has appreciated year after year under the management of this administration.

Then my hon. friend (Mr. Foster) undertook to deliver something of a lecture to the Minister of Finance (Mr. Fielding) on the mode of keeping our accounts, especially in relation to charging up to capital account capital and other extraordinary expenses. He seemed to suggest that the United States and Britain, and other countries also, had a different policy in this matter from ours. I have here an article published this very month in the 'North American Review,' written by Mr. Cortelyou, ex-Secretary of the Treasury, in which he discusses the very matters in controversy between the ex-Minister of Finance (Mr. Foster), and the Minister of Finance (Mr. Fielding). I think it wise to put upon 'Hansard' Mr. Cortelyou's views on this subject. He says:

> The demands upon the treasury are not likely to decline. For years the average increase has been hardly less than 15 per cent per annum, and in all probability this rate will grow greater in the immediate future, as the call is met for larger expenditures, in the extension of various government activities.

This is very pertinent language also with reference to a young and growing country like this.

> These disbursements, however, are not by any means wholly chargeable to the ordinary expense of carrying on the government. In this respect, the present form of daily Treasury statements is more or less misleading. It makes no separation between the expenditures for the ordinary service of the government and those for permanent public works, like river and harbour improvements, public buildings and the Panama canal.

How appropriate this when we refer to the Grand Trunk Pacific, a similar great national work?

> In this matter, our budget differs from that of many foreign countries, where expenditures for permanent improvements are provided for by specific issues of bonds, and the amounts are stated in a separate account from the report of the expenditures for the ordinary maintenance of government; while it has been the custom of this government to make most of its appropriations for permanent improvements from current revenues, thus allowing the entire burden to rest upon the present for improvements which will largely benefit the future. It is this which has brought about the present contingency——

The very fact that they are not dealing with these matters as we deal with them is given as the cause of what he proceeds to explain.

> —when the receipts are falling farther and farther below the expenditures, not for obviously transient causes, which the near future will naturally rectify, but because the growing demands which we meet, in provid-

ing for future needs, outstrip the results reasonably to be expected of our present sources of revenue.

And what greater demand have we in this country than our transportation needs which we are seeking to meet by the construction of the Grand Trunk Pacific? Then he deals with the matter in this way:

For the purpose of illustration, stating our budget in the manner suggested, the account for the fiscal year which ended June 30, 1908, would appear as follows:—

Net ordinary receipts..	$601,126,118 53
Disbursements..	570,477,838 81
Surplus..	30,648,279 72
Extraordinary disbursements—	
Panama canal..	38,093,425 29
Public buildings under Treasury Department..	9,341,364 55
Reclamation service..	11,126,042 02
Rivers and harbours..	30,157,649 01
Reduction of public debt.. ..	34,356,750 00

Then he proceeds:

It may be a question whether all items which involve permanent capital improvement should be placed in this account. It may be proper, in some cases, to charge them to current revenue. But there can be no question that, when bonds are actually sold by the government to meet the cost of specific public works, like the Panama canal, such expenditures should be placed in a separate account, or the proceeds of the bonds sold should be accounted for as receipts.

It seems to me, in view of the reference that the hon. member made to the way of accounting in the United States, these remarks of the ex-Secretary of the Treasury are most appropriate and pertinent. But, in respect of this very question of extraordinary and capital expenditure, let us see what the hon. member's record is and that of the government to which he belonged, In 1884, the net debt of Canada stood at $181,000,000 in round figures. In 1896, it had been increased to $258,000,000, an increase of $77,000,000. What did the hon. member and those associated with him do during that time in connection with capital and extraordinary expenditure? Did they pay these in large part out of current receipts? During that period the Conservative government expended on capital and special account $94,000,000. The public debt was increased by $77,000,000. That is to say all that extraordinary expenditure of $94,000,000 except $17,000,000 was added to the public debt. That is to say, less than 20 per cent of the amount which they spent on extraordinary and capital account was paid out of revenue during that period, and 80 per cent went to increase the public debt. What is the record of the present government? We spent in twelve and three-quarter years, on capital and extraordinary expenditure, the sum of $212,000,000; we have increased the debt, up to the 31st of March, by $65,000,000; the difference is $146,000,000. We provided, not 20 per cent, but 69 per cent of that capital and extraordinary expenditure out of current receipts, and only added to the public debt about 31 per cent. Yet my hon. friend coolly says: 'Why does not this government lay aside money in order to meet this debt?' Why did not my hon. friend practise a little of the preaching with which he favours this House to-night?

Then the hon. gentleman speaks of the rate of the debt per head and the rate of taxation. The Minister of Finance, in his admirable budget speech this afternoon, gave figures to show that when this government came into power the debt per head of the country amounted to $50, and that on the 31st of March, having regard to the estimate of population which he gave, the net debt amounted to $45 per head; that is to say, it was $5 per head less than was the debt at the time the government came into power. And I venture to predict, although that is a very unsafe thing to do in financial as well as other matters, that if the influx of population, that is already beginning to get back to the normal, keeps on as it is now coming in from the United States, in the time to come, when this government shall have been 18 years in power, the same period the former government was in power, the net debt of Canada, notwithstanding the enormous amount expended on capital and extraordinary expenditure, will be less than $50 per head of the population.

I now desire for a few moments to speak about the financial stringency. My hon. friend anticipated me a little in quoting from a speech made by Mr. E. R. Wood at the annual meeting of the Dominion Securities Corporation, on the 11th January, 1909. But while he quoted one part of that address, which I also intended to quote, he left unquoted other parts of it which I will mention, in order to show that we need not be apprehensive about the condition of this country, inasmuch as every indication shows that the country is rapidly regaining its financial position, perhaps more rapidly than any other country. Mr. Wood says:

Speaking generally, the year just closed has witnessed a wonderfully rapid advance in the value of securities, due largely to a quick return to easy money conditions.

I think perhaps I should read something more from the pamphlet in order to dispel an impression which might have been left on the House by the member for North Toronto. He made it appear that these large sales of bonds took place on account, apparently, of the extravagance of the government and that sort of thing. But Mr. Wood plainly points out with reference to many of these bonds that money was not available except at ruinous rates, and issues that would have been made had normal conditions prevailed, were held over for more favourable markets. That was the

reason among others why there was such a large aggregation of bonds sold in 1908. But he also says this:

But even allowing for the result of the stagnation of 1907 and the issues that were held back for a more favourable market, the volume of transactions during the past year has been phenomenally large, greatly exceeding the record for 1905, the year of the Grand Trunk Pacific and other issues.

Then he gives the following classified list of the securities sold, with a comparative statement covering four previous years:

—	1908.	1907.	1906.	1905.	1904.
	$	$	$	$	$
Government bonds	77,598,500	9,274,000	9,206,000	346,087	11,146,000
Municipal bonds	47,433,911	14,430,540	9,087,008	9,031,160	13,759,247
Corporation bonds	71,325,000	58,931,200	35,694,000	125,497,284	9,344,000
Totals	196,357,411	82,635,740	53,987,531	134,874,531	34,249,247

These figures show the marvellous way in which the financial credit of the country is recuperating, and the financial needs of the country are being met. But he points out another fact which it is important for us to keep in mind. The banks and other institutions of that sort furnish us with much of the money that we require for our every day business; but the money which we require for other purposes, for national growth and development, must come from the outside for a good many years yet. He gives the following table, showing the amounts sold respectively in the Canadian, British and United States markets in 1908:

—	Canada.	Great Britain.	United States.
Government Bonds	$ 3,098,500	$ 74,500,000	
Municipal Bonds	17,977,390	25,083,271	$4,372,250
Corporation Bonds	3,059,250	65,871,750	1,944,000
	$24,595,140	$165,455,081	$6,316,250
Percentages	(12½ p.c.)	(84¼ p.c.)	(3¼ p.c.)

Therefore, when we remember that for many years to come we must go outside to borrow money, particularly to Great Britain, the attitude taken by the government during the present year in making a reduction in our expenditure of well nigh $10,000,000, is a thing which, in my judgment, we should strongly endorse on both sides of the House. I think this is one of the things which will convince the British capitalist and investor that the government of Canada, in a time of stringency, is taking measures for retrenchment in order that they may keep up the credit of the country for the future when they may require to borrow in the money markets of the world.

In this connection I would like to call attention to an article in the 'Evening Journal' of this city which shows the marvellous way in which the country is recovering from the financial stringency. On the 17th of April instant the 'Journal' published an article on the activity of building operations all over Canada. The 'Journal' quotes extensively from the 'Financial Post,' which it characterizes as a publication that handles all such statistics in a very conservative manner, and goes on to say that here in Ottawa the aggregate of building permits for March was $144,000 as compared with $69,000 in the same month of 1908; in Montreal the permits were $283,000 as compared with $137,000 in 1908; in Toronto they were $1,700,000 as compared with $838,000 in 1908; in Winnipeg they were $851,000 as compared with $114,000. It gives a long list of other cities, in every one of which there is a remarkable increase of building operations in contemplation as compared with the previous year. These facts bear eloquent testimony to the passing away of the financial stringency. The Minister of Finance spoke of the manner in which the revenue is commencing to go up. I have here a statement showing the exports and imports of Canada for the last six months of 1908 and 1909. I shall not read it in full but shall quote the figures for the last two

months of 1908 and 1909. These figures are as follows:

Month.	Grand Total of Imports.
February, 1908..	$21,004,733
February, 1909..	23,188,668
March, 1908..	30,952,232
March, 1909..	33,836,293

This shows how rapidly the imports of the country are commencing to increase.

Now coming to the exports I find that the exports for the last six months ending March 31, 1908, were $141,814,453, as compared with $142,805,261 in 1909. But when an examination is made of the exports of 1908 it is found that for the last 6 months there are something like $11,000,000 of exports of coin and bullion while in the last six months of 1909 there are only about $495,000 of coin and bullion, so that if those were deducted the difference would be very much greater than it appears. These are some indicia of the way in which the country is commencing to pick up and gather itself together after the financial stringency of the last one or two years.

Some reference has been made to immigration. The figures for the whole year up to March 31, 1909, are not yet available, but for the eleven months ending February, 1909, there entered this country 131,000 immigrants as compared with 247,000 in the corresponding eleven months of 1908. We know that the decrease is very largely in immigration from Great Britain and continental Europe and that it is owing mainly to the warnings which the Immigration Department, through its officials, were giving to the motherland and the continent of Europe that during this time of stringency only farm labourers and those prepared to settle immediately on the land should come to Canada. So far as the United States is concerned we have this situation. For the eleven months of 1907-8 the immigration from the United States was 52,000 and in 1908-9, 50,000, almost the same, and it is a curious and satisfactory thing in this connection to notice that the Japanese immigration for the same period was reduced from 7,452 to 486, a very tangible evidence of the way in which the treaty arrangements are being carried out by the Japanese.

I am informed and I think my information is absolutely reliable that the settlers' effects coming in from the four states of Michigan, Montana, Illinois and Massachusetts, cash and effects, amounted for the calendar year 1908 to $6,102,170, or on 5,296 immigrants from those states an average of $1,152 each. If this average is applied to the entire immigration from the United States for the calendar year, which was 57,000, the assets thus brought in would amount to something like $65,000,000. Could anything more promote the progress and prosperity of this country than an immigration policy which would be productive of an enormous influx of settlers so desirable that 57,000 of them in one year would bring in, in assets and cash, the enormous sum of $65,000,000. We have heard a great deal for a year or two past about the number of undesirable immigrants who were coming in. The government's policy on immigration has from the start been a progressive and a satisfactory policy. As might be expected, they dealt with this question of undesirable immigration in the same prudent and far-seeing manner as with other immigration matters. What is the fact? They have on the boundary inspectors at about 114 points of entry from the United States, and during the 11 months of the fiscal year, 4,446 people were stopped at the American border and at ocean ports. Of these one-ninth were stopped at the ocean ports and eight-ninths at border points. This comparison will well illustrate the difference between the immigration policy under the former government and under this administration. The number of 4,446 people stopped as undesirables at our ports during the past year is just about the number of people that under the administration of the former government entered Canada as immigrants in 1896.

May I call your attention for a moment to the homestead entries for the last ten months of the last two fiscal years. These entries were

1907-8..	27,000
1908-9..	35,000

That also indicates the way in which the government is dealing with the immigration question.

A great deal has been said to-night about the Grand Trunk Pacific. I sometimes feel that we do not realize, that we do not impress upon our own minds with sufficient seriousness, the remarkable work that this government has been doing in connection with transportation during the last 12 or 13 years. We all know that for 30 or 40 years, the project of a 14-foot canal from Lake Superior to tide water has been discussed. I know that as far back as 1865, when a great trade convention was held in Detroit, to which representatives came from all parts of Canada and the United States, the project of a 14-foot waterway from the upper lakes to the St. Lawrence was discussed. Was that ever accomplished? Never until this government came into power. They at once commenced to expend large sums of money for the purpose of making an accomplished fact what had been talked of since 1865, and in 1900

we had completed a 14-foot waterway from Lake Superior to tide water. Then the government abolished the canal tolls. They dredged rivers and harbours and built wharfs. Then they entered upon the great project of the construction of the National Transcontinental Railway. One would sometimes fancy, particularly when listening to the hon. member for North Toronto (Mr. Foster), that this is not a road in which the people of this country are interested. Twice we have had the ratification and endorsation of the people of this country of that great project. That road was conceived, as we know, for several purposes, first as a continental and imperial transportation road, second as a colonization and developement road for that new Northland, and third for the reduction and regulation of freight rates, and we have been learning on the most expert engineering testimony that what was predicted as one of its greatest features, the four-tenths per cent grade from the foot of the Yellowhead Pass to the sea-board, that is from a point beyond the wheat fields to tide water. will undoubtedly be secured when the road is completed and that we will have a road unequalled in any other country in the world. We have spent, as the Minister of Finance has intimated, a large sum in connection with the Grand Trunk Pacific. We have spent $20,000,000 on canals, $30,000,000 on the Intercolonial Railway, $7,000,000 on the Montreal Harbour and River St. Lawrence Ship Channel, we have spent $2,000,000 on the harbours of Fort William and Port Arthur and Port Colborne, and large amounts on many other important works. These large expenditures are necessary in a young and growing country for the purpose of developing the transportation facilities without which it is useless for us to tempt people to come to Canada, because unless we provide the facilities for them to enter the country and to transport their products to market, the great influx of immigrants will quickly cease and this country will not progress as we hope to see it. Then, we are looking to the building of the Hudson Bay Railway, and the new Minister of Railways (Mr. Graham) has also taught us to look to the possibility of the deepening of our canals from 14 feet to 18 feet. And, who is there who looks to what we are doing in transportation, and who looks also at the desperate efforts the Americans are making in various directions to compete with us, but must come to the absolute and irresistible conclusion that if we construct an 18 foot waterway canal, for all time to come we will have the people of the United States handicapped in the transportation of grain from the west to the sea-board.

The hon. member (Mr. Foster) did not spend much time speaking of the tariff policy of this government, and it has not been usual for hon. gentlemen opposite to dwell much upon that of late. It is only a year or two ago that we saw in this House a curious spectacle. A partial reduction having been made by the government on the duties on agricultural implements, in recognition of the fact that a tariff only for revenue is the policy for this government and that the wants and wishes of the great agricultural classes should be safeguarded, one of the Conservative members from the west moved an amendment and we had the extraordinary spectacle that the policy of the government in this matter was so satisfactory to the leader of the opposition, to the hon. member for North Toronto (Mr. Foster to the hon. member for Grey (Mr. Sproule), to the chief whip of the Conservative party who has recently become so interested in ladies, and to five or six of the leading men on the opposition side, that they were found voting to sustain the government. When one looks at the fiscal record of the government one cannot but recognize the marvellous ability and capacity they have shown. The tariff of this country since 1896 has, we might say, been dealt with along three lines. There is first the imperial line. For the first time in the history of the British empire, a colonial government offered and gave to the mother country a preference in Canadian markets, and that preference later on was extended to other portions of the British empire. That was an imperial step followed by other imperial steps in the negotiations with the colonies which this government entered into in connection with tariff matters. In the second place, the Canadian government entered upon what might be characterized as an international fiscal policy. When we found that Germany was improperly, as we thought, penalizing Canada by the application of her maximum tariff we placed against her the surtax. Again, when we found certain manufacturing concerns in the United States so generous to the Canadian purchaser that they were prepared to sell goods to consumers in Canada at less than the current prices in the United States, the government put an end to that which they considered utterly unfair competition to the manufacturers of this country, by introducing the anti-dumping legislation into the Canadian tariff. I live upon the border, I live where, as in the town of Walkerville, there are large manufacturing concerns, and I know of the splendid effect which on the whole that anti-dumping clause has had. And again, this government introduced into our fiscal policy the intermediate tariff which the Finance Minister announced is to be utilized by this government for the purpose of negotiating with the governments of

other countries with a view to establishing better trade relations between them and us. But, to my mind the chief feature of the tariff after all is that it is a tariff for revenue, and, on the admission of the hon. member for North Toronto we have been getting revenue through that tariff. Never did any previous tariff in Canada produce revenue as did the tariff known as the Fielding tariff. The Minister of Finance has given figures to indicate the marvellous progress of the country under the policy of the government, and at this late hour I shall not follow him in that regard, but I would like to mention another policy of the present government, upon which they have just started, and which I believe to be of vital and paramount importance to the welfare of the country. One of the things that leads me—and I say this conscientiously and honestly—to be as firm in my adherence to and support of the government as I was ever before, is that they are going forward step by step and making progress in every direction. A Liberal government could not stay in power and be other than progressive. There is one line of development in which the government can even go beyond what it already has done; I refer to the conservation of the natural resources of the country. It may well be said that while the right hon. the Prime Minister is entitled to the gratitude and praise of the people of Canada for many things, perhaps in time to come what will be looked upon as one of the chief benefits he has conferred on the country is, that at his invitation there was a great forestry convention held in Ottawa in February, 1906. In his speech at the opening of that convention the right hon. gentleman said a number of things which are well worthy of being remembered, and I may be pardoned if I now make a short extract from his speech on that occasion, so that it may be published in 'Hansard' and thus perhaps receive more attention than it otherwise would. The right hon. gentleman said :

In the name of the Canadian Forestry Association, which has conceived and planned this conference, and in the name of the Canadian parliament which has authorized and approved of it, it is my privilege and my pleasure to extend to you all a most hearty greeting. Welcome to one ; welcome to all. Especially should I welcome, even after the words of His Excellency the Governor General, the representatives of the American Republic who are present with us on this occasion, and who bring to us the benefit of their knowledge and experience. Welcome also to the representatives of the provincial governments, without whose aid and co-operation our efforts could never have the full fruition which we anticipate from them. Welcome also to the representatives of the great railway companies which are placed in a position to give, perhaps, more than any other class of the community, the benefit of their experience and knowledge to us. Welcome also to the representatives of the great lumbering class, who, perhaps, are more interested than any other class of the community in the maintenance, preservation and protection of the forests. Welcome to the university men whom we see before us, welcome to the traders, welcome to the sportsmen, welcome to all classes who are present, and who are ready to contribute of their time and of their money to the great object we have in view, and which is an object of primary national importance.

These are words which are very applicable to the subject to which I am just now referring. Then, I understand that very recently the government has, by refusing to give a license for the exportation of natural gas in the Welland district, entered upon a new departure in the way of conserving that natural product. I am sorry that action along this line was not taken some years ago, to save the same product for us in the west. In connection with the control of power at Niagara Falls, in connection with the Waterways Commission and its work, in connection with tree planting in the west, and in connection with the establishment of several thousand miles of forest reserves on elevated areas, the government are developing a strong policy of conservation of natural resources. These forest reserves are: in Manitoba—in the Riding mountains, the Duck mountains and the Porcupine mountains. In Saskatchewan—in the Beaver hills, the Moose mountains, the Turtle mountains and the Cypress hills; in Alberta—in the Cooking Lake range, Jasper park, Banff park, Kootenay Lake park; and in British Columbia—on the western slope of the Rocky mountains, Yoho park, Glacier park, and a number in the dry area. Again by accepting the invitation of the United States government and sending three very capable representatives of Canada to the Conservation convention at Washington, the government showed its interest in this great question. I understand that the Washington convention recommended that a permanent commission should be appointed for each country, and I hope the government of Canada will at as early a date as possible appoint a good strong commission to deal with that question from a national standpoint.

Before I close I wish to refer to the criticism of the hon. member for North Toronto in regard to the rapid increase of the public debt. It is quite plain that the hon. member practically admits that apart from the requirements of the Grand Trunk Pacific Railway, the increase of the public debt is very trifling. The hon. gentleman said, according to 'Hansard' of March 17, 1908, volume 3, page 5181:

In 1887 the public debt was $227,000,000; in 1896 it was $258,000,000; increase in nine years, $31,000,000.

In 1908 it was $275,000,000 ; increase in twelve years, $17,000,000.

Up to the present time, leaving out 1908, there has been under this government a comparatively small increase of the debt.

So that practically the hon. gentleman's criticism bears upon the large expenditure for the Grand Trunk Pacific. But if he recollects the record of the Conservative government for the years 1884, 1885 and 1886, he will know that that was a period when the Canadian Pacific Railway was under construction, just as the Grand Trunk Pacific is to-day; and during 1884 the public debt was increased $23,695,135; during 1885, $14,245,841, and during 1886, $26,751,414, or a total increase in those three years of $64,000,000. If this enormous increase in the debt of this country in those years, when the Canadian Pacific Railway was being constructed, was fair and right in the judgment of the hon. member for North Toronto, why is it not equally proper that the debt should be increased now when we are engaged in the construction of another great transcontinental railway?

In my judgment the government has given us a tariff for revenue which is up to date and adequate to our wants; it has adopted a live and progressive transportation policy, an active and satisfactory immigration policy, a policy that attracts capital and impels foreign concerns to come here and build factories, a policy looking to the conservation of our great resources, and a policy that promotes and increases the output of all our great and leading industries. So long as the government continues the advanced and progressive policy which it has given to this country for the past twelve or thirteen years, so long will the right hon. gentleman who leads the government and the members of the cabinet who surround him retain the confidence of the people, and each time they go to the polls they will receive the popular endorsation which was given to them in October, 1908.

Mr. PERLEY moved the adjournment of the debate.

Motion agreed to, and debate adjourned.

On motion of Sir Wilfrid Laurier, House adjourned at 10.55 p.m.

HOUSE OF COMMONS.

WEDNESDAY, April 21, 1909.

The SPEAKER took the Chair at Two o'clock.

CRIMINAL CODE AMENDMENT.

Hon. A. B. AYLESWORTH (Minister of Justice) moved for leave to introduce Bill

Mr. SUTHERLAND.

(No. 148) to amend the Criminal Code. He said : This Bill proposes a considerable number of amendments to the Criminal Code. Some of these amendments deal with minor points in matters of procedure which will explain themselves. Foot notes are added to each of the amending sections so that members will be able to see at a glance what the proposed changes are. The most important of these matters of procedure, I think, is a provision making a corporation, a municipality or a company, clearly liable to be proceeded against by summary process before a justice of the peace. Difficulty has been experienced in some instances in the past in bringing such a body corporate before the court in the absence of any express provision making a municipality or a company liable to the summary jurisdiction of a justice of the peace.

Passing to matters of more consequence, I shall mention a few of the principal amendments which it is proposed to make by this Bill. First I refer to a provision which is intended to increase the punishment upon any one found guilty of carrying an offensive weapon, a dagger, a knife, a dirk, which could have no other purpose than being used for offensive purposes. It is proposed to make the punishment imprisonment, instead of, as at present, only a fine. The next section proposes to widen the present provision of the statute in regard to the manufacturing or circulating of indecent or immoral publications or pictures. A case of considerable gravity in that connection has recently arisen and it has been felt that the provisions of the statute in that regard as they stand at present are possibly not wide enough to cover some of those who would participate in those offences, and I am proposing, therefore, to extend the penalties of the statute not only to persons who offend against the law as it now stands but also to those who either assist in the distribution or circulation or have in their possession for the purpose of distribution, circulation or sale any obscene picture or printed matter such as is struck at in the section; also to extend the provisions of the section to the exhibition or circulation of plates for the manufacture of such immoral pictures or literature.

I propose in the next place to increase the penalty which the present law provides in the case of the offence of procuring women, increasing the punishment from two years imprisonment to five years' imprisonment.

I am proposing in the next place to extend the provisions of the present law which make it an indictable offence to keep any disorderly house, that is to say any common bawdy house, gaming house or betting house, to the keeping of what is known as an opium joint, following out the

provisions of our statute of last session prohibiting the use of opium.

I am proposing also, passing over some minor details, to make it a punishable offence to steal silver-or gold-bearing quartz and to extend the provisions of the present law with the hope of making it less difficult to convict of that offence. This amendment is introduced, following the laws upon that subject which are in force in Australia and in South Africa, by reason of difficulties in punishing, under the present law, offences of that character which have been found to be very numerous in Cobalt and New Ontario, particularly, as well as in other portions of the Dominion.

A clause is also inserted making it a criminal offence to reproduce or sell musical compositions which are the subject of a copyright, but which have been pirated. There is now a similar provision with regard to other copyrighted work but it does not extend to musical compositions. There is also a provision which is proposed, at the instance, or on representations on the subject which have been received from various boards of trade and from other quarters, in regard to the length of time during which cattle may be confined in railway cars without removal in the course of transit. The present law limits the period to 28 hours and it is proposed to extend that period to 36 hours.

The only other provision of the Bill which perhaps is of sufficient importance to deserve special mention at this stage, is one which is introduced at the suggestion of the Department of the Attorney General at Toronto, to withdraw from the jurisdiction of the courts of quarter sessions all cases of homicide. That is at present a provision of the Ontario statute on the subject. It conflicts with the provisions of our Criminal Code which allow cases of manslaughter to be tried at the sessions. Communication has been had on the subject with all the attorneys-general of the provinces and while all do not agree, a great majority concur in the view that it would be better that all cases of homicide should be triable only by the superior courts. A number of the other amendments which are proposed in regard to matters of procedure are introduced at the suggestion and upon the recommendation of the departments of the attorney general in different provinces, or in some instances upon the suggestion of learned judges. With these explanations, and with the notes which are printed with the various sections, I think there will be no difficulty on the part of any member interested, in understanding the provisions of the Bill.

Mr. J. D. REID. I would like the Minister of Justice to consider the advisability of making the term of imprisonment for kidnapping longer than the Criminal Code at present provides. There is hardly a greater crime than kidnapping, and it has become quite common of late on the other side. It was my intention to move for the amendment of the Criminal Code in this respect, but now that the Minister of Justice is introducing this Bill I trust he will act in the direction I have suggested and if he does his action will meet with the general approval of the people of Canada.

Motion agreed to, and Bill read the first time.

FIRST READING.

Bill (No. 149) to amend the Extradition Act.—Mr. Aylesworth.

QUESTIONS.

EXPENDITURE ON GRAND TRUNK PACIFIC EASTERN DIVISION.

Mr. FOSTER asked :

1. What amounts have been paid for commission, brokerage and other expenses respectively, on loans made since December 31, 1908?

2. What amount has been paid on account of the Grand Trunk Pacific eastern division in each year up to March 31, 1909, distinguishing between the Winnipeg-Quebec and the Quebec-Moncton sections?

Hon. G. P. GRAHAM (Minister of Railways and Canals):

1. The first part of the question was answered yesterday.

2.

	Section. Moncton-Quebec.	Quebec-Winnipeg.
1904-5..	$ 408,086 05	$ 242,494 07
1905-6..	552,410 30	1,062,596 18
1906-7..	3,123,703 10	2,247,973 37
1907-8..	9,694,621 83	8,875,868 71
1908-9..	13,556,842 04	9,562,082 82
	$27,335,663 32	$21,991,015 15

Note. 1908-09 is not complete as there outstanding accounts which will not be in till May 15.

MILITIA EXPENDITURE.

Mr. MIDDLEBRO asked:

1. What are the details of the item numbered 75, page 50, of the estimates for fiscal year ending March 31, 1910, the quantity and kind of the various items mentioned therein, and the amounts asked for each, respectively?

2. What are the details which go to make up the item No. 79 of said estimates, page 51, and the amount asked for each subdivision of such item?

Hon. WM. PUGSLEY (for Minister of Militia):

1. This question refers to the vote on capital account of $1,300,000. While it is impossible in advance to give the exact

details, the vote will be disposed of practically as follows:

Ross rifle, 10,000 at $25	$ 250,000
Bayonets, 17,000 at $5.25	90,000
Lands, including rifle ranges and construction of said ranges	125,000
Ordnance, reserve clothing and construction, &c.	250,000
Artillery, including limbers, wagons, &c.	550,000
Inspection charges, &c.	35,000
	$1,300,000

2.

Clothing and necessaries to be purchased	$325,790
Allowance for lieu of clothing, permanent force	18,550
Allowance for civilian clothing, permanent force	290
Allowance to regiments in lieu of clothing	5,000
Amount required to purchase tunics of 'Guards' pattern for the G.G. F.G.	3,345
Amount required to cover cost of cleaning clothing	2,000
Unforeseen, a sum to cover difference between estimate and actual cost, and for unforeseen, such as winter kit allowance, compensation, &c.	20,025
Total	$375,000

EMILE LACAS.

Mr. GEO. TAYLOR asked:

1. For what period has Emile Lacas been absent from the Public Works Department during 1906, 1907 and 1908, respectively?
2. On what business, if any, of the department has he been engaged during these absences?
3. What pay has he received during each of those years?
4. In his absence who performs his work?

Hon. WM. PUGSLEY (Minister of Public Works):

1 and 2. During the years 1906, 1907 and 1908 Mr. Lacas was absent on duty as follows: From 8th to 15th January, and from 21st June to 10th July, 1906, taking photographs of public buildings and harbours and river works.

In addition to the regular authorized 21 days' vacation, with pay, in each year, he was absent, without pay, from 1st January to 30th June, 1907, and from 2nd October to 30th November, 1908; with pay, from 4th November, 1907, to 31st January, 1908.

3. 1906, $1,500; 1907, at the rate of $1,550, actual payment, $775; 1908, at the rate of $1,600, actual payment, $1,337.78.

4. The staff also comprises Messrs A. T. Bell, A. E. Day, A. Belanger and R. Perron.

Mr. PUGSLEY.

DUTIES ON CHINAWARE, &c.

Mr. WALLACE asked:

1. What is the customs duty, if any, upon chinaware, cups, saucers, dishes, &c.?
2. To what extent is it manufactured in Canada, and at what points?
3. Is there any duty upon the ore?
4. Is any of said ore exported from Canada?
5. Is such chinaware manufactured from the crude ore in Canada? If so, at what points, and from the crude ore in the United States, and at what points principally?

Hon. WM. PATERSON (Minister of Customs):

1. The duty on tableware of china is 15 per cent, preferential tariff; 27½ per cent intermediate tariff; 30 per cent general tariff.
2. I regret that I cannot answer question No. 2.
3. Clays, including china clay, fire clay and pipe clay not further manufactured than ground, may be imported free of duty.
4. The customs appear to have no record of any such ore having been exported from Canada.
5. Answered in No. 4.

LEVIS POSTMASTER.

Mr. MONK asked:

1. Has the government appointed a successor to Mr. Alfred Lafrançois, postmaster of Lévis, Quebec? If so, who has been appointed?
2. What was the salary of Mr. Lafrançois, and what is the salary of the person who occupies the position at present?
3. Is the new occupant a relative of the member for the county of Lévis?

Hon. RODOLPHE LEMIEUX (Postmaster General):

1. Yes, Robert Carrier.
2. Postmasters at offices of this class are not paid a regular salary, but receive a commission upon the legitimate revenue collected at their offices, in return for which they are obliged at their own expense to provide whatever assistance may be required in order to properly transact the postal business. The amount thus earned at Levis post office for the fiscal year ending the 31st March, 1909, including commissions and allowances, was $1,962.09.
3. Yes.

WEST PETERBOROUGH PUBLIC WORKS.

Mr. T. CHISHOLM asked:

How much public money has been expended during the past twenty years by the Dominion government on public works in the territory now constituting the constituency of West Peterborough?

Hon. WM. PUGSLEY (Minister of Public Works). $245,537.59. Would my hon. friend permit me to say that this is one of a series of questions he has asked with reference to various constituencies, extending back twenty years. It takes a great part of the time of the clerks to prepare the information. He will find all the information in the public accounts, if he will take the trouble to examine them. If he continues to put these questions, I suppose I shall have to answer them.

WINGHAM PUBLIC BUILDING.

Mr. T. CHISHOLM asked:

Does the Dominion government intend to complete the Wingham public building in the constituency of East Huron, by placing a clock in the space which has been left for one in the tower of the said building?

Hon. WM. PUGSLEY (Minister of Public Works). Nothing has been included for that purpose in this year's estimates.

INVERNESS HARBOUR, CAPE BRETON.

Mr. GEORGE TAYLOR asked:

1. Is the government engaged at present, or does it intend to engage in the improvement of a harbour at Inverness, Cape Breton?

2. Has the government purchased there a body of water and adjacent land, called McIsaac's Pond? If so, from whom, and at what price?

3. Is there a channel between said McIsaac's Pond and the Gulf of St. Lawrence? If so, of what width and depth?

4. Is there at present, or has there been during the last year, a foreman in charge of improvements? If so, what is his name, when was he appointed, at what rate of salary, and what has he been paid to date?

5. Has said foreman purchased timber for repairs to breakwater at said place? If so, to what value, and was it purchased by tender or otherwise?

6. Does the government intend to rebuild and extend a breakwater or wharf at said harbour this season so that small steamers from Canso, Pictou and Halifax can make Inverness a port of call?

Hon. WM. PUGSLEY (Minister of Public Works):

1. Materials required for reconstruction of inside protection work have already been purchased, and it is the intention of the department to use the revote of $4,700, granted by parliament during present session, in prosecuting said work.

2. Steps now being taken to expropriate land required in connection with said improvements, portion of McIsaac's Pond included. The presumable owners and the compensation tendered to each of them are as follow:

The Inverness Coal Company ..	$1,500
Angus McIsaac..	210
D. J. McDonald..	50

3. The entrance to McIsaac's Pond from the Gulf of St. Lawrence is at present entirely closed, the beach being three feet above high water spring tides.

4. (a) Yes. (b) D. R. McLean. (c) 23rd October, 1908. (d) $2.50 per day. (e) $70.

5. Foreman has purchased materials to the amount of $834.96, after ascertaining prices for which they could be delivered and submitting same for approval to Resident Engineer Millidge.

6. In the above mentioned appropriation no amount is included for special wharf accommodation.

GOVERNMENT BUILDING ON SUSSEX STREET.

Mr. WRIGHT asked:

1. With regard to the proposed new building on Sussex street, are the plans submitted in the competition the property of the government?

2. If so, are they open to the inspection of the members of this House, and where are they to be seen?

Hon. WM. PUGSLEY (Minister of Public Works):

1. Yes.

2. The plans are on file in the chief architect's office and may be seen at any time.

WHARF AT EATONVILLE, NOVA SCOTIA.

Mr. RHODES asked:

1. What sum was expended on the wharf at Eatonville, Cumberland county, Nova Scotia, during the year 1907?

2. Was the work done by contract or by day labour?

3. If by contract, to whom was it let, what was the amount, who were the tenderers, and what were the amounts of the several tenders?

4. If by day labour, what are the names of the several persons employed, the rate of pay, and the total sum paid to each?

5. What amounts were expended for hire of teams and materials, respectively, what are the names of the several persons who received such amounts, and the amount paid to each?

6. The same questions are asked with reference to the breakwater constructed at the same place, during the year 1908?

Hon. WM. PUGSLEY (Minister or Public Works):

1. There was no expenditure on a wharf at Eatonville, Cumberland county, Nova Scotia, during the year 1907. A portion of the old breakwater, which had been damaged by a severe storm, was entirely rebuilt during that year, the expenditure being $2,998.06.

2 and 3. Day's labour.

4.

	Per day.	
Kenneth W. Morris	$2 50	$ 150 00
S. R. Canning	1 75	105 00
Earl Morris	June 1 25	
"	July-August 1 50	81 87
Howard Morris	1 50	86 25
James Webster	1 50	88 50
Judson Knowlton	1 50	84 75
John D. Knowlton	1 50	87 00
Fred. Brown	1 50	81 00
Warren Weaver	1 50	85 50
Luke Dyer	1 50	82 50
Alfred Knowlton	1 75	102 38
Ayner Spicer	1 95	107 25
Elmo Dewis	1 95	109 20
John Nodwell	June-July 1 95	
"	August 1 50	63 45
Herbert Knowlton	1 95	65 32
Burton Morris	1 95	62 40
Simon de Long	June-July 1 95	
"	August 1 50	19 35
Jack Connolly	1 50	12 00
Total		$1,473 72

In addition to this, the department has paid to J. Newton Pugsley the board of the above men at the rate of 15 cents per meal; total amount, $342.30.

5.

Kenneth W. Morris, teaming	$ 180 00
S. R. Canning, stone	50 00
A C. & C. W. Elderkin, materials	14 65
J. Newton Pugsley, hardware and lumber	937 39
Total	$1,182 04

6. (1) $4,492.22.

(2 and 3) Day's labour.

(4).

	Per day.	
Kenneth W. Morris	$3 00	$ 243 00
Herb. Knowlton	1 75	121 63
Warren Weaver	1 75	115 50
Carl Mills	1 75	112 88
Chesley Morris	1 75	133 00
Arlie Knowlton	1 75	112 00
Percy Morris	1 75	114 63
W. Canning	1 75	49 00
George Knowlton	1 75	120 75
Hugh Spicer	1 75	117 26
Lloyd Elderkin	1 75	10 50
Clarence Atkinson	1 75	14 00
George Doherty	1 75	42 00
Bertie Knowlton	1 75	124 25
Gilmour Knowlton	1 75	108 50
Dan. Barkhouse	1 75	82 25
George Darcy	1 75	87 50
Alfred Knowlton	1 75	74 38
John D. Knowlton	1 75	87 50
John H. Morris	1 75	83 13
Elmo Dewis	1 75	75 25
James Morris	1 75	34 13
Isaac Morris	1 75	33 25
Total		$2,096 29

(5).

Kenneth W. Morris, teaming	$ 283 50
Stuart McAleese, teaming	234 50
A. D. Dyas, hardware	31 50
Walter R. Barnes, hardware	59 14
C. H. Hill, hardware	11 80
Douglas & Company, hardware	207 70
J. Newton Pugsley, lumber, stone, &c	1,567 79
Total	$2,395 93

MR. DANIEL McKENZIE.

Mr. ARTHURS asked:

1. Did Daniel McKenzie, postmaster at Three Brooks, Pictou county, Nova Scotia, resign the said office? If so, when did he resign?

2. In whose charge was the post office placed when said McKenzie resigned, or when it was moved from his premises, and when was the transfer made?

3. Was this person to whom the post office was transferred appointed to be postmaster? If not, why not?

4. How long did such person have the custody of the post office?

5. Has the post office been again transferred? If so, when and to what person?

6. Is this person, last referred to, appointed postmaster? If so, when was he appointed?

7. On whose request and on whose recommendation was the present postmaster appointed?

Hon. RODOLPHE LEMIEUX (Postmaster General). In November last the Department was advised that Mr. Daniel McKenzie, Postmaster of Three Brooks, N.S., was with his family removing to Vancouver, and that he could therefore no longer take charge of the Three Brooks Post Office. Before leaving he handed the books and other material in connection with the office to Mrs. John Shea and left the office in charge of Mrs. John Shea on 1st April, 1909. Mr. James Irving was appointed postmaster to fill the vacancy. He was recommended by the member representing Pictou County in the Dominion parliament.

GLIMPSES OF NORTHEASTERN CANADA.

Mr. AMES asked:

1. Has there been recently issued under the auspices of the Department of the Interior a publication entitled 'Glimpses of Northeastern Canada'?

2. If so, how many copies of this publication have been or will be circulated by the government?

3. Who is the author of the publication?

4. What sums of money have been paid to authors or publishers, on what dates, and what balance is due?

5. Was it the intention of the government during the season of 1908 to send an exploration party by water to James bay and Labrador, including Dr. Robert Bell?

6. If so, was this project abandoned? If so, why?

Hon. FRANK OLIVER (Minister of the Interior):

1. Yes.
2. 3,000 copies.
3. W. Tees Curran, Esq.
4. Paid Printing Bureau $685.33, October 1908. Paid W. Tees Curran for editorial work and for photographs, $300, on the 12th of March, 1909.
5. and 6. Probably refers to Geological Survey. Should be answered by Minister of Inland Revenue. No knowledge of the subject in the Interior Department.

Mr. AMES. As parts 5 and 6 of the questions have not been answered, I would ask that they be allowed to stand in order that they may be answered by the proper department.

Mr. SPEAKER. Parts 5 and 6 of the question allowed to stand.

TRENT VALLEY CANAL LAND DAMAGES.

Mr. SEXSMITH asked:

What amount has been paid by the government up to the present, for damages to land caused by the overflow of water from Peterborough up to and including Pigeon lake, on the Trent Valley canal, and to whom have such damages, if any, been paid?

Hon. WM. PUGSLEY (Minister of Railways and Canals). This is too voluminous to be given in a form of an answer to a question, but there is no objection to granting it as a return to the House.

Allowed to stand as a notice of motion.

INDUSTRIAL DISPUTES' ACT.

Mr. A. C. MACDONELL. Before the orders of the day are called, might I ask the right hon. the Prime Minister if an opportunity will be afforded the House to consider item No. 51 in the Public Bills and Orders? It is a Bill introduced by me to amend the Industrial Disputes' Act. From present appearances, I can scarcely hope that the Bill will be reached this session. The matter is one of public importance to a very large number of people, and I would ask the government to put it on the government orders or to afford some other opportunity for considering it.

Rt. Hon. Sir WILFRID LAURIER. I am sorry I can make no promise. We have several important matters, each of which will have to take its turn.

INQUIRY FOR RETURNS.

Mr. FOSTER. I would like to ask for three returns which have been ordered. One was ordered on March 22, with reference to Intercolonial Railway officials. Another has reference to the armoury.

Mr. PUGSLEY. That return was submitted yesterday.

Mr. FOSTER. Then there is one having reference to statistical publications by the different departments. The hon. the Secretary of State would have to look after that. I would like to have it down before the end of the session. It was ordered early in the session.

WAYS AND MEANS.—THE BUDGET.

House resumed adjourned debate on the proposed motion of Mr. Fielding that Mr. Speaker do now leave the Chair for the House to go into Committee of the Whole to consider the Ways and Means for raising the Supply to be granted to His Majesty.

Mr. GEO. H. PERLEY (Argenteuil). The last speaker before adjournment last evening was the hon. member for North Essex (Mr. Sutherland). I was very glad to hear his voice again after the enforced silence of four years as Speaker of this House. At the same time, I must say that the hon. gentleman, though he laboured very hard to break the force of the arguments of the hon. member for North Toronto (Mr. Foster) did not seem to me to succeed at all. I suppose we may call that a task beyond even the powers of an ex-Speaker. The hon. member dragged in the old standby of his friends, the surpluses, which had already been referred to by the Minister of Finance (Mr. Fielding). Those surpluses, as we all know, are largely a matter of book-keeping. The hon. member for North Essex read an extract from an article in an American magazine, which he claimed to be correct, that public works like the Panama canal should be kept in a separate account. I have no fault to find with that argument, we do not object to any items of that kind being put into capital account. I am not here to oppose the system which has been in force since confederation, but to oppose the way in which it has been carried out. I agree that an item like the Transcontinental Railway, for instance, is properly chargeable to capital account—no man can object to that. But it seems to me that the government, in order to show its boasted surpluses, has gone far beyond all reason in this matter. For instance, the Minister of Finance referred yesterday to the matter of the bounties, and had himself to acknowledge that it was not a proper charge to capital account. Then, why did they do it? I see no reason for it. Take, for instance, the expenditures on militia. Some of us have heard a good deal about Ross rifles. There is a dispute as to the efficiency of the Ross rifles. Many people think that they are of very little service anyway. But, how-

ever that may be, why should they be charged to capital? They have only a short life, and will soon have to be replaced. Such things, it seems to me quite plain, ought to be paid out of revenue. In the same way, I claim, the new rolling stock and engines for the Intercolonial should not be charged to capital account with no provision made for renewing these when they are worn out. This system is carried to the smallest details. As an illustration, I would refer you to page V-28 of the Auditor General's Report. You will find there that moneys spent on Rideau Hall improvements are charged to capital. These are very necessary things to be done, I am sure, but such items as copper wire, lime, drain pipes and advertising in connection with the repairs to Rideau Hall should not be charged to capital. These surpluses would very largely disappear if the accounts were kept in a reasonable way.

The hon. member for North Essex further tried to show that these surpluses were a sign of good business management on the part of the government, and held up the Conservative government to scorn because during some years of its administration there were deficits. I regret that my hon. friend (Mr. Sutherland) is not present——

Mr. SUTHERLAND. I am here.

Mr. PERLEY. I am glad of it. I will ask my hon. friend, who, with his usual modesty, has taken a back seat, whether he knows where these surpluses come from? The hon gentleman may think they come from the brains of the Minister of Finance or the Prime Minister. But I understand that the money comes from the pockets of the people. I further submit that, if this money had not been taken from the pockets of the people to provide these surpluses, it would still remain in their pockets. I would like to try to make the hon. member understand this matter as I do. Let us suppose that the hon. member for North Essex was the only taxpayer in this country—that he paid all the taxes levied by the Minister of Finance ; and let us suppose that at the end of the year there was a deficit of half a million dollars, which is the terrible thing that my hon. friend considers is so improper. My hon. friend from Essex, being the only voter in the country,certain agitators come to him asking him to vote against the government on the ground that there is a deficit. They say, ' look at this awful government; they have a deficit at the end of the year of half a million dollars.' My hon. friend would laugh and say, ' well, I have to pay all the taxes, and if there were no deficit I should have had to pay half a million more; as it is there may be a deficit of half a million, but I have that money in my own pocket, and I am keeping it where it will do me the most good.' That is the way I look at the question of surpluses. I do not think it is a matter of so much importance whether there is a surplus or a deficit, the question of importance is how has the money been spent—has it been spent in a wise, proper and economical way?

The hon. member for North Essex (Mr. Sutherland) has claimed that the credit of Canada has been increased by these same surpluses. I do not see that a surplus has anything to do with the credit of Canada. In that connection, I desire to speak a few words of criticism upon the method of financing followed by this government within the last few years. Previous to 1896, the Conservatives had been in power for many years, and during that time they had been developing the resources of this country and carrying on the government in an economical way, so that the credit of the country was at its very best. In 1879, the Conservative government made a loan —the first year they came into office— which cost them 4½ per cent per annum. And no loan was made costing the country as much as that until 1904. The Conservatives had to borrow a lot of money, but they gradually reduced the interest charge, until, in 1894, it amounted to only a shade over 3 per cent. In 1897, the first year of this government, they made a loan at a rate of only 2·86 per cent. This was the first loan negotiated by the present Minister of Finance, but I doubt if he will take to himself the credit for the rate of interest at which it was made, because this was simply the culmination of the Conservative system, the Liberals not having been in office long enough to affect it. For many years after that the revenue went up by leaps and bounds, so that even this extravagant government was unable to spend it all, and therefore they did not have to make further loans until 1904, at which time the loan of 1874 came due. At that time this government followed a careless and short-sighted policy regarding the finances of this country, which has cost us unnecessary expense. Let us see what the situation was at that time. In 1903 this parliament committed itself to a transcontinental railway, which was evidently going to cost a very large sum of money and force us to borrow heavily on the English market. Further, the old loans which had been made early in our history were beginning to fall due. There were £23,443,000 of loans coming due between the 1st of January, 1904, and the 1st of October, 1913, less whatever sinking fund we might have on hand for that purpose. Under these circumstances it was evident that we should need to go to the money market many times during the succeeding 10 years, and that it was the part of every day prud-

ence to arrange for our financing on that basis. But instead of renewing the loan of 1874 for a long period, this government went into the market with a light heart and made a renewal for three years. Our three per cent stock was quoted on the London market at 96 for the first week in March, 1904, and there were falling due £4,300,000 on the 1st of April, 1904. I claim that at that time, knowing what was ahead of them in the way of loans falling due, and a vast expense on the Grand Trunk Pacific, this government ought to have provided for a long loan to cover those falling due. Did the government do so? No, they extended £2,500,000 for three years at four per cent. In consequence, this renewed loan fell due again in the year 1907, and thereupon the government again extended the bulk of it at four per cent, although our 3½ per cents were worth over par, and our three per cents 99 in March of that year. It sounds very reasonable to say that we should extend a loan when it was due at the same rate of interest the government had been paying before. But when we begin to look into the expense we begin to question the wisdom of it; for these two extensions of the same loan involved an expense of over £60,000. Making the first renewal cost the people of this country 4·55 per cent, and the second renewal 4·45 pen cent. Why should Canada, this great and growing country, be forced to borrow money at such a cost when it could have obtained it in normal times, such as there were in 1904 and 1907, on more favourable terms. It seems to me that making a short loan in the spring of 1907 shows a great lack of foresight on the part of my hon. friend the Finance Minister. Not only was our loan made at a high rate of 4½ per cent interest, but it has again to be renewed in 1911, when we shall have another large sum to pay for expenses.

In this connection, I would say a few words with reference to the temporary loans which were made by this government between March, 1907, and March, 1908. At a time when, as we know, there was a stringency in the money market, and when I claim the government should have had foresight to provide against it, they borrowed $9,000,000 at 4¼ and 4½ per cent interest, which of course is to be added to the amount of the loan of 1874, which they had renewed, to which I have already referred. Why should this government have pursued such a short-sighted policy? Were they the only people in this country who did not realize that we were going to have hard times? I am safe in saying that as early as the fall of 1906 it was evident that a financial pinch was coming, and every bank in this country was doing everything in its power to get into good shape to stand the storm. Instead of making a long loan in the spring of 1907, this government extended the old loan for a short time at a heavy expense, and left themselves short of money later on in the year, so that when they wanted to extend some help to move the crops in the Northwest they had to break through the legal reserve. How different would have been the position in the fall of 1907 and the winter of 1907-8 if this government had realized the situation in the spring of 1907 and had borrowed a large amount of money. They would have been in a position to help the finances of this country in the fall instead of having to resort to temporary loans at high rates of interest to tide over the emergency. This happened, although the government had plenty of warning. The gentleman who was deputy finance minister for many years, to his credit and to the benefit of the country, made his last report for the department on October 31, 1906, and in that report he delivered a grave warning to the government, for he said :

> The Dominion has now fairly entered upon the period when loans contracted in its early history are falling due year by year. In the last fiscal year £1,000,000 4 per cent loan of 1875 fell due on November 1, 1905. On November 1, 1906 £2,500,000 falls due. On May 1, 1907, the portion of the 1874 loan extended in 1904, amounting to £1,926,654 15s. 11d. matures, and in each year until 1910 large sums will have to be redeemed or refunded.

Now mark this final sentence:

> To carry on the large projects now under way, and at the same time meet maturing obligations, will require the greatest care in order that the credit of Canada, now so deservedly high, may suffer no impairment.

That is a statement made by Mr. J. M. Courtenay, than whom no one in this country is better fitted to give advice in a matter of that kind. I say this government were derelict in their duty when they did not provide beforehand for a long term loan for this storm which they must have known was coming. Now, with reference to the comparative cost of these long and short term loans, I have asked for the figures with regard to the £5,000,000 loan of 3¾ per cent of 1908, the short term loan, and with regard to the £5,000,000 of 3½ per cent, the long October loan. The short loans cost this government $403,560 in expenses and the loan for twenty-one and a half years only cost $585,152, so that the expense of the long loan is very much less in proportion. I have prepared a statement showing in detail the comparative expenses of the loans from 1888 to 1909. The statement is as follows:

—	Years.	Annual effective rate of interest per unit.	Percentage of expenses to net amount realized.	Percentage of expenses for each year of the loan on net amount realized.
Loan of 1888.....	50	·0327	1·78	·0356
" 1892.....	46	·0341	1·51	·0328
" 1894.....	43¾	·0316	1·13	·0258
" 1897.....	50	·0286	1·22	·0244
Extension of 1904.	3	·0455	1·33	·4433
" 1907.	4	·0445	1·46	·3650
Loan of 1907....	4½	0479	1·96	·4355
* " Feb. 1908.	22	·0370	2·49	·1132
" June 1908.	4	·0430	1·66	·4150
* " Oct. 1908.	21½	·0378	2·40	·1116
" 1909.	5–10	·0412	not given.	not given.

*Loans of 1930–50 calculated to 1930 only.

The point which I wish to make is that the percentage of expense for each year of loan varies materially and is an item of very great consequence. For instance, the loan of last June cost, for each year of the loan, ·4150 and the 1894 loan, negotiated in the time of the Conservative government, cost ·0258 for each year. In other words, the loan of last year cost 4½-100ths of one per cent for each year, whereas, the Conservative loan only cost 2½-100ths. These short time loans are very expensive and unless there is some material gain it seems to me that it is very bad policy to borrow money in this way. I challenge the wisdom of the making of short loans, particularly those short loans which were made in normal times for the renewal of old loans and just previous to the panic years which should have been foreseen by this government and provided for. I ask: Did this government really believe that $13,000,000 was going to build the Grand Trunk Pacific Railway? Is that the reason why they renewed these loans for a short time? Did they believe that the ordinary revenue would be sufficient to build the Grand Trunk Pacific? That was the statement made in 1903. When we speak of it in this House they challenge it and say that it is not what they really meant. But their actions in 1904 and 1907 in renewing these old loans for short dates and making no provision for them would indicate that they really believed that they were going to build the road for $13,000,000.

I will call attention shortly to the prices of our securities on the London Stock Exchange in 1897, 1904 and 1909. These prices were taken from the London 'Economist.' I may say that in all cases I have taken half way between the buying and selling price for my figures. The statement is as follows:

QUOTATION IN LONDON MARKET.

—	—	Apr. 10 1897.	Apr. 9, 1904.	Apr. 10, 1909.	Difference between 1897 & 1909.
Canada Insc. Stock.	3½%	108	101	100½	— 7½
" " 1938.	3%	104	95	93½	— 10½
" " 1947.	2½%	*91½	86	80	— 11½

* Price realized at time of issue.

In other words, the 3½ per cent stock has fallen 7½ per cent, the 3 per cent stock has fallen 10½ per cent and the 2½ per cent stock has fallen 11½ per cent since 1897. Of course we all know that securities of this class have fallen in value all the world over in recent years, but I cannot agree with the hon Finance Minister that the drop in the value of these stocks is entirely due to these causes. I have prepared a comparative statement of the prices of the various colonial 3 per cent stocks which seems to me to show conclusively the position of this matter. I have taken the date, March 5, 1904, which was immediately before this government made its first renewal loan; I have taken the date, October 19, 1907, which was at the height of the panic and I have taken the last number of the 'Economist,' April 10, 1909. I have here a statement of all the colonial 3 per cent stocks. It is as follows:

LONDON MARKET QUOTATIONS AS GIVEN BY LONDON 'ECONOMIST'.

—		March 5, 1904.	October 19, 1907.	April 10, 1909.	Difference between Oct. 19, '07 and Apr. 10, '09.
Canada Insc. stock, 1938	3 p.c.	96	97	93½	— 3½
New South Wales " 1935	3 "	84	85	87 13/16	+ 2 13/16
New Zealand " 1945	3 "	87	85	87	+ 2
Queensland stock, 1922-47	3 "	86	85½	86	+ ½
South Australia stock after 1916	3 "	86	85	85	
Western Australia stock, 1927	3 "	87	86	89½	+ 3½

The only 3 per cent stock which has fallen since the panic is the Canadian 3 per cent. South Australian 3 per cent stock is the same and the others have increased in value from ½ to 3½ points. The Canadian 3 per cent stock is now 3½ points lower than it

was in October, 1907. This I give in answer to the Finance Minister, who spoke about the bonds of the Metropolitan County Council in London, which, I understand, have fallen for very special reasons on account of their spending a lot of money in useless and extravagant ways, which expenditure has made no return to the people. But, I claim that this comparative statement of the 3 per cent colonial stocks is as fair as any man could make and shows conclusively that the values of our securities have fallen on the London market. Although I have considered it my duty to bring these figures to the attention of the House, I wish to say right here that this drop in the price of our stock is in no way due to any lack of security. No one has more implicit confidence in the future of this country than I have. The Conservative party has always been the optimistic party and always will be. I am proud to say that Canada will be able to pay every cent she may owe and even an incompetent government cannot spoil our great future. The holders of our securities are just as sure to be paid as ever and none of them need have a moment's anxiety on that account. I say this that for fear my statement about the reduced price of these securities may be taken as an expression of belief that they are worth less money. They are perfectly good and the poor prices are caused chiefly by putting on the London money market such a large mass of undigested securities in a short time. Inside of a year this government borrowed £19,000,000 in London and the probability is that we will have to go back there for as much more during the next two years to pay for our loans falling due and for the vast expense of this Grand Trunk Pacific system.

I wish to say a few words regarding the loan made last January. As the Minister of Finance explained yesterday, there was some slowness in taking up our 3½ per cent loans in October, 1908. Therefore he raised the rate to 3¾ per cent for this additional loan and issued the bonds at 99¼, and besides he provided for small bonds as low as £10 so as to attract the small investor. In addition to that, however, he inserted in this new issue a provision which to my mind has worked a lot of harm, not only to ourselves but to our good friends who bought our securities years ago. In this last issue in January the right was given to the holders of these 3¾ bonds at any time up to 1913 to take £110 of our 3 per cent debentures in exchange for every £100 of 3¾ per cent debentures. Why that was done I cannot imagine. The minister did not refer to it yesterday, did not give any explanation of it, and I have been unable to imagine any proper explanation. For years it has been our policy to allow the holders of 4 per cent bonds or debentures to exchange them for 3 per cent debentures on a certain basis which was a very good arrangement because it was practically an extension for a long time at three per cent. Previous to 1908 these holders of 4 per cent bonds had the right to exchange them for 3 per cents at the rate of £105 of 3 per cents for £100 of 4 per cents and in 1908 when the 3¾ per cent issue was made the right was given to the holders to exchange their bonds for 3 per cents at the rate of £106 of 3 per cents for every £100 of 3¾ per cents. This was a reasonable arrangement and tallied very well with the price of securities in the London money market. But in order to make sure that our loan would go in January, the minister, very improperly, I contend, changed that and allowed the holders of the new securities to take 3 per cents at the rate of £110 of 3 per cents for every £100 of 3¾ per cents. The result was easily foreseen, the prices of the old 3 per cents dropped just like a rock owing to the price at which this new issue was put on the market, and because the holders of these 3¾ per cents could buy the bonds at 99¼ and then could exchange them for 3 per cents at the rate of £110 of 3 per cents for every £100 of 3¾ per cent. The result was that our 3 per cent stock, which was selling on January 23, when the notice of the new loan was given at 93½, fell on January 30 to 90. To my mind it would have been far better for this government to have placed on the money market at that time a 3 per cent loan even at a discount, and at a price such as was going on the market at that time, than to have placed on the market this loan at 3¾ per cent which runs for only a comparatively short time anyway and which had the effect of damaging the price of our 3 per cent securities so severely. The present unpleasant situation of our finances is not a matter of surprise, as I have already said. The late deputy Minister of Finance, Mr. Courtney, warned this government of it and the Conservative members for several years have been telling the Finance Minister what he might expect. This government had a wonderful chance to go down to history as a wise and capable government. It came into power in 1896 after years of economical administration by the Conservative party which laid the foundations of our great prosperity. The revenues after that expanded by leaps and bounds, and I can say truthfully that without any trouble this government could have taken $10,000,000 or $15,000,000 a year to pay off part of our debt. Instead of that they seem to have been in a mad race to get rid of the money by reckless expenditure in every department. These unwise men seemed to think that nothing could happen to check

our revenues, and the Minister of Finance himself was either unwilling or unable to stop the mal-administration and the wasteful extravagance which went on all over this country. I claim, Sir, that ordinary prudence would have provided in years of plenty, in years of expanding revenue, for the needs of the future. But instead of that, this country was allowed to drift into the unpleasant position of having to borrow large sums of money within a short period, when market conditions were very unfavourable.

This Dominion of Canada, as has been stated before, is really a monster joint stock company. Every four or five years we have an election at which the members of this House are elected. We thereby become the directors of this joint stock company and the members of the government are the executive committee of its board of directors. Every citizen is interested in the welfare and contributes to the revenue of this joint stock company in proportion to his means, and every person hopes to benefit in a greater or less degree by the wise expenditure of the revenues of this country. I say, Sir, the people care little whether we have surpluses or deficits, the people care whether our money is seriously and economically expended and expended for works that are in the public interest, and we should strive to have a good business administration. I must say that we do not seem to be getting such administration under the present government. For instance, can it be said that the method of financing which I have been criticising shows any great business capacity on the part of this government? Perhaps, however, it is all we have a right to expect from a government which plunged into the Transcontinental Railway scheme without proper information regarding the cost of the work or the country through which this road was to go. The Finance Minister in 1903 said that the eastern division from Winnipeg to Moncton was going to be built for $51,300,000 and now the Minister of Railways puts it at $114,000,000, besides the Quebec and Winnipeg terminals and the Quebec bridge. This total undertaking will require from Canada, in money and in guarantees, from $250,000,000 to $300,000,000, although we were told in the election campaign of 1904 in the campaign literature of the Liberal party that the whole work was to cost the country only $13,000,000.

The hon. member for North Essex (Mr. Sutherland) told us that the Transcontinental Railway scheme had been endorsed by the people in 1904, and re-endorsed by them in 1908. Does the hon. gentleman think that the people of Canada would have endorsed the scheme in 1904 if they had been informed by the government as to its real cost and the burdens it entailed by way of guarantees? Does he not think rather, that the people of Canada were deceived by this government into voting for the project because of the inaccurate statements made as to its true cost? It seems to me that this government has in many ways shown its incapacity to properly manage our affairs in a business way. One sample of this may be found in the fact as we had it brought out the other day that the government buys belting from Lymburner Limited and pays for it $831.68, when any wise business man in the country could have purchased the same belting for $293.41. It has also been proven beyond doubt that just before elections the government has suddenly increased the cost of various services and bearing on that point I have here a copy of a return brought down in the House of Commons giving the total number of men employed and the total expenditure of all kinds on the Carillon and Grenville canal during the months of September and October 1907 and 1908, which shows the following:

	1907.		1908.	
	September.	October.	September.	October.
Number of men	63	85	97	122
	$ cts.	$ cts.	$ cts.	$ cts.
Wages	2,929.94	3,291.90	3,816.87	4,511.11
Accounts	1,226.97	1,327.43	1,958.66	5,438.83
	4,156.91	4,619.33	5,775.53	10,249.94

We have reason to believe that the same thing is characteristic of the management of other public works in the country and I merely mention this because the canal happens to be in my own county. There are many other evidences of the busi-

ness incapacity of the government; wharfs have been built where there was no water and public works constructed where they were not needed except to influence voters. I appeal to you, Mr. Speaker, as a fair minded man whether you consider that this sort of expenditure for election purposes is a sign of business capacity in the government. I need not refer to the Newmarket canal in connection with which the government has shown its business incapacity in more ways than one. In the first place, that canal will not be of any use, as everybody knows, when it is completed, and in the second place the original estimate given as to its cost was misleading and erroneous. This Newmarket ditch which was at first estimated by the government to cost $300,000 is now estimated by them to cost $1,000,000 and I was told yesterday by a person who knows a good deal about it that the ultimate cost will be nearer one and a quarter million dollars. The business incapacity of the government is shown in small things as in great. The other day we had it in the Public Accounts Committee that when the government needed two crosscut saws they rented them for 100 days at a cost of $20 when they could have gone to any shop and bought them for $6 or $7. This extravagance and wastefulness and lack of business capacity permeates the whole system of this government. I venture to say, Sir, that no private company would retain the services of a board of directors for one hour which permitted such gross carelessness and extravagance. I believe, Sir, that we cannot hope for Canada to become a strong country and to take her proper rank among the nations of the world until the people find some way to have public affairs conducted on business principles.

Mr. LLOYD HARRIS (Brantford). Mr. Speaker, at the very outset of the few remarks which I shall address to the House, let me congratulate the right hon. the Prime Minister and through him the people of Canada on the splendid showing which, the distinguished Minister of Finance has been able to present to parliament in his annual financial statement. We Canadians have much to be thankful for. During the past eighteen or twenty months our country, in common with other countries throughout the world, has passed through a period of very great financial stringency, which, so to speak, came on us entirely unawares and severely tested our capacity to withstand the shock. We have to congratulate ourselves that Canada, far better than any other nation, has passed through the ordeal with her resources unimpaired and her progress unchecked. From personal experience I have found that the conditions prevalent in the United States are not at all so favourable as those in Canada. I have visited Europe, and my experience there has been that trade is more stagnant, and that the period of industrial and financial depression has left a more lasting mark on the older nations than on our own young and vigourous Dominion. Notwithstanding the sudden check in our trade and the decreased demand for our products, I believe we can look back over the past eighteen months with a feeling of pride in that Canada has so creditably weathered the storm. It became necessary of course that there should be a period of retrenchment, and our people and our government had the courage to meet the critical conditions which faced them. I believe, Sir, that a check such as we have met with will in the end innure to the improvement of our national life and character. For years prosperity attended on us, our country was going ahead by leaps and bounds, there was unprecedented development, population was pouring into our land with its consequent increase in national wealth, and I fear we began to think only of how to make money and how to get rich. During the period we have passed through, we have had the opportunity of pausing for a time and looking the situation in the face, and looking back upon what we have passed through and determining what we have lost. We have been in the position of taking stock as it were, and the result of our experience, I think, will be for our good. As with individuals, so it is with governments. When a period of financial stringency occurs, it is necessary that governments should realize the conditions and meet them; and I am glad to say that the present government has met the conditions as they arose. They determined it was necessary to make retrenchments and have made them. An attempt has been made to criticise the statement presented by the hon. the Finance Minister, but taking the debate all through, hon. gentlemen opposite appear to have been fairly well satisfied with the budget as presented. I was very much interested in reading the account of the debates yesterday in that very fair newspaper, the Ottawa 'Citizen,' which can hardly be accused of being a supporter at all of the present administration, and I was greatly interested in reading the editorial in that journal. In that editorial I read these words:

> To be sure, considering the period of stringency through which the world has passed, Canada has come out of it very well.

In another part of the article I find these words:

> But considering the bad debt represented by $6,424,000 on the Quebec bridge and the heavy expenditure on the National Transcontinental Railway, the showing is very fair.

I am glad indeed when I find a newspaper offering an independent and fair

criticism upon the acts of this or any other government; and when I see remarks of that kind, I am always pleased to express my appreciation of them.

I was very much surprised yesterday, when the hon. member for North Toronto (Mr. Foster) was replying to the Minister of Finance, to hear him make the first candid admission I ever heard him give utterance to in this House. Shortly after rising to his feet, he made the candid statement that the speech of the Finance Minister had had a soporific effect upon him. As I understand the word 'soporific' it means something soothing or putting to sleep, and just for one minute, if I may descend to the language of the ring, I might draw the conclusion that the effect of the budget speech on the hon. gentleman was to put him out of business. This perhaps, Mr. Speaker, was the cause of his laboured efforts in getting properly started and of the great relief to himself and of all the other hon. members of this House when he suggested that the debate should be adjourned 15 minutes earlier than usual before recess. After dinner however, the hon. gentleman appeared to have secured the necessary stimulant.

Mr. FOSTER. Be careful of rule 19.

Mr. LLOYD HARRIS. Then, Mr. Speaker, with your permission, I will change that expression and make it 'stimulus.' In getting started at eight o'clock, the hon. gentleman was evidently going stronger. Something evidently had occurred in the meantime. But in listening attentively to his speech, I was seized by the strange suspicion that the remarks he was making were very familiar to my ear. I therefore made it a point this morning to look up the records of 'Hansard,' and in doing so I came across one of the speeches which the hon. gentleman delivered in this House shortly before the end of last session, and which was used, without very telling effect, by his party in the campaign which followed. I was a little surprised to find that the hon. gentleman yesterday had given us a rehash of his old speech; but I presume it was rather difficult for him to get his bearings in the debate, and I wondered what he actually expected when the Minister of Finance brought down his budget. No doubt he expected a break in the long series of surpluses which the hon. minister has been able to present to this House for the last 12 years, and felt that the opportunity, for which he had waited so long and at times so impatiently, had come at last, and he would be in a position of criticising a budget which showed an actual deficit. I can therefore imagine his disappointment when he found that instead of an actual deficit we were presented with the same old budget and the same old actual surplus. For the moment he had my sincere sympathy, but for the moment only, because when he began to criticise, the spirit he exhibited caused my sympathy to vanish.

I do not intend to refer at much length to the speech made by the hon. member for North Toronto (Mr. Foster) as it has already been so ably and effectively dealt with by my hon. friend from Essex (Mr. Sutherland), but I would like to touch just upon a few points. In comparing the government methods of doing business, with that followed by individuals, the hon. member for North Toronto said:

> Now, a business man, restrained by business instincts, on what methods will he carry on his business? Well, he would in the first place ponder very deeply before he makes any heavy expenditure, but the government makes the outlay first and ponders on it afterwards. A business man will sit down and count the cost to see whether he can afford it before he undertakes the expenditure, but the government makes the expenditure first and counts the cost afterwards.

Is this a fair statement of the actual facts? I have had but a very short experience in this House, but that experience leads me to believe that the reverse is the case. I do not think that there is any important business undertaken by the government which is not carefully considered, not only for days and weeks, but for months, and sometimes for years. When a large government undertaking is under consideration it is not decided upon in the course of a day or two. Sometimes it may be under consideration three or four years. I think that the individual or the corporation acts more quickly in large undertakings. It seems to me that, in making that statement, the hon. gentleman was not referring to this government. You will notice that the hon. gentleman says 'the government' makes the outlay first and does the pondering afterwards. I think he must have had in mind a government in which he would have the controlling interest, and I wondered whether this was his idea of doing government business. I find it reported during the last campaign that, on a certain occasion when the hon. gentleman was addressing a meeting of electors of Prince Edward Island, he made the statement that, in the event of his party being placed in power, he would be willing to use his best influence towards the construction of a tunnel from the mainland to the island. This seems to have been a notable case of making a promise without giving much consideration beforehand. The present government has given full consideration to every large and important work it has undertaken before going into it.

The hon. gentleman (Mr. Foster) criticises the Finance Minister on his method of placing loans on the English market, especially he finds fault with the use of underwriters in placing our loans. Of

course, it must be said for the hon. gentleman that he is living, to some extent, in the past. It is many years since he had an opportunity to negotiate loans in the name of Canada, and conditions in London and the large financial centres of the world have changed very materially since 1896. I may say that I have had some little experience myself in arranging finances in London, and I know that in recent years the only method which is followed in large flotations of any kind is the underwriting method. Is this a better way than to offer our loans directly to the people, or is it not? I consider that it is better. Suppose that you have a loan of £5,000,000 to place in the English market. If you offer the loan through your agents or through the banks to the people of England, perhaps only 40 or 50 per cent of it may be taken up, and you are left with the rest of it on your hands. In most cases, before you try to place a loan of that size you are badly in need of money. With only half of it subscribed, the loan is looked upon as a failure. But with the underwriting system a group of men band themselves together who agree to take the entire amount of the flotation in question, and for the service they render they charge a small commission which is agreed upon beforehand. In this way the party seeking the money is assured of the success of the loan. I think that is a proper and businesslike method of arranging these matters. While conditions have changed in the last twelve or thirteen years, and while the hon. gentleman does not seem to know of these changes, I think that other hon. gentlemen in the House will agree that the placing of the loans of this government on the London market has been handled in a businesslike and masterly manner.

The hon. gentleman makes this statement as to the Minister of Finance:

> The minister also takes some rank as scalping the thrifty depositor of this country of part of their interest on their deposits.

I wonder what the hon. gentleman meant by that? What impression did he seek to leave on the minds of members of this House and of the people of Canada generally? I think that 'scalping the thrifty depositors of this country' is hardly a term that should be applied to any hon. member of this House charged with the management of the country's financial affairs. So far as the depositors are concerned, I may mention that, in reading 'Hansard' of March 27, 1894, I find this report of a speech made by the hon. member for North Toronto (Mr. Foster), who was then Minister of Finance of the late government:

> On the 30th June, 1889, we had a balance of deposits in the government savings banks, including the post office, of $42,956,357. About that time, as hon. gentlemen will remember, the rate of interest was lowered from 4 per cent to 3½ per cent. For that and other reasons, the deposits ran down until on 30th June, 1891, they had touched $39,400,026.

It strikes me that if there has ever been any 'scalping' done by any Minister of Finance of the depositors in the savings banks the hon. gentleman (Mr. Foster) himself is the only one guilty of that action, for he it was who was a party in reducing the rate of interest to the depositors from 4 to 3½ per cent.

The hon. gentleman paints a lurid picture of the poor Canadian overburdened with taxation. When I heard the remarks of the hon. gentleman I conjured up in my mind the conditions that must exist in our Canadian cities, towns and villages, and throughout the country generally. I could see the poor Canadian staggering along, looking after his work day by day, bearing upon his back this immense load of taxation which was pictured by the hon. member. But in the same breath the hon. gentleman goes on to say:

> The Finance Minister spoke this afternoon of 70,000 immigrants from the United States going up into our new lands. These men, with those who come from other countries, are the people who with dollar wheat—to my mind never to return to the old rate—raising their productive harvest in the great west and putting it into and vivifying every artery of industry and of commerce in this country are its greatest hope.

What has made it possible for these immigrants to come into this country and produce dollar wheat?

Mr. HENDERSON. The Canadian Pacific Railway.

Mr. HARRIS. I quite admit that the answer given by the hon. gentleman (Mr. Henderson) gives one of the reasons why we see this result — but only one. The Canadian Pacific Railway has been one of the greatest instruments for the development of this country. But we have found it necessary to provide other facilities for transportation. We have a country which is capable of sustaining a population of 25 or 30 millions, perhaps even 50 millions, but without transportation facilities it would be impossible for us to take care of any such population. People are now coming into the country because the government has wisely, in my opinion, expended vast sums on transportation facilities, with the result that the people are attracted here, and they can produce wheat and get a dollar a bushel for it, whereas twelve or thirteen years ago they could only get 60 cents a bushel.

The question of taxation has been very fully dealt with by the hon. the Minister of Finance, and also by my hon. friend from North Essex (Mr. Sutherland), and I have

only a few words to say in addition. Is it better to have 7,000,000 people in this country with a net debt per head of $45, or 5,000,000, with a net debt per head of $50? I say, let the government go on with their policy of reducing the debt by $5 per head for every 2,000,000 increase in population. This is good business policy, and I think the people of Canada will consider it so.

The hon. gentleman groans in agony over the enormous borrowings we have had to make. He quotes, and unhappily for him, I think, from Mr. E. R. Wood's pamphlet published a short time ago, showing the amount of borrowings Canada has been able to make in the old country; but in referring to those figures the hon. gentleman has attempted, I think, to leave the impression that these borrowings on the part of Canada were something to be deplored. Now, I know Mr. Wood intimately, and I look upon him as one of the most brilliant financiers in this country. I have read the article referred to with a great deal of interest, and I happen to know that Mr. Wood's object in publishing that pamphlet was not to create the impression that it was an evil policy for us as a country to make these enormous borrowings, but his object was to inform the people of Canada that the conditions at the present time are very different from what they were 12 or 15 years ago, and that it is possible, in view of our improved credit and increased resources and wealth, to make such borrowings in the old country on favourable terms. I may say that the money we have borrowed is all used in the further development of the country, and I cannot see how the hon. gentleman can get much satisfaction from that source. Now what was this money used for which is borrowed by the Dominion and provincial governments? This money we must have in connection with the operation of our government, this money we must get at the cheapest possible rate, and if we must have it, we should try and get it in the best markets of the world where we can get money the cheapest. What do municipalities want this money for? Let me say that there has been a tremendous change in the condition of the municipalities throughout Canada in recent years. At one time, people living in the smaller towns and villages were content to live under primitive conditions; in fact they had no choice, because they had not the necessary wealth to improve their conditions. But times have changed, and at present people living in the municipalities are able to pay for public utilities, they are able to provide waterworks, electric lighting, paving, and other improvements which are enjoyed by the people living in large cities. The reason they demand these luxuries is that they are in a position to pay for them. Many hon. gentlemen can remember the time when in a great many towns and villages in the province of Ontario, with which I am better acquainted than the other provinces, did not want the pavement on their streets and were quite satisfied to do without them; indeed in some of their streets the grass was growing in those days. Now the people of towns and cities are in a different position entirely. They have a larger population, they have increased industries, they have a more extensive commerce, they have greater wealth, and consequently they demand more public utilities and luxuries in conformity with their advancement. Yet the hon. gentleman from North Toronto deplores the fact that these municipalities should enter the money market and borrow money to provide for themselves these utilities and luxuries, although they are able to borrow the money at a low rate of interest, which they can well afford to pay. Take our corporations. They have borrowed $301,700,000 in the past five years. Yet the hon. gentleman deplores the fact that this vast sum of money has come into the country and that we have to pay interest on it, which interest goes out of the country. What is that money doing while we have it? We are borrowing money in the old country at 4, 4½ or 5 per cent, rates which any corporation or municipality has to pay. If they are not in a position to make 7½, 8, 10 or in some cases 15 per cent, yet they are able to make enough to pay them for their outlay. The more money we can borrow at a reasonable rate, a rate which we can afford to pay, the more rapid will be our development, and we ought all to have but one aim, and that is to develop the natural resources of our country.

Now the hon. member for North Toronto called the Finance Minister a great many names; in fact I do not think I ever heard a speech containing so many epithets hurled at another gentleman as the speech of the hon. member for North Toronto. He says that the Minister of Finance is the champion of nearly everything. I think he ought to specify particularly the one title which he should bestow upon the Finance Minister. The one title which he did not specify is the one that I believe he should have specified. I think the hon. gentleman should have been broad enough in his criticism to have added to the many titles which he conferred upon the Minister of Finance that of champion producer of surpluses. I believe the Minister of Finance has a perfect right to this title. Perhaps we could arrange a saw-off and allow the hon. member for North Toronto to take any title that we can agree upon. Probably he would like the title of champion producer of deficits. Or, he might like the title of the champion pro-

phet because, at the end of his remarks, he prophesied exactly what my hon. friend the Minister of Finance will have before him for the next four or five years. I do not think anybody will take seriously the prophecies which he has given to us, but I think it is just as well that these prophecies should be on record, as, no doubt, they will be, for the reason that at some future time they may be very useful to us on the floor of this House.

I listened with a great deal of interest to the remarks which were made by the hon. member for North Toronto, although I cannot say I got a very great deal of information which was of use to me. One remarkable fact about his speech was that after speaking for three solid hours he had no suggestions and no policy to offer on behalf of the Conservative party or on behalf of hon. gentlemen on the other side of this House. Surely, if things in this country are as bad as hon. gentlemen opposite are trying to make them appear, it is only reasonable to expect that we should have some suggestions from them whereby things might be improved and by reason of which we could take into our serious consideration the stoppage at the present time of this mad rush to disaster which is predicted. But, in all the speeches which have been made in connection with the budget, there have been no suggestions of any kind. I do not believe that the Conservative party have any policy. They did not have any policy to offer the people of the country on the occasion of the last elections, and I have not heard that they have had any policy to offer from the other side of the House.

I want to deal very briefly with the remarks which were made to-day by the hon. member for Argenteuil (Mr. Perley). I must confess I found the hon. gentleman very difficult to follow, but, after the first part of his speech was finished, I was very glad that the summing up was entirely satisfactory. The hon. gentleman went on to state that our loans and our finances generally were in a very bad condition, that they were badly handled, and he wound up by saying that he admitted that it is not important whether we have deficits or surpluses, but it is important to know that our expenditures are wisely made. I quite agree with the summing up of the hon. gentlemen in this respect. I do not think it is very important whether this government have large surpluses or large deficits. As long as the money is properly and wisely used in the development of our country and its resources we should go on spending, having entire confidence in the country.

Mr. GEO. TAYLOR. What about 5-inch belting at $2.12 a foot?

Mr. HARRIS. I think that before answering that question it is in order for the hon. gentleman to make some explanation of the statement he made in the House recently about ladies' blouses.

Mr. GEO. TAYLOR. They are all right too.

Mr. FIELDING. My hon. friend (Mr. Taylor) said they were all wrong.

Mr. GEO. TAYLOR. No, I did not.

Mr. HARRIS. I think it would only be proper to hear from the hon. gentleman on that point. The hon. member for Argenteuil has criticised the rate of interest paid on some of our loans. Of course, he is a business man and he has had extensive experience in conducting large business operations. He knows that at certain times it is much easier to arrange large loans than it is at other times, and I dare say that in his own experience there have been times when, on looking back, he has found that he could have made very much better arrangements than he did make. I do not think my hon. friend the Minister of Finance claims to be infallible. I believe that that hon. gentleman claims to have the same weaknesses as other men have. But, it is so easy for hon. gentlemen opposite to take certain loans, criticise the way in which they were handled and endeavour to leave the impression that if they had had the handling of them perhaps they might have been able to have secured one-eighth, or one-sixteenth, or one-quarter of one per cent more than has been secured. I do not think that a criticism of that kind is very important and, certainly, I, personally, do not look upon it very seriously. I must admit that I envied the hon. member for Argenteuil the great enthusiasm which prevailed while he was speaking. I think that the enthusiasm on the other side while he was speaking was quite as great as it has been on this side since I have been speaking.

Some hon. MEMBERS. Oh, oh.

Mr. HENDERSON. Cheer up.

Mr. HARRIS. I am afraid that things are inclined to be a little dull and I think we want to get more humour into the situation. I was very pleased to hear the hon. member for Argenteuil say that the Conservative party is an optimistic party. I have had the opposite opinion, and I think I have very good reason to have the opposite opinion because I think a great many of the members of that party who should be optimistic and who should have the fullest possible confidence in the future development of this country have not been of the optimistic variety, but have been what I would term calamity howlers. I do not think there is any place in Canada for pessimism. This must be an optimistic country and I am perfectly willing to join with hon. gentlemen opposite in forming, inside the walls of this House, an association of optimists. We have to be optimists on both sides of the House and we have to have

the fullest possible confidence in Canada. The hon. member for Argenteuil closed his remarks by comparing the government of this country to that of the requirements of a large business concern. This rather startled me for a moment, for the reason that I practically used the same illustration in one of my election speeches last fall. I am not going to charge the hon. gentleman with having copied my speech, because I do not believe he ever saw it. I agree with him in the statement that he made in this connection. We as members of this House are simply the trustees or directors for the people of Canada and our duty is to see that the government of this country is properly carried on, that the taxation and revenues are raised properly and without imposing too great a burden upon any class. We must also see that the expenditures are made wisely, honestly and properly. Of course the results of any business undertaking can only be known by the financial statements which are brought down by the directors at the end of each year. I suppose that that is the only method that we can adopt in getting the results of the operations of our management of this country. Taking that as a basis for arriving at the results, I believe that every hon. member, especially those on this side of the House, will agree with me that the results of our management have been magnificent, that they have been satisfactory not only to the hon. members of this House, but to the people of Canada generally.

I shall not longer detain the House. I am glad indeed to have had an opportunity to make a few remarks on this question. I do not know whether I have added anything of value to the debate but I do hope that I have not said anything not becoming in one who is in every way anxious to uphold the dignity of the House,

Mr. H. B. AMES (St. Antoine, Montreal) Mr. Speaker, it is somewhat unusual for the members of this parliament to have the opportunity of considering in one budget debate the accounts of two complete periods of twelve months and I take it that we are expected for the most part to confine our remarks to an examination and consideration of those figures for the two years which the minister has presented to us. I admit, that for purposes of comparison, we may go back even to confederation if necessary and examine the financial transactions of those who have preceded us, but I take it that our main duty is to deal with the public accounts of the last two years. Those for the year 1907-8 are closed and final. We have the official figures before us in the public accounts. Those for the year 1908-9 are as yet before us only through the estimates of the Finance Minister, but we are quite prepared, I am sure, to accept those figures as he has given them and to base our criticism upon them. While I heartily agree with the hon. member for Brantford (Mr. Harris) in his desire to uphold the dignity and traditions of the House, and while I congratulate the hon. member on the most excellent spirit in which he presented his ideas for our consideration, yet I do not share his opinion that what the Finance Minister presented yesterday was a 'splendid showing.' Those figures, to my mind, disclosed a condition which should call not for rejoicing but for very serious and careful consideration. I do not wish to approach this discussion in any spirit of pessimism. I share the feelings of the hon. member for Brantford (Mr. Harris) that we should not be pessimists; how, in fact, could we be pessimists in this Canada of ours. But I do deny that I am necessarily guilty of pessimism if as a member of the opposition I bring to bear on the statement which the Minister of Finance has presented, a careful scrutiny and if as the result of that examination I find grounds for criticism and for protest. I feel that only when the duty of the opposition is rightly performed can we expect the best results under our system of government.

Our credit, as is admitted by all, is the basis of our hope for future prosperity. We should all be extremely jealous of the financial credit of the Dominion of Canada. If that be in any way injured, or even if its reputation be tarnished, we must expect to suffer seriously in future and it is for that reason that we are justified in looking for such indications, in bringing them to the attention of the government and in asking the ministers to do all they can to keep the credit of Canada at the highest possible level.

When we come to examine these public accounts, the first striking feature, and it cannot escape the most casual observer, is the rapid increase in expenditure which has occurred under this present administration. Go back to the year 1897 and you will find that we were then expending the sum of $43,000,000 per annum. By 1906 this expenditure had doubled, in that year it amounted to $83,250,000. For the last year, 1908-9, which closed a few weeks ago, the total expenditure amounted up to $132,000,000, if I correctly understood the Minister of Finance. That is an expenditure treble what was considered to be sufficient twelve years ago; treble what was denounced as extravagant by the Liberals when they were in opposition prior to 1896. It would seem as though it were absolutely impossible for the Finance Minister and the government to now apply the brakes. Certainly they have found it impossible to apply them during the last few years.

I shall not discuss this much debated question of surpluses. I do not think it necessary to consider all the budget speeches which have been delivered in the last 25 years; all we need are the figures in the public accounts, and there we have no difficulty in finding just the amount of the over-expenditure for every year since confederation. By over-expenditure I mean simply the total amount expended in excess of the total receipts and if we compare our system of accounting with that of Great Britain, the United States, Australia or any other country, that would be the only fair method of reckoning. If we look over the statement of the net difference between receipts and expenditures we find that for 1907-8 we ran behind $14,300,000, and for the year 1908-9, according to the minister's confession of yesterday, we ran behind something over $46,000,000, making for the two years now under consideration a total over-expenditure exceeding $60,000,000. You may take the records of all the years since confederation, you may examine these figures, line upon line, even in the periods of the largest expenditure, and you will never find any two consecutive years that will even approximate the present figures. They are unparalleled, unapproached in the history of Canada. You may add all the over-expenditures of the last 20 years together and they will not equal the over-expenditures of the two years which are now under consideration.

Was this done at a time when the revenues showed indications of increase? quite the reverse. In the years 1907-8 we had a revenue of $96,000,000 and in the year 1908-9 we had a revenue of $84,500,000, and yet the expenditure of the latter year exceeded the expenditure of the former year, large though it was, by twenty million dollars. And the Minister of Finance knew when he came to this House last year to put through that enormous budget under which an expenditure of $132,000,000 has been incurred in the last twelve months, he knew that the revenues were diminishing compared with the previous year. He had the returns before him month after month, and the fact was announced throughout the press that we were certainly destined to have a smaller revenue than we had the year before, and yet he was prepared to ask the House to vote estimates under which $20,000,000 were to be spent in excess of the largest amount ever expended in any single year in the history of Canada. I am reminded of a passage that I read in an interesting book which recently came under my notice, entitled 'Bygone Days', by Mr. Leveson Gower. In that book there is an episode which tells of a society woman of London who was so actively engaged in performing her social duties that she stood in great danger of breaking down, and a friend went to her and said: 'Mrs. X., be careful, you are burning the candle at both ends.' And Mrs. X. instantly replied: 'Oh, and is not that the way to make both ends meet?' I commend that to the Minister of Finance as typical of the manner in which the finances of the country are being managed by him.

A further striking feature that appears to the observer in connection with these accounts, as a necessary consequence of over-expenditure, is the vast increase in the public debt which the figures show. The figures of the gross debt, as near as we can ascertain, have within the past two years increased by $85,000,000; the figures of the net debt which more especially concern us in matters of debate, have increased during these two years by over $60,000,000. That too is an absolutely unprecedented increase in the history of Canadian finance. You can look over the financial history of Canada since confederation, and you will never find two years succeeding one another that approximate that amount of increase. You will find that more has been added to the debt in the last two years than was added during the whole period of twenty years from 1887 to 1907. Think of it, that in two years the debt should be increased by this government to as great an extent as it had been increased in a score of years under both the Liberal and Conservative administrations. And, the Minister of Finance himself admits that we are only entering on this period of vast expenditures. He knows we are only a part way across the river; he knows that the National Transcontinental Railway is as yet not one-third completed and yet $52,000,000 have gone into it; he knows that the prairie section is about to receive a $10,000,000 advance; he knows that the mountain section has hardly been commenced and yet that we must guarantee an amount approximating $50,000,000. The Minister of Finance expects, on his own figures, to add $25,000,000 to the debt in this coming year; he will be very fortunate if he gets off with so small an amount. And, if that be continued for the two succeeding years, as we have every reason to believe it will, then you will find that in the period of five years from 1908 to 1913, (that is to say during the life of this parliament and the year immediately preceding), there will have been added to the debt of this country $135,000,000, a five years' record exceeding that of the entire last quarter of a century. In 1882 the net debt of the country stood at a little over $153,600,000; in 1907 the net debt of the country stood at $263,600,000. There had been an increase during that twenty-five year period of $110,000,000 or $4,400,000 per year. Compare that with the

five year period from 1907 to 1912, and you will find that the debt which stood at $263,600,000 in 1907 will without doubt reach $400,000,000 in 1912. In other words, we shall add in that period of five years $136,000,000, or over $27,000,000 per annum to the debt. No wonder such a record causes all persons who have at heart the interest of Canada, who realize how much unimpaired credit means, and who look forward hopefully to the future; no wonder such a prospect causes them to closely question whether under this government our finances are being properly handled. And, as to our net debt, there is at present at work a committee going over the assets of the Dominion. It is well known that the net debt is arrived at by deducting from the gross debt the recognized assets, and that as these assets shrink the net debt increases by so much. As the committee which I have referred to has not yet reported, I cannot definitely refer to its findings, but I think I am safe in saying that several million dollars will need to be added to the figures of net debt if the report of that committee be what I think it will be.

Then, too, we have not taken into consideration the indirect liabilities which have been incurred by this government, and by indirect liabilities I mean endorsements given by this government. To find the financial standing of a business man you must know not only what his actual debts are but you must also ascertain how many notes there are out across the back of which is his name and which may some day have to be paid by him. And this government in using their endorsing power have created indirect liabilities or contingent liabilities which may at any time be converted into genuine drains upon the public purse. We find that there are railway subsidies in force which aggregate very nearly $6,000,000; we find that the Canadian Northern guarantees amount to $17,250,000; we find that the Grand Trunk Pacific guarantees already issued are for $15,500,000. There we have alone guarantee obligations where the name of the Canadian government is behind the name of a private company to the extent of $38,750,000, and before the Grand Trunk Pacific is completed will not that sum be more than doubled? Therefore, when we speak of the net debt in the figures which we quote today, we must remember that this net debt, by bookkeeping re-arrangements is likely to be increased, and that large indirect obligations need also to be taken account of.

Now, Mr. Speaker, I wish to dwell for a few moments on one of these matters, with respect to which I consider the government is most deserving of criticism, and that is its unpreparedness in connection with the late large drain upon the public exchequer. Glancing over the record of the last few years, do we find that the government have exhibited foresight and wisdom and prudent preparation in getting ready for the strain that was to come? They came into power in 1896. Almost immediately after their advent the revenues of the country began to increase. We find that the total receipts in 1897 were somewhat under $40,000,000, but that by 1903-4 these total receipts had reached $70,000,000 or nearly double, and that by 1907-8 they had reached $96,000,000, or a good deal more than double what they were twelve years before. Now, during that period of rapid expansion in revenue, when money was pouring freely into the treasury of Canada, do we find that the government made any preparation for what was to come? The early administrations, prior to 1896, were hard pressed for money. Year after year, the increases of revenue were very slight and the demands were always increasing. These governments had no such opportunity as this has had during the last ten years. This government has had a rare opportunity, such as comes to nations but once in their national history—an opportunity of putting the finances of the country on the soundest basis, when the expansion of revenue, incident to the development and growth of a new country, came to their relief. Did this administration then make any provision for the future? Just look at the figures. Our net debt in 1896 was $258,500,000. Turn the record over for eight years, and you come to 1904; and looking at the figures for that year, you find that our net debt was practically the same, $260,867,000. During that period our revenues had nearly doubled, yet our net debt remained practically the same. No attempt whatever was made to pay it off or even to reduce it. All the increases in our revenue had been spent as fast as they came in. It was specially unwise for the government to have followed that spendthrift policy at that particular period in Canadian history. There were then certain very large loans about to mature. Those loans had been made from time to time in the earlier days of our history; but it so happened that between 1903 and 1910 a very large portion of our funded debt fell due and needed to be renewed or converted or paid off. The opportunity was at hand for a wise government to take those loans one by one, to convert them, if the money was available at a lower rate, or if not to pay them off and in this way establish the credit of Canada on a lasting basis of the highest and strongest character. The Minister of Finance was perfectly aware of the fact that these loans were falling due. In his budget speech of 1898 he forecasted that contingency. He then said:

> By referring to the public accounts, it will be found that between 1903 and 1910 we shall have loans maturing to the amount of £34,443,136 or $167,622,262. To assist in meeting

the payments of these liabilities, I estimate that we shall have accumulated sinking funds to the value of about $67,000,000, so that we shall have to renew or convert the balance of these maturing loans to the amount of over $100,000,000.

When the Minister of Finance knew that between 1903 and 1910, he had to provide for the re-borrowing, the paying, or the converting of $100,000,000 of maturing loans, should he not have been careful to see that, at least during that period, he would be in the position to say to the lenders: 'Unless you can deal with us on most excellent terms, we will repay your loans.' In this way he would have most effectively established the credit of Canada on the highest basis possible. But he did nothing of the kind.

In 1903-4 this government launched the National Transcontinental proposal. This is not the time to again show how absolutely inadequate was the provision which the government then contemplated making, and how completely astray they were in all the representations they made before this parliament. Suffice it to say that they knew there was an enormous expenditure awaiting them, and that this was to be made in a period concurrent with that in which the $100,000,000 of loans were maturing and had to be met. They persistently underestimated the cost of the road, but still one would have expected them to make some adequate preparation. One would have expected that in 1903,—in the period before the heavy financial operations had begun—they would have begun to accumulate a little and lay aside something in order to have some cash ahead. Look at the bank balances to the credit of the Canadian Pacific Railway. These balances run from fifteen to twenty million dollars every year, so that that company may be in a position independent of the money market should they desire to make extensions at any time. Our Finance Minister, however, did not make any provision whatever, because we find that in 1904-5, after this transcontinental proposition was launched, there was also again an over expenditure of $5,356,448, and in the following year, 1905-6, there was again an over-expenditure of $818,811. So that in 1906, the government found themselves face to face with this transcontinental proposition without having put aside one penny of their abundant revenues in preparation for it. It is hardly necessary that I should repeat the words of my hon. friend from Argenteuil (Mr. Perley) regarding the last message of our former Deputy Minister of Finance, Mr. J. M. Courtney—a man who served his country well and whose financial opinion was always of great value to Canada. But let me just read, even if it be a repetition, the last lines of Mr. Courtney's valedictory :

> To carry on the large projects now under way and at the same time meet maturing obligations, will require the greatest care in order that the credit of Canada, now so deservedly high, may suffer no impairment.

That was written in October, 1906. Mr. Courtney, foreseeing the strain which was approaching, strongly advised that the greatest care should be exercised in order that the credit of Canada might suffer no impairment. And yet there was no retrenchment on the part of the government nor were there any loans floated at a favourable time in advance of the demand, nor were any banking arrangements made or any guarantee obtained that money would be available when required. But apparently without the slightest provision, our Finance Minister went on with his lavish expenditure and without making any preparation to meet what was coming, until the time came when he had to raise the money urgently required. We find that in 1907 the country became plunged somewhat suddenly into a period of financial stringency. My hon. friend from Argenteuil (Mr. Perley) has told us, as a banker, that there were plenty of premonitory symptoms, and that the Finance Minister himself could not have been otherwise than cognizant of the fact that such a financial stringency was approaching. There came a time when long loans were difficult to obtain. What did the government do? They fell helplessly back on their bankers and said to them: 'You have got to carry us.' They got temporary accommodations from their bankers and had to pay for it as people have to pay for things when they are hard up and can only turn to one person for assistance. The government ordinarily carries in cash and on deposit in the banks a sum of from eight to ten million dollars, partly in the banks in England and partly in various banks in Canada. That is not a very large sum, not one-half what is carried by the Canadian Pacific Railway,—that great corporation of which we are so proud. And as the demands on account of the Transcontinental Railway increased from month to month, that balance of ours began to shrink and the credit balance of the government began to fall. I have here a return, sessional paper No. 109a, which gives us the amount of money this government had at its credit as cash available in London and Canada on the last day of each month during the last two years. What does it show ?

We find that, at the end of April, this cash balance was $6,648,744. At the end of May, there was an overdraft in London, and, if you combine that overdraft and the cash balance in Canada, you will find that the government had only $3,745,138 available cash to its credit. Coming to the end of June, this statement shows that the amount had further fallen to $2,786,273.

And, when you come down to the 31st of July, you find that the government of Canada, in England and in the banks of this country, taking all the accounts together had only $995,604 to its credit in available cash. Do you believe, Mr. Speaker, that there has been any time in the history of Canada since confederation when our bank balance was so low? Do you suppose that any of the provinces, unless, possibly, Prince Edward Island, carries a bank balance much less than that? Yet here we find ourselves, this great Dominion of Canada, with only $995,604 for which we can write cheques and draw the money. And even that sum if I am rightly informed, was not all available, because our contracts with some of these banks provide that we must leave minimum balances which cannot be touched ; and therefore it is probable that the government had drawn out practically every available dollar it had to its credit by July 31, 1907. Then, what did they do? They started in to raise money on temporary loans. The history of the temporary loans also shows how hard-up this government must have been during that period. Look back over the history of Canada, and you will find a great many occasions when the Finance Minister could come to this House at the end of the fiscal year and say to the members of parliament : 'Gentlemen, we have not one dollar of temporary loans Of all the years between 1871 and 1884 that was true—not a dollar of temporary loans at the end of the year. Also from 1900 and 1903—four years—the Minister of Finance could meet parliament and say that there were no temporary loans. But what is the record of these last two years which are uow under consideration ? In May June and July, there was no liability. In August a loan of $2,433,000 was made. By January, 1908, temporary borrowings had gone up to $7,300,000. From February to May, 1908, the amount stood at $9,300,000; in June at $18,000,000, where it remained during June and July, going back to $15,600,000 in August, September, October, November and December. I believe that, since the first of the year on one occasion, we had an indebtedness of $20,000,000 on temporary loans—the government owed that amount to its bankers.

Mr. FIELDING. Is the hon. gentleman (Mr. Ames) endeavouring to show that there were not temporary loans in former times? If not, what is the effect of his statement?

Mr. AMES. The hon. minister has only to read my remarks in 'Hansard' to see exactly what I mean.

Mr. FIELDING. I am willing to have it read in the light of my question. I say that there were more temporary loans in a corresponding period in the time of my predecessor than there have been in my day.

Mr. AMES. In reply to that, I would only say to the minister that if he will turn to the Public Accounts, page 23, he will find the amount of temporary loans which successive Finance Ministers have given at the end of the fiscal years for which the budget was presented.

Mr. FIELDING. What difference does it make as to the particular time of the year at which the loan stands?

Mr. AMES. For purposes of comparison, the minister will see. At the present time we have $13,600,000 of temporary loans, and that there are many years in Canadian history when there were no temporary loans.

Mr. FIELDING. If the hon. gentleman (Mr. Ames) will permit me, I can tell him that during the twelve and three-quarter years of my office as Minister of Finance, the temporary loans have amounted to $101,000,000, and, for a corresponding period of my predecessor, they amounted to $136,500,000.

Mr. AMES. It is certainly evident that most of the hon. minister's predecessors were able to right themselves before the end of each fiscal year, which is more than can be said in his case. Now, what do these figures show? These figures show that, during a time of financial stringency, a time for which the Canadian government should have provided large sums on deposit with its bankers so that it could have given a steadying influence to the banking transactions of Canada, of all those who were clamouring for assistance, there was no corporation in the Dominion so insistent as the Canadian government. The figures show that, after a period of unrivalled prosperity, during which this government could have accumulated large sums of money, the government had reached such a stage that its cash balances with all its bankers amounted to less than a million dollars. They show that the government had gone to the Bank of Montreal and other institutions and had succeeded in obtaining sums running up to $20,000,000 as temporary accommodation. And what is the result? Every business man will tell you that in the fall of 1907 and the year 1908, the banks throughout Canada curtailed their credits. Every business man will tell you that, not getting the advances he wanted, he was compelled to diminish the volume of his business. That was the universal experience. Many of the weaker houses were crowded out altogether, and even the largest and strongest houses could not get their accustomed line of credit, and had to be contented with half of it. And what was the result? The volume of production in the country was lessened. The number of persons on the pay-rolls of industry was reduced, and there was idleness to a great extent throughout the coun-

try. And the Minister of Finance knows perfectly well that the drains he made on the Bank of Montreal made it necessary for that institution to say to other customers, 'We cannot deal by you as generously as we would; we have got to see the Dominion of Canada through this——'

Mr. FIELDING. The hon. gentleman (Mr. Ames) says that the Bank of Montreal made that statement. I say it never did.

Mr. AMES. It is hardly to be expected that the Bank of Montreal would officially make that statement. But I do not think the hon. minister (Mr. Fielding) will have much difficulty, if he inquires among the men accustomed to borrow from the Bank of Montreal in Montreal, in satisfying himself that many of them had to take half a loaf because the government insisted on having a full supply.

Mr. FIELDING. The hon. gentleman says that these borrowers had to be satisfied with half a loaf because of the influence of the government. I say he has no warrant for that statement. They may have received only half a loaf, but it was for other reasons.

Mr. AMES. I do not think it requires, before business men, much more than the statement of the proposition that a large customer who ordinarily requires no accommodation required accommodation to the extent of $20,000,000 from the banks—that these banks had to stand behind this heavy customer, the Dominion of Canada—in order to show that the banks were compelled to say 'No,' to less favoured borrowers.

But, ultimately, even the limit of temporary borrowing was reached, the minister was forced into the market to make some long-term loans. It is not altogether well that the Dominion of Canada should be in that position. We ought to be able to choose our time of entering the market. There are periods, I admit, when the market is unfavourable. The Canadian government ought to make enough provision in advance to be able to stay out of the market for a few months if it is unfavourable.

But when the Canadian government reached the point that they had no cash, when they had to borrow more than they had ever borrowed before by temporary loans, then they had to go into the market, whether it was good, bad or indifferent, and float their loans.

The situation has not bettered very much. The minister tried yesterday to make us believe that it had, or would. But look what is ahead of the Finance Minister, and how can he expect much improvement? The Finance Minister has to renew this year, if I rightly read the figures, (beyond the sinking funds that are provided), about $16,000,000 of loans. He has to provide $10,000,000 for the Grand Trunk Pacific and he has to provide about $24,000,000, for the National Transcontinental. There alone you have $60,000,000. Are we to understand that the economies of the minister, which he expects will be rigorously enforced, are going to reduce that to $30,000,000 or $25,000,000? I hardly think so. I hardly believe, in view of the probable revenue of this year that the minister will be in a position to reduce that $60,000,000 to $25,000,000. So taking our previous estimate, which I think is a very moderate one, we would conclude that the minister, during this five year period, will have to add to the debt about $135,000,000, and of that, fully $75,0000 must be borrowed within the next three years. So I cannot see haw we can expect much improvement in the way of more favourable terms when we stand in a penniless condition forced into the market against our will, and compelled to borrow enormous sums every three or four months. Now, this government has already added to the debt $65,500,000. In three years more they will probably add another $75,000,000, or altogether $140,000,000, which they would for purposes of debate like to spread over the whole sixteen years in order to strike an average. So this government which prior to 1896, made protestations of economy, will find themselves at the end of the life of this parliament compelled to confess to the country that they have added fifty per cent to the net debt of Canada. The net debt in 1896 was $258,000,000; in 1909 it is $325,000,000. It will probably be $400,000,000 before we again have a general elections, if this present government continues to the end of its term. Can we expect, in view of all these renewals, of this immense amount of money we require, can we expect that we are going to secure favourable terms? Is this not a sufficient explanation of that significant table which my hon. friend from Argenteuil presented, showing that while all the securities of other British possessions were advancing, those of Canada had declined 3½ per cent?

Now I know that I shall be accused of endeavouring to injure the credit of the Dominion of Canada. The statements which I am endeavouring to make, are, I believe, absolutely true, and if any hon. member on the other side of the House can show that my figures are incorrect, he will do me a favour. But I cannot but believe that the action of this government is injuring our credit, and so believing, can I sit silent in this House and vote for every proposition which this administration brings forward? I do not believe any Finance Minister, or

any government, can take such liberties with our credit as he has taken during the last three years, and expect our financial reputation to remain as high as it has been. Now I propose to show to the minister facts that doubtless he knows full well, though he does not present that side of the shield to the House. I propose to show to the hon. the Finance Minister what to my mind are some of the indications that the reputation of Canada's securities is not what it has been in past years. Take the stock quotations, with which my hon. friend from Argenteuil has dealt to some extent. You can find the full list given each week in the 'Economist,' and I have had it made up for the last ten years. I will omit loans about to mature—of course they are nearly at par—and I will omit loans that have just been made, because they have not been made long enough to allow us to see whether they are rising or falling. Take two typical loans that have been in force for a considerable time. Take first the 3 per cent loan of 1938. Our 3 per cent loan was quoted in 1906 at 98; in 1907 at 96; in 1908 at 95; on the 25th of February 1909, at 90½ and 91½; on the 10th of April, at 92 and 93. So that our 3 per cent securities of 1938 have fallen 6 points since 1906 Now take our 2½ per cent securities due in 1947. In 1906 they stood at 85; in 1907 at 80; and they touched as low as 78 in 1908. They stood between 80 and 82 on the 25th of February, 1909, they stood at 79 to 81 on March 27, 1909. They now stand, on the 10th of April, at 79 to 81, 5 points of a decline since 1906. Now I do not profess to be able to give an opinion that would be regarded in banking circles as of much value, regarding our Canadian securities. But I would like again to read for another purpose the extract which I took from 'The Money Market Review' of the 6th March, 1909, describing the annual meting of the Bank of British North America, and giving the words of the chairman, Mr. C. W. Tompkinson, when speaking of the past year's business in Canada. Mr. Tompkinson said:

> Turning now to the credit side, cash and specie show a diminution of £91,242, while cash at call and short notice are also down £187,145. Investments, so far as our British government securities are concerned, show no change,——

The hon. the Finance Minister likes to quote consols to us as falling.

Mr. FIELDING. Does my hon. friend say that consols have not been falling, that they have not fallen as low as 80 at one time?

Mr. AMES. The hon. gentleman knows perfectly well the fluctuation of consols, but I notice here that a bank manager does not consider it necessary to write down consols.

> —but we have increased our holding of Dominion of Canada bonds by £38,000, and, as stated in our report of June 30 last, we have written down our total holding from 97 to 95.

Consols they do not write down, Canadian securities they write down from 97 to 95.

> These bonds are, as you are well aware, necessary for the securing of our note issue when it exceeds a certain limit, and, in view of this fact, it seemed advisable to increase our holdings to a moderate extent. Since December 31 a further fall, we regret to say, has occurred in Canadian government securities, due principally to the issue of the late big loans, which gave investors more favourable terms than were afforded by the older issues, and it is likely that, should not recovery occur, we shall have to devote still further sums to writing off their depreciation in value.

A pleasant prospect is it not, to feel that a bank manager has found it necessary to write down Canadian securities by 2 points as a result of the year's business, and looks forward to having to write them down still further?

Mr. FIELDING. That depends entirely on the money market.

Mr. AMES. Now that Canada's credit has suffered as shown by the——

Mr. FIELDING. I dispute that with my hon. friend. I say that Canada's credit has improved.

Mr. AMES. I am willing to admit that the Finance Minister cannot agree with me upon this important matter nor I with him. But to my mind there are indications which tend to prove that the credit of Canada, under his management, has suffered and is suffering. Take, for example, the advanced price that we have to pay for money. As is well known our loans are of three kinds—temporary loans, short term loans and long term loans. Take, for example, the temporary loans and see what we have been paying for money during the last two years. During the calendar year 1907 we never paid less than 4½ per cent. During the first six months of 1908 the usual rate was 4½ per cent and never went below 4. In June, 1908, the minister managed to make two small loans, one for 20,000,000 francs at 3¾ per cent for one year, another for £1,000,000 at 3½ per cent for one year, but the remainder of the hugh temporary indebtedness was upon the books at from 4 to 4½ per cent. Yet we find that the Bank of England rate during 1908 was down to 3 per cent and is now down to 2½ per cent, below which it never goes. Examine too the loans for which we issued securities only two of which were for more than ten years. We have made seven loan flotations in the

last two years, 1907-1909, and of these seven loan flotations two are for long terms, or to 1930-1950, four are for short terms and one for an intermediate term of ten years. Short term loans were mostly renewals and they were extremely costly. The loan of 1874 which fell due in 1904 and which was extended to 1907 cost us 4½ per cent. When that renewal expired in 1907 it was extended in part for ten years and cost us a shade under 4½ per cent. That is the annual effective rate of interest per unit including all costs connected with and spread over the life of the loan. The loan of December 11, 1907, for four years, cost us 4⅝ per cent. The loan of June 24, 1908, a renewal for four years, cost 4 3-10 per cent and with regard to the loan of February last of £6,000,000, although the cost is to be distributed over the whole term of ten years you will find that the annual effective rate of interest per unit will be 4⅛ per cent. These are pretty expensive prices to pay for money when we have to float securities in order to obtain it. It appears to me that this cannot be taken otherwise than as an evidence of distress, when we borrow for temporary relief in many cases, and the borrowing, as we find here, is extremely expensive.

Now, as to the long term loans a comparison of the rate paid on these borrowings when compared with former years indicates impaired credit, as is shown by the following statement:

	Rate of Interest.	Years.
Loan of 1888..	·0327	50
" 1892..	·0341	46
" 1894..	·0316	44
" 1897..	·0286	50

Annual effective rate of interest per unit.

Loan of Feb. 19, 1908.. ..	·037	1930—50
" Oct. 1, 1908... ..	·0378	1930—50

£6,000,000—10 yr. of Feb., 1909, 4½ per cent.

The minister, in his budget speech yesterday, asked us to compare long term loans with long term loans and that is what I have done.

Mr. FIELDING. And the market conditions at the time.

Mr. AMES. The market conditions are largely the effect of what you make them.

Mr. FIELDING. No, I dissent from that.

Mr. AMES. Compare the loan of the 19th February, 1908, with the loans of previous years. We find that the loan of 19th February, 1908, cost ·037, and that the loan of October, 1908, cost ·0378, while the rate on the ten-year loan of February last, for £6,000,000, was 4⅛ per cent. In other words, if we compare the loans of 1908 with the loan of 1897 we find that we paid 32 per cent higher, and if we compare them with the long term loan of 1894 we find that we are paying 20 per cent higher than was paid before the Conservatives went out of office in 1896. I very much doubt whether the minister, under the present circumstances, will be able to raise the money that he now most urgently needs and for which he will have to take berth for Europe as soon as the session ends, at a less effective rate of interest than 4 per cent. Let me commend to the Minister of Finance a loan that has been recently floated by the government of Ontario, a loan for £820,000, issued at 4 per cent, at 102, and subscribed for several times over so that the entries had to be closed before the time was up. Let the minister read the prospectus of that loan. He will find no special inducements there, no plums by way of interest unearned, no privileges to convert on very extravagant terms, and he will find that it applies certain conditions which might help to account for it. The things that are in the prospectus no doubt will commend themselves to the minister as being an ideal form for use in the future.

Mr. FIELDING. Another fact that my hon. friend omits to state is that in the interim the bank rate has gone down.

Mr. AMES. We will see the next loan that is made.

Mr. FIELDING. We will. Wait till you see us next year.

Mr. AMES. There is another indication that it has been difficult for the minister to get money, and that therefore our credit has not been enjoying such a reputation as would have made it very easy for him to have obtained it. He has not referred to it in his budget speech, but a perusal of the prospectuses of the seven loans of the last two years shows that the minister has had to offer very considerable and unusual inducements to make the loans go off at par. As is well known there are certain elements which have to be considered in connection with a loan. There is the price of issue, the rate of interest, the length of time, and then, what we might call, the details by way of inducements. The minister stated yesterday that we might consider a standard loan to be one issued at par, at 3½ per cent for forty or fifty years. The minister knows that if he cannot get his standard loan he must advance some of these elements and make them slightly better or introduce some other element to improve the security. The minister knows that it is just like, to use an example, a rubber cushion; if you depress it at one point the cushion is distended at another. So that, what you give, by way of interest or by grading your price of issue, you have to take at some other point. The minister has not told us of all the experiences

which he has had in calling—perhaps not always a welcome visitor—upon the various money lenders of London and Paris, and asking them not to be too hard on him when loaning him money for Canadian expenditure. But a little trail of the difficulty runs through these prospectuses. It shows that sometimes when the minister came to the banker the banker would say: 'What, Mr. Fielding, back here again so soon? I thought we had satisfied you, you have hardly had time to go to Canada and return. Oh, this time we cannot do quite so well for you, you will have to give us a little more and a little more and a little more.' We can imagine the banker with his scales and the Minister of Finance finding it necessary to add an ounce or two more each time that he has to ask for money. That shows very plainly, if one reads through the prospectuses, which state the case more accurately and in detail than the minister did yesterday. For example, all the money had to be paid in by April 30, 1909, and then six months' interest is payable on the first of November, 1909. The Ontario government get every stiver before they commence to pay interest on their loan. But the Canadian government adopt a different course The Canadian government in the £1,500,000 4 per cent loan for five years, of December, 1907, made the money payable by the subscribers on several dates. Averaging up these dates you find that the government had the use of the full amount for just 84 days before the 1st of April, 1908, but that on that date the government paid six months' interest to the lenders. That seems a small matter, but figure it out. That was equivalent to giving back to the persons who purchased our securities, cash to the extent of $75,520, and if you deduct that $75,520 from the total amount which the minister received from the sale of his securities you find that the securities really were sold at 98⅞ per cent. That interest was not earned. That was a plum thrown in. That was because Mr. Banker or Mr. Underwriter said: 'Mr. Fielding, you must throw in a little more this time if you want to make that loan go at par.' Again take the loan of October, 1908, a £5,000,000 loan at 3½ per cent to run until 1930 and 1950. There again six months' interest is paid on the 1st of January, 1909, and a bonus by way of unearned interest given back to the subscribers of $298,433. That was equivalent to returning 1¼ per cent of the issue price. Thus the minister in that case really sold his loan at 98¾ per cent.

Mr. FOSTER. Is that discount taken into consideration in fixing the effective rate that rules?

Mr. FIELDING. I think so, I think it is the effective net rate. I have always understood that the calculation is made in that way.

Mr. AMES. The hon. member for Argenteuil (Mr. Perley) has also referred to the privilege of converting which has been given with some of these loans. That is a plum too, a special inducement. We can imagine the underwriters saying: 'Mr. Fielding, throw that in or we will not take your loan at par.' If you examine the four loans in which that privilege occurs, you will find that the loan of April, 1907, carries with it the option to exchange $100 worth of 4 per cents for $105 of 3 per cents that option being good to the 30th of April, 1910. The same thing is true of the loan of December, 1907. The loan of June, 1908, carries with it the option of exchanging $100 of the 3¾ per cents for $106 of the 3 per cents and that is good to the 30th of September, 1910. The loan of February last, the £6,000,000 loan at 3¾ per cent, carries with it the option of exchanging $100 of the 3¾ per cents for $110 of the 3 per cents, the option to be good until November 30, 1913. Has the minister told the House what those options are costing the country? Supposing the people taking that £6,000,000 loan should exchange the whole amount for 3 per cents does the minister not see that this would add $3,000,000 to the net amount of the debt, of the capital amount that has to be repaid? Again, supposing they do, what is the result on the holders of other bonds? They find the security in which they have invested artificially reduced in value by £2 or £3. These new securities naturally drop the former threes down to 90 or so, because there is the opportunity to buy 3¾ per cents at 99¼ and to convert them into 3 per cents practically at 90. So we find that our holders of securities are displeased; we find that the Bank of British North America is disappointed and that those who already, in good faith, had purchased Canadian securities, are dissatisfied in consequence of this action of the minister. Is it a good thing to have the British investor feel that the Canadian government, by depreciating the value of securities already existing, is liable to render the securities they hold less valuable if they wish to part with them? Further than that it renders 3 per cent money an absolute impossibility for the minister before the year 1913. He therefore has fixed his own rate until that time and we cannot expect to do any more borrowing at the old rate until this option has been completely exhausted. I hope that when the minister again goes over to Great Britain he will not find it necessary to throw in so many plums in order to make his loans go. It might be better to meet the situation fairly, to put out a

4 per cent loan at par and let us see right on the surface what we are paying for the money instead of by a round-about way giving back a considerable portion of the amount we are supposed to receive. An eminent financial authority, Mr. E. R. Wood, has been quoted several times to-day. I also wish to read a sentence from his much appreciated utterances. Mr. Wood said, not long ago.

In this crucial stage of our development I venture to say that the reputation of our securities is of greater moment than the reputation of our material products, important as that always must be.

And I believe that this House will admit that in that respect Mr. Wood is not far from the truth. There is nothing to-day of greater importance to Canada than the reputation of her securities and we cannot afford, by loose financiering, to degrade their standing in the markets of the world. So it appears to me that our stocks are being quoted at a lower rate, that we are paying an advanced price for money and finding it necessary to give special inducements such as we have not given in the past and such as other governments do not give. All these things tend to show that we are not to-day in quite as good odour on the markets of Great Britain as we have been in the past and if we continue our present course, if the honourable Minister of Finance presents his smiling countenance three or four times a year before the underwriters, I fear that the situation will not much improve.

Reference has been made by the hon. member for Brantford (Mr. Harris) to the comparison regarding savings bank deposit rates. I do not wish to deal with that beyond pointing out that under the Conservative administration the depositors were getting one half per cent above our borrowing rate, while under this government it is proposed to give them one per cent below the rate at which we are called upon to borrow.

Now, Mr. Speaker, there is one other matter which I think may be regarded as of a non-contentious character and to which I would like to invite the attention of the Finance Minister. I was very pleased indeed to hear him foreshadow that we may return to the former method of providing annually some sinking fund towards the reduction of our loans. I consider that to be of the utmost importance if we would sustain the credit of the Dominion. One hundred years ago one of the leading financiers of the United States, the Hon. Alexander Hamilton, who is credited with the establishment of the financial system of the American government in 1875, gave utterance to these words:

The creation of debt should always be accompanied by the means of extinguishing it. This is the true secret of rendering public credit immortal.

Evidently, we have deviated from that line of action. For a number of years we have had in Canada an automatic sinking fund. Each year, by the obligation that we entered into with the lenders, we were forced to make certain savings. If you take the debt as it stood at confederation, namely, $75,000,000, and compare it with the total of the amounts that have been year by year put in the sinking fund, which now aggregates nearly $67,000,000, you will see that the people of Canada during the last forty years have practically paid off, by means of this sinking fund, the debt as it stood at confederation. That was the method adopted by our forefathers; they considered it wise as they made these debts to make arrangements for the payment thereof. I am willing to admit that an automatic sinking fund has certain disadvantages. The United States found that out when they tried to redeem the loans they had issued in 1870 which they had to purchase, many of them, at a premium of 25 points. Probably that is why in the year 1885 the Canadian Finance Minister decided no longer to provide sinking funds in the loans, and we find that no loan issued since 1885 has carried with it any sinking fund. So long as our debt was not greatly increased, and so long as the loans carried with them a sinking fund, and we were making a reasonable contribution each year towards the extinguishment of the capital amount there was no very great reason for criticism. But the old sinking funds are expiring; very soon they will all have been closed out; very soon the obligation towards the lender to make enforced savings from year to year will have come to an end. No new loan that this government has made (and some that were made prior to the time of this government) carries with it no sinking fund obligation, so that we find ourselves in the position that, while we are taking the benefit of the moneys that have been placed in the sinking fund by our predecessors, we are putting off the payment of every dollar we borrow to-day to a period forty or fifty years hence. That, I claim, is not a fair, not a just, not a right position for us to take. Consider for a moment the amplification of that idea. According to a statement given us in the Public Accounts Committee there were but four loans on the 31st of March last that carried with them sinking funds. The loan of 1878-9 matured on the 1st of November, 1908, and was paid so that that sinking fund is extinguished. The Canadian reduced four per cent loan which matures on the 1st of January, 1910, has already to its credit by way of accumulated sinking fund $23,736,-

187, and that I presume will also disappear on the 1st January, 1910, when that loan falls due and is repaid by the help of new borrowings. The guaranteed loan of 1875, which matures on the 1st of October, 1910, and that of £1,700,000 which matures on the 1st of October, 1913, have to their credit an accumulated sinking fund of about $8,750,000, and that will disappear on the 1st of October, 1913. After that date there will be but one loan left carrying a sinking fund, namely, the loan of 1884, on which we are paying one-half of one per cent or about $121,000 annually. The sinking fund accumulated is earning $145,000 annually, so that our total contribution towards the extinguishment of debt after the 1st of October, 1913, will be the paltry sum of $266,000 unless other arrangements are made. I am very glad the Finance Minister tells us that he is a convert to the idea that there must be some provision made at this time for the extinguishment of the principal of the debt. I was afraid that he also was a believer in the heresy that posterity should be left to pay the principal and that all we need do is to provide for the interest. I confess that this heresy is altogether too widespread throughout Canada, and I fear it has its exponents even in this House of Commons. There are too many of us who take an irresponsible view of these immense borrowings. We say: 'Let prosperity take care of the principle, we will pay the interest and enjoy the money, and fifty years hence what matter is it who stands under the principal of the debt.

I wish to give a few reasons why in my opinion that course should no longer be continued, and probably these reasons are such as have already induced the Minister of Finance to indicate that he intends to bring the present system to an end. I do not consider that such a proceeding is fair and just towards the Canadians of the past and towards the Canadians of the future. I do not feel that we are keeping faith with those who have gone before us, who have by their savings paid off in principal every dollar of the original debt of confederation. We should not claim all the benefits of the savings of the past, and at the same time all the advantages of the borrowings which fifty years from now shall be laid on the shoulders of our descendants. You can see that if such a policy were indefinitely continued it would lead to financial disaster. Some day the debt burden will overtake the carrying power of the nation, and we ought not in our day and generation to establish the precedent that those who come a couple of generations after us will have to shoulder the payment of the money we now spend and enjoy. Those who come after us will have their own burdens just as large proportionately as ours are to-day. We are not going to exhaust in our day and generation all the opportunities for the development of the Dominion. The propositions that seem large to us to-day will seem small to Canadians fifty years hence. They will have their burdens to meet, their canals to build, their transcontinental lines, their fortifications, maybe their naval and land defence to provide for in a way we never dreamt of. And so, we should leave them to some extent free when their time comes to decide how the money shall be spent that they are called upon to pay. We should not pass down to them a debt legacy of several hundreds of millions of dollars. And many of the works which we are to-day constructing will have crumbled into dust long before the notes come due for payment. What would we think of the men who built the Rideau canal if they had placed the indebtedness for it on our shoulders without one dollar of sinking fund. The day of the Rideau canal is past; it is merely useful for an occasional market boat; it is no longer regarded as part of the transportation system of Canada and probably never will again be, and yet it cost a large sum of money. When it was built, it was supposed to be a grand work for the Dominion; and if that generation had said: 'Let the people fifty years hence pay for it,' we would have been called on to pay for a work comparatively useless to us at present. Take that $67,000,000 paid by way of sinking fund since 1867, and you will find it sufficient to pay for our canal system or the Intercolonial Railway or for all the works we inherited at confederation. Therefore it does seem to me that each series of Canadians in their own day and generation, should bear their fair share of the burden of capital expenditure. It is not as though we were unable to pay it, as though we were going through a period when such forced economy was necessary that we could put nothing aside for the future. We shall soon have a revenue of $100,000,000 per year—perhaps not the coming year but soon, and we ought to set aside voluntarily a certain amount every year to avail in the extinguishment of the capital amount of our debt.

I am making a suggestion to my hon. friend the Finance Minister—which I know he will, as he always does, receive in good part—prompted perhaps by the recent remarks of the hon. member for Brantford (Mr. Harris) who does not always give the opposition credit for any constructive suggestion. At present the amount of our net debt is about $300,000,000. According to the figures given yesterday it is $324,000,000. Let the Finance Minister compute what sum of money put aside every year for the next forty years will extinguish that net debt,

and then let us agree to put the sum aside each year by way of a voluntary sinking fund. That is practically what they do in England. At present they have in England the two sinking funds, as the minister knows, and they are voluntarily putting aside as New Sinking Fund £28,000,000 a year. This is an obligation which the British parliament has placed upon itself and not an obligation towards the lenders. They put aside £28,000,000 a year towards the extinguishment of the national debt. Make an actuarial calculation and the minister will find that if we put aside $4,000,000 this year and every year following, at the end of forty years the amount accumulated will extinguish our net debt of to-day. It would put those who come after us in exactly the same position as the founders of confederation put us in, and we owe it to them to deal with the future as the past has dealt with us. Or if my hon. friend will compute our funded debt at $250,000,000, and will put aside annually $3,350,000, that would wipe it out in forty years. That suggestion I offer the Minister of Finance for his consideration. It will at least not be subject to the difficulties which an automatic sinking fund sometimes bears, as the experience of the United States between 1870 and 1907 well showed. I admit that we must at times borrow for large works. I am not one of those who believe that Canada should keep absolutely within her revenue and that no work should be undertaken unless we can pay for it out of the current income of the year. Not at all. There are large public works which can be only made by borrowing and distributing the burden over a period of years; and as the shoulders grow stronger, they become better able to bear its weight. But if I may submit a method which should be adopted in deciding how the year's revenue should be apportioned, it would be this: Let my hon. friend set aside, first, what is required for consolidated fund expenditure; then what is required for capital expenditure, other than for large important public works; then his railway subsidies, bounties and so forth—it makes no difference whether he calls them capital or revenue, they should come out of the money received by way of revenue; and finally, let him provide for this new sinking fund, a permanent annual charge for the present of about $4,000,000 or possibly three and a half million dollars. These four items should not exceed the revenues of the year. Then if beyond that he finds it necessary to borrow 10, 15 or 20 million dollars for a great national work like the Transcontinental, no one on this side will seriously criticise him. But when we do borrow, let us borrow with the expectation of paying. Let us, when incurring an obligation, do so with the determination to repay the principal. The minister knows well that, if a system of that kind were adopted, it would have a very beneficial effect on the credit of the country, and I am sure he will admit our credit might be better, and anything which would make it better is well worth doing. If he had three or four million dollars a year specifically set aside towards the extinguishment of the debt, he could go to London and buy in our own securities from year to year at advantageous terms. Whenever our securities fall, buy them. Then he would find that the constant demand for our Canadian securities would be taken as an evidence of our confidence in our own obligations which would tend to lift the prices of those securities on the money market. And the hgher these go the cheaper shall we be able to borrow money and the better satisfied will be those who lend it. I believe that no better investment could be made than the investment of three or four million dollars annually with the view of buoying up Canadian securities and strengthening our own credit in the markets of the world. Perhaps we shall not be able to do this just at present, but the Finance Minister, just as soon as he can see his way through to the end of the big project he has now on hand, should arrange for a complete conversion of our debt, and the only way will be to do all he can, before the time arrives, to create a favourable impression in the market regarding our intentions to repay our debts.

Needless to describe what good effect such an example would have on our provincial legislature, our municipal councils and the public generally because, after all, the people of Canada are a debt-meeting and a debt-paying people. They do not want the use of any man's money without paying for it. Every dollar the honest people of Canada borrow they expect to pay back, and our government should do the same, and make their decision known to the world.

In closing I wish to say that I am not a pessimist regarding the future of this Dominion. I believe that even the present trying circumstances will be weathered and that we will continue to expand and develop as we have done. I desire to see the credit of Canada at the highest possible point. That can only be accomplished along some such lines as I have indicated; and that is why to-day, speaking from this side, as a recognized critic of the government, I have taken on myself to speak so long and to make the points I have already submitted to this Chamber. To resume in a few words, my remarks have been intended to convey this impression. In my opinion the government deserve condemnation for the lack of foresight they have shown and their

evident lack of preparation in approaching this great work, the National Transcontinental. They should not have allowed the credit of Canada to have become strained through lack of preparation to meet the large expenditures which they knew perfectly well were shortly to come upon them. I blame the government further because during the year 1908-9 they did not apply the brakes. My hon. friend the Minister of Finance knew perfectly well that the revenues were falling down that year, that they would not exceed $85,000,000, and yet he insisted upon an authorization from this House of a budget under which $132,0000,000 were spent. Those economies which he now promises should have commenced a year ago. It is all very well to begin them now, but they should have begun a year ago. And I also would say that, to my mind, the longer the government puts off adopting some new method to provide for the extinguishment of the capital amount of our indebtedness, the worse it will be for the credit of Canada. Therefore, I hope that the time is soon coming when something along the line I have indicated will be adopted. The time has come for economy in connection with the controllable expenditure; Canada, further, should declare that she is a debt-paying nation, and should make that declaration with statutory authority.

Mr. MICHAEL CLARK (Red Deer). Mr. Speaker, I indorse very heartily the suggestion made to the Minister of Finance and to the House in the closing part of the remarks of the hon. member for St. Antoine (Mr. Ames). I think that the method of gradual and automatic extinction of debt by a sinking fund is one well known to my hon. friend the Minister of Finance to have been in use for many years in Britain, and I am perfectly sure that the hon. minister will give very earnest consideration to what has fallen from the lips of the hon. member for St. Antoine on that subject.

In the major portion of an address of considerable length, the hon. member (Mr. Ames) was engaged in an endeavour to impress the country with his view of the seriousness of two propositions. The first is the record of what he described, I think, as the enormous increase of the annual expenditure of Canada. Well, when I consider the fact that we are a young and growing nation, enjoying prosperity and advancing with a rapidity which no man can measure, I do not take the serious view of that increase of expenditure that my hon. friend does. I remember that there was a time when Mr. Bright used to grow very serious over Britain's expenditure going up to £70,000,000. That expenditure has long been beyond £100,000,000, yet the 'weary Titan' is not yet down on the street as some of the hon. members of this House would sometimes lead us to suppose. There was no great fear of Canada's expenditure increasing by great amounts before 1896, for the very simple reason that governments, like others, must restrict their expenditures within the means produced by their own policy, and I do not think the most strenuous friends of the Conservative party of this country will say that their policy when in power was such as to provide them with excessive means for purposes of expenditure. As a matter of fact, we only spend what we get. We get our income from what? From the increase of our trade; and we are able to spend large sums in Canada to-day because of the enormous and fast-growing trade of the country. For this reason, I have viewed from another standpoint the increase of Canada's expenditure as a token of immense prosperity on the part of the country and the corresponding success, up to a point at least, of the administration and legislation of those in power.

With regard to what fell from the lips of my hon. friend from St. Antoine about the credit of Canada, I have been in the habit of watching, week by week, the standing of Canada's securities in London as compared with those of other portions of the British empire bearing similar rates of interest, and the comparison always shows the credit of Canada to be in a healthy and sound condition. But, after all, the credit of Canada—and this is a point that I should like to put to my hon. friend—is to be judged by our answer to this question: What is our faith in Canada? The hon. gentleman has said that Canadians are a debt-paying people. He might have said also that Canada is a debt-paying country. There are liabilities, it is true, but there are ample assets, wisely handled, to meet these liabilities with. To set forth this fact would be my reply to the hon. gentleman on that point.

Now, speaking as a member from the west, I am bound to say that, having regard to the fact that we have had, in recent months, a tendency to shrinkage in the revenue, and having regard to some perfectly self-evident causes of that shrinkage, I think the budget is a very satisfactory budget. I say there have been some self-evident causes of the shrinkage of revenue. I take it that that will appeal to the mind of every man who has been observant of what has happened in Canada within the last two years. It is known to Conservatives and Liberals alike that there was an almost entire failure of crop over large portions of western Canada. The man who wants to export a crop which Providence has denied the weather to raise is a very unreasonable person. And, outside the mind of the hon. member for North Toronto, (Mr. Foster) I do not think that the idea would arise that this state of affairs was due to the weakness and mismanagement of the Laurier government or

of its Finance Minister.

We are told in the west that there is no difference between the two parties in matters of tariff. I will say this,—that if that were established as a fact in the minds of the people of western Canada it would have a very serious bearing on the fortunes of administration in this country, because in western Canada the tariff issue is one which bulks large in the minds of electors, and has an important bearing, according to their view, upon the prosperity of the country. But I do not think that the statement I have referred to, that there is no difference in the parties on this subject, will bear careful examination. I came to this House and watched carefully for evidences of any disposition towards lower tariffs on the part of the Conservative members of this House. I listened to a debate upon the tariff the other day,—or to part of it; unfortunately I did not arrive from my holidays until a few hours after the debate had commenced,— and I am bound to say that I did not observe in that debate any evidence of low tariff tendencies on the part of the Conservative members of this House. Another claim that is frequently made by Conservatives on western platforms is that in what is known as the Foster tariff as large a percentage of reduction was made so far as the general tariff is concerned, as has been made by the present government. For that statement, I am bound to say, there is a very considerable measure of evidence, so far as the general tariff is concerned; but in so far as the great and undeniable prosperity of Canada within the last twelve years has been due to that reduction, I think that a measure of credit is coming to the Conservative as well as to the Liberal party in this country.

Mr. CAMPBELL. Hear, hear.

Mr. MICHAEL CLARK. My hon. friend (Mr. Campbell) says, 'Hear, hear.' I do not know whether he sees that, in approving my statement, he supports the principle that lower tariff does make for the greater prosperity of the country. If he does, I am very glad that there are among hon. members on the Conservative benches at least some minds into which the true light of tariff principles is penetrating. I believe that the tariff policy which gives the Liberal party of this country a different position altogether from that occupied by its opponents is that which is known as the British preference—the British preferential tariff. I regard that as the feature in the policy of this government so far which will probably be approved by posterity as the one deserving the greatest credit in the history of this government. I believe that feature of their policy not only gave an impulse to what I call sane imperialism, being one in the best interests of the union of the British empire, but it was a far-sighted policy as regards the development of Canada by providing us an access into the best market of the world for our agricultual products, for a country which has and is bound to have an ever increasing excess of those agricultural products. I want to say this in regard to the hon. Minister of Finance, that he deserves credit not only for what he has done upon the Tariff Commission, but for what he has not allowed others to do. I want to pay him this tribute. I watched with the utmost care the proceedings of the Tariff Commission two or three years ago, I watched the evidence that was given before that commission, I observed the determined assaults that were made from day to day, from every part of Canada, upon the Minister of Finance, and I found him as well posted upon the details of the various trades and manufactures as the manufacturers were themselves, and in many cases better. I honour him and I thank him, as a representative of the western farmers, for the steady resistance which he gave to the demand for an increase in the tariff, for the steady way in which he kept the faces of the Liberal party looking in the direction in which they should look always if they claim to be a Liberal party, that is, in the direction of greater freedom in commerce, a policy which they have consistently followed during their whole history. I am sorry my hon. friend from North Toronto has left his place in the House.

Sir WILFRID LAURIER. Call it six o'clock.

Mr. MICHAEL CLARK moved the adjournment of the debate.

Motion agreed to, and debate adjourned.

House adjourned at 5.50 p.m.

HOUSE OF COMMONS.

THURSDAY, April 22, 1909.

The Speaker took the Chair at Three o'clock.

PROTECTION OF NAVIGABLE WATERS.

Mr. J. CONMEE (Thunder Bay) moved for leave to introduce Bill (No. 150) to amend the Navigable Waters Protection Act, chapter 115. He said: When the Bill for the incorporation of the Ontario and Michigan Power Company was before the House for its second reading a short time ago, the leader of the House expressed the view that it would not be within the jurisdiction of a provincial legislature to incorporate a company with the powers that company was asking for. The hon. leader of the opposition expressed the view that a provincial legislature might incorporate such a company, but might not be able to confer upon it the power to carry out the objects proposed, but

it might obtain that power by making application under chapter 115. I am not going to pretend to decide which of these opinions is correct; that is not necessary to the purpose I have in view. But so far as my information goes, so far as I can interpret the statute, and so far as I can learn from legal gentlemen with whom I have discussed the question, it is at least doubtful if a company incorporated otherwise than by the Parliament of Canada could obtain under chapter 115 power to construct works of any kind in navigable waters. Sub-section 'a' of section 2 of that Act defines the works that may be so ratified. (2) In this part, unless the contract otherwise requires:

'Work' includes any bridge, boom, dam, aboiteau, wharf, dock, pier or other structure, and the approaches or other works necessary or appurtenant thereto.

In section 3 of this Act, we find these words:—

Except so much of this part as relates to rebuilding or repairing any lawful work, nothing hereinafter in this part contained shall apply to any work or structure under the authority of any Act of the parliament of Canada or of the legislature of the late province of Canada or of the legislature of any province of Canada, passed before such province became a part thereof.

That language, it would appear, excludes from the operation of part 1, chaper 114 (a) 'any works authorized by the parliament of Canada.' I assume that that is not to be construed to mean that the parliament of Canada could not pass a special Act to authorize that work, but that is the language of the section as it stands whatever interpretation may be put upon it; (b) 'any work authorized by the legislature of the late province of Canada or any work authorized by the legislature of any province now forming part of Canada, passed before such province became a part thereof.' I would submit that this does not exclude the rebuilding or repairing of any existing works. I assume that such works could be rebuilt or repaired under chapter 115. That section is well known to hon. gentlemen, and therefore I shall not take up time reading it. But section 7 of the first part, which is the question under review here, provides:—

The local authority, company or person proposing to construct any work in navigable waters, for which no sufficient sanction otherwise existed, may deposit plans thereof and a description of the proposed site with the Minister of Public Works, and a duplicate of each in the office of the registrar of the district, county or province in which such work is proposed to be constructed, and may apply to the Governor in Council for approval thereof.

The subsection provides for advertisement so that there may be public notice given. I submit that this provision goes no further than the works specifically mentioned in subsection (a) of section 2, chapter 115, under the provisions of that Act the works I have mentioned, namely, any bridge, dam, wharf, dock, pier or other construction or approaches thereto. Beyond those specific works mentioned, there is no power in the Act giving the Minister of Public Works or the Governor in Council power to authorize other works such as a diversion of navigable waters. I may say that a question in point has arisen in connection with the works proposed to be built on the Rainy river at Fort Frances. The company there had obtained from the province of Ontario a charter under letters patent to carry out certain works of development upon the river, under an agreement which they had entered into with the government of the province. They came here to get their plans approved, but the department would not approve of them because they had not the requisite legal authority. Section 1 of the Act provides with regard to the rebuilding authority, that the work shall be a lawful one, and what constitutes a lawful work is defined by the Act, chapter 115:—

Lawful work means any work not contrary to the law in force at the place of the construction thereof at the time of such construction.

It was held that they had no lawful authority to go on with the work, and therefore could not get their plans approved. That was one reason, I presume, which caused them to ask for the Bill from this parliament, which they obtained in 1895. The provisions of the Act provide that the company shall, before commencing their work, submit plans and apply for the approval of the Governor in Council.

Pending the passage of the Act, a dispute arose between the municipality of Fort Frances and this company, and the municipality filed a petition. It appears there was a dispute about an agreement—that is, there were, it appears there were, two agreements entered into. The first one was dated 17th March, 1904, but it appears another agreement was made, as alleged by the municipality without their knowledge, and dated the 19th of October, 1905. The municipality took exception to the ratification of the plans, but an Act was obtained from this parliament, giving authority to the company to get its plans ratified. It got them ratified by an order in council, and I want to point out that an amendment to the statute is necessary, first, to determine what class of works are to be covered by such orders in council that may be passed under the Act, chapter 115.

I am not very much in favour of legislation by order in council. I do not think it is the best form of legislation, and I be-

lieve that the question involved in this measure is sufficiently important to require some governing statute which would better protect the public interest

I need not take up the time of the House explaining the position but there is a very grave injustice to Fort Frances. The agreement between the company and themselves is dated 17th February, 1904. The other agreement was sought to be legalized by the Act which the company asked for from this parliament and which was refused. The Act, as it is in our statutes, makes no reference to the alleged agreement of 19th February, 1905, at all. It was refused owing to a compromise. The solicitors on behalf of the town and the company agreed that an Act should be passed, without giving validity to the agreement in dispute, because the town was advised that they could set it aside by action in the courts. Strange to say that agreement has found its way into the order in council ratifying the plans. It is recited in full, and is made one of the bases for granting the request for the ratification of those plans.

I do not pretend to say what legal effect that will have, but the Act in question—I had occasion to refer to it a few days ago—had been set aside, so far as it is in the power of the provincial legislature to do so. They passed another Act declaring that the company was not bound by the restrictions contained in the Dominion Act. When the Department of Justice came to deal with this provincial Act in the report as to whether it was an Act that should or should not be vetoed—I will not take the time of the House in reading the report because it is quite lengthy—the view of the minister was that the Act was very questionable, that it was beyond the authority of the provincial legislature to pass, but—unfortunately, in my opinion he did not recommend the disallowance of the Act and stated that the matter might be determined by the courts. Here was a community that, to my certain knowledge, has spent several thousands of dollars trying to defend what was a natural water-power, a great water-power in their town, for five years, first in the legislature, and then here, and, in the end, after employing the best counsel this country could afford and taking every step they could take as a small community to protect their interests, they are now relegated to the courts to find out what their rights are. I submit that there should be something better than that to determine these interests. There are several instances where the present method is not as workable as it should be. The department gave, as another reason, in this instance, why they could not ratify the plans of the company that they were asking for power outside the enumerated powers in the Dominion Act, formerly Chapter 92, now 115, they were asking for the diversion of a navigable stream. The Department of Justice, I believe, was consulted upon that point at that time—I am speaking of the application previous to the passing of the Act by this House in 1905—and the Department of Justice, according to my recollection, pointed out that that particular character of work was not covered by the Act, that there was no power to ratify the plans to that extent, unless they were empowered to do so by Act of parliament. So, we have this condition, that, under the Act as it stands to-day, if we take the view that has been expressed here, no provincial legislature could legislate in regard to the construction of any work of that character in or upon navigable waters, and it is equally true, if the practice to which I have referred be correct, that this government, under the existing law, cannot, or, at least, should not, in view of the express provisions of the statute, ratify plans in regard to works of the character of diversions to which I have referred. I am not going to say that plans of that character have not heretofore been ratified. I happen to know that works have been established at the town of Sault Ste. Marie without the ratification of plans, on the assumption that the provincial legislature had jurisdiction and that ratification was not necessary. Somewhat later, in dealing with its securities, the company found that to give stability to them, they must have legal power to maintain their works, and they came to this government to get that power. But, if I am not mistaken, they have not got it, because the power did not exist under the statute to enable the department to ratify works already constructed. The language of the statute is 'works proposed to be constructed'—not works constructed. If I am correctly informed, I assume that the company, in order to get itself out of the dilemma, will have to obtain an Act of parliament, if they have not already obtained it. The same condition exists in regard to the Kaministiquia river, near the cities of Port Arthur and Fort William. The works have gone on there without submitting plans to the Dominion authority. Dams have been built and a navigable stream diverted, and there is no authority whatever. I could enlarge on that question and show that both life and property are at stake in these transactions. There is the case of the Current river near Port Arthur. A water-power was developed there and storage dams built holding back large bodies of water. Unfortunately one of these dams gave way and the torrent of water carried away structure after structure in its course, including the tracks and bridges of the Canadian Pacific railway in the city. And we know that the result of that was that there was great loss of property and the loss of several lives.

And these works are in their infancy in our country. The same great danger hangs over the community in the riding I have the honour to represent owing to the works at the city of Fort Frances. There should be proper inspection during construction of such works. Therefore, I submit this Bill with a view to meeting the difficulty. The Bill is in tentative form, and I hope that the government will realize the importance of the question and will bring in legislation to protect the public interest better than it is protected under the Act as it stands at this time. I might say, in that connection, that I notice there is a Bill on the Order Paper, introduced by the Minister of Marine and Fisheries (Mr. Brodeur). I do not know its scope, but I hope it is in the same direction as this. I am not sure that this Bill will reach a second reading, and that is why I have taken so much time in making my remarks upon it now. I may say, in closing, that it is not my intention to press this Bill—which is in tentative form, and can, no doubt, be made to cover the points of danger to which I have referred.

Motion agreed to, and Bill read the first time.

EXCHEQUER COURT ACT AMENDMENT

Hon. A. B. AYLESWORTH (Minister of Justice) moved for leave to introduce Bill (No. 151) to amend the Exchequer Court Act. He said: This Bill consists of one section, to provide that the Crown, at its option, in any action which has been tried in the Exchequer Court, may appeal not to the Supreme Court necessarily, but, if it prefers, to the highest Appellate Court of the province. There are sometimes cases in which, though a comparatively small amount of money may be involved, very important questions of law arise on which the Crown would wish to appeal from the decision of the judge of the Exchequer Court, but the expense of such an appeal to the successful suppliant, if the appeal is to be carried to the Supreme Court, is so heavy that one feels great reluctance in advising the Crown to exercise its right. It is thought that a measure of this character would prevent that difficulty at all events, and give a useful alternative right of appeal to the Crown, if the Crown should be advised. to exercise it. There is upon the Order Paper another Bill which stands for a second reading, to amend the same statute in regard to the position of the registrar of the court, and the two Bills might usefully be considered together.

Mr. LANCASTER. Does the hon. gentleman say that the right of appeal is limited to the Crown side of the case, or does the suppliant have the same right?

Mr. CONMEE.

Mr. AYLESWORTH. It is extending it to the Crown only.

Motion agreed to, and Bill read the first time.

QUESTIONS.

MARINE DEPARTMENT—CAPTAINS IN THE SERVICE.

Mr. LACHANCE—by Mr. Proulx—asked:

1. On what date and in what capacity did Captain Theophile Roy, called Desjardins, enter the service of the Marine Department on board the 'Aberdeen'?

2. When did he leave the service, for what reason, and on whose report or on whose order?

3. Was he employed on the ice-breaker 'Montcalm'? If so, when, how long, and in what capacity?

4. For what reason and on whose order did he leave his employment on the 'Montcalm'?

5. Has he been called to the post of third officer or boatswain on the 'Seguin'? If so, by whom and on whose report or recommendation was he called, and when?

6. Has he been employed on the 'Seguin'? If so, how long?

7. Was a man named Hoffman employed on the 'Seguin' in 1905? If so, how long, by whom was he appointed, and on whose request or report was he appointed?

8. Was Captain Desjardins called to the post of first officer, second officer, or third officer, or to any other post on the steamers 'Champlain' and 'Canadienne' in 1907 and 1908? If so, on what date, by whom, on whose request or report was he so called, and has he taken charge of these duties? If not, why not?

Hon. L. P. BRODEUR (Minister of Marine and Fisheries):

1. Entered the service as 3rd officer on board the 'Aberdeen,' June, 1901.

2. Services dispensed with by the department in October, 1905, on the official report of the agent of the department at Quebec that his habits and services were not satisfactory—Desjardins was at the time under suspension.

3. Had been employed as 3rd officer on the 'Montcalm' prior to 1905, for a short time.

4. 'Montcalm' laid up for repairs.

5 and 6. No record in the department of his having performed any services on the 'Seguin'?

7. No record in the department of any services of Hoffman on the 'Seguin.'

8. No. record in the department of T. Desjardins having had any connection with these vessels during these dates.

EXPLORATION PARTY TO JAMES BAY.

Mr. AMES asked:

1. Was it the intention of the government during the season of 1908 to send an exploration party by water to James bay and Labrador, including Dr. Robert Bell?

2. If so, was this project abandoned? If so, why?

Hon. WM. TEMPLEMAN (Minister of Inland Revenue). The answer to both questions is no.

FISHERY OFFICERS IN NOVA SCOTIA.

Mr. JAMESON asked :

1. Has the government taken into consideration the appointment of fishery officers to enforce the fishery laws at Port Joli, Nova Scotia, and vicinity?
2. Who is the nearest fishery officer to Port Joli having jurisdiction to enforce the fisheries laws?
3. Is there a fishery officer at Lower West Sable river, at Little harbour, and at East Ragged island, in Shelburne county?
4. How far is each of these three places from the other two places, respectively?

Hon. L. P. BRODEUR (Minister of Marine and Fisheries):

1. Yes.
2. A. C. Robertson, inspector of fisheries, Barrington Passage, and J. L. Bain, fishery overseer at Liverpool.
3. Yes, there is a fishery guardian at each place.
4. Department not aware of exact distances, owing to indentations of the coast.

POST OFFICE DEPARTMENT—GEORGE CARSON.

Mr. GEO. TAYLOR asked :

1. Is Mr. George Carson in the employ of the Post Office Department?
2. If so, for what period was he absent from the department during 1906, 1907, 1908 and 1909, respectively?
3. On what business, if any, of the department has he been engaged during these absences?
4. What amount was he paid during each of these years?
5. In his absence who performs his work?

Hon. RODOLPHE LEMIEUX (Postmaster General):

1. No.
2. From 25th August, 1906, to 31st December, 1908, upon which date his resignation took effect.
3. Not engaged upon departmental business.
4. In 1906.. .. .. $590 44
   1907.. .. .. Nil.
   1908.. .. .. 712 44
5. Mr. T. A. Godfrey performed his duties during such absence.

I.C.R.—CONCILIATION BOARDS.

Mr. GEO. TAYLOR asked :

1. What was the finding or award made by the Conciliation Board in September, 1908, in relation to the dispute between the Intercolonial Clerks and the management of the Intercolonial Railway?
2. Did Mr. M. J. Butler, Deputy Minister of Railways and Canals, write to Mr. F. A. Ackland, Acting Deputy Minister of Labour, on 10th October, 1908, in the following terms:

'I have the honour to acknowledge receipt of your letter dated 6th instant, and have to inform you that the department is ready and willing to accept the findings of the Committee of Conciliation, Mediation and Investigation.'

3. Has the government or the Department of Railways and Canals carried out the said finding or award up to the present time?
4. If the said findings or award have not been carried out, what is the cause of the delay?

Hon. GEO. P. GRAHAM (Minister of Railways and Canals):

1. The finding which was placed on the table of the House some time ago is too voluminous to answer as a question; but a copy of the same is attached herewith.
2. Yes.
3. The report implied the reorganization and classification of the clerks and the dismissal of about 20 per cent. Action has been taken towards securing information that will enable the details of the finding to be carried out, with regard to the best interests of the service, with as little friction as possible. It necessarily takes time to prepare a satisfactory plan.
4. Answered by number three.

Copy file No. 9982—24.

Department of Labour, Canada.
Ottawa, October 6, 1908.

Sir,—In the matter of the Conciliation and Labour Act, R.S.C., 1906, cap. 96, and in the matter of certain differences between the Intercolonial Railway of Canada and the Station Freight Clerks' Union, Branches Nos. 1 and 2 of Halifax and St. John.

* * * * * * *

I have the honour to forward herewith for the information of the employing party concerned an approved copy of the findings of the Committee of Conciliation, Mediation and Investigation established in this matter, and I am directed to request that you will kindly state on behalf of the employing party concerned whether the findings in question will be acceptable to such party, and will be taken as a basis for settlement of the differences referred to the committee.

I have the honour to be, sir,
Your obedient servant,
(Sgd.) F. A. ACKLAND,
Acting Deputy Minister of Labour.

M. J. Butler, Esq.,
Deputy Minister of Railways and Canals,
Ottawa.

Copy File No. 9982.

REPORT OF COMMITTEE ON CONCILIATION.

Hon. Rodolphe Lemieux,
Minister of Labour,
Ottawa, Ont.

In the matter of the Conciliation and Labour Act, R.S.C., 1906, cap. 96, and in the matter of certain differences between the Intercolonial Railway of Canada and the Station Freight Clerks' Union, Branches 1 and 2 of Halifax and St. John.

Sir,—The committee provided for under the Act was formed and completed on September 8 and agreed to meet at Halifax on September 16, and the three members of the committee arrived at Halifax on the evening of the 15th.

On September 16 the members of the committee inspected the Intercolonial freight offices at Halifax and familiarized themselves generally with the duties of the clerks.

At 2 p.m. on the same day the committee met in the Province Building and there were present Messrs. G. P. Monaghan and Alex. Gibb and several others representing the clerks, and Mr. David Pottinger and members of his staff representing the Intercolonial Railway.

The demands of the clerks were presented in writing and were as follows:—

HALIFAX SCHEDULE.

Deep Water Freight Office.

No.	Title.	Salary asked for.
1	chief clerk	$100 00
1	cashier	95 00
1	clerk of piers	95 00
1	terminal agent's secretary	90 00
5	first-class clerks	85 00
10	second-class clerks (1st year)	60 00
	" " (2nd year)	65 00
	" " (3rd year)	70 00
14	third-class clerks (1st year)	40 00
	" " (2nd year)	45 00
	" " (3rd year)	50 00

Richmond Freight Office.

No.	Title.	Salary asked for.
1	first-class clerk	$85 00
1	second-class clerk (1st year)	60 00
	" " 2nd year)	65 00
	" " (3rd year)	70 00
1	third-class clerk (1st year)	40 00
	" " (2nd year)	45 00
	" " (3rd year)	50 00

Schedule to apply from April 1, 1907.

Seniority and efficiency to count in grading.

2. When a clerk is ordered back to work after hours or on Sundays or holidays by the officials, they are to be paid double time for all such extra time, and all clerical work in the office must be performed by clerks.

3. When a clerk is relieving a clerk of a senior position or class for one week or more he will receive the rate of pay of the clerk he is relieving.

4. That all clerks be allowed two weeks' vacation with pay, as at present, after one full year's service, and all statutory holidays be observed.

5. That eight hours constitute a working day, as formerly.

6. That all new clerks appointed to the office must enter as third-class clerks and receive the minimum of pay of third-class clerks for first year.

7. That all vacancies go to the next senior clerk, who is to hold the office for six months on probation, and if at the end of that time he has satisfied his superior officers of his ability to perform the work required of him he is to be confirmed in his position.

8. That no employee from any other department be appointed to temporary or permanent vacancies over the heads of the regular clerks in the office.

9. Clerks will not be discriminated against for being members of the Railway Clerks International Union, nor for serving on boards of adjustment representing clerks, and will be given leave-of-absence and furnished with free transportation for such purposes. They will also receive the same privileges for the purpose of attending their meetings on any part of the line, when it is possible to do so without inconvenience to the railway.

10. No clerk will be suspended or dismissed without just cause, and any clerk charged with, suspended or discharged for an alleged fault, the same shall be fully specified in writing, giving full particulars two days prior to any investigation, and he will have a full and impartial hearing, and decision will be rendered within thirty days after filing his written request therefor with the proper official. If found blameless, as charged, he will be re-instated and will be paid for time lost at his stated rate of salary.

As this was the first intimation that the Intercolonial Railway officers had received as to what the demands were, nothing more than a preliminary discussion could follow, and it was decided to allow Mr. Pottinger proper time to consider these demands, and to formulate a reply to them. Accordingly the committee adjourned, and met again on the following day, when Mr. Pottinger presented his reply.

It became evident at this stage that the case divided itself into two distinct parts.

1. Relating to general questions of the relations between the railway and its clerks and of appointments and organization.

2. As to wages or salaries of clerks.

In Mr. Pottinger's argument he stated definitely that the Intercolonial Railway could not increase the pay of the clerks, nor adopt a schedule of salaries, but upon other points the Intercolonial were disposed to be conciliatory.

The reasons for the railway declining to agree to the increase of wages were fully set out by Mr. Pottinger, and were such that the committee felt that it would be desirable to take up the other matters in dispute, leaving the question of wages to be discussed with the deputy minister at a later date, and all parties assented to this procedure.

Accordingly, and after a full discussion, the following matters were agreed upon by all parties in the form as under:—

'Your committee are of the opinion that it would make for greater harmony, and better efficiency, if a system of class of classification of clerks were introduced. Not only would the above results accrue, but there would then be an available scheme for promotion, which at the present time seems to be lacking, and which omission breeds discontent owing to the uncertainty of upward progress for efficient clerks who have by length of service and attention to the duties of their office earned the right to consideration in this regard. Just what system of classification should be introduced must necessarily be evolved by the officials of the railway who are more intimately familiar with the details of the busi-

ness of the Intercolonial than your committee can possibly be. The men involved must necessarily accept the classification determined upon, subject, of course, to the right which they possess of bringing to the attention of their superiors in office any improvement in such classification, which to them may seem desirable in the best interests of the service.

Overtime.

Clerks duly called upon to work beyond the regular hours of their daily service should receive a pro rata allowance for such overtime. The same rule should apply to Sundays.

Holidays.

The two weeks vacation with pay should continue as at present.

Relieving.

When a clerk is relieving a clerk of a senior position or class, the relieving clerk should, after two weeks, receive the rate of pay of the clerk whom he relieves.

Length of Day.

Your committee do not feel disposed at present to make any recommendation with respect to the number of hours that should constitute a day's work: the present day is practically one of eight and one-half hours.

Promotion.

Your committee are further strongly of the opinion that, outside of the rare cases that arise where an exceptionally able outsider is brought into the service to fill some particular position requiring special knowledge and training, the principle of promotion of those already in the service should obtain, having due regard, of course, to efficiency and the requirements of the service.

Discrimination.

The men ask for the following clause:

'Clerks will not be discriminated against for being members of the Railway Clerks' International Union, nor for serving on boards of adjustment representing clerks, and will be given leave of absence and be furnished with free transportation for such purposes. They will also receive the same privileges for the purpose of attending their meetings on any part of the line, when it is possible to do so without inconvenience to the railway.'

Mr. Pottinger stated that that was now the practice on the Intercolonial Railway and that there was no objection to an employee belonging to a trade union. This being the case, your committee need deal no further with this particular point.

10. No clerk is to be suspended, or dismissed, without just cause. Any clerk charged with, suspended or discharged for an alleged fault, the same shall be fully specified in writing, giving full particulars two days prior to any investigation, and he will have a full and impartial hearing, and decision will be rendered by the railway's proper official within a reasonable time after the written request has been filed. If found blameless, as charged, he will be reinstated and will be paid for time lost at his stated rate of salary.

After reaching this conclusion the committee adjourned to meet at Ottawa.

On September 28 the committee met in the Railway Committee room of the House of Commons and there were present Messrs. Monaghan, Gibb and Mr. M. J. Butler, Deputy Minister of Railways and Canals.

Mr. Butler laid his views before the committee on the question of increase of salaries and these coincided with those expressed by Mr. Pottinger at Halifax, and further explained the inability of the railway to increase their expenses, owing to the fact that working expenses of the railway were very largely in excess of revenue, and no funds were available for any increase of expenses.

The committee further considered the questions involved and now submit the following additional recommendations:—

The committee after its investigation, is of opinion that, in the matter of wages, the system that obtains of appointing from time to time new men at higher pay over the heads of men long in the service and probably more capable of doing the work, is injurious to the service and unjust to the men. The remedy for this lies in re-organization, and the abolition of the existing system of appointment influenced by political patronage, which from the point of efficient working we find ample evidence to condemn as applied to the Intercolonial Railway.

The present staff is greater than is necessary, and this is another element which discourages individual increases. If the aggregate amount paid now in salaries were divided among a staff equal simply to the requirements of the service, the men remaining could be better paid than they are now.

The re-arrangement of salaries could then be made on the basis of the value of the position and the work done, having regard of course to what is paid for similar work elsewhere, and the local cost of living as compared with such comparative centres.

At the present time the wages paid to those now presenting claims before us are not, owing to above reasons, what a fair consideration would justify. Under the re-organization hereby strongly recommended, it is more than probable that the adoption of increase of from 15 to 20 per cent would not mean an appreciable addition to the operating expenses of the Intercolonial Railway, and would produce a more equitable schedule of compensation for the staff retained.

We summarize our further recommendations as follows:—

1. Re-organization in order to adjust the number of employees to the actual requirements of the service.

2. An increase as above suggested to the re-organized staff.

(Sgd.) D. McGIBBON,
Chairman of Committee.
JOHN G. O'DONOGHUE,
Appointee of Clerks' Union.
HENRY HOLGATE,
Appointee of Intercolonial R'y.

MARINE DEPARTMENT—GOVERNMENT YARDS AT SOREL.

Mr. GEO. TAYLOR asked:

1. Has the government any information that boats owned by employees of the Department of Marine and Fisheries have been built or repaired in the government yards at Sorel?

2. Has the government made any inquiry or investigation into this matter? If so, what is the result of such inquiry or investigation?

3. How many steam yachts are owned by foremen, engineers, or other employees of the government at Sorel, and where were such boats built?

Hon. L. P. BRODEUR (Minister of Marine and Fisheries):

1. No.

2. An informal investigation was held seven years ago into a charge of this kind. The charge was disproved.

3. The department has no information on this point.

ICE JAM AT NIAGARA.

Mr. LANCASTER. I would like to ask the Minister of Finance, in the absence of the Prime Minister, if the government are taking any action in regard to the trouble at the mouth of the Niagara river where the ice jam is going to cause, if it has not already caused, a loss of life as well as of property. Is any action being taken by any of the departments?

Hon. L. P. BRODEUR (Minister of Marine and Fisheries). The matter has been brought to the attention of my department, and I have given instructions to Colonel Anderson to go up and co-operate with the American government in order to remove the ice jam.

WAYS AND MEANS—THE BUDGET.

House resumed adjourned debate on the proposed motion of Mr. Fielding that Mr Speaker do now leave the Chair for the House to go into Committee of the Whole to consider the Ways and Means for raising the Supply to be granted to His Majesty.

Mr. MICHAEL CLARK (Red Deer). Mr. Speaker, when the House adjourned yesterday I had been attempting, in a few hurried sentences, to express the opinion that this country had been fortunate in having had for the last 12 years in charge of its finances a minister who, in spite of strong attacks upon him from interested sources, had engaged in strenuous endeavours, and in a large measure successfully, to keep the tariff of this country on a revenue basis. I notice that some hon. members on the opposition benches do not agree with me as to his success in that matter, but I think the hon. member for North Essex (Mr. Sutherland) demonstrated very successfully the other day that the tariff had really produced the revenue.

Mr. LALOR. Has it stood the test?

Mr. MICHAEL CLARK. The best test of the effectiveness of a tariff for producing revenue is that it produces the revenue. I will try to show this by a reference to other countries. You have a protective tariff undoubtedly in Germany, and you have a protective tariff in the United States with the result that in both those countries last year there were enormous deficits in the annual exchequer, and the United States are looking forward to a much larger deficit this present year; whereas, under what I still claim is a revenue tariff, you have had a series of surpluses under the able administration of the Minister of Finance.

Mr. OWEN. Germany and the United States have been building Dreadnoughts.

Mr. MICHAEL CLARK. I do not know exactly what Dreadnoughts have got to do with what I was saying at the present moment, but I can assure my hon. friend that if he builds plenty of Dreadnoughts he will not hear much of surpluses in his lifetime, nor in that of his children or of his childrens' children. I think the greater credit is due to the Finance Minister because of what I willingly concede to be the peculiar geographical position of Canada, being in close proximity, as she is, to the great protectionist country to the south of us. But, I do not think that a careful study, upon full information, of the condition of the United States as a high protectionist country, would encourage the government, or any government of this country, to depart from a tariff for revenue purposes. It may not be out of place for me to say a few words about how high protection has worked in the United States. I find, in talking with my friends in eastern Canada especially, that there is what I may call, without offence, perhaps, a disposition to be dazzled by the apparent success of protection in the United States. If it be the main object of a country to build up trusts and millionaires, I admit that success. There is no doubt whatever that the United States has been successful in building up trusts and millionaires, and that through the policy of protection, but, I do not think, on reflection, that is a matter which should recommend itself to the thoughtful men of this or any other country, because the building up of millionaires means inevitably the aggravation of that problem of the terrible disparity between great wealth on the one hand and great poverty on the other, which has harassed the minds of human-hearted men since the dawn of history. But, if we depart from the consideration of millionaires, I do not think there is much evidence forthcoming that protection has been a successful policy in the United States. What, after all, has the United States done? I wonder if hon. members of this House have ever thought what the population of the United States is per square mile, for example, as compared with that of Great Britain. The United States is keeping 21 people upon the square mile. Great Britain puts 21 people upon every square mile and then makes provi-

sion for 537 more. Great Britain has 558 people to the square mile to the United States' 21 and I contend, Sir, that the economic miracle of the nineteenth century is not to be found in the resources of a continent being able to keep 21 people to the square mile under protection, but that it is to be found in two little pin points, comparatively speaking, sticking out of the ocean, the United Kingdom, keeping 558 people to the square mile in, what Mr. Asquith recently claimed, a degree of comfort to be found nowhere else in the civilized world. I have not had the privilege that my hon. friend from Brantford (Mr. Harris) has had recently of travelling over the various countries to which he referred, but all the evidence I can gather confirms me in the belief that he is correct when he says that Canada has come through the recent period of trade depression better than any country in the world and certainly better than the United States. What is the condition of the United States at the present moment with regard to the depression and unemployment? I wonder if hon. members are aware that with these 21 people to the square mile, during the first eight months of last year more people left the United States than came into it. It is true that the balance was redressed a little in the last four months and that at the end of the twelve months there was a paltry immigration into the United States of 6,000 people. Does that mean that protection is working out to be a great success in that country? For years a million people have been added by immigration to the population of the United States every year, but last year, with its 21 people to the square mile only compared with Britain's 558, the gate swung backward to such an extent that as many people left the shores of the United States as came to them. The chairman of Lloyd's Bank, speaking to the annnal meeting of the shareholders, at the beginning of this year—and he knows something about trade and financial questions—claimed before that meeting of shareholders that the conditions of unemployment in Great Britain have been largely aggravated by workmen returning from the United States where they could not get a living to the overcrowded centres of those little islands. I give the House that fact for what it is worth. I think the authority behind it is, at any rate, worthy of the serious consideration of this House if it is wishful to bring a serious mind to the consideration of this question.

Now, I should like to give the House another fact that may help to enlighten us as to how far it may be wise for the Canadian Finance Minister to allow himself to be influenced by the supposed success of high protection in the United States. In 1860 the United States had two and a-half million tons of shipping and in that same year the United Kingdom had four and a-quarter million tons. At that time the United States bid fair to be the great competitor of Great Britain upon the seas. This is a very important question for any nation that wishes to achieve commercial supremacy, because, Sir, if we pass our minds down through history, I think it can be claimed that no nation ever achieved real commercial supremacy which did not have the enormous command of the seas. Take, for instance, the Genoese, the Romans, the Phoenicians, the Spaniards, the French in the eighteenth century, and then, the wonderful shipping of Great Britain, which is a proof that this is a sound position. In 1860 an important experiment was adopted by the two greatest trade nations in the world for the consideration of the world upon tariff questions. The United States betook itself to the system of protection and Great Britain went the opposite way. At that time the shipping of the United States was two and a-half million tons and that of Great Britain four and a quarter million tons. To-day, after sixty years of that experiment, the shipping of the United States has shrunk to one and three-quarter millions of tons, whilst Great Britain's four and a-quarter millions of tons have gone up to eleven and a quarter millions of tons, far surpassing a shipping record of any country. I do not want to labour this question too far, but if this House were to permit me I should like to offer it a piece of evidence of how protection has acted in the United States of America and from an authority that would not be impugned in the United States itself. I suppose that most of us will admit that Mr. Bayard was one of the most brilliant men that the court of Washington ever sent to the court of London as an ambassador. Mr. Bayard, while fulfilling his duties in that high position, was asked to address the Philosophical Institution at Edinburgh, an honour that is only conferred upon men of the very highest distinction. In addressing the Philosophical Institution of Edinburgh, he referred to the United States in connection with the kind of argument that I am trying to bring before the House to-day, and said:

> In my own country I have witnessed the insatiable growth of that form of state socialism styled 'protection,' which, I believe, has done more to foster class legislation and create inequality of fortune, to corrupt public life, to banish men of independent mind and character from the public councils, to lower the tone of national representation, blunt public conscience, create false standards in the public mind, to familiarize it with reliance on state-aid and guardianship in private affairs, divorce ethics from politics, and place politics upon the low level of a mercenary scramble than any other single cause.

I offer these words for the consideration of every member of this House as furnishing a strong argument why Canada should

not follow in her fiscal policy too closely in the wake of the United States. I claim for the government which I have the honour to support very great credit for their having introduced the principle of a voluntary preference to British goods coming into Canadian market. I would like to make clear what at any rate my attitude is upon this question. Personally I would deal with any part of the world where I could exchange upon fair and profitable lines the surplus products of my own country for the surplus products of that other country. Great credit is due to the government of Canada for introducing this preference policy because in it they realized the present needs of Canada. I ventured to fight my election upon the platform that the two great present needs of the west are: greater transportation facilities and better markets, and, Sir, the great needs of the west are the great needs of all Canada. We are going through a period of development. The policy of the government is a policy of developing the west, and the development of the west means the development of our whole Dominion. And, if as I contend, markets are the great need of the west then the government deserves enormous credit for having given this voluntary preference to British goods which has tended to enlarge and expand our opportunities for trade. I have been surprised to read that when the preference policy was first introduced it was met from the Conservative side of this House by the statement that we were giving the old country something for nothing. That was a surprising argument to come from a Conservative party in this or any other colony of the empire, because I recall the fact that throughout the whole history of the empire the Conservative parties of the various colonies have always claimed a monopoly of patriotism and imperialism, and they have generally—in the early days of the colonies especially—managed to get a monopoly of the patronage as well. But, that argument of the Conservative party with regard to the preference had of course the graver demerit of not being a sound one. I should not have thought that a party that occasionally has what I would call ebullitions of imperialistic sentiment, would cavil at giving the old country something for nothing, and would have denounced it as a thing which brought discredit upon the government of the day. But, did we give the old country something for nothing? Why, to my mind that preference policy was not only a splendid piece of sane imperialism but it was at the same time a splendid piece of business. It was based upon a sound understanding of the conditions, and the only conditions upon which trade between nations should be conducted. In what does international trade consist; what are the principles which underlay the giving of the British preference? As I understand them they are extremely simple and can be stated in a very few words. International trade is an interchange of commodities; it is that and nothing more. Money has nothing whatever to do with it. If I were to offer you in a single figure proof of that statement I should remind you that in the year 1906 the total trade of Canada with the other nations of the world consisted of $550,000,000 worth of exchanges, and that out of that $550,000,000 worth of exchanges only $16,000,000 was composed of gold and bullion, $7,000,000 of which went one way and $9,000,000 the other. If that be the extent of our international trade, and if it be desirable to build up that trade, then it follows that, as the Minister of Finance epigramatically said the other day: Sound trade is a benefit to the buyer and to the seller both; and, the only way you can do an international trade is by an interchange of surpluses, and the only way you can get rid of your own surplus produce is by taking the surplus produce of other people. These were the principles which lay at the root of the British preference. It was an independent policy on the part of Canada and it was a proper policy as I consider. I am bound to say that in reference to another kind of preference which is being discussed upon the other side of the Atlantic, the attitude of leading statesmen in this country—of my hon. friend the leader of the opposition as well as the leading statesmen of the government benches—has been absolutely unassailable, in that just as we claim in Canada the right to manage our own affairs in fiscal matters, so, an absolute right of the same kind must be left to the mother country.

Now, did the policy of the British preference justify the faith of those who introduced it? Of course, the moment we gave a preference for British goods in our markets, the imports came in, and that is what created fear in the minds of those who talked of giving something for nothing. But the moment the imports came in, the exports went out to pay for these imports, and that had a beneficial effect upon the country because not only did every import take an export but every import brought an immigrant. And largely as a result of that freer trade we have had the enormous expansion which has been witnessed in the fortunes of Canada during the last few years. I take it that a very brief view of the entire policy of this government will show that the development of one tariff policy along these lines is absolutely vital to the development of not only western Canada but of the whole country. Our policy is a policy of development and it would be so whichever party were in power. One party builds the Canadian Pacific Railway and another party builds the Grand Trunk Pacific, and Canada marches on the road of progress.

But in that policy of develoment as carried out by this government we have included an immigration policy which has brought settlers to till our boundless lands, and coincident with that we have a transportation policy destined to convey the surplus products of our country to the markets of the world where there is a demand for them. But the only way in which they can be sold to other nations is by taking the only payment that can be got for them, that is, the surplus produce of other nations. These are the principles which lie at the root of all international trade, and the sooner we in Canada realize this the better.

I think I am justified in saying that there is a very clear distinction between the two parties on the question of tariffs. The hon. member for North Toronto (Mr. Foster), in his speech the other day, may be taken, I think, to have fairly well voiced, in two hours and forty minutes, the sentiments of the opposition side; and, although he did not give a very extended protectionist argument, as did my hon. friend from St. Antoine division, Montreal, (Mr. Ames), nevertheless he did refer in terms of pride to what has been called the national policy.

An hon. MEMBER. Hear, hear.

Mr. MICHAEL CLARK. I understand, from the 'hear, hear,' of my hon. friend, that that policy is one that is looked back upon with pride by the Conservative party. Well, Sir, if it could be proved to have been a national policy, such is my opinion of the patriotism of Canadians, and such is my knowledge of my own patriotism, that I believe they and I would become unanimous in its support. But I must say, after a careful examination of the claims of a policy of protection to be called national, I fail to find that it established any claim whatsoever to that title.

Mr. LALOR. May I ask the hon. gentleman if he can tell us what reduction of tariff has taken place under the present government?

Mr. MICHAEL CLARK. I think I made an admission on that side which should satisfy my hon. friend that I am not making a party speech—that on the general tariff there was as much reduction under the Foster tariff as there has been under the Fielding tariff. But if I wanted to deal with my hon. friend in a party spirit, I could easily say that if he and the hon. member for North Toronto were so proud of the national policy, why did they run away from it? I think that is a fair retort to the interruption.

Mr. LANCASTER. What item of the present tariff would the hon. gentleman reduce?

Mr. MICHAEL CLARK. Mr. Speaker, I should be quite willing to discuss any point that I am acquainted with; but I have always understood that there is a great latitude in a budget discussion, and I am sure that my hon. friend will agree that a new member of this House should have that latitude extended to him, at least as fairly and as freely as any other member.

Mr. LANCASTER. I wish to understand my hon. friend's argument, and therefore I simply ask him what item of the present tariff he would reduce if he had his way?

Mr. MICHAEL CLARK. I think there will be no difficulty, unless in the hearer, about understanding my argument before I am done. I think a truly national policy should be national in its outlook, and I want to put it fairly to my hon. friend and to the opposition. When hon. members of this House or their friends outside speak in favour of a policy of high protection and increased duties, is their outlook a national one? I have heard the pleas of my hon. friend from Peel (Mr. Blain) and others for an increase in the duties on woollens. Would it be argued that anybody who was pleading for an increase in the duties on woollens was doing so out of the warmth of his consideration and affection for those who wear woollens. There are 5,000 people all told employed in the woollen trade of Canada, and there are seven million of people using woollens. I should say that people who have a national outlook in their policy would look to the seven millions rather than to the 5,000. When the hon. member for Brantford in the last parliament (Mr. Cockshutt) advocated in this House holding the duties on agricultural implements as high or higher than they were when the present government reduced them by 2½ per cent, does anybody believe that the hon. gentleman and his friends were actuated by a sincere desire to get cheap agricultural implements for the hundreds of thousands of farmers who are coming into our western country? I do not want to be uncharitable, but I think the outlook of those gentlemen was sectional. And if I dare say a word about the province of Nova Scotia, I should even direct a question into that quarter. My hon. friend from North Toronto was very severe on the Finance Minister in connection with certain proceedings in Nova Scotia. I am not sure that there is not some little symptom of protection down in that part of the world; but I should be very lenient in my judgment of it, because I have stated very sincerely the grounds on which I think this country ought to be grateful that it has had such a Finance Minister as the member for Queens and Shelburne. And I should be lenient to him in regard to what happened in Nova Scotia, on another ground because I should always wish to recollect that that country is inhabited by a race of men who are reputed to keep the

Sabbath and everything else they can lay their hands on. And I think the lines of the great Scottish poet apply in such a case :

Then at the balance let's be mute,
We never can adjust it;
What's done we partly may compute,
But know not what's resisted.

But even in the case of any protectionists that there are in Nova Scotia, I fear it will be found to be true, if we examine it carefully, that their outlook is narrow, sectional and provincial rather than national. I fail to see how protection ever works in any other way, and I fail to see that its outlook ever entitles it to the high-sounding name of national policy. Show me where it is a national policy in its operation as between the various classes of a country. It is constantly happening in the high protectionist countries of the world, that goods are sold in enormous quantities more cheaply abroad than they are in the country in which they are produced. A well informed American, intimately acquainted with the iron trade, told me the other day that in Pittsburg, in the month of January, 1908, steel rails were sold to the American people in pursuance of a national policy at $28 a ton, and on the same date were sold in Middlesborough on the north-east coast of England for $19.50 a ton. Now, if it be a national policy to rob your own people in order to sell cheaply to foreigners, with the incidental advantage of building up a few millionaires in your country, then a policy of high protection is a national policy, but otherwise it is not. Not only in its outlook but in its operation and its effects the National Policy in Canada proved to be no national policy because it failed to build a nation. When I was pursuing my campaign last year, I invested a modest sum in the purchase of the Canadian Almanac, and I found the trade figures of this country, which were there given, most instructive. It gave the figures beginning in 1883 and concluding in 1906, and these figures showed that the total trade of Canada, in the year 1883, after the National Policy had got fairly under way, was $230,000,000. I passed my eye down the column until I came to 1895, and I found that in that year, after 12 years' experience of nation building under the National policy, our total trade had actually fallen to $224,000,000.

Mr. LANCASTER. What about the home market?

Mr. MICHAEL CLARK. I was not living in Canada at that time, but I have a friend in western Canada, who is now doing splendidly in the little town where I live, and who was a Conservative until he voted for me, and he told me that in those days he carried a letter six weeks because he could not buy a stamp to put on it. I was pursuing the same line of argument in the town of Red Deer during my contest and I was met with the same interruption about the home market. I replied that the home market in those days was pretty well illustrated by the fact that if a farmer went out with his gun and was lucky enough to shoot a rabbit he got his dinner, but otherwise he had to go fasting. He retorted there are no rabbits just now. I said: That's sure evidence that the Laurier government is going back to power because otherwise Divine Providence would have to provide the rabbits.

My hon. friend from North Toronto (Mr. Foster) passed on to another portion of his protectionist argument, on which he touched very gingerly, and that was the balance of trade. On that point he contended himself with quoting the figures and showing that the balance was against Canada. I cannot say that I was surprised at that line of argument, because I have read other budget speeches by the same hon. gentleman and have heard him use a similar argument at much greater length. But I am bound to say that this theory of the balance of trade is an extraordinary theory to one who has studied economics in the school founded by Adam Smith. The balance of trade is against Canada, argued the hon. gentleman, because our imports exceed our exports. Just let the House consider for a moment. How is that balance of imports over exports brought about? We are spending enormous sums on an immigration policy to produce it. If the theory of Adam Smith be the correct one, there is no such thing in the actual operation of trade as a balance. An import always takes an export in the actual interchange of trade. When there is an excess of imports over exports or the reverse, there is also a method of accounting for it, apart from the actual exchange of trade. In the case of Great Britain, her enormous excess of imports over exports is accounted for by goods coming to pay the interest on her enormous capital invested abroad and the cost of the shipping she does for nearly every nation in the world. But it is a common question to ask: What about the enormous excess of exports by the United States over the imports? But does it not occur to any one who reflects that Great Britain has an enormous amount of capital invested in the United States which must be paid for by American exports, and the payment of the interest on that capital debt accounts for the excess of exports from the United States to Great Britain.

An hon. MEMBER. Tell us about the unemployed in Great Britain.

Mr. MICHAEL CLARK. I thought I had already enlightened my hon. friend when I told him, on the authority of the president of Lloyds Bank, that the unemployed were going in large numbers from the United States, where they had failed to make a living under protection.

Looking up the budget speech of the hon. member for North Toronto (Mr. Foster) last year, I found that he used this argument regarding the balance of trade, and in it he referred, in somewhat contemptuous terms to the explanation I have briefly given of what I understand to be the true theory of the balance of trade. He was replying to another hon. member, and he referred to it as a theory which the old theorists of free trade England had written volumes about. When I read that, I could not help thinking that the hon. gentleman had surely failed to inform himself how old is his incorrect theory of the balance of trade. Adam Smith published his book in 1776, the year of the American independence. In that work he said that every nation in modern Europe had its failure prophesied by some of these pretended doctors because of this difference in the balance of trade. And I could not help thinking, when I re-read that passage, that some of these pretended doctors still exist and are to be found residing in the neighbourhood of North Toronto. It was the false theory of the middle ages which Adam Smith was exposing. I was amused on reading further, in my hon. friend's budget speech of last year to find that my hon. friend went on to give a theory of his own about how the excess of imports is paid for. He said: 'We have to pay our balances and they can only be paid for in goods or in gold.' But it is not evident that if we paid for our imported goods in exports, clearly the one would equal the other and there would be no balance. As regards their being paid in gold, the thing absolutely does not happen. Gold is a commodity just like wheat or any other article of international commerce, and is dealt with as such. To show that the imports are not paid in gold, let me quote one fact with regard to the trade of Great Britain. We know that she has an enormous excess of imports over exports. Now if gold went out to pay for her imports, we would expect to find an enormous amount of bullion going out. But in the last five years there has been, in addition to the excess of imported goods, an addition of a few million in the value of bullion imported into Great Britain I think that that fairly covers the ground taken up by my hon. friend in his role of protectionist.

There was a meeting in London a few weeks ago with regard to the old theories of free trade England. Mr. Asquith addressed free-traders of every section of British politics and the chair was taken by Lord Avebury. Lord Avebury is a very distinguished man. He is a D. C. L. and an LL.D.—honorary—of universities on the other side of the water; he has been president of the Society of Antiquaries, Foreign Secretary of the Royal Academy, and he has received the very greatest international distinction that is now conferred, the order of Merit of the French Legion of Honour,—I think I am right in claiming that this is the greatest distinction conferred internationally in the world. Lord Avebury has this further distinction—he is chairman of the Bankers' Clearing House in Lombard street, London, and with him on the free trade platform, he had Sir Felix Shuster, who is vice-chairman of that Bankers' Clearing House. That is a point I wish to impress upon this House, and I am sure hon. members will see its bearing upon the description of those who hold these views as free trade theorists, worn-out theorists of old England. Through that Bankers' Clearing House went £12,000,000,000 last year—nearly $65,000,000,000. If I wanted to find a theorist, if I wanted to find a pallid bookworm who had spent his time in studies and had not touched the practical affairs of the world, I should not go to this man mixed up with international exchanges and the money markets of the world in London, but to his critic, my hon. friend from North Toronto.

Now, the hon. member appeared in this House not only as a protectionist but as a prophet. I apologize for mentioning British politics, but, as my hon. friend has introduced the theme, it is but fair that I should have an opportunity to reply to him. According to the hon. member the Unionist party is to be returned at the next election. I could not but recall the fact that the hon. member was in Britain just before the last general election there, and delivered some addresses on behalf of the Conservative party. And I remember that in an interview in this country on his return, he said, I believe, that he was charmed with the admirable feeling in the old country. I do not know whether that was an electioneering feeling or personal to himself, but if it were an electioneering feeling, I can only say that it exhibited itself in such a way that the friends whom he went to support were almost swept out of existence. Personally, I have great regard for two old sayings. One is, 'Never prophesy unless you know,' and the other, 'The only thing you can do with a prophet is to disbelieve him.'

He appeared not only as a protectionist and as a prophet, but as an economist also. Now, with any policy of real economy I have the fullest possible sympathy. I recall well a passage in which Mr. Glad-

stone said, 'No Chancellor of the Exchequer is worth his salt who shrinks from economy in detail.' I have seen nothing but what is admirable, nothing but what the younger members of this House may admire in the way my hon. friend leads the opposition in moderate criticism of expenditures in detail and fair examination of the estimates in this House. I endorse his attitude and action in that matter. But I remember very well also Mr. Gladstone saying another thing, and that was that your expenditures depend upon your policy. In regard to that matter, our policy being a policy of development, I take it that it is impossible to avoid great expenditures and great growths in expenditure in this country. But always it should be provided, I think, that these growths in expenditure are wise growths. And certainly Mr. Gladstone set his face, not only to economy in detail but to economy in wise policy, and especialy in regard to the very dangerous expenditures upon armaments. Now, my hon. friend (Mr. Foster), as he has been reminded in this debate, went down to Prince Edward Island last year, and made a proposition which, I think, was not a very necessary proposition for the development of this country. And I would submit to him that, after all, he cannot pose as an economist with a proposition to build a twenty-five-million-dollar tunnel in one hand and a proposition to build a fleet in the other.

An hon. MEMBER. How about the Newmarket canal?

Mr. MICHAEL CLARK. The Newmarket canal, or any ditch, might be of use, if we have a sudden invasion of Germans, for building defences behind. I should like to say a serious word to this House and to the government upon military expenditure in general. But I do not think that a single word of my own is needed if the House will allow me to read a quotation from some memorable words of the hon. member for Jacques Cartier (Mr. Monk) spoken outside of this House:

> Surely, while our obligations toward the empire are very great and binding——

And to that I fully subscribe.

> ——yet our first and paramount duty is to the people of the Dominion whose servants we are.

And now, I think, when I have referred to the hon. member for North Toronto (Mr. Foster) as a pessimist, I shall have finished anything I wish to say about him at this time. I have tried to deal with him as a protectionist, a prophet and economist. He also posed in his usual role as a pessimist in this country. Now, it is always safe, whatever subject the hon. gentleman may be dealing with, to assume that, if there be a gloomy side of it, he will find it. I was surprised, early in the session to find him consumed with dread lest Canada should run out of fish. I think that was the most extraordinary fear that ever oppressed a human mind. A little later in the session, his fears had been removed from fish and concentrated upon the Germans. And now, he has a dread of Canadian credit sinking in the money markets of the world. I must say that I do not share with my hon. friend his spirit of pessimism in regard to the budget statements of the Minister of Finance in regard to the future of Canada. My hon. friend made what I cannot think a very successful attempt at alliteration in describing the Prime Minister (Sir Wilfrid Laurier) with two P's. If I might endeavour to better it, I would describe the hon. member (Mr. Foster) as a Pessimistic Promulgator of Panics. I cannot help thinking that I can give an explanation of how he takes so kindly to that role. Early in the session he did me the honour to reply to a few remarks which I had taken the liberty of addressing to the House. And in this reply he compared himself to an ox. Well, it is a perfectly possible thing for an hon. member of this House to have exaggerated ideas of his own proportions. But if that be the description that he cares to go under, I do not know, Sir, that I have any right to quarrel with it. He reminds me of that very useful and domestic animal, the bull, that can be thrown into a state of purposeless and groundless panic by the simple exhibition of a red rag. My hon. friend goes about with a red rag stretched in front of him. If what he said about the falling credit of Canada had come from any other member than the member for North Toronto, I am sure it would have received from the people of Canada more attention than it will now receive, and more attention than I feel inclined to give it. The credit of Canada, to my mind, is as sound as her prairies are boundless, and the spirit of her people is indomitable. Talk to me about the credit of Canada! I came out as a professional man, with some school boys, seven years ago, and I am tilling to-day a thousand acres of land, and am able to make at that occupation far more than is necessary for my family and myself. There is a picture of the heritage that we are working out, and it is a picture which begets, in my mind at any rate, and in the minds of the great majority of Canadians I am sure, not a spirit of pessimism but a spirit of optimism. I was glad to notice the other day that my right hon. friend and leader had joined the society of optimists; I wish he would endeavour to enroll, if he has any influence with that society, the hon. mem-

ber for North Toronto. In conclusion I would say: Keep your immigration policy on the sound lines upon which it has been worked hitherto; keep your farmers going on the lands; sell them the materials they need for developing their heritage at reasonable rates; and give them a chance in the markets of the world by keeping your tariff down to a revenue basis, and then you will have all the surpluses you require for building up the grandest civilization and one of the greatest countries the world has ever seen.

Mr. CLARENCE JAMESON (Digby). I must congratulate the hon. member for Red Deer (Mr. Clark) on the eloquence with which he has addressed himself to the subject before this House; but having congratulated him upon his eloquent speech, I am sorry that I cannot proceed any farther along that line. I congratulate him for instance, upon the relation which he bears to the government which he claims to support. He says that protection is enervating and hurtful. He has advocated a free trade doctrine. If my memory serves me right, the Minister of Finance and the Minister of Customs, when the present tariff was being framed in 1907, defended certain items of protection upon the ground of their necessity to encourage certain industries in this country. Then he refers to protection in Nova Scotia, and I would direct his attention to the matter of bounties which the government is paying to a certain industry there. I would further direct his attention to the fact that the government in paying these bounties, is increasing the public debt of this country by the amount of the bounties. I contend when I have mentioned these facts that I have answered all his arguments with respect to the tariff and with respect to bounties.

Now the hon. gentleman went on to review at some length the subject of markets and the interchange of commodities, but when we simmer down his remarks, his idea of home markets was seemingly confined to two items, first, the item of postage stamps which the government makes, and secondly, the item of jack rabbits, which no leading manufacturer makes. He made another remark to which I wish to make a passing allusion. Speaking of Nova Scotians he said, if I remember his words correctly, that they had a reputation of keeping Sunday and everything else they could lay their hands upon. Now, Sir, I must leave it to the Minister of Finance to correct the hon. member——

Mr. MICHAEL CLARK. If my hon. friend will pardon me—I said they were descended from a race of men who had that reputation.

Mr. JAMESON. I accept the correction of my hon. friend, but I cannot see that it places him in any better light. If there is anything the people of Nova Scotia are proud of it is the stock from which they are descended, and if there is anything which they would resent it is the slightest reflection upon that stock, which I contend is second to none in the whole Dominion of Canada, or in any part of the British empire. Let me say for the information of my hon. friend, that there is an impression in Nova Scotia that some of the party followers of the Minister of Finance and of the leader of this government are included with those who keep everything they can lay their hands upon. The. hon gentleman also referred to the policy of Adam Smith. But I think that policy, like its author, is dead, and is of no immediate concern to this country at least. With regard to his references to my hon. friend from North Toronto, I shall make no comment further than to say that the hon. member for North Toronto is too well known in this House as a man of great ability, and too well recognized throughout Canada as an able parliamentarian to need any defence on my part or to suffer aught at the hands of the hon. member for Red Deer.

Now, Sir, to return to the subject under discussion, I may say that a review of the public accounts of Canada during the past 13 years will disclose three outstanding features, three features upon which the members of the government and their supporters have said a great deal, both within this House and out of it, three features upon which the members of the government and their supporters and the government press have frequently congratulated themselves and the Canadian people. These three features are: First, the increased amount which year after year the government has drawn in taxes from the pockets of the people; secondly, the lavish expenditure of those sums; and thirdly, the so-called surplus. The first and second of these features have already been dealt with at some length by hon. members on this side of the House; I will detain the House but a short time in referring to the third outstanding feature, that of the so-called surplus; in other words, the surplus upon consolidated revenue account, or to be strictly accurate, a balance upon a part only of the financial transactions of the year. I think it will be admitted by hon. members on both sides of the House that the two principal objects sought to be attained in keeping the public accounts of Canada are first, to present to the taxpayers a clear and true statement of the management of their finances by the government, and to show honestly the result of the year's transactions; and secondly, to keep a permanent record of those transactions.

This being so, the question arises: Do the budget and the accounts, as at present presented to the country, fully accomplish the first object? Do they convey to the

outsider, to the man in the street, to the great mass of the Canadian people, a clear understanding of the financial operations of the year and the added obligations of the country? The country has heard a great deal from time to time regarding the government surpluses, but little is said regarding the fact—certainly no emphasis is laid upon it—that the entire year's business, in two cases out of three, there has been a shortage. Yet, sir, such has been the case in eight out of thirteen years under Liberal rule. Now, the Canadian tax-payer is a confiding individual. He does not, as a rule, stop to consider what the surpluses upon consolidated revenue account actually mean. To him, during the recent election, for example, the $113,000,000 surplus, said to have been rolled up under Liberal rule, conveyed the impression of money in reserve and available when required. This was a conviction of which I believe a portion at least of the Canadian tax-payers was firmly seized. Yet, it was a false idea, a mischievous idea for it led all such to believe that the government possessed the means with which to carry out every reasonable and unreasonable promise made by ministers of the Crown and government candidates throughout the country. Largely upon the faith of these promises and upon the supposed existence of the means with which to carry them out, the government was returned to power. But how about the pledges and promises, and, still further, how about the many of the sums which parliament voted last year for public works? They are not provided for in the estimates this year, because, according to the statement of the hon. Minister of Public Works (Mr. Pugsley) and of the hon. Minister of Finance (Mr. Fielding), the government lacks the funds with which to proceed with them and has actually stricken out of the estimates about $9,000,000 that was formerly voted for public works.

Mr. LANCASTER. But that was before the election.

Mr. JAMESON. As an hon. gentleman suggests these amounts were placed in the estimates before the election; they were stricken out afterwards. I think that fact should speak for itself. Now, I do not mean to say or to imply that an adept cannot take the public accounts and, by examination of them, learn just how the finances of the country stand, and how much the government has put the country in debt from year to year, but I maintain that the system of severing the accounts of the year's financial transactions into consolidated revenue account and capital account, a system which has been in vogue in Canada under all governments since confederation, lends itself to manipulation, misrepresentation and to an obscuring of the results. That, in connection with this severing of the accounts, the feature of the gigantic balance as shown by a part only of the financial transactions of the year or, on consolidated revenue account, is made much of, and accentuated by the government and the government press, while the added debt of the country upon the total business of the year is slurred over and is not accentuated. Because of this a clear understanding of the actual financial condition of the country is not I believe, readily obtainable by the people of Canada at large, and is not held by them. Now, Sir, in illustration of the idea which I have been endeavouring to convey to the House, that these surpluses upon a portion of the year's transactions are paraded while the added indebtedness of the country is slurred over or lost sight of, permit me to quote from an editorial published by the Toronto 'Globe,' of date April 15, 1909, under the caption 'Why Canada is Prosperous.' The 'Globe,' in speaking of the influx of Americans from the Western States of the Union, says:

> One effect of their coming to Canada soon shows itself; they begin to consume dutiable imported goods, and in this way they contribute to the Dominion revenue.

It is to this next following paragraph that I wish to draw particular attention.

> As a simple matter of fact, their doing so has been during the past dozen years the chief reason why there has been a yearly surplus of income over expenditure in the public accounts.

Not, it will be observed, in the consolidated revenue account but in the public accounts. Then it goes on to say:

> The Liberals adopted a vigorous immigration policy and they have had their reward, &c.

Here we find, Sir, a great and influential journal, well and ably edited, making a statement upon the subject of Canada's finances and absolutely ignoring or overlooking the fact that there is a capital account, and absolutely overlooking the other fact that instead of a yearly surplus during twelve years past there has been, in the total public accounts of Canada, a shortage in eight years out of the last thirteen years; that taking the result of the thirteen years total transactions there has been an immense shortage which is represented by the increased public debt of Canada. If the severing of the accounts lends itself to this mystification on the part of the press how must it affect the person who receives his impression from the observations of the press and who does not or cannot investigate these matters for himself. We take up the public accounts of Canada for the past thirteen years, beginning with the period at which the present government assumed power, and we

find the total expenditures and receipts to have been as follows:

Total expenditure, 1896 to 1908.

On consolidated revenue fund account	$625,735,490
On capital account	119,386,830
Railway subsidies and bounties, &c.	43,838,705
	$788,961,025
For the year ended March 31. 1909, per budget—	
On consolidated revenue fund account	84,500,000
On capital account and for railway subsidies and bounties	46,000,000
	$919,461,025
During that same period (1896-1909) receipts were	826,611,000
Which being deducted leaves a debit balance of	$ 92,850,025
Even after deducting the sinking fund for 13 years	29,060,744
The appears a shortage, or an expenditure over and above receipts of	$ 63,789,281

since 1896.

This shows that instead of any imaginary surplus there has been, on the total financial transactions of the government of Canada, during thirteen years past, and there now is an existing shortage of almost $64,000,000. Let us follow this a little further and we have this seeming paradox that every year in which the government, presided over by the right hon. the Prime Minister (Sir Wilfrid Laurier), has added to and increased the debt of Canada, his first lieutenant, the Finance Minister, has risen in his place in this House, and, amidst the applause of his supporters, declared a surplus. These, however, have only been those elusive surpluses upon consolidated revenue account and not upon the total transactions of the year; in each year a shortage was actually registered, although one of those vanishing surpluses was declared. We take a glance at the so-called surpluses and also the increases of debt since the present government came into power and we find the following result:

SURPLUS AND INCREASE OF DEBT.

Year.	So Called Surplus.	Actual Increase of Debt.
1898	$ 1,722,712 33	$ 2,417,822 45
1899	4,837,749 00	2,317,047 69
1901	5,648,333 29	2,986,196 80
1902	7,291,398 06	3,349,085 93
1905	7,863,089 81	5,356,448 00
1906	18,898,719 12	818,811 15
1908	19,413,054 22	14,288,999 88
1909	*1,500,000 00	*46,000,000 00

*Estimated by the Finance Minister.

Why, Sir, a continuation of such surpluses would strain the credit of the country, notwithstanding the fallacious financial reasoning of my hon. friend from Red Deer. Now, there is a system followed by the present administration of charging to capital account items of expenditure which properly should be charged to consolidated revenue account. One instance of this is to be found in the bounties which formerly the Conservative government charged to consolidated revenue account but which the present Finance Minister charges to capital. The Minister of Finance (Mr. Fielding) has admitted that had he last year charged the total bounties of $2,250,000 in round numbers as he said, to consolidated revenue account (as the Conservative government had done) instead of to capital account, his estimated surplus of one and a half million dollars for the year just closed would not only have disappeared but he would have had to acknowledge a shortage on consolidated revenue account alone of $750,000—the shortage on the full year's business be it remembered was over $46,000,000 to the 31st of March, 1909. Let me point out very briefly wherein the evil of this system lies. It tends to show fictitious surpluses upon consolidated revenue accounts where in reality deficits exist or may exist, upon that account if all these items are charged against it as properly they should be. The government of the day, any government, can have but two objects in view in the practice of such a course; first, to create fictitious surpluses upon consolidated revenue account with which to dazzle the eyes of the taxpayers and, second, to prevent by such means the true and actual condition of the treasury being appreciated by the country at large. Any such surplus is only a bookkeeping expedient; the real surplus, the surplus the country wants to know about and is entitled to know about is the surplus available to be applied in liquidation of the public debt. It is contended by some that the severing of accounts and the showing of surpluses on a part of the year's transactions, namely consolidated revenue account, makes no real difference, because the outcome in the end is the same. But, Sir, the showing of a surplus on one account and a shortage or a deficit on another is quite as objectionable as that of presenting two budgets one showing a surplus and the other a deficit. C. F. Bastable in his work on public finance says:

Recently the system of special budgets for particular kinds of expenditure, has been somewhat widely employed, though it is an expedient evidently calculated to confuse the public accounts, and to prevent the true situation of the finances being understood. The general rule of meeting expenditure out of income should be openly trangressed only by

the use of a loan. A surplus on the ordinary budget, with a deficit on one or more extraordinary ones, is a direct infraction of the principle that the finance accounts should be submitted fully, simply, and in unity.

And, in support of this view he quotes 'Stourm', an eminent authority on public finance. I submit that the result to the country of the practice of the present government in this respect, is inconsistent with the country's best interest. There are two evils attendant upon the figuring out of these immense balances—for they are not really surpluses—on a part of the year's transactions. In the first place they are an invitation to extravagance; an invitation which the government has been unable to resist. In the second place they tend to lessen watchfulness of the administration by the Canadian tax-payer. The prevailing system of declaring these so-called surpluses has furthermore reached a stage where it is not unattended with considerable danger to the country. In the first place it misleads a too confiding public and diverts attention from the fact that the public debt is rapidly increasing; and in the second place it encourages the government to pursue a course of extravagance and to assume on behalf of the country unwarrantable financial obligations. Still further, the result of these glowing and growing surpluses dangled before the eyes of the man who cannot or does not examine the public accounts for himself, is, that his senses are dulled to the fact that the country is getting year after year deeper and deeper into debt. So it is, that when any proposed expenditure is advocated, that portion of the public which is misled is prone to say: 'Well, we had a surplus of two millions, or five millions, or nineteen millions of dollars last year and we can very well afford it;' whereas, if their attention were directed rather to the increasing debt than to the vanishing surpluses they would be more inclined to say: 'We increased our public debt by two millions of dollars, or five millions of dollars, or forty-eight millions of dollars (as it was last years) and we must proceed carefully.' Let me say here, Sir, lest I should be misunderstood in that regard, that I fully recognize the fact that in a country such as Canada where we are laying the foundations for the future prosperity of our people (foundations which must be broad, and deep, and enduring), the government is from time to time justified in making expenditures beyond revenue, and against the credit of the country. But granting this, would it not have been better for the government to have been perfectly frank and straightforward with the country by charging to consolidated revenue account everything which should be charged against it, and by directing attention to real shortages upon the entire business of the year rather than to incorrectly computed surpluses upon a part only of the year's transactions? For I say without fear of successful contradiction, that notwithstanding any explanation or excuse which may be made to the country on the part of the government, this grave fact remains to confront the people of this country, that not only have these immense surpluses, aggregating, as the Finance Minister has told this House, $114,500,000 absolutely disappeared, but a vast shortage has developed. To meet this shortage, the government presided over by the right hon the Prime Minister, has mortgaged every home and every acre of the Canadian tax-payers in the amazing sum of $65,500,000, and that without a proper knowledge thereof being held by the country at large. Now, this brings us to the point where we may reasonably ask, would it or would it not be well for the government of the right hon. the Prime Minister, as well as the government which is to succeed it, and all future governments of Canada, to be perfectly frank, perfectly honest and perfectly straightforward with the country in regard to matters of finance.

Hon. gentlemen opposite have said, during the course of this debate, that we on this side of the House criticise, but do not offer suggestions. I propose, with the consent of the House, to make a suggestion in regard to the statement of the public accounts. There might, it seems to me, be profitably added to the public accounts a statement showing: first, interest-bearing assets of Canada; secondly, non-interest-bearing assets of Canada. I am aware that a committee is now engaged in revising these Dominion assets after a long term of years; but I think it would be advisable to revise them once every four or five years in order that the dead wood might be cut out. That would tend also to keep a closer watch on arrearages and prevent them from becoming seriously stale, and perhaps entailing a loss on the country. There might also be stated, all new obligations of the Dominion incurred during the year, including guarantees whereby the country is made secondarily liable. The present system of dissevered public accounts, which has been in vogue in Canada since confederation, has the greatest claims on our respect, because it was adopted by the fathers of confederation as in their opinion best suited to the needs of the new Dominion. Forty years ago confederation was an experiment. Many people were sceptical of the result; many were openly hostile to the new order of things. The revenues of the country were less than one-fifth what they are to-day. The business of the country was comparatively insignificant; the population was small; the railway mileage was light; the country was unopened, comparatively un-

known, and little thought of. The credit of the new Dominion, which would be requiring to borrow large sums of money abroad for its development, was naturally a matter of the utmost concern. It is not strange, then, that the system of severing the public accounts, dividing them into capital account and consolidated revenue account, was adopted in order that the revenue of the new confederation might be placed alongside of the ordinary expenditure, to show that the country justified its new dignity. But, Sir, forty years have passed, and confederation is no longer an experiment. It has proved itself and justified the faith of its founders. The country has developed, its population and industries have increased; it is well and favourably known abroad, and its credit, until recently at least, has been excellent. But the early form of the public accounts does not seem to have shared in the general progress. They lack a clear and direct statement of account, showing in brief the result of the year's transactions, what may be termed the 'cash turnover.' The statement of receipts and disbursements on pages 12 to 17 of the public accounts is very much involved. A great deal of it is made up of cross entries, so that the total of $426,000,000 is no indication of the amount actually disbursed on account of services of the Dominion. In this statement are included savings bank and trust funds, which are not receipts and disbursements on acount of the securities of Canada. Here is an item of over $26,000,000, Bank of Montreal, London, on the side of receipts, and the corresponding item is $34,000,000 on the side of disbursements. Here is an item of $164,000,000 "cash credits" on the side of receipts, and the corresponding item is over $160.000,000 on the side of disbursements. These are cross entries, which largely affect the totals. They are necessary in an account kept as this is, but they confuse rather than tend to simplify the account, which is unintelligible to the man in the street. This account fails to show in plain figures the amount of cash in the treasury at the beginning of the year and the amount in the treasury at the close of the year. It is necessary to turn to the balance sheet at page 4 of the Public Accounts involving totals of over $481,000,000, to find this. Now, I repeat what I have before stated, that I do not mean to say that the adept cannot take the public accounts and by examination of them find how the finances of the country stand; but to the average citizen of Canada they do not convey any adequate idea of the actual condition of the country's finances from year to year. There should be, I believe, a complete statement which would do this, and which could reach the people throughout the country, through the medium of the press. Neither the present involved statement nor the budget speech of the Minister of Finance accomplishes this. Would it not be well therefore that the public accounts should contain an additional statement showing the cash turnover, a statement showing the total receipts on the one hand and the total disbursements on the other, and indicating the balance for the year, whether it be in favour of or against the country? The report of the Secretary of the Treasury of the United States contains a statement somewhat along this line, indicating the result of the year's transactions, and yet of such moderate length that every journal in the country can well spare the space to publish it in full for the information of the public at large. Again, the financial accounts of the United Kingdom of Great Britain and Ireland for the fiscal year begin with a direct statement of the amount of cash on hand at the beginning of the fiscal year—so much in the Bank of England and so much in the Bank of Ireland—stating the receipts under different heads on the one hand, and the expenditures on the other, and ending 'balance in the Bank of England,' 'balance in the Bank of Ireland.' I am aware that the system of public accounting in Canada is not the same as that employed in the United States or in Great Britain; but I contend that their systems are much more simple than ours, and ours should be made as plain as figures can be made to read. Such a statement, it seems to me, could not be open to any objection, and would be productive of good results. It might fittingly be placed at the very outset of the public accounts, to show the actual receipts and expenditures, with the totals of each—in other words, the cash turnover. Such an account, when it showed a surplus, would show a surplus which would be available for liquidation of the public debt, and, when it showed a deficit or shortage, would clearly indicate the added debt of the country. It may be said that by shelving a large deficit or shortage in the public accounts of Canada in years when there were large expenditures on capital account, as has been the case during the year just closed, when the total expenditures showed a shortage of $46,000,000, the credit of the country might be prejudiced.

But let me say that whilst the severed accounts may mislead the man in the street, they do not deceive the men who lend the money. The money-lenders have a due and proper appreciation of the real state of affairs. Furthermore, to say that a frank and open statement would injure the credit of this country is obviously to imply that our credit now rests on deception, and that is a view I cannot entertain and hardly think any hon. member would entertain for a moment. But the Canadian tax-payer is after all the man who should

know the best and the worst. The public accounting is largely for his information. It is his business that the government is conducting and it is to him the government must account. He is entitled, to use a western expression, to a fair show-down once a year, and the duty of the government is to give him a fair, honest and frank statement. Then when the public debt was increased, the government must show justification for that increase by the exigencies of the occasion or by public works of a permanent or reproductive character and the Canadian tax-payer would be in a position to pass judgment on its wisdom.

Now Sir, I do not propose to address the House at greater length upon this subject. I will only add that as the Canadian tax-payer is yearly entitled to a clear, straightforward statement of the finances of the country, no government which fails to give it does all its duty to the people, who in the end must be called upon to pay the bills.

Mr. RALPH SMITH (Nanaimo). My hon. friend from Digby (Mr. Jameson), who has just given to the House a very clear and concise criticism of the methods of bookkeeping in this country, took some umbrage, at the beginning of his address, at a passing, jocular reference by my good friend from Red Deer (Mr. Clark) to our good friends from Nova Scotia, and of course took up this pleasantry in a very serious vein. And I noticed that when he did so, our good friends opposite applauded him. Now, Mr. Speaker, I have one way of defining the different classes of people in different countries. I have no disposition to favour the Scotchmen or the Englishmen or the Welshmen or the foreigner or, the French Canadian. If I were to take umbrage at everything I hear about Englishmen, I would have a great many complaints to make, for I hear derogatory remarks concerning them every day. What I have to say about national descrimination of that description is this, that you have good and bad Scotchmen and Englishmen, and people of every kind. Wherever you go, you will find some good and some bad, and my good friend, the member for Red Deer (Mr. Clark) was simply making a jocular reference to our good friends in Nova Scotia, which my serious friend from Digby took in so serious a manner.

My hon. friend made some complaints about the increasing expenditure of this country and its consequent increasing taxation. I agree with him that there are two principles which every government ought to respect. One is to keep down as low as possible, consistent with the reasonable expansion of the country, the taxation of the great mass of the people; and the second and the most important necessity is to keep down the cost of the commodities which have to be consumed by the great masses of the people. But I submit that by no system can the expenditure in a new and growing country be prevented from increasing. Nations are like individuals. The young man, who has no one but himself to keep, and who has a salary of $1,000 a year, will live within his income if he is prudent. But if he gets married and has a family and increases his salary to $2,000 a year, imperceptibly he spends that $2,000 a year. This is a great country in process of development; and I submit that while there is every reason and need for economy, it is impossible for this new and growing country to develop, as it ought to develop, without increasing its expenditure. Look over the list and you will find our expenditures increasing right along; and although there is a temporary arrangement to curtail them this year, we may depend upon it that the channels of trade and the development of our country will always necessitate an increasing outlay. There are false notions and ideas about economy. Economy is not parsimony. It does not consist in refusing to pay what is legitimate. True substantial economy is well spent money, and I have some slight criticisms to make as to the method which my good friends the government themselves may adopt with regard to this system of retrenchment.

My hon. friend from North Toronto made a slight reference to what he called the enormous increase in taxation. My hon. friend from St. Antoine Division (Mr. Ames) made a protest against what he called the system of mortgaging the interests of future generations. With regard to increasing taxation, he calculated the amount at $11.50 per individual. I want to say this: In looking over the United States revenue, taking the sum total of their custom and excise revenues and dividing that by the population, I discovered that their tax per head was equal to $6.50.

My hon. friend from North Toronto takes the revenues created by the customs and excise in Canada for the year 1908. divides that by what I think a reasonable estimate of population, 6,500,000, and finds a per capita tax, or individual tax, of $11.50. In that connection, I wish to consider the principle contended for by my hon. friend from St. Antoine, that we ought to pay our debts as we go along, that we have no right to transfer anything to the future. On the contrary, I contend that under no economic principle operated by any government is it possible to entail upon future generations financial disadvantages that at all compare with the mighty advantages that the present taxpayers are providing for future generations. The fundamental basis

of my hon. friend's complaint was a fallacy; the difficulty is exactly the opposite of what he states, the difficulty is how to develop a young, large and growing country without imposing extraordinary taxation upon a small present population. The principle is seen in the very figures I have given,—with a population of 88,000,000 and an income of $500,000,000, you find a per capita tax in the United States of $6.50; but, take the tax revenues of this country and divide them by a population of 6,500,000, and you have a per capita tax of $11.50. The principle demonstrates itself. Will anybody say that there is nothing in these mighty productive national expenditures for future generations? Are we building transcontinental railways for to-morrow? Are we deepening the canals of this country for use next week? Are we broadening and deepening the channels of trade in this country for a few weeks or months to come? Are we determining the fiscal and commercial policy of this country to meet the wants of only 6,000,000 people? No, the expenditures which make this taxation necessary are largely to provide machinery for the development of this country thirty years from this time. The obligations that we are placing upon future generations are far more than counterbalanced by the assets we are creating for the future. And these assets develop and increase in importance, and any liabilities that may be placed upon the people of this country thirty years from now will be far more than paid by the increasing values of the assets that are being created by the expenditures of to-day.

You cannot prevent the future taking the responsibilities and meeting the obligations created by the present unless you establish the economic principle that we should do things just for to-day. The sound national policy is to look ahead for a hundred years, and, when we are bearing the burden of a financial obligation created by the construction of a great transcontinental railway in the year 1909, we may calculate that the real benefit of that expenditure will be felt the more effectively a hundred years from now. If, then, the benefits are for the future, why should not the generation that is coming pay for these things? In this connection I have a protest to make against what I regard as an unwise stipulation of this government with regard to certain public expenditures. I have laid down the principle that we must have expenditures in this country, that we must have increasing expenditures. I have stated what I think about the principle of economy—that economy is not always in withholding. And on that point I would refer my hon. friend to what is said in the good old Book itself, 'There is that scattereth, and yet increaseth; and there is that withholdeth more than is meet, but it tendeth to poverty.' I take this opportunity to protest against withholding necessary expenditures when that withholding will decrease the returning revenues. So far as the country I represent is concerned, I believe that necessary expenditures are being withheld, the withholding of which will decrease the revenues to the Dominion exchequer from that part of the country. If I can prove that position then I say the policy is a very unsound one.

On the west coast of Vancouver Island we have spent some thousands of dollars in building a road for the protection of human life in marine operations. That road is partially built. We say to the minister: 'You ought to proceed with that work; it is of tremendous importance; it adds to the credit of the marine on the Pacific coast; it increases our imports; it gives a feeling of greater security to the travelling public, all of which means revenue.' But the minister replies: 'We have no money.' Again, on the Pacific coast, our good friends the Americans are stealing Canadian fish, depleting the fishing banks of the Pacific, which, let me say with all due credit to my hon. friends from Nova Scotia, in halibut alone, are more valuable than all the fishing resources of the Atlantic coast. This depleting of the halibut banks of the Pacific by our friends the Americans is going on, and the government is not taking the necessary precautions to stop it. I am glad to see, by the morning paper, that the fishing cruiser now operating in British Columbia has taken charge of an American fishing boat on the Pacific waters. This system of robbery by our neighbours to the south has been going on year after year. Two years ago this parliament provided an appropriation of $200,000 for protection, but up to date our friends of the government have not utilized that provision. This should have been done in the interests of British Columbia and in the interests of the Dominion. For I will not advocate here anything in the interests of British Columbia that I think is not for the general good; the sound principle for this parliament is for every man to advocate for his own province only that which is good for Canada as a whole. In this principle of fisheries protection of the Pacific coast, I have brought to the attention of the minister a matter of this kind, and I must say that the minister has expressed great anxiety to do everything that is reasonable in the situation and his determination to do all that he possibly can. But that does not interfere with the nature of my complaint. I say it is important at the present time that Canadian fish should be protected against poachers

from the United States. What the government ought to do is to make the people on the other side realize that we are going to protect our own interests. Now, the provision that is made in the estimates this session, I am afraid, is not likely to accomplish that object. These are what I call revenue producing principles, these are what I call productive expenditures, and every productive expenditure ought to be provided for. I recognize that the government should make some retrenchment. I do not say that they should be economical, for that would imply that they had been wasteful. But I do say that, owing to conditions that have arisen, largely from the conditions in the United States, it is necessary for the government at the present time to exercise retrenchment and care.

I think after all that the government is to be complimented upon even the present financial condition in this country. Sir, two weeks ago I had the privilege, with one of the influential business men of Pittsburg, to go down into the coal mines in the vicinity of that city. I spent over a week looking into industrial conditions of the United States, going down into the mines and studying everything belonging to the industrial conditions of that country, and it is after a man has gone through an experience of that kind that he is prepared to regard even the worst conditions in Canada as favourable in comparison. I want to say that the coal miners of England 50 years ago were in a better condition than the coal miners in the surroundings of Pittsburg are to-day. Factories are closed, or only producing 50 per cent of their usual output. To show how thankful we ought to be that we have not been more affected by the commercial conditions in the United States, let me point out that wherever you have in Canada productions depending upon the American market, there you have depression. For instance, in the city of Nanaimo and its surroundings, about 50 per cent of the coal production has to find a market in the United States, and that industry is depressed for the reason that in California and other western states many factories have been closed, and there exists a general stagnation in manufacturing enterprises which affects the market in British Columbia. I repeat that after my experience in one of the chief industrial centres of the United States, our industrial classes in this country have reason to be thankful that they are so well off in comparison. Nowhere in Canada, that I am aware of, is there anything to parallel the condition of the workers in the steel rolling mills of Pittsburg, and in the coal mines of that district. Why, in hours of labour, in wages, in the price of the commodities that they require to use—and that is the true test of the condition of workingmen—our industrial classes in Canada are very much better off than those in that old settled community of Pittsburg. Why, Sir, it costs more to live there than it does in the city of Ottawa, a community hundreds of years younger. The purchasing power of the wages earned by the Pittsburg workingmen is a good deal less than the purchasing power of the wages earned by our Canadian workingmen. Everything depends on that principle. It is not the money that the wage-earners gets and puts into his pockets at the end of the month that tells the tale, it is what that money can purchase of the commodities that he has to buy. It is in the amount of the necessaries or comforts of life that the wage earner can purchase for his wages that you can calculate his true relative condition. I do not hesitate to say that the purchasing power of the wages of thousands of men in the United States, where so many factories are closed down, where so many others are working at half time, where there are so many thousands of idle men—the purchasing power, I say, of the wages of workingmen in the district I visited, is in no way to be compared to the purchasing power of the wages of men in this country. Therefore I say that we have reason to congratulate ourselves that we are so favourably situated, although we are in an exceptional bad state in the coal mining regions of the Pacific coast.

Now I wish to ask whether the government are making a proper selection of the objects upon which to expend the taxes of our people. I will be frank with my hon. friends in the government in saying what I am about to say. I admit that retrenchment is necessary, but I am going to say that you cannot make the people believe that retrenchment on productive works is necessary in face of the fact that you spend $7,000,000 on the militia of this country. I do believe that if there was a band of men, I might say a political party, that went through this country from one end to the other, preaching the policy of a reasonable curtailment of military expenditure, they would obtain the votes of the majority of Canadians. I say that when you cut down expenditures on productive public works and devote them to militia purposes, you are saving at the tap and wasting at the bunghole. When you expend $7,000,000 in the present financial stringency and interfere to that extent with the productive works of this country, you are making a great mistake. I say there is no justification for spending $7,000,000 on the frills and fripperies of militarism. I am speaking frankly to the House. I will tell you what I would do with the $7,000,000 that is now expended on the militia. I do not know what it is for. I can quite understand the necessity of defence if you know that there is an existing

enemy, but I am not aware of any. Where is the possible approaching enemy of Canada? Where does he live? Do you say in the United States? There never was a time in the history of this country when the feeling between this country and the United States was as friendly as it is at the present time. Where is the enemy to come from? What are you spending the money for? Is it fashionable to have a militia? I know it is proper to have a reasonable measure of protection and have it better distributed in Esquimalt as well as Halifax and other points. My hon. friend from the city of Vancouver (Mr. Cowan), very seriously, in a speech that he made the other day in Vancouver, urged the government of this country to make adequate provision for assisting in the protection of the empire, but I want to tell him that if the citizens of Vancouver had the right to make a selection between the deepening of the harbour of Vancouver and supporting the militia they would support the former principle. If my hon. friend has to report to the people of Vancouver that he cannot secure an expenditure for the productive works of that city, which are necessary for the development of its trade, they will ask him why it was that he supported the principle of such an enormous expenditure on military matters when he did not get the money necessary for the productive operations of that community. I am not a military man, but I am not a man of prejudice. I have my own personal ideas but I always try to look on both sides of every question. This is something that the people of Canada do not want to this extent at present. They are an innocent, self-reliant, enterprising people, attending to their own business every day, cultivating their farms, developing their mines, enlarging their factories, looking after their domestic interests and improving this great country not only by developing its natural resources and increasing its wealth but by developing the finest manhood to be found in any country in the world. That, Sir, is the greatest contribution we can make to the empire. By establishing in this country an ever increasing population, true to the British institutions that we possess, by developing the great resources that we have and by surrounding the people by moral influences and inculcating amongst them high principles we make the best possible contribution to the empire. If you are going to provide for further contributions to the British navy take three and a half or four million dollars of the present provision for militarism in this country; take half of what you provide for militarism if you are going to make the necessary contribution to the British navy, but, there can be no support of and there can be no agreement to the curtailment of the necessary expenditures upon works such as I have mentioned that are revenue-producing, that are creating and developing this country and that are building up its trade. To my mind by so doing you are losing at the tap and saving at the spigot. The people of Canada, under the present conditions, at a time when you have to restrict your expenditures, are not likely to support a principle of that kind. With no enemy in view they are not prepared to support a principle of that kind if the productive interests of this country have to suffer in consequence.

At six o'clock, House took recess.

After Recess.

House resumed at eight o'clock.

Mr. RALPH SMITH. Mr. Speaker, before six o'clock I was dealing with the necessity of the government maintaining as far as possible its ordinary expenditure on productive public works, and I said that while there was considerable evidence that certain important public works in this country were not provided for in this year's estimates, we nevertheless have provided for an expenditure of $7,000,000 on the militia. Now, Sir, I do not repudiate the position that it is necessary to have a reasonable provision for a military force in Canada; I believe that our coasts should be protected by fishery cruisers and that there should be efficient police supervision and protection along the boundary line. But what I did say and what I repeat is, that a time when you have to restrict the ordinary expenditures of this country in its present state of progress and development, is not the time to expend $7,000,000 of the people's money for military purposes and that whatever is spent ought to be better distributed to the advantage of the Pacific coast.

Now, Mr. Speaker, I want to bring to the attention of the House a question that has not been considered by us so far, but it is nevertheless a question which deserves the serious consideration of the government and of the members of this parliament. I refer to the question of free importation of bituminous coal into Canada by agreement of reciprocity with the United States, which has become a live issue of late on account of the action taken in regard to it by the Congress of the United States. Hon. gentleman will have observed that the United States Congress at its special session, has provided in the schedule of tariffs for the possibility of reciprocity in coal; and let me ask the Minister of Customs and the Finance Minister especially to give their attention to this. The question as I

have said has not been presented before in this parliament, possibly because there was no opportunity such as that which the policy of the United States Congress has recently afforded. I shall endeavour to show that there is no one policy that could be adopted by Canada that will contribute so much to our development, especially to the development of the western country, as reciprocity in coal between the United States and ourselves. I know that our friends in the far east, as coal producers, may take reasonable objection to the facts as I shall put them, and I have every respect for their opinion in that regard. I have every consideration for the large and permanent and successful investment in coal operations in Nova Scotia, but it must be remembered that we have coal mines in British Columbia and in Alberta as well, and I want to point out that the geographical situation of this country makes the offer of free coal from the United States one of the greatest boons that has been placed at our disposal for many years. When provision was made in the tariff of the United States for a possible reciprocity in coal, a strong public feeling arose in British Columbia on the question. I probably represent more of the coal mining interests of that province than any other member from British Columbia, and I have been appealed to not only by the consumers of coal, but by the British Columbia coal operators themselves to bring this matter to the attention of the government. I shall present evidence of this feeling in British Columbia, and if the United States Congress should continue to make the necessary provision for reciprocity in coal, then I shall make the modest request of the Canadian government that they give careful consideration to this important matter and take advantage of any offer that they may make. I shall submit to the House certain communications which I have received from British Columbia so that they may, with the permission of hon. gentlemen, be printed in 'Hansard.' I have received the following letters from the manager of one of the largest coal mining operations in British Columbia:

WESTERN FUEL COMPANY.

Nanaimo, British Columbia,
January 26, 1909.

Ralph Smith, Esq., M.P.,
House of Commons,
Ottawa.

Dear Mr. Smith,—You are doubtless aware that under pressure of a growing sentiment in the United States the majority party in Washington is considering some changes in the tariff schedules, and the hearings before the committee have developed some curious and interesting phases of the question connected with free trade with Canada.

Take the matter of Coal.

The bituminous mine owners in Central Pennsylvania, Maryland and Virginia, who operate near the Atlantic sea-board, are opposing it because it will give the Nova Scotia coal a free entrance into the New England seaports. I think it will be found that the Nova Scotia mines ship only the fine coal, which is admitted under the 15 cent rate of duty, and this is used for steam and gas making purposes.

The opinion changes among the anthracite producers and those bituminous coal operators who are so situated in respect of the Great Lakes that they can reach the Canadian coal consuming territory between Winnipeg and Montreal and which is said to import about 7,000,000 tons per annum. They want free trade, because it will give them unrestricted access to those markets.

Going farther west the opposition recurs from the mine owners in Wyoming and Montana, who fear the incoming of coal from the Crow's Nest region into the territory immediately south of the Canadian boundary line; and the Great Northern railroad is said to favour free reciprocity because it is heavily interested at Crow's Nest and naturally desires to get a cheaper fuel.

Coming farther west, the opposition is again with the Washington mine owners, whose development of their coal resources has not kept pace with the growing local demand. They cannot supply the present call of their own market; and during the recent cold spell they actually needed coal from British Columbia to supply their own deficiency.

Again their output of coal suited for domestic purposes is so limited and the prices maintained by the operators, who serve the public directly, have been so high, that notwithstanding their nearness by rail to centres of consumption of Puget Sound, their local dealers have sent vessels to Vancouver island, paid water freightage and 67 cents duty and sold coal at the Seattle price schedule with satisfactory profit. Of course, at the same prices Vancouver Island coal would command the trade on the score of better quality. So that for the first time our coal is obtaining a firm foothold in Seattle and neighbouring markets.

This is all preliminary to the question.

If the Washington Congress should show a disposition to provide for reciprocity in coal, is it your personal opinion that the Laurier government would meet them on these terms?

It could be only beneficial to Canada, because it would give free entrance to Canadian coals, and cheapen the cost of imported fuel in that intermediate Canadian region which is not self-supplying.

Free reciprocity in coal between Canada and the United States would have this distinct advantage over free coal from everywhere into the United States, in that the product from Vancouver island mines entering American Pacific coast ports, Alaska and Hawaiian islands, would not be taxed, and that would not be the case in respect of coal from Australia and Japan.

Yours sincerely,
JOHN HOWARD,
President.

Western Fuel Company,
March 18, 1909.

Ralph Smith, Esq., M.P.,
Ottawa, Canada.

Dear Sir,—We are to-day advised that the new Tariff Bill, just introduced at Washing-

ton, provides for the free entry into the United States of coal from countries that will admit American coal free of duty.

It is an economic question for Canada to consider, whether the loss of revenue from customs duty on American coal would be offset by the advantage given to her coal producing interests through a wider market in the United States.

You have as coal producing centres Nova Scotia, the Crow's Nest country and Vancouver island. The latter is very largely dependent upon the United States for a market.

Canada imports from the United States into that region between Winnipeg and say Montreal.

Free American coal into Canada would mean the cheapening of fuel to consumers of 7,000,000 tons. This figure I obtained from the testimony recently taken before the United States Congressional Committee.

Free coal from Canada means an extension of her markets, greater development of resources, and more wage earners.

To illustrate, the Puget Sound conditions enabled our company to enter that field for the first time in September last, since when that market has taken from us a tonnage equal to a full month's output of our mines. With a remission of the 67 cents duty we will greatly enlarge this.

Australia is our present competitor in California. By no possibility could American coal be sent to that country. Therefore, without any loss of revenue to that government, and without any risk of competition to its coal mines in their home market, Australia could pass a law admitting free the coal imports from the United States, and thereby be entitled to have her coal admitted free of duty into California.

I have given you these two concrete cases to show the value to the industries and the wage earners in your constituencies of free coal from the United States into Canada.

If Canada can afford to relinquish the revenue it now obtains from the customs duty on American coal, the cost of fuel to the Ontarians should be reduced, and the other benefits will accrue to the coal mining population of the Dominion.

Yours very truly,

JOHN L. HOWARD.

As indicating the public sentiment on this subject, let me quote the following article from the daily press of the Pacific coast:

Anything that affects an industry in a community is of interest to the residents in that community and it naturally follows that the interest taken corresponds to the importance of the subject under discussion. Just at this time the United States congress, both the Senate and House of Representatives convened in special session, are in the midst of a tariff discussion. The tariff being of vast importance to all classes, it is not strange that the Bill introduced by Congressman Payne, as chairman of the Ways and Means Committee and bearing his name, comes in for so much discussion, both for and against, and which discussions are of world wide interest.

It is, however, generally believed that the Bill will be passed and become law substantially as reported by the Ways and Means Committee. To Canadians the question naturally arises, how will the Dominion be affected by the provisions of the Payne Tariff Bill. Among others the Bill calls for reciprocity timber and coal under certain conditions. Many other articles in which Canada is interested are also affected, but the ones of paramount interest to the whole of Canada are lumber and coal. Eliminating for the present the lumber question from the discussion, for while lumber is of great importance to British Columbia and to Vancouver island, coal holds a most prominent position in any discussion bearing on Vancouver island resources. In the Payne Bill it is proposed to put bituminous coal on the free list with any country granting similar conditions. Under the Dingley, or present tariff, sixty-seven cents per ton duty is paid on every ton of coal shipped from Nanaimo, Ladysmith or Union to San Francisco, Puget Sound ports and Alaska. There is no foreign coal shipped into British Columbia. Quite a lot of American coal, however, finds its way into the prairie country through the lake ports; Port Arthur on the upper end of Lake Superior being the principal point of distribution to the prairie country. Nova Scotia ships quite a little coal into the New England States of America, and under reciprocity a larger market for Nova Scotia coals will be found in that territory. Again, by reciprocity Canadians who reside in the prairie country and long distances from Canadian coal mines would be supplied at reduced rates from across the line; and similarly the coal mines of Canada could and would reach farther into the States for trade.

Meantime what does Canada gain or lose with reciprocity in the exporting and importing of coal? With the exception of Nova Scotia mines, which theoretically might lose a little Canadian territory, the rest of Canada would be greatly benefitted, and we of British Columbia and Vancouver island would gain immensely in the territory that could be covered by Eastern British Columbia mines and also the Island mines. It is reported that during the past year the Western Fuel Company shipped some 70,000 tons of coal to Seattle, Tacoma, Bellingham and other Sound cities, to say nothing of the San Francisco and San Diego markets. They have shipped coal even as far as Spokane in the State of Washington; and if given reciprocity can very largely increase the territory to be supplied, sufficiently so to keep the Island mines all running at full blast for years to come.

Vancouver Island mines, however have one rival for the coast markets, and that is Australia. The Australian continent can, and does, produce cheap coal; and although it is not in the same class with the Vancouver Island product, it can be mined and sold cheaper. We of Nanaimo have a vivid remembrance of the effect on our prosperity when the San Francisco coal yards were filled with Australian coal. Officials of the Western Fuel Company state that they have not the slightest fear of Australian coal in competition outside of San Francisco, and not to any extent there, unless some advantage be given that coal.

Another indication of the public feeling is contained in a resolution of the Associated

Boards of Trade of Eastern British Columbia, which has been sent to me in the following letter:

Rossland, British Columbia,
February 1, 1909.

Ralph Smith, Esq., M.P.,
Ottawa, Ontario.

Sir,—I beg to advise you that at the eleventh annual convention of the Associated Boards of Trade of Eastern British Columbia a resolution was unanimously adopted as follows:—

Abolition of duty on coal and coke between Canada and the United States.

Resolved, That this association recommends that the government of the Dominion enter into negotiations with the government of the United States for the mutual abolition of customs duties on coal and coke.

Such a reciprocal arrangement would have the following effects:—

1. To make lower prices for fuel in a good many parts of Canada, particularly along the Great Lakes, and in Manitoba.

2. While possibly unfavourably affecting the business of the large Nova Scotia coal companies in Quebec and along the Great Lakes, yet this will probably be more than offset by their increased market on the Atlantic sea-board.

3. It will increase the market for British Columbia and Alberta coals in the states to the south.

4. It will probably have a tendency, through the increased volume of business made possible, to reduce the cost of coal and coke production in British Columbia, which should insure at least present prices, with the possibility of reductions to the consumer.

I have been instructed by our executive to commend this matter to your earnest consideration with a view to bringing about results that appear to be in the interests of the Canadian public.

Yours faithfully,
A. B. MACKENZIE,
Secretary.

In interviews published a few days ago with two important men interested in coal operations, one in British Columbia and the other in Nova Scotia—I mean Mr. Lindsay, president and superintendent of the Crow's Nest Coal Company for many years, and Mr. D. D. Mann, an owner of coal mining interests in Nova Scotia—I read the following references to this question in view of the changes made in the tariff of the United States. Mr. Lindsay stated:

In bituminous coal and coke, if Canada reciprocates, there is an enlarged and increased American market for British Columbia. As Canada imposes no duty on coke, the American duty will be removed. Canada does levy 53 cents on bituminous coal, so reciprocity is a condition here.

Mr. Mann made this statement:

Mr. Mann stated that there should be no duty on coal.

The geographical positions of the two countries show that, he said. 'Here in Eastern Canada, in Ontario and Quebec, we have no coal, while to the south of us is an unlimited supply. In the western states there is no coal, while to the north, in Canada, is another unlimited supply. Why should not there be free trade in coal? If there were it would do away with the long haulage over the railways from coast to coast in Canada, and from coast to coast in the States.

Now, Sir, I want to bring to the attention of parliament the investments in coal mining in British Columbia and Alberta. The operations in coal in Nova Scotia have depended almost entirely, until recent years, on a foreign market in the United States. My hon. friend from Cape Breton, who spoke the other day in support of a resolution in favour of higher duties on coal made the statement that it was important that a protective duty should be placed on coal in this country to preserve the Canadian market for coal products. The difficulty in British Columbia is to get markets for our coal products, and the very natural conditions of the country determine that for all time to come, a large part of the coal products of British Columbia will be dependent on foreign markets. I want to say, in passing, for the policy of the government, that ten years ago, previous to the disaster in San Francisco, 90 per cent of the coal produced in British Columbia went into the American market. There never would have been coal mines in British Columbia but for the American market. The Hudson Bay company, in operating the coal mines of British Columbia 50 years ago, found their whole market in the United States. I am happy to say that at the present time 60 per cent of the product of these coal mines is consumed in Canada and 40 per cent in the United States. I mention this to show that there has been more real development of a home market for the coal mining industry in British Columbia in the last 10 years than there was before that since confederation. This fact is very important, that whereas 10 years ago only 10 per cent of the coal produced in Vancouver island was consumed in Canada, to-day 60 per cent is consumed in Canada. But since the financial panic in the United States the mines have been working only two-thirds of the time, owing to the contraction of the United States market, from the closing of their factories and the shrinkage in business resulting from their financial condition. Let me give to the House the present condition of coal operations of British Columbia and Alberta. We have in British Columbia the Wellington Colliery company, the Western Fuel company, the Crow's Nest Pass Coal and Coke company, the South Wellington mines, the Vancouver-Nanaimo Coal Mining company, the Nicola Valley Coal and Coke company, since McGowan & Co. of Vancouver, and since 1907 the Canadian Pacific Railway company has begun its mines at Hosmer. We have in British Columbia a total capital invested in coal mining operations of $20,000,000, employing 7,000 miners directly

and maintaining a population of 30,000 people. The yearly product—1907 is the latest year I have been able to get—is nearly 2,000,000 tons, and its approximate value is $7,637,713. The total known coal areas in British Columbia, which I have collected from the Geological Reports of Canada, are 1,123 square miles, containing 38,642,000,000 tons of bituminous, 20,000,000 tons of anthracite, and 314,000,000 tons of lignite. These are known areas. Of course, there are large coal areas in British Columbia of which very little is known. The total export of coal from British Columbia to the United States in 1907 was 733,224 tons, amounting, as I have said, to 40 per cent of the total production; so that if we had reciprocity in coal, British Columbia would practically monopolize the markets in the western states of America.

In this connection I want to mention that I have made some inquiries with reference to the coal production of Alberta, and the same is largely true there. There are about eighty companies producing coal in Alberta. This is principally bituminous and lignite, with a little anthracite. These companies are capitalized at $40,000,000, and have a total capital invested of about $15,000,000. I was surprised to find the large amount of wages paid and the large amount of the output of these mines.

The money paid in wages in the province of Alberta in that production is equal to $3,500,000 per year and the number of hands employed averages 37,800. The total yearly production in 1907, including coke and briquettes, is equal to 1,958,112 tons. The total coal area, according to the geological reports, is as follows: 19,589 square miles, containing 44,530,000 tons of bituminous, 400,000,000 of anthracite and 60,000,000 of lignite. So that the House will see that, in the development of these enormous coal areas in our great west, a free market in the United States would be a great advantage. The development of these coal areas depends very materially upon the United States markets, so that, if there be no disadvantage unduly to the rest of Canada and if it be in the interest of Canada generally, this government should take advantage of any offers, if any be made by the United States, to giv our coal a freer entry into their markets. Let me draw attention to another fact. The central provinces of Canada are non-coal producers. Take for instance Manitoba. There may be some coal of an inferior quality in that province, but I do not suppose that for many years to come it will be able to produce sufficient coal to supply its own needs. At present it depends on imports from the United States for about 98 per cent of its coal consumption. In Ontario there is no coal, and the probability is there never will be any. Ontario is a great manufacturing, largely populated province, depending absolutely at present—as it will, in my opinion, have to depend for all time to come—on the imported article. I do not think it is possible by any improvement of transportation facilities, and taking into account reasonable competition, to have a sufficient investment of capital into the Nova Scotia mines as will enable them to supply the market in Ontario. I have in my hand a very important statement which I have compiled from 1899 to 1908 showing the quantity of foreign coal imported into Canada during that period, and what I ask the House to remark is the constantly increasing imports of that commodity. What does this statement show? It shows that in the great manufacturing centres of Canada which must have coal, and can only get it from a foreign country, are developing their enterprises to such an extent that their importation of coal on which they have to pay a duty of 53 cents a ton, has increased by leaps and bounds.

STATEMENT showing the quantity and value of Bituminous Coal and Bituminous Slack entered for Consumption in Canada during the last ten fiscal years, showing also the duty collected on same.

	BITUMINOUS COAL.			BITUMINOUS COAL DUST.		
Fiscal Years.	Tons.	Value.	Duty.	Tons.	Value.	Duty.
1899	2,171,358	$ 3,691,916	$1,146,448	276,547	$ 44,717	$ 7,981
1900	2,439,764	4,310,964	1,291,375	330,174	98,349	17,783
1901	2,516,392	4,956,025	1,329,519	414,432	275,559	40,292
1902	3,047,392	5,712,058	1,608,436	489,548	264,550	44,557
1903	3,511,412	7,776,717	1,849,808	550,883	420,317	64,522
1904	4,053,900	9,108,208	2,127,417	608,041	544,123	80,061
1905	4,176,274	8,002,896	2,206,283	650,261	343,456	69,330
1906	4,495,559	8,360,349	2,379,196	747,251	489,180	83,795
*1907	3,807,604	7,491,045	2,012,373	627,725	564,955	80,628
1908	6,185,400	13,596,606	3,436,992	1,154,721	1,247,183	161,595

* 9 Months.

In 1899 we imported into Canada 2,171,358 tons of bituminous coal, value, $3,691,915; on which the duty collected amounted to $1,146,448. Of bituminous coal dust we imported 276,547 tons, value, $44,717; on which the duty was $7,981. That was in 1899. In 1908 we imported 6,485,400 tons of bituminous coal, value, $13,596,606; on which the duty was $3,436,992. I fancy that the duty is what touches in that connection the heart of my good friend the Minister of Customs; and no doubt by this time he is asking the question: 'If you are going to tear down this wall of protection, how are' you going to provide the revenue? Well, I would make this answer: I believe that in a few years the enormous development of trade in British Columbia, the great west, and Ontario, as the result of the admission of coal free into our manufacturing centres, would far more than counterbalance the loss of the duty which the government collected in 1908. That is my answer to my hon. friend the minister. These figures indicate that in our great manufacturing and producing centres, where you cannot find the necessary fuel and where consequently you have to import your fuel, and on which you have at present to pay a duty of 53 cents per ton, it would be good policy, if we were offered free entry of coal from the United States, to take advantage of that offer.

I have made another calculation, showing the consumption of coal by our railway companies during 1908. I have just taken one year, but that shows an enormous consumption. Railway transportation is one of the prime operations of business in this country, and in that operation coal is an essential factor. It is as necessary to the industrial life of the nation as bread and butter is to the life of the human being. Here is the consumption of coal by locomotives on the Canadian Pacific Railway during the year ending 30th June, 1908.

Canadian Pacific Railway.

Locomotives.	Number of Tons.
Passenger	624,588
Freight	1,373,985
Switching	241,308
Construction	178,529
Mixed	84,719
Special	1,096
Total	2,504,225

Average cost at distributing point, $3.12; total cost, $7,813,182.

Thus I find that the locomotives employed by the Canadian Pacific Railway consumed in that year 2,504,225 tons of coal, the cost of which at the distributing point was equal to $3.12 per ton and the total cost of which to the Canadian Pacific Railway was $7,813,182. But some of my hon. friends may say that that is simply a tax upon the railway company. Well, so far as I am concerned, I am not at all deluded by any reasoning of that kind. It may be said that when we have a law to regulate the passenger rates on railways and their transportation charges on freight, when we have the power to make these railway companies cut down their rates to a minimum, surely this duty is a proper tax to impose upon them. Let me reply that the amount of duty collected on the coal used by these companies must be taken from the travelling public. When the railway companies of this country submit their charges for operation into the hands of the Railway Commission, that commission is bound to consider among the other charges the duty imposed upon an article which is absolutely necessary to these companies in the operation of their business.

Take the Grand Trunk Railway. Here is a statement of what their locomotives consumed.

Grand Trunk Railway.

Locomotives.	Number of Tons.
Passenger	410,975
Freight	905,676
Switching	165,577
Construction	36,790
Total	1,519,018

Average cost at distributing point, $2.76; total cost, $4,192,489.68.

Thus you see that their total consumption in the year 1908 was 1,519,018 tons, that this cost them at the distribution point $2.76 per ton, and that the total cost to that company was $4,192,489.

Then take the Intercolonial Railway. Here are the figures showing the quantity of coal that railway consumed in the same year.

Intercolonial Railway.

Locomotives.	Number of Tons.
Passenger	133,602
Freight	351,273
Switching	55,552
Work	30,623
Total	571,050

Average cost at distributing point, $3.04; total cost, $1,735,992.

Let me now divert for a moment to ask this question: How is it that coal, in the coal mining regions on the Atlantic coast, costs the Intercolonial Railway over 30 cents a ton more than the other railway companies paid for their coal? Why is it? For the reason that it is the competitive distance. Receiving its supplies as a government work entirely from the Nova Scotia mines, confining itself absolutely to the home product, that, in my opinion, is the difference in the price to the Intercolonial a tax upon the people, an increase to the Intercolonial as against the other railways. Take the Canadian Northern Railway: Here are the figures of its coal consumption:

Canadian Northern Railway.

Locomotives.	Number of Tons.
Passenger..	61,218
Freight..	190,489
Switching..	23,009
Construction..	13,600
Total..	288,316

Average cost at distributing point, $3.85; total cost, $1,110,016.60.

Recapitulation.

	Tons.	Cost.
C. P. R. consumption.. ..	2,504,225	$ 7,813,182
I. C. R. "	571,050	1,735,992
I. C. R. "	571,050	1,735,992
C. N. R. "	288,316	1,110,016
Total..	4,882,609	$14,851,677

In my opinion, the deduction of 53 cents on every one of those tons would represent a very material reduction in the cost of railway transportation to the people of this country. This, it seems to me, calls for consideration by my hon. friends the Minister of Customs and the Minister of Finance.

Mr. McKENZIE. When anthracite coal was put on the free list, was it made cheaper for the Canadian people?

Mr. RALPH SMITH. The consumption of anthracite coal is very small—

Mr. McKENZIE. That is not my question.

Mr. RALPH SMITH. The consumption of anthracite coal in Ontario is a very small proportion of the whole, there being a large consumption of bituminous coal necessary in manufacture.

Some hon. MEMBERS. Oh, oh.

Mr. RALPH SMITH. Well, I made what I thought was a logical deduction. If my hon. friend thinks that the taking off of the duty would not lower the present price, then this duty does not afford any protection to the coal industry.

Mr. McKENZIE. But you would lose the revenue.

Mr. RALPH SMITH. I did not think my hon. friend was looking at it from that standpoint. What I say is that the extraordinary development of this country by the utilization of free bituminous coal would, in my opinion, in a few years so increase our trade that the revenue from coal would be far more than made up. However, I appreciate the position of my hon. friend (Mr. McKenzie). This is a great and important question in the west. It is an important question in Ontario and Quebec. I leave the consideration of it to my hon. friends with my sympathy, and with every appreciation that there may be something in their contention.

A few days ago the Minister of Finance received a document from the representatives of the gas industry in Canada. I do not know its value, for I have not looked into this question. But I received, as other members have, a copy of this document, and I want to read a few paragraphs:

3. Canadian gas companies imported 170,000 tons of bituminous coal from the United States for gas-making purposes. This amount this year will total 350,000 tons.

4. That we are compelled to import bituminous coal from the United States for two reasons:—

(1) Because Nova Scotia coal is unsuitable for economical gas production.

Mr. E. M. MACDONALD. That is not correct.

Mr. RALPH SMITH. I am not swearing by this book. I received the document, and I am giving it to the House for what it is worth. I hope my hon. friends from Nova Scotia will be able to show that this statement is not correct. But I am in duty bound to present it:

—Gas companies within recent years have been compelled to stop using, notably Montreal and Quebec, who formerly used Nova Scotia coal. (2) Because transportation charges from Canadian coal fields were prohibitive.

Mr. McKENZIE. Will the hon. gentleman say who was the authority for those statements?

Mr. RALPH SMITH. As I told my hon. friends, this was a document sent to the Finance Minister a few days ago from the gas industry.

Mr. E. M. MACDONALD. If the hon. gentleman will permit me: Is he aware that the great grievance of these people is that this government permits coke to be brought into this country free of duty, and that what they want is a duty on coke?

Mr. RALPH SMITH. I think that, further on in the document, they do ask that. But I think that the statements in the two paragraphs I have read call for explanation on the part of those who oppose this principle. Now, I wish to say a word further with regard to the Nova Scotia position, for which I have great consideration. I have here a document, I do not know the man who wrote it—Mr. W. C. Milner—

Mr. McKENZIE. Oh, oh.

Mr. RALPH SMITH. I do not know who he is.

Mr. McKENZIE. We do.

Mr. RALPH SMITH. Perhaps he is a Tory.

Mr. McKENZIE. Certainly,—a good one.

Mr. RALPH SMITH. Mr. Milner read a paper before the Mining Society of Nova Scotia, in which he presents facts and figures to show that Nova Scotia coal could find a market in New England if there were no duty, and that at the same time the home markets would be safe. I cannot read the whole article, but I wish to read a few paragraphs. As I have said, it is a public document, read before an important institution in Nova Scotia, by a citizen of that province, and it speaks for itself. How much it is worth I cannot say. I read it to the House, and it will be to my hon. friends from Nova Scotia to disprove the statements this gentleman makes:

The importance of United States trade, not only to the maritime provinces but to all Canada, was such that in 1849 all the governments of Canada united in a joint effort to extend it. . . In coal, the United States became early our chief market.

I want to point this out in passing. What I am contending for in the great west is that, logically and naturally, the permanency and extent of the coal mining operations must depend upon the foreign markets, which, according to this document was absolutely true of Nova Scotia fifty year ago—they depended upon the New England markets for the development of their mines.

In coal, the United States became early our chief market. It was not until after 1820, that the production of the Nova Scotia mines exceeded 10,000 tons per annum; in 1826 it exceeded 100,000 tons, and in 1850, 200,000 tons, and of this output the United States purchased considerable more than one-half. In 1853, when the duty was 24 per cent ad valorem, the shipments were 120,000 tons out of 217,000 tons of an optput. The shipments rose from 120,000 tons to 404,000 tons in 1866, the year reciprocity was abrogated. Of the entire output of our mines—558,000 tons—United States purchased over 400,000 tons, or about four-fifths.

There are other items in this document that I have marked, but I do not consider it necessary to read them. But I felt it my duty, as a member from the Pacific coast province, to bring this matter to the attention of the House. The last thing I have to say on the question is this: That, with regard to certain products, coal included, it seems to have been the policy of the federal government of Canada, since the first days of confederation, to hold out an opportunity to the United States to provide for reciprocity in certain articles. As this document says, in 1879 the great national policy itself provided for reciprocity between the two countries on certain natural products, especially on coal and coke. In referring to the tariff schedule of 1906, I found provision was made for holding out an opportunity to the United States to meet Canada in certain reciprocal changes; power was given the Governor in Council to take advantage of any tariff reductions in the United States. But in this new tariff of 1907 the government did not continue that long standing offer to the United States. Now I want to make an appeal to the Minister of Finance to consider this question. I notice that provision for reciprocity has not been inserted in the new proposed tariff sent up to the Senate of the United States. When I was in the United States two weeks ago I made special inquiries with regard to this matter, and I was told that there would almost certainly be a reduction in this particular coal down to 40 cents a ton. If the same provision were in the tariff schedule of Canada that existed in 1906, then he would have the power to take advantage of that reduction in the duty which we have not to-day. I want to present that consideration to the government, so that if the United States provides for reciprocity in coal, we may be able to meet them. Speaking with all consideration for Nova Scotia, I do not see why she ought not to be able to compete in the Canadian markets as well as in the markets of New England. There is nothing I know of which can conduce so much to the development of the great west as the possibility of getting better markets in the United States for the bituminous coal of Canada.

Now I want to make an appeal to my hon. friends from British Columbia. I have no doubt the Minister of Inland Revenue will use all his influence with the government in reference to this matter. I think my hon. friends from British Columbia are interested in the development of that province as much as I am, and here is an opportunity of doing something that will help to develop the great resources of that province. Anything that will lessen the pressure of protection in this country I will be glad to support, and anything that will extend protection I will be loath to support. I know that most of my good friends from that province are supporting a party that stands for adequate protection, which means a general advance in the tariff of at least 20 to 25 per cent, and I can understand how difficult it is for them to support me in this principle. But I hope, because of their loyalty to the province, that they will lend me their influence to accomplish this object. I am sorry to say however, that I am not so sure of the support of my hon. friend from Vancouver (Mr. Cowan). Of course he has expressed his great zeal for the development of British Columbia. As a matter of fact, I have been

using my good influences to keep his feet in the straight and narrow path ever since he came down to this House, and I perceive that he still needs that influence. I was sorry to read a speech he made the other day in Vancouver. While I think I may appeal with some confidence to my hon. friend from Kootenay (Mr. Goodeve), and to my hon. friends from the other constituencies, I have not the same confidence that my hon. friend from Vancouver can use his influence in favour of my proposition. I say that because of the wild and extravagant statements he is reported to have made some days ago to his constituents in Vancouver. It seems to be the misfortune of my hysterical friend from Vancouver that whenever he finds his feet he looses his head. I feel a great sympathy for him in my heart, but I think I have discovered that he is afflicted with political spasms. Now political spasms, like physical spasms, are always an evidence of weakness. I want to read my hon. friend a report of the speech he made at Vancouver in order to give him an opportunity of taking back some of his statements if he can do so. If he cannot take back those statements, then in my opinion I think he has lost his public influence in this country in so far as it can tend to the advancement of the interests of British Columbia. I say with every feeling of kindness to my hon. friend, that when a public man stands up in the great commercial city of Vancouver, as he did, and utters the slander that he did against the leader of the Liberal government of this country, he is bound to loose his influence for good. The strongest weapon that any representative in this House is entitled to use is the weapon of argument, the weapon of reason, but when he makes the statement he is reported to have made in reference to ministers of this government, charged with great responsibilities, I think he has seriously injured the public influence that he ought to seek to retain. He discussed that question of better terms with British Columbia, also the old chestnut of Oriental immigration. I thought my hon. friends would never dare to open their mouths again about Oriental immigration. I notice that my hon. friend from Yale-Cariboo (Mr. Burrell), speaking in Toronto, told the people how important it was that the yellow race should be kept out of Canada, but he did not tell them that he himself employs men of the yellow race. The rest of my hon. friends from British Columbia are in the same position. In discussing the question of better terms my hon. friend from Vancouver spoke in this manner of the attitude of the Prime Minister on that question:

> Then Sir Wilfrid had turned to the question of better terms and in rather sneering tones had cited the Conservative proposal to refer that question to an independent and impartial tribunal. . . . They had no difficulty in showing Sir Wilfrid and the House of Commons that the Asiatic problem had been projected into the public life of Canada by the blundering treaty making of the government.

Mr. COWAN. Hear, hear.

Mr. RALPH SMITH. I hope my hon. friend will just keep up that response for the next sentence.

> It did not trouble him to show that every province in Canada was entitled to a fair and impartial hearing of its claims.

Now here is the sentence to which I wish to call his special attention:

> It was a white livered coward who would deny British Columbia an independent, fair and impartial tribunal for the settlement of her claims .

I say, with the greatest regard, that, if my hon. friend said so, and he will have an opportunity of disproving it, any public man in this great country who stands up on any platform and places himself on record by making such wild and prejudiced statements, disqualifies himself from occupying any important place or exercising any influence in the public affairs of the country. He went on further to say:

> He had had an opportunity of saying to Sir Wilfrid that it was left for him to be just and be a man. . . But he would say now that he had not the courage of manhood to treat honestly and fairly with British Columbia and submit to an impartial tribunal a claim, the justice of which was admitted by the highest courts in the land. From this time forth it would be his bounden duty to tell the public that in his judgment, whatever it was worth, that man was a false alarm in the public life of Canada.

I consider it fair to my hon. friend, cherishing as I do, nothing but the kindliest considerations towards him and, as a political missionary, being out for the Vancouver sinner—as long as the light holds out to burn the vilest sinner may return—to give him an opportunity of explaining these statements. If my hon. friend is prepared to take the responsibility of these statements, I say that he has done the greatest possible injury to himself. If, on the other hand, he is prepared to take the responsibility of saying that he did not make these statements, that he had been falsely reported, it is due to himself to let the people of this country know it.

Mr. EDWARDS. Mr. Speaker——

Mr. G. H. COWAN (Vancouver City). Mr. Speaker——

Mr. DEPUTY SPEAKER. The hon. member for Frontenac (Mr. Edwards) has the floor. The hon. member for Vancouver must resume his seat. If the hon. member for Frontenac gives way to the hon. member for Vancouver, he may speak.

Mr. EDWARDS. I understand that the hon. member for Vancouver wishes simply to reply to a question with reference to himself.

Mr. COWAN. Yes, Mr. Speaker, as has been said, I wish merely to reply to the references which have been made to myself. In doing so I am prepared to credit the hon. member for Nanaimo (Mr. Smith) with the best motives, at least the best motives that could actuate that hon. gentleman. I take it that he has given me this opportunity of explaining the report of the speech I made at Vancouver. I have not read that report. I would be glad if he would let me see it. I assume that the hon. gentleman realizes, as we all do, that when reporters seek to condense the remarks of a speaker, they very often omit the arguments and use such catch phrases as will make good reading. I want to thank the hon. gentleman for giving me this opportunity of explaining the remarks I made at that meeting in Vanvouver, but I want to remark, before proceeding to that personal explanation, that the position which the hon. member for Nanaimo finds himself in in this House seems to me somewhat bizarre. From his place amongst the faithful on the other side of the House he has charged the government with dereliction in the matter of the fisheries of British Columbia, he has charged the government with militarism——

Mr. TALBOT. Answer the question.

Mr. COWAN —and he has charged the government with a neglect of its duty in the matter of coal. The position of that hon. member is rather a peculiar and anomalous one. I will not say that it is apropos of that position although I want to remind the House that on the American side of the line in their political terminology they have one expressive word—mugwump. A mugwump, they define to be something on the fence with his mug on one side and his wump on the other. I want to say in justice to the government, with reference to some of these criticisms and in loyalty to the truth, that it has been dealing recently with the protection of the halibut fisheries on the Pacific coast, and I will say here, as I said on the public platform in Vancouver, that I believe the government is honest and sincere in its intentions. As I understand the intentions of the government, they are that it will improve the fishery protection service on the Pacific coast. The government knows, I believe, quite as well as the hon. member for Nanaimo knows, that in the last year there were 49,000,000 pounds of halibut poached by foreign vessels from Canadian waters.

Mr. TALBOT. White livered halibut?

Mr. DEPUTY SPEAKER.

Mr. COWAN. I do not qnite understand mv hon. friend's desire to claim relationship with that kind of 'talibut,' but the government knows too that in the year before last there were some 38,000,000 pounds of halibut taken from Canadian waters by poachers, and it knows that this is due to the insufficient and inefficient fishery protection service, resulting in a failure to enforce the laws. The government knows that halibut banks in British Columbia are the best and almost the only halibut banks capable of profitable exploitation in the world to-day, and they realize, I believe, the necessity of protecting these banks. They have told us, and I believe that when they did so they acted sincerely, that they will improve that protection service. I have every reason to believe that the 'Joliffe,' a fast steamer, will be chartered pending the construction of a cruiser for the purpose of protecting our fisheries. In justice to the government I believe that they are grappling with the subject, and my hon. friend from Nanaimo notwithstanding, I am prepared to believe that their pledges about the protection of the fisheries and with regard to the productive development of the harbour of Vancouver, will be carried out by them. If my hon. friend (Mr. Smith) wants to keep himself posted on the pledges his government have made I can tell him that they are pledged to put a dredge in the harbour of Vancouver and I believe they will carry out that pledge, within the time stated, to the deputation that waited upon them recently. I am not one who would readily believe that the government has made these pledges for sinister and improper motives and that it does not intend to carry them out.

Now, it is true that on the public platform in Vancouver quite recently I did make reference to the idol before which my hon. friend from Nanaimo bows down. It was not an unholy reference; I spoke of the Colossus under whose huge legs my hon. friend from Nanaimo has been seeking and has at last apparently found a dishonourable political grave. I did make reference to that Colossus and I am sure that had my hon. friend (Mr. Smith) been present at that meeting he would admit that I had not transgressed the rules of political ethics or of decency, and I intend here and now to say exactly what I said on that platform. My hon. friend from Nanaimo will pardon me I am sure if I be not so imbued with reverence for his leader as to lose my sense of truth and of equity. At the Vancouver meeting I became reminiscent, and I examined the record of the Rt. Hon. Sir Wilfrid Laurier on the question of the solidarity of the British empire and of Canada's desire to contribute to uphold that solidarity. I recalled the fact that on the 3rd of October, 1899 he declared in an interview with a correspondent of the 'Globe,' his policy that not a man, not a gun could go from

Canada to South Africa. I remembered that from the Atlantic to the Pacific there was one great surging wave of enthusiasm in the hearts of the people and a desire that the Canadian boys should be allowed to go to South Africa. I remember that two days later, on the 5th of October, 1899, Sir Charles Tupper, on behalf of the Conservative party of Canada, wired Sir Wilfrid Laurier expressing the hope that a Canadian contingent would be allowed to go to Africa and assuring him of the loyal support of the Conservative party. I remembered that on the 7th of October, 1899, the 'Globe' in an editorial declared for the policy of not a man and not a gun for South Africa until parliament had been summoned and had authorized it. I want my hon. friend from Nanaimo to remember the ground-swell of indignation that came up from the people of Canada on that occasion, and how, notwithstanding the technical and constitutional difficulties that bothered the Prime Minister, the Canadian boys did rush to the front on the way to death as to a festival. And, Sir, I say that when the sons of Canada did that they did more to bring about the birth of Canadian nationhood than all the blatant politicians that ever came from Nanaimo or anywhere else. I want to say here that I know exactly what my hon. friend (Mr. Smith) is appealing to when he charges this government with militarism and with spending $7,000,000 in fostering a military spirit in Canada. I know the little vote he is appealing to, and I want to tell the House that we know the hon. gentleman as a 40-per cent man in our country, because he succeeded in getting just about 40 per cent of the vote polled in his constituency.

Mr. RALPH SMITH. Will my hon. friend permit me to ask him a question?

Mr. COWAN. Why, yes.

Mr. RALPH SMITH. Does he represent the majority of the vote in Vancouver?

Mr. COWAN. I represent the second largest constituency in this Dominion of Canada, and I represent a bigger turnover at the last election than any single man in this parliament; that is what I represent.

Mr. RALPH SMITH. As my hon. friend is making his attack personal to me——

An hon. MEMBER. You made a personal attack.

Mr. RALPH SMITH. I did not; I read his statements from the newspapers, and I never accused my hon. friend of making them. But my hon. friend (Mr. Cowan) knows that he sits in this House with 1,500 of a majority of the votes of Vancouver against him.

Mr. COWAN. I sit in this House with a pluralty over every candidate against me of 1,582 and I had an adverse majority to meet of 858 against me so that I represent a turnover of 2,440 votes. If any hon. gentleman can boast of a larger turnover than that in his constituency I am perfectly willing to take my seat and let him tell about it. When this sentiment in Canada in favour of standing at the back of the empire and preserving its solidarity was on the rise, where did we find the right hon. leader of the government? We found him saying: 'Canada is not menaced; I will not be stampeded; I will not act in a panic; I will not take any false step because of any false alarm.' It occurred to me, in looking over the records, that that same sentiment by that same gentleman has been expressed more than once in this House and on the public platforms of Canada. I recall that in 1907, when the right hon. gentleman, by entering into a treaty with Japan, inaugurated his policy of planting in British Columbia and in western Canada colonies of aliens who would always remain aliens, the aliens, quick to take advantage of that policy of his, came in thousands upon thousands into British Columbia, until in less than six months after the ratification of the treaty in January, 1907, there were no less than 8,125 Japanese army reservists and naval reservists landed in British Columbia to take possession of our fishing banks and our canneries. I remember again, when the influx of this Oriental horde was at its height, that the public feeling of resentment, especially in British Columbia, rose to fever height; and I remember that the right hon. gentleman, speaking to a meeting of manufacturers, I think in Toronto, again said in his spectacular way: 'I will not act in a panic; I will ponder; I will not take any false step, because of any false alarm.' That is the import of his words on that occasion; and I recalled at that time, as I recall now, that those army reservists and naval reservists had completely taken possession of the fishing grounds of British Columbia, which are to be the nurture ground of the sailors and officers of our future navy; and on a more recent occasion the same right hon. gentleman, after the greatest statesmen in the empire, the premier of Great Britain, the leader of the opposition, Mr. Balfour, and Mr. McKenna, had spoken weighty words as to the danger that threatened the empire——

Mr. LEMIEUX. Right here would my hon. friend allow me a question? Speaking of the Japanese, does my hon. friend believe that it is better to be on terms of friendship and amity and good will with Japan just now than it would be to be at war with her?

Mr. COWAN. I believe that our first duty is to preserve our own self-respect, and I

believe that the way we should have preserved that self-respect would have been to have done as the home government asked us to do.

Mr. LEMIEUX. Denounce the treaty?

Mr. COWAN. With dignity, reserve to ourselves the right to control immigration from Japan.

Mr. LEMIEUX. How many Japanese are coming into Canada now?

Mr. COWAN. I say I remember another occasion, when the solidarity of the empire was in question, and when the weighty men of the empire spoke weighty words. On the 16th of March last, Mr. Balfour said:

> I do not approach this problem, I can truly say to the House, in an alarmist spirit; but I have been forced most reluctantly, not only against my wish, but against all the traditions by which British politicians and statesmen have been animated for generations, and now for the very first time in modern history, to declare that we are face to face with a situation so new, so dangerous, that it is very difficult for us fairly to realize all that it imports.

And the Premier of Great Britain, agreeing with Mr. Balfour, added 'that a contingency had arisen that menaced not only the supremacy of the empire at sea, but the independence of the nation itself.' Notwithstanding these weighty words by these weighty statesmen, again we find the right hon. leader of the government rise in his place in the House and declare: 'I will not be stampeded; I will not act in a panic; I will not make a false step because of a false alarm.' And I said to that audience, as I say here, that in the matter of the solidarity of the empire and Canada's desire to take part in upholding that solidarity, the only false alarm in the public life of Canada was the right hon. gentleman himself.

I also said something to that audience in regard to better terms. Now, I wish you to understand that we in British Columbia are human, and, like most men, when our rights are denied, we believe in a strong statement against the man who dares deny us our rights. Moreover, we believe that we have a just claim on the Dominion of Canada. It is deeply imbedded in the British sense of justice and fair play that every man who has a claim against an individual or a state will have a hearing before an independent and impartial tribunal. That is what we in British Columbia ask for. We do not ask you to believe in advance that our claim is well founded. We ask you simply to give us, in the name of common justice, a hearing before an independent and impartial tribunal, and we are satisfied; and I said then, what I am prepared to repeat, that any man who denies me or denies a province the right to have a claim which I or it considers a just claim, heard before an independent and impartial tribunal, that man, if a public man, is unworthy of his position as a public man, and is unworthy to be called a man.

Mr. RALPH SMITH. Will my hon. friend permit me a question? Did he say that Sir Wilfrid Laurier was a white-livered traitor?

Mr. COWAN. No, I will repeat exactly what I said, as nearly as I can remember.

Mr. DEPUTY SPEAKER. It is my duty to point out that to ask an hon. member to repeat an expression which is out of order is asking him to repeat the offence, and I cannot allow him to do so.

Mr. COWAN. I believe, Sir, that I can repeat exactly what I said, and that you will not be called on to rule the words out of order. What I said was that such white-livered treatment was unworthy of a public man or any man.

Mr. DEPUTY SPEAKER. If the hon. gentleman is attributing to any member of this House a character of that description, he is using offensive words.

Mr. COWAN. I wish to state that my purpose was to draw the attention of this House to the simple and material fact that we are denied the hearing of a claim which we believe to be just. All we ask is to be heard before an independent and impartial tribunal. I believe myself that when the right hon. the leader of this government realizes that position, when he realizes that the government, by its attitude, is denying us that hearing, his own innate sense of justice and right will lead him to change that attitude and give us the opportunity of pleading our claim. If my hon. friend from Nanaimo (Mr. Ralph Smith) considers that I do not represent the public sentiment of my constituency upon the subject of better terms or on the attitude of the right hon. the leader of the government regarding the solidarity of the empire, I should be very grieved indeed to think that I do not represent the majority view of my constituency, and it will be one of my pleasures to contest with him or, if he chooses, with his leader whom he idolizes to such an extent, public opinion in the city of Vancouver; or if either of these gentlemen does not choose to take up the gauge of battle, possibly they may find some one courageous or bold enough, either resident or non-resident in Vancouver, to take it up in their place and on their behalf. I am here only because I believe I represent the healthy view of the people of Vancouver; and if I have fallen short of my duty, should any gentleman wish to contest public opinion in

Vancouver with me on that point, I want him to understand that the door is wide open for him to do so as soon as he wishes.

Mr. A. VERVILLE (Maisonneuve). I thought that I had a fair majority in the last election, but it seems that my hon. friend from Vancouver (Mr. Cowan) must have had a larger one. I wish to say a few words on the question before the House, which question also was under debate last week when we were discussing the woollen industry. In that discussion I heard some hon. members claiming to be farmers, others claiming to be labourers, and others claiming to have worked at certain industries during thirty or forty years, and all of them coming to the conclusion that more protection should be given our manufacturing industries. Much was said regarding the protection we should give the manufacturing element in this country, much was said regarding the protection we ought to give to the buildings themselves, the machinery in those buildings, the owners of those buildings, and also the stockholders in those companies. Much was said on behalf of their protection, but very little indeed on the labour side of the question. These hon. gentlemen seem to have forgotten that that is an element entitled to be seriously considered. For my part, I fail to see that our manufacturers are any poorer than they were ten or twelve years ago. I also know that time and again, especially in this very year, whenever the discussion of the budget is on, the Manufacturers' Association are particularly busy endeavouring to impress on the government the advisability of raising a large stone wall around the country—a wall so high that you cannot reach the top. But at the same time they want holes in it to let in their raw material and a wide door to allow labour to come in free. I only hope that our manufacturers, who are asking for higher protection, will seriously consider that whenever they are given protection of any kind, they should be at least willing to give a certain share of the profits allowed them by the tariff to the people who are producing their wealth.

Much has been said concerning the condition of the woollen industry. We had one hon. member telling us that he had been thirty years in that industry and imploring pathetically for more protection. But I believe that hon. gentleman is worth nearly a quarter of a million dollars. That industry must therefore pay very well or he would not have so much money. Again, take the cotton industry, and I have before me the report of the last royal commission held by Mr. King in the province of Quebec last year. It is proven by this report that, while that industry was asking for higher protection, it was impossible for it to produce enough cotton to meet the wants of the Canadian people—there had to be importations in order to supply those wants. Even though two large establishments were built right at the doors of our city, they still could not make enough to supply the market. But I am sorry to say that, whenever the financial people get together, the only thing they seem to be looking for is to find means to cause this government to propose legislation to double their capital not in two years but in one year if possible. The manufacturers of this country are not satisfied to make ten, fifteen, or twenty per cent; they want more. And if, because of financial depression, such as we have had for the last eighteen months, they cannot make as much as they have been accustomed to make, the first thing they do is to cut down the wages of their employees. This is true not only of the cotton industry, but, so far as I can see, of all others throughout the country. If we are to have protection should we not have it for everything that will produce wealth for the people? I was pleased to hear the hon. member for Nanaimo (Mr. Ralph Smith) speak on the subject of the militia. Every member of the House knows, I presume, that I am not very strongly in favour of militia. When the hon. member for Nanaimo asked that $3,500,000 of the budget of $7,000,000 for militia should be spent for the benefit of the farmers of the West and of the country generally, I believe he was right. As said by the hon. member for Nanaimo, we should protect a certain element in this country by trying, as far as possible, to keep our money in the channels of productive industry. I claim that the soldiers we have in this country and the $7,000,000 a year that we are spending, would not enable us to defend even the old city of Quebec. It is not feather-bed soldiers that we want, but men who can fight.. I claim that there is no danger to be feared from outside; the worst enemy of this country that I can see is accumulated capital, the possession of which by a few reduces the rest of us virtually to the position of their subjects. This is our most dangerous enemy; this is the foe against which we should arm ourselves. Labour is not supposed to be at the mercy of capital. If we look at what is going on in England to-day we find the question discussed there whether capital is to be hired by labour or labour to be hired by capital. If we are not blind altogether, we can see that we are coming to the same position in this country. So long as we have men who try to breed a certain element and a strong element among our people, and are willing to come before this government and ask tariff or legislative favours, there exists an awful danger. Therefore, I hope that the

government instead of raising the tariff as asked by hon. members on the other side, will lower it and abolish the duties altogether in many instances.

We have been talking about expenses. I claim that it matters not so much what your expenses are, if the money is being spent for the good of the people. I would ask any hon. member of this House who has charge of the spending of money whether, in carrying on the industry in which he is engaged, he considers how much should be spent, or whether he considers only getting the good return for that which is spent?

As to this question of tariff, when protection is asked for, it is always for the benefit of the poor labour people. The labour people are told: we are asking for high duties in order to protect you. But I say right here, let any member of this House prove to me that the labour people ever were protected. The benefits have come to the labour people when they were highly organized and able to protect themselves.

Mr. LALOR. Hear, hear.

Mr. VERVILLE. I am happy to hear the hon. member (Mr. Lalor) say 'Hear, hear.' I infer that he wants high protection for himself and not protection for labour.

Mr. LALOR. I can tell the hon. gentleman that protection means high wages for the labouring people and artisans of this country. That is what it means in my factory and every other.

Mr. VERVILLE. The manufacturers have less protection to-day than they had ten or twelve years ago. How is it, then, that they are paying their working people a little higher wages than they were then? They pay the labour people higher wages when they are forced to do so and at no other time. The generosity of the manufacturers has no word to represent it in any language that I know; it is not explained in any grammar that I have ever seen or defined in any dictionary I have ever consulted. I have not learned anything about it in the twenty odd years that I have been in this movement. It is good enough to talk about in this House, but as we go from city to city observing the actual conditions, we do not find that generosity very much in evidence in any place that I know of. Any increase of wages has always been gained as the result of a struggle. Therefore, so far as the tariff is concerned I am not asking the government for a higher tariff, I am asking them to lower the tariff as much as possible, for we do not want high protection to the manufacturers and free trade in labour as has been the case in the past. If these manufacturers are so anxious to provide work for our people, how is it that year after year the Manufacturers' Association are advertising throughout the whole world, you may say, that labourers of all kinds are in urgent demand in Canada? How is it that every year the Manufacturers' Association advertise, I might say throughout the world, that labour of all kinds is in urgent demand in Canada? If they are so anxious to give work to the unemployed, why do they try to make it appear that labour is scarce? Again, we find the Manufacturers' Association stating that workingmen are responsible for the present financial depression in the country. Will any hon. member say that the labouring men of Canada have not been as faithful in their work, that they have not worked just as hard the last two or three years as they ever did? Then how can they be responsible for the financial depression? But notwithstanding the financial depression, the stockholders must get their dividends, even on watered stock, and their dividends must be wrung out of the human flesh of the workingmen. Therefore I would urge upon this government, instead of raising the tariff, to lower it as much as possible, and I claim that by so doing they will benefit all the interests of Canada.

Mr. J. W. EDWARDS (Frontenac). I consider that every man who has the honour of a seat in this House has a double obligation to perform; he has an obligation to his constituents who sent him here to represent what he believes to be their opinions on public questions, and he has an obligation to his fellow members in this House to do that as briefly as possible. I have listened with a great deal of interest to many of the speeches which have been delivered during this debate, and I was especially interested in observing the different positions taken by supporters of the government. The hon. gentleman who has just taken his seat (Mr. Verville) said among other things that he favoured tariff reduction as much as possible. Now, it is a little remarkable to me that an hon. gentleman who, I believe, sat in this House during the last parliament should so express himself. Last session the hon. member for Souris (Mr. Schaffner) moved a resolution to reduce the duty on agricultural implements from 17½ to 10 per cent, and the hon. member who has just taken his seat, and the hon. member for Nanaimo (Mr. Ralph Smith), who were both in this House, and every member on the Liberal side of the House, joined to vote that resolution down. It has been interesting to me to follow the arguments advanced by hon. gentlemen opposite; it is interesting to observe them labour to defend an expenditure which has risen to some $125,000,000. The position taken by hon. gentlemen supporting the government to-day is vastly different from that taken by the Liberal party previous to 1896, when, from the Atlantic to the Pacific, on every platform in Canada, they denounced in unmeasured terms an expenditure of $38,000,000, while

to-day we find them labouring to defend an expenditure of $125,000,000.

I agree with much that has been said this evening by my hon. friend from Nanaimo (Mr. Smith), and I think that many on this side of the House will agree with much that he has said. I think that the Conservative party in this House, as well as the Liberal party, favour a proper expenditure of money, an expenditure that will increase our transportation facilities and benefit the country. But where the Conservative party differs from hon. gentlemen opposite, is that they condemn expenditure which, in their judgment, are improper, while hon. gentlemen opposite are ready to back up any expenditure proposed by the government no matter how indefensible it may be. For instance, the hon. member for Nanaimo is today finding fault with the government for spending money on militia and defence; he says that an expenditure of $7,000,000 for that purpose is unjustifiable, that the money should not be used in that way. But what has been the course of that hon. gentleman for the last four or five years that he has been in this House? Every session, when six or seven million dollars has been voted by parliament for militia purposes, the hon. gentleman has supported that vote. This session he did not raise his voice against an expenditure of $7,000,000 for militia purposes after all the money was appropriated, and now he comes forward and raises a howl about it. I think we might characterize his course on this question as one of those political spasms to which he referred. It is interesting to note that while the hon. member advocates free coal, the hon. member for Cape Breton North (Mr. McKenzie) advocates a higher duty on coal; that while some Liberal members advocate a reduction of the duty on different articles, other Liberal members advocate an increased duty on various articles. The policy of the Conservative party since 1879 has been known as the National Policy, the N. P. The Liberal policy, if we may judge by the diverse opinions expressed by Liberal members, might be properly termed the M. P., that is the Mixed Policy, a policy which is applicable to the condition of every constituency which they represent. We find the present government going down to Nova Scotia and telling the people that they will not touch the duty on coal, or if they do, that they will increase it; and going up to British Columbia and assuring the people that the proper thing to do is to reduce the duty on coal. We find that every Liberal member who gets up in this House to speak, whether it is the hon. member for Nanaimo who advocates free coal, he gets applause from the government benches; whether it is the hon. member for Cape Breton who advocates an increased duty on coal, he also gets applause from the government benches; or whether it is the hon. member for Red Deer (Mr. Clark), who is prepared to advocate anything that comes into his head, he is also applauded. I was particularly struck with some of the arguments, if I might dignify them with the name of arguments, advanced by my philosophical friend from Red Deer. The hon. member for Red Deer said among other things that the credit of Canada was to be judged by our answer to the question, 'What is our faith in Canada? It strikes me that the credit of Canada is to be judged rather by the faith of the other fellow, who is the creditor of Canada. Another argument advanced by the hon. member for Red Deer was that we spend what we get, and he says that we get our money from the increase of our trade. I might ask him, 'How do we get an increased income from increased trade if it is not by means of duties imposed by this government on trade? The hon. member for Red Deer has advanced the peculiar doctrine in this House to-day, that we in Canada must regard, and should regard, any increase in Canada's expenditure as a token of Canada's prosperity, and as a token as well of the administrative abilitv of the present administration. I submit that of all the peculiar arguments that have been advanced in this House of parliament by any member, let alone the member who claims and professes to be somewhat of a philosopher, this is, to my mind, the most peculiar. The hon. member for Red Deer (Mr. Clark) has a great admiration for the Minister of Finance. He admires the steady persistence shown by the Minister of Finance to the requests of the manufacturers, but he has forgotten that in this present budget the only change made was one in the interest of manufacturers and asked for by manufacturers. Has he likewise forgotten that the Minister of Finance could not resist the appeals of the manufacturers of iron and steel in this country, but that he gave way to their appeals and that this government has granted, since 1896, in bounties to manufacturers of iron, steel and various other commodities over $16,000,000 of the public money? The hon. member for Red Deer supports that sort of thing. That is a style of protection which he applauds although he is in theory an ardent free trader. That is the great trouble with that hon. gentleman and with a great many hon. gentlemen on the other side of the House; in theory they are free traders while in practice they are protectionists. There is one more reference that I desire to make to one of the statements made by the hon. member for Red Deer and that is the expression which fell from his lips that he had the fullest sympathy with any aspirations for true economy. It was a beautiful sentence, beautifully expressed—that he had the fullest sympathy with any aspirations for true economy. Yet,

the hon. member for Red Deer stood up in this House and gave his support to the throwing away of $1,000,000 of the public money for the Aylesworth ditch.

Mr. MICHAEL CLARK. Will the hon. gentleman tell me the date when I stood up in this House and voted for that ditch?

Mr. EDWARDS. If I have mis-stated anything in reference to the hon. member for Red Deer I will be very sorry. I will ask him if he was in the House at the time.

Mr. MICHAEL CLARK. My hon. friend made a definite statement purporting to be a fact about myself. I asked him the authority upon which he stated as a fact what was not a fact.

Mr. EDWARDS. I also promulgated a question to the hon. member for Red Deer and it was: If he was not in the House when that vote was on, why was he not? If the hon. member for Red Deer did not believe that that was a proper expenditure he had ample opportunity, when he was making his speech on the budget, to condemn it. Was the hon. member for Red Deer in his place in the House when the resolution was put forward asking for an inquiry in the McAvity steal of $35,933 of the public money.

Some hon. MEMBERS. Oh, oh.

Mr. EDWARDS. Hon. gentlemen say: 'Oh, oh.' I venture to say that before the next elections are over they will say something more than 'oh, oh,' in reference to that.

An hon. MEMBER. They will say: 'Ha, ha.'

Mr. EDWARDS. We have a good many policies advocated by the Liberal party in the Dominion of Canada. We have had tariff for revenue only, we have had free trade as it is in England, we have had unrestricted reciprocity or commercial union, a policy which one of the ablest men that the Liberal party ever produced in this country could not back up and on account of which he left the Liberal party. He believed that the leaders of the Liberal party at that time, in advocating that policy, and in allying themselves with men like Wyman, Farrer and other annexationists, were making the first move towards giving this country away to the people across the line. We have had various policies advanced and advocated by the Liberal party, and to-day we have a policy which we might properly call a mixed policy, because it seems to me to apply to any constituency and to any member of this House if he is on the Liberal benches whether he be in favour of free trade or in favour of protection. It is an accommodating policy and to that extent it deserves to be styled a mixed policy. In 1893 there was a convention held in the city of Ottawa to which Liberals were called from all parts of Canada. That convention was representative of the Liberal party of Canada. At that convention the platform laid down was that on which the Liberal party appealed to the country in the elections following in 1896. In one of the planks of that platform they stated that the Liberal party viewed with alarm the increase in the national debt. They seem to view with the utmost complacency an increase of $60,317,999 to the public debt in the last two years. In 1896 the right hon. the Prime Minister (Sir Wilfrid Laurier) expressed himself in these words:

> The expenditure has grown until the people are unable to bear it. I promise you that if you put our party in power we will reduce that annual expenditure by two or three millions of dollars.

We hold as individuals, one with another, that a man should be as good as his word. That is the test that we have in sizing up a man. If his word is good he is good for anything but if his word is no good the man himself is considered no good. The same test should be applied to governments. If the Liberal party made these solemn promises in 1896 to the people of Canada they should have kept them. If these men made these promises knowing at the time that it would be impossible in a growing country like Canada to decrease the annual expenditure then they made them for the purpose of wilfully deceiving the people. If they made these promises believing they could carry them out, then I maintain it is up to them to explain why they have not carried them out. The promise made by the Prime Minister in 1896 was supplemented by a promise made by Sir Richard Cartwright. He said that an expenditure of $38,000,000 or $40,000,000 was monstrous, and that when the United States mustered a population of 20,000,000 their expenditure was barely $22,000,000. If that argument of Sir Richard Cartwright were well founded, then according to that basis of calculation the present expenditure of the Dominion government is sufficient for a population of 110,000,000 people in this country. The people of Canada took the Liberal party at their word and placed them in power, and the right hon. the Prime Minister who pledged his word to reduce the then expenditure by two millions or three millions a year, now views with complacency an annual expenditure of $125,000,000, and he even expresses his pride in a Minister of Finance who can spend that amount of money and in a minister of Public Works who can throw away $1,000,000 into the Aylesworth ditch, and who

can permit the looting of the public treasury by his bosom friend to the extent of nearly $36,000 of the people's money.

Now, Sir, I wish to refer very briefly to the tariff plank in the Liberal platform of 1893. The Liberals stated at that time that the tariff should be reduced to the needs of honest, economical, and efficient government. No one in this House will claim that the tariff has been reduced to any such extent, and the natural conclusion is that the needs of this government require three or four times as much as was required by the Conservative government, or else, that this government is neither honest, nor economical, nor efficient. You can have your choice of whichever it is. I will not take up the time of the House by referring in detail——

Some hon. MEMBERS. Hear, hear.

Mr. EDWARDS. I can, however, tell these hon. gentlemen opposite that I am going to take up just as much time of the House as I think necessary to make out my argument. I shall not now refer in detail to the various expressions used by Liberal politicians from 1893 to 1896 in reference to the tariff. The right hon. the Prime Minister said that if the Liberals were successful they would cut the head off protection and trample on its body. Well, protection is a pretty lively corpse at the present day in Canada. Sir Richard Cartwright declared that the policy of the Liberal party was death to protection; Sir Louis Davies said that protection was a system accursed by God and man, and the Hon. Wm. Paterson nailed his banner to the mast and joined in the procession with the motto: We declare for freedom of trade. But, after the Liberal party came to power he tacks on to that motto the words: Except in biscuits. Well, Sir, notwithstanding all these pledges made by Liberal statesmen of that day we still have the same line of custom houses and an increased staff of customs officials collecting pretty much the same duties as were collected previous to 1896. In reference to tariff and taxation I want to reiterate the statement made by the hon. member for North Toronto—and it is a statement which has not been denied by any Liberal member—that the taxation of the people in 1896 was $5.46 per head of the population and in 1908 it was $11 per head of the population. Let me say further that if the Conservative government from 1887 to 1896 had exacted a similar amount of taxation to that levied by the Liberals from 1897 to 1908 the Conservative government would not only not have increased the debt of this country but they would have reduced it by some $120,000,000. Or if you like you can put it the other way: If the Liberals had not increased the taxation to meet the ever growing expenditure they would have added over $150,000,000 to the debt of this country. Hon. gentlemen opposite are very fond of referring to the conditions previous to 1896 and they tell us that the present time is one of financial stress and trade depression. But, Sir, in the period from 1890 to 1894 commercial depression was world wide and Canada came through it better than any other country in the world. In support of my statement that trade depression was world wide between 1890 and 1894 I would point out that the falling off in exports from Great Britain amounted to $235,000,000 and the falling off in her imports to $60,000,000; in the United States there was a falling off in exports amounting to $140,000,000 and a falling off in imports amounting to $170,000,000; in Australia there was a falling off in exports amounting to $95,000,000 and a like decrease in the value of imports; in France there was a falling off in exports to the amount of $95,000,000 and in imports to the extent of $65,000,000; in Germany there was a falling off in exports of $40,000,000 and in imports of $50,000,000. The depression felt in Canada at that time was shared in by all the great commercial countries in the world, but in Canada, while her import trade remained stationary her export trade increased by $17,000,000; her earnings increased by $46,000,000; her railways increased by 2,700 miles; her coasting trade by 2,700,000 tons; her imports of raw material doubled, her exports of manufactured articles increased by 35 per cent and her exports of agricultural products by 65 per cent. And I want to say that the Conservative government at that time, realizing that it was a time of stress, adopted the wise course of reducing the annual expenditure and besides that they reduced taxation. Let me point out that in 1890 the Conservative government took taxes off the necessaries of life amounting to over half a million dollars, that in 1891 they took the duty off raw sugar and reduced the duty on refined sugar, thus saving to the people from 1891 to 1895 nearly $20,000,000 in that way alone. In 1894 they followed up their wise policy and they made a general reduction in taxes amounting to upwards of one and a half million dollars. This reduction of taxes, this lifting of the burden from the people at that time was the policy of the Conservative party. I hold Sir, that in comparing the tariff of to-day with the Conservative tariff of 1896 we must take into consideration the general increase in the cost of goods which amounts to from 30 per cent to 50 per cent. It is true there have been reductions made by the Liberal government on some things; they claim for instance that the duty on various articles of iron have been lowered. But I submit that it is fair, in considering that statement, to consider also the fact that while

they reduced the duties on certain manufactured articles, they gave in bounties to manufacturers of iron, steel and other things, over $16,300,000. That is just as much a form of protection as the placing of a specific or ad valorem duty on an article imported.

Very much has been made of the fact that trade has very largely increased since 1896, which I am very pleased to admit; it was only to be expected that it would increase. But of the eighteen leading countries named in volume 1 of the report of the Department of Trade and Commerce, Argentina was the only country whose percentage of imports during the last decade was greater than that of Canada; but there is a very great difference in the way the trade of the two countries is balanced. I find that the percentage of increase of imports in Argentina in the last decade was 190·84 and the percentage of increase of exports was 192·78, thus showing not only a large increase in the total volume of trade, but a favourable balance of trade as well. Canada's percentage of increase of imports in the last decade was 178·59; but her percentage of increase of exports was only 75·5, showing a very large adverse balance of trade. Allow me also to call your attention to this fact, that of the eighteen principal countries mentioned six show a favourable condition of trade, so far as it is indicated by imports and exports; seven show practically the same percentage of increase of exports as of imports; and of the other five, the adverse balance of trade is far greater in the case of Canada than in the case of any of the others, For the year ending the 31st of March, 1908, Canada's imports for home consumption amounted to $351,879,955, and her exports of domestic merchandise amounted to $246,960,968; in other words, Canada bought nearly $105,000,000 worth more from other countries than she sold to other countries. This means that our imports amount to $52.87 and our exports $37.10 per head of the population. Now, I submit that if a business man or a farmer, year after year, continued to buy from others more than he sold to others, there could be only one result, namely, that he would be obliged to borrow in order to carry on his business; and what applies to the individual applies in a larger sense to the country as a whole. The balance of trade in 1908 was unfavourable to Canada to the extent of nearly $105,000,000. In 1896, while the total volume of our trade was very much less than it was in 1908, the balance of trade in Canada's favour was $7,600,000. Hon. gentlemen opposite, I know, profess to make light of this balance of trade; but I observe that when they are referring to our trade with Great Britain, they seem to take a great deal of pleasure in the fact that we are exporting to Great Britain more than we are importing from Great Britain. Now, I think that our trade relations with Great Britain, so far as the figures show, are very satisfactory. In 1896 Canada bought from Great Britain over $32,000,000 worth and sold her over $66,000,000 worth, showing a balance of trade in our favour of over $34,000,000. In 1898 Canada bought from Great Britain $64,000,000 worth and sold to Great Britain $104,000,000 worth, or a balance of trade in favour of Canada of $40,000,000. In my judgment that represents a very satisfactory state of trade as between this country and Great Britain. But if we regard that state of trade as satisfactory, so far as Canada is concerned, what must we think of the state of trade revealed by the figures of Canada's trade with the United States? In 1896 our trade with the United States showed an adverse balance of $17,000,000, and in 1908 we sold to the United States $96,900,000 worth, and bought from the United States $214,000,000 worth, showing an adverse balance of trade in the neighbourhood of $118,000,000.

Now, I wish to express the opinion, which I shall endeavour to back up with figures, that the unsatisfactory condition of our trade relations with the United States is largely due to the unwise, and, if I may be permitted to say so, the unfair policy maintained by this government. I am not going to claim to be a farmer. That is not my profession. I represent a farming constituency, and have lived all my life in the country amongst farmers; and I have had an opportunity to come into contact with them and to ascertain pretty fairly what their views are. In 1908 Canada imported from the United States of animals living, $2,000,000 worth, of which $1,611,000 worth were dutiable and $453,000 worth were free. Of grains of all kinds we imported from the United States over $14,000,000 worth, of which $8,250,000 worth were free. Of breadstuffs we imported from the United States over $15,000,000 worth, of which over $8,250,000 worth were free. Of fruits we imported nearly $6,000,000 worth; of butter, cheese, eggs, lard and meat we imported $3,612,334 worth; and of vegetables we imported $851,451 worth. Now, I wish to state to the House why I think the tariff between Canada and the United States is unfair to the Canadian market. We imported into Canada from the United States in 1908, 6,428 horses, the value of which, as represented in the blue-books, was $1,254,744, and we sent to the United States that same year 3,616 horses, the value of which was $901,350.

Permit me very briefly to compare the Canadian tariff on horses with that of the United States. The United States charge Canadians a duty of $30 on all horses valued under $150 each, and 25 per cent on horses exceeding that value. Our tariff charges on American horses brought into this coun-

try 25 per cent, if a horse is worth $150, and $12.50 on horses valued at $50 and under. You see how that works out. Suppose a Canadian farmer has four horses to spare and sends them to the American market. One of them he values at $100, the other at $75, and two colts at $50 and $30 respectively. What duty has he to pay? Before he can get them into the American market, he must pay a duty of $30 each, or a total duty of $120. But suppose an American farmer sends into the Canadian market four horses of exactly the same kind, what duty will he have to pay? On the $100 horse, he will have to pay $25; on the $75 horse, $18.75; and on each of the colts $12.50, so that he pays a duty of $68.75 on these animale while the Canadian farmer has to pay a duty of $120. I submit that that is manifestly unfair and unjust to Canadian farmers: and when we take into account the fact that the United States sent into Canada last year 6,428 horses, valued at $1,254,704, we must see that a portion of that was deliberately taken out of the pockets of Canadian farmers.

Let me carry the comparison further and give a statement with regard to hay and different other articles. We allow the Americans to ship hay into this country on paying a duty of $2 per ton, whereas Canadians must pay a duty of $4 per ton on hay which they send into the United States. Is there anything fair in that? I think not. The United States sent into this country last year 11,258 tons of hay, and I do not believe they would have sent us that much if our duty had been the same as theirs. Let me submit to the House the following statement of imports from the United States and the duties collected from these imports:

	1908.	Value.	Duty.
Horses—			
From U.S. .. .. ..No.	6,428	$1,254,704	
To U.S.. .. .. "	3,616	901,350	
Hay—			
From U.S... ..Tons.	11,258	221,341	$2
To U.S.. .. .. "	27,631	243,903	$4
Butter—			
From U.S. .. ..Lbs.	306,317	77,994	4c.
To U.S... .. .. .. "	206,336	43,045	6c.
Cheese—			
From U.S... .. .. "	800,663	116,851	3c.
To U.S.. .. .. .. "	173,009	27,247	6c.
Eggs—			
From U.S. .. ..Doz.	1,123,336	216,278	3c.
To U.S... .. .. .. "	32,991	9,846	5c.
Bacon and hams—			
From U. S.. .. ..Lbs.	7,304,187	851,807	2c.
To U.S.. .. .. .. "	30,294	5,211	5c.
Potatoes—			
From U. S. .. ..Bush.	249,907	195,650	20c.
To U.S. .. .. .. "	35,864	18,480	25c.
Barley—			
From U. S. .. .. "	62,572	23,299	15c.
To U.S.. .. .. .. "	210,788	139,573	24c.
Oats—			
From U.S. .. ..Bush.	88,485	$35,048	10c.
To U.S.. .. .. .. "	350,991	144,545	15c.
Pease—			
From U.S. .. .. "	4,952	10,096	15c.
To U.S.. .. .. .. "	95,785	155,625	40c.
Beans—			
From U.S. .. .. "	15,925	38,741	25c.
To U.S.. .. .. .. "	38,173	61,828	45c.
Wheat—			
From U.S. .. .. "	5,803,452	5,138,455	12c.
To U.S.. .. .. .. "	114,926	102,699	25c.

Let me draw particularly the attention of the House to a few of those items. Take butter, we allow American butter to come in at 4 cents a lb. while they charge us a duty on our butter of 6 cents a lb. On American cheese our duty is 3 cents per lb., and on Canadian cheese they charge 6 cents. On eggs from the other side we charge 3 cents a dozen, and they charge on Canadian eggs a duty of 5 cents a dozen; and last year they sent to Canada 1,123,336 dozen of eggs, valued at $216,278, and I submit that, to a certain extent at least, our Canadian farmers are, in consequence of that competition, deprived of the money which they otherwise would have received. Bacon and hams we allow to come from the United States at 2 cents per lb., and they charge us 5 cents per lb. On American potatoes we charge 20 cents per bushel, and they charge on Canadian potatoes 25 cents a bushel. On barley our tariff is 15 cents per bushel, and they charge us 24 cents, under the change they have made in their tariff. On oats we impose a duty of 10 cents a bushel and they charge us 15 cents. On pease our duty is 15 cents a bushel and theirs 40 cents. On beans we charge 25 cents and they charge 45 cents. On wheat we charge 12 cents per bushel and their duty is 25 cents. All along the list, on these articles I have enumerated, our tariff is against the Canadian farmer, and in the interest of the American farmer. The total value of the articles I have enumerated, which we sent the United States last year, amounted to but $1,853,352, and the imports of the same articles from the United States, which entered into competition with similar products of the Canadian farm, amounted to $8,180,264.

Hon. gentlemen opposite, however, profess a very high regard for the Canadian farmer. Earlier in the session we were told by the Minister of Agriculture (Mr. Fisher) that the drawback to agricultural productions in this country was the slipshod methods of our farmers, their lack of industry, and the lack of labour necessary in the carrying out of farming operations. That was the opinion expressed by the hon. minister of the farmers of this country, and that opinion I would respectfully com-

mend to the hon. member for Red Deer (Mr. Clark).

I would ask my hon. friend the Minister of Agriculture, also to compare that statement which he then gave us with the statement issued from his department regarding sheep husbandry in Canada. In that book, issued with his approval,—and I submit it, with all due deference, to the gentlemen interested in the woollen industry and wool production—I find that the reason given for the decrease in the number of sheep in Canada is that sheep are easily kept. To this fact he attributes the lack of interest by our farmers in that line of industry. He states that the obstinacy of the hog arouses in the mind of the Canadian farmer a determination to overcome that obstinacy, and consequently he prefers engaging in the swine raising industry to that of raising sheep. We are also told in that publication, issued with the hon. minister's imprimateur, that the never-ending labour incident to dairying has helped the cow because, forsooth, our Canadian farmers like labour. The trouble incident to dairying and the small profits incident to horse raising arouse, it appears in the Canadian farmer a desire to overcome these handicaps, so that they engage in these lines rather than in sheep raising which demands very little attention.

I commend that statement to the Minister of Agriculture, and ask him to place it alongside his other charges that the farmers of this country are lazy, slipshod and idle in regard to carrying on their work. The condition of agriculture in this country is not due to slipshod methods on the part of the farmer, or to indifference or laziness on his part, but I regret to say that it is due to the very manifest indifference on the part of this government to the interest of agriculture. Why, Sir, in answer to a question I submitted earlier in the session, I find that in the last ten years this government has expended on agriculture and agricultural interests in this great Dominion of Canada only $6,041,848. On Militia and Defence, they expend in one year more than they have expended in advancing the interest of agriculture of the whole of Canada in the last ten years. Yet they profess to have a very high regard for the interests of the farmers. Comparing the estimates of 1909-10 with those of 1908-9, I find that there is a decrease of $35,000 in the amount appropriated for the development of dairying and the fruit industry and the transportation of leading agricultural products. Does the minister maintain that our transportation facilities have reached such a degree of perfection as to warrant this? The dairy and cold storage commissioner's report for 1907, page 97, reports that Canadian cheese is roughly handled in the old country, and that Canadian butter is left on the docks at Liverpool for two or three days at a time. There is a decrease of $19,000 in the appropriation for the encouragement of the production of superior seeds; a reduction of $32,000 in the appropriations for experimental farms; a decrease of $13,000 in the appropriation for the development of the live stock industry, and of $50,000 in relation to the health of animals. Hon. gentlemen opposite refer to the revenues of recent years, and to what they have done and are doing for agriculture. How does this country compare with other countries in that regard? Here are the figures showing what is spent in the interests of agriculture in various countries:

Amount spent per annum in the interest of Agriculture in different Countries.

France	$ 9,200,000
Austria	9,270,000
Hungary	9,400,000
United States	10,000,000
Russia	25,280,000
Japan	3,750,000
Canada (average of last ten years)	604,188

Why, the average amount expended by this government in fostering and advancing the interest of agriculture is less than Merwin, a Yankee middleman, got in graft out of this government. Why must the estimate for agriculture for this year be reduced by $530,000? Why must $19,000 be deducted from the amount for the encouragement of the production of superior seeds? And $13,000 from the amount for the development of the live stock industry? Because the Minister of Public Works, in his wisdom or unwisdom, allowed $92,000 to be spent on sixteen servants' cottages down near Kingston which could have been built, and should have been built, for less than half that sum. Thirty or forty thousand dollars has been squandered there, and consequently the government must make such reductions as I have just referred to. Why must $35,000 be deducted from the amount for the development of the dairying and fruit industry in this country? Because McAvity, the bosom friend of the Minister of Public Works, required that and $933 more—and the dairying and fruit industries, of course, must wait. And this is the sort of thing that commends itself to the hon. member for Red Deer (Mr. Michael Clark). Why must $10,000 be deducted from the item for establishing additional branch stations of the experimental farms? Because the money has gone, as hon. gentlemen opposite very well know, to pay for silverware and cut glass for the 'Montcalm' and for champagne, choice liquors and cigars for the steamer 'Arctic.' You cannot have your cake and eat it too. The fact is staring these hon. gentlemen in the face that they have sown the wind and to-day are reaping the whirlwind. These hon. gentlemen are pleading for assistance in the building of necessary public works

for the development of the country and are told that they will have to wait. And why? Because the money of the country has been shamelessly squandered in useless, and worse than useless, expenditures. I go to the Postmaster General (Mr. Lemieux) and ask him for certain improvements in the postal facilities of my county, and I am ready to believe that the Postmaster General would be very glad to increase these postal facilities, for I am pleased to say that whenever I have had the honour of speaking to him on postal matters relating to my county he has received me with the utmost courtesy and has shown a disposition to meet my wishes wherever he could. But he is up against the fact that the money has been squandered and that he has to cut his coat in accordance with the cloth provided him. As a result, people in the rural districts of my own and other constituencies are compelled to put up with a mail service of twice or even once a week and to go, it may be, eight or nine miles for their mail. The $1,000,000 that has been thrown away in the Aylesworth ditch—and this expenditure has been supported, to their discredit be it said, by Liberal members of this House—would have gone far to improve the postal facilities of the rural districts.

In the matter of experimental farms and branch stations, how does this country compare with some others? Here are the figures:—

Experimental Farms and Branch Stations by Countries.

France	71
Germany	80
Austria	61
United States	60
Russia	102
Sweden	26
Norway	12
Italy	22
Belgium	15
Japan	15
Canada	6

If most of these countries could be removed to Canada, so far as their size is concerned, we would hardly know they were there. Yet even the smallest of them has double the number of experimental farms and stations that this country can boast. Now, let me show the effect of this policy upon the occupiers of land in Canada. I have taken the figures from the census returns from 1871, 1881, 1891 and 1901. These show that in each decade, from 1871 to 1891, there was a steady increase in the number of occupiers of lands and in the acreage occupied not only for all Canada but for each province of Canada. The same returns also show that the total number of occupiers of land has decreased from 1891 to 1901 by 75,798; and that reduction applies to every part of Canada excepting Manitoba and the Northwest territories. That is a condition of affairs which I submit, has not been brought about by the shipshod methods of the farmers themselves, nor by their alleged indifference or indolence. I submit that it is the result of a policy which discriminates against the Canadian farmer in favour of the American farmer. I would ask this House seriously to consider the fact that the occupiers of the soil, the occupiers of the farms, are leaving the farm year by year, as our census shows. I would earnestly request this House to consider the influence in producing that result of our tariff relations with the United States in regard to agricultural products. It is my opinion that it is unfair to the Canadian farmer that the scale of duties all along the line of agricultural products should be more favourable to American products coming in here than the Americans are disposed to give to our products going into their country. I trust that due consideration will be given to this matter, and that the tariff on agricultural products will be increased all along the line on those articles until it shall reach at least as high a point as is the American tariff in regard to the products of Canada.

Mr. J. E. GLADU. (Yamaska). (Translation.) Mr. Speaker, I read in the papers a couple of days ago that the government of the province of Ontario is about to issue and distribute previous to September 1,750,000 text books for use in the schools. If I may be permitted, I would suggest to the hon. member for Frontenac (Mr. Edwards), the desirably of inserting as an addition to these books a copy of our tariff and a statement of our imports and exports. He would thereby be dispensed with the necessity of having printed and distributed the speech which he has prepared specially for his constituents, and the House would be at liberty to take up some serious work. It seems to me that our unfortunate budget, which has been on several occasions torn up and cut to pieces, should have been the object of greater sympathy. That unfortunate budget, I say, might have expected a warmer welcome, seeing that it is possibly the only one throughout the world to show a surplus. But that unfortunate budget, when showing such an exceptional feature, had no idea of the kind of opposition we have in this House to-day, and still less of the kind of leader who controls it as a matter of fact, if not as a matter of right.

In the first place allow me, Mr. Speaker, to take up a question of statistics. With the courtesy which distinguishes you, you will no doubt forgive me this inroad into a realm which is not familiar to me. I am the more disposed to crave your indulgence when discussing statistics, that what we have just heard, I must sincerely admit, is enough to disgust and even nauseate, if

not to kill outright, even people with a most hearty stomach.

There is one point brought out by the member for North Toronto (Mr. Foster) which I desire to deal with. He is unable to conceive how it comes that the present administration having accumulated surpluses up to $94,000,000 and having spent that money, they should not be in a position to account to him for their use. I realize his great embarrassment in having to deal with surpluses, he, among all others, who has always had deficits on hand.

Let me show you briefly the actual difference in the political status of the two parties who have been contending for power. When the Conservatives came to power in 1878, the total assets of Canada amounted to $34,595,499.05. In 1896, these gentlemen were driven out of power by the verdict of the people. In the meantime, they had brought the assets of Canada up to $67,220,103.96; that is to say, they had increased them by $32,624,004.91 in the space of 18 years. However, they had brought the debt during that period up to $118,000,000. After deducting from the above amount the $32,500,000 of assets to their credit, there remains a net increase of the debt during those 18 years of $85,500,000, for which the Conservative party is responsible.

We came to power in 1896, when the assets of Canada, as I said a moment ago, aggregated $67,220,103.96. By 1909, we had increased that amount to $130,246,298, that is an increase, during those twelve of Liberal government, of $63,026,194.04. Now, according to the official report of the Finance Department, the debt under the Liberal government has increased by $65,463,427.07. But the assets represent $63,026,194.04. Therefore, the net increase of the debt for which we are responsible amounts only to $2,437,233.03.

The member for North Toronto inquired the other day how it was that having had surpluses amounting to $94,000,000, we should not be in a position to account for them. Let him consider the net increase of the debt, and he will find out that the difference in round figures, amounts to only $2,500,000.

Regarding the use that has been made of the surpluses, let my hon. friend refer to the official reports and he will see that the National Transcontinental has already cost to this country $52,574,131; that about $8,000,000 have been expended on our canals—I am speaking from memory—that the better terms granted to the provinces, account for $3,000,000; if we add to the above several other items aggregating to about $12,000,000, it will be seen that of the $94,000,000 of accumulated surpluses, $75,000,000 have thus been employed.

Mr. GLADU.

I will stop at that, and I will impose no more figures upon the House.

Now, Mr. Speaker, there is in this House an extraordinary man, a man without the like of him; he is generally referred to as the best debater of this country. But he also excels in some other ways, he can accommodate himself with a marvellous versatility to the exigencies of the most heterogeneous situations. I am alluding to the hon. member for North Toronto. When the hon. gentleman sits to your right, Mr. Speaker, he is the most persistent accumulator of deficits. When he sits to your left, he wages war unceasingly on the surpluses of the government.

He is an extraordinary man in another direction yet. Twelve or thirteen years ago, he delivered a splendid speech—of which we hear a repetition every year. I refer to his criticism of the budget speech. Those who hear that speech for the first time are found to say: What an orator! Those who hear it for the second time, say: What a repeater. But those who hear it for the fourth or fifth time—and that is the case of those of us who have long enjoyed a seat in this House—are bound to say: That gentleman sings always the same tune; he is a grinding organ.

I would dislike to make these remarks in his absence, but as this same speech comes back to us regularly about Easter time, quite innocent people say that the ex-manager of the Union Trust, the friend of the Independent Foresters, is about to repent. On the other hand, those who do not know more about the ritual than about the dogma, say: He has a sermon in store for us, but it will not be on the last sufferings of the Saviour.

The hon. member for North Toronto has made a crime to the government for having borrowed money recently, at a different rate than the one they had obtained some time before. It is of no use to argue on this point, for everybody knows that when one goes to the money markets of the world to float a loan he must submit to the financial conditions of the market, for the time being.

The hon. member has taunted the hon. Finance Minister with having changed his views on the political questions concerning this country. He has recalled that Sir Richard Cartwright has always been true to his colours and so with Sir John A. Macdonald. The political convictions of Sir John A. Macdonald do not concern me, but I can say of Sir Richard Cartwright that if during the five years he has been Finance Minister in a Liberal administration, he has never changed his views on the political question of the day, the reason was that there was no necessity for him to do so, his task being confined to relieve the country of the evil effects of the preceding administration.

Moreover, it is an accepted truism that asses only never change their views, for the good reason that they have none. In my opinion, a statesman is bound to conform his views to the needs of the country, without considering if in doing so he has to modify his former views.

The country having been left in a depressed condition by the Conservative party in 1896, it was but natural that the succeeding government should gradually modify the existing fiscal policy, so as to bring about the prosperity that we presently enjoy.

The other night, the hon. member for North Toronto found fault with the hon. Finance Minister for having charged to capital account the expenses incurred in connection with the bounties on iron and steel. In our time, said the hon. gentleman, these bounties were charged to current accounts. I do not doubt it, because under the former administration these industries were almost at a standstill and the bounties amounted to a mere triffle.

Furthermore, the hon. member for North Toronto is not consistent in his statements. He complains about the heavily increasing expenditures, notwithstanding the fact that in Prince Edward Island he advocated an expenditure of $50,000,000 for the construction of a tunnel. Later on he made a strong plea in favour of the construction of Dreadnoughts. But his most stupendous contradiction is when he stands in this House and denounces the construction of the National Transcontinental Railway as a crime.

If he is in earnest, if his friends are in earnest, if they sincerely wish to do something for the defence of the Empire, they cannot suppress the fact that the contruction of this Transcontinental Railway exclusively on Canadian territory, is the most patriotic and imperialistic scheme that could be conceived.

Let us suppose that England should be called upon for the protection of her interests in the Far East, to transfer her forces, her whole army, together with contingents from Australia. New Zealand, South Africa, India and even France, nothing would equal the advantages to be derived from the transportation facilities afforded by that magnificent line of railway.

The hon. member for North Toronto favours the construction of the battleships It is not an easy thing to express a decided opinion on this question at the present moment, nevertheless let us take the figures by the hon. member himself, who stated that the construction of the National Transcontinental will cost the enormous sum of $180,000,000. Now it is an admitted fact, that the construction of a single Dreadnought costs $10,000,000. So by the construction of the Transcontinental Railroad we are contributing towards the defence of the Empire, the equivalent of eighteen Dreadnoughts. That proposition cannot be assailed. Those who are urging the defence of the empire, if they are in earnest, must withstand all criticism concerning the construction of that railway. There is no more effective way of contributing to the defence of the empire.

What is this Dreadnought policy aimed at? At putting Canada in the throes of the most pronounced form of imperialism. For my part, Mr. Speaker, I say it from the bottom of my heart and without boasting—I am an anti-imperialist. First of all, I am a son of Canada.

In what situation would we be in acceding to the construction of Dreadnoughts, which, after all would be the exclusive property of the English nation?

Mr. PAQUET (L'Islet). (Translation.) Will my hon. friend allow me a question?

Mr. GLADU. (Translation.) Certainly.

Mr. PAQUET. (Translation.) When has the hon. member for North Toronto advocated the construction of Dreadnoughts?

Mr. GLADU. (Translation.) I am sorry for my hon. friend, but it is quite evident that he did not bother himself much with the reading of that speech of the hon. member for North Toronto. It is in the last part of his speech that the hon. member advocated the construction of battleships. I was asking in what situation would we find ourselves in acceding to the construction of these Dreadnoughts, which would be, after all, the exclusive property of the Engilsh nation? We have been enticed to imperialism on every hustings, in England, in Canada and in this House. Have we not yet, on the Order Paper a resolution of the hon. member for Victoria-Haliburton (Mr. Hughes) teeming with the most fervid imperialism of the hon. gentlemen on the other side? 'In cauda venenum.'

Would not that pronounced form of imperialism create a most anomalous condition of things for a considerable portion of our population? Let us suppose that one day the land and naval forces of England and Germany clash against each other. If we have allowed ourselves to be enticed into imperialism, we are in duty bound to fight for the empire. What right have we to ask the Germans, the Italians, that have become naturalized citizens of this country, to fight against Germany or Italy? If these citizens of Canada, being in such an awkward position, should refuse to draw the sword against their kinsmen, should they be declared rebels and traitors? If, on the other hand, they go to war, do we not

ask them to become murderers and fratracides ? In the first case, they are to be shot as rebels ; in the second case, they are to be disgraced for fighting against their own blood.

I may be allowed to state in all frankness that I am neither English, nor French; I am nothing else than a Canadian; I would not give a token to return under French domination. But for nothing on earth would I see my fellow countrymen of the province of Quebec being called upon to take up arms against the French army. These are my sentiments on this question.

Moreover, we have no right to decide about the future. The future does not belong to us. A great poet has said "The future belongs to God." It is true; but the expectations of the future are ours; it is our duty to transmit them as an inheritance to those that will come after us. It would be a crime, an outrage, to deprive them of that inheritance. We have no right, be it in the form of a Dreadnought policy, or in the form of imperialism, to imperil the future of this country in entering into a scheme of the consequences of which we know nothing. We have a perfect right to have expectations and to hope that they will be realized in the future; but no matter what that future has in store for our country, we have no right to dispose of that future.

I do not think I can be accused of being disloyal for giving expression to these sentiments; as I have just said, I would not give a token to return under French domination. I believe that our country ought to be proud of the present status. I love the British Empire that has given Canada more liberty than this country had ever enjoyed before; I love that mighty Empire over which the sun never sets; I love the king of the United Kingdom, the worthy successor of the most admirable woman that for centuries has sat on a British throne. But there is another country that I cannot forget; a country to which God has given the dimensions of a continent, a country bounded on both sides by the Oceans, a country which has as neighbour on the one side the greatest republic in the world, and which on the other side is bordered by the mysteries of unknown seas. All our ancestors have proven it. That country is yours, Mr. Speaker, it is mine, it is the country of us all. It is the country of the English, who on that soil so gallantly and gloriously fought us; it is the country of the French Canadians who opened it to civilization and who, themselves also fought some immortal fights. That country, we all know, is Canada.

I fail to see what advantage we could be, for the defence of the empire, by building Dreadnoughts, or by throwing ourselves into exaggerated imperialism. England has got nothing to fear from us—I speak of Canadians of all races and of all creeds. Every time that her flag has been threatened on Canadian soil, every time an audacious hand has been stretched towards that same flag, the French and English Canadians stepped forth for her defence. Let us open history. In 1774-75, Canadians kept the British flag flying on the citadel of Quebec. In 1812, de Salaberry and his companions gain immortal fame in history at Chateauguay. In 1870, during the Fenian raid Canadians again stood by the flag. In 1885, that flag was threatened once more. On that occasion, we were face to face with our own kin; and yet, it was for the defence of that same flag, and as loyal subjects of the British empire, we did not hesitate to crush the rebellion. And even now, when I come to more recent times, the blood of our compatriots is still reeking on the battle fields of the African soil.

What benefit, what privileges would we find in a more intimate union with the empire? What would be the profit to England? Absolutely none. Let us then remain as we are, loyal British subjects. The money we have to spend, let us spend it for the general good of Canada; that our country may attain that prosperity and greatness to which it is entitled, and some day perhaps become one of the finest and greatest countries on the face of the globe. I do not believe, a Canadian, who really loves his country, and wishes to show his love for it, could possibly form any other dreams.

Mr. W. B. NANTEL (Terrebonne.) (Translation). Mr. Speaker, without making any such nice phrases as those we have just heard from the member for Yamaska, I will be satisfied to simply congratulate him. He has spoken to us in an ornate tongue, but I do not wish to dwell upon it any longer, and I come at once to the point which he particularly insisted upon, and that is imperialism.

Answering the remarks made by the hon. gentleman, I will read, not in full, but partly only, the resolution adopted by this House, and compare it with that submitted by the member for North Toronto (Mr. Foster).

The member for North Toronto proposed as follows:

> That in view of her great and varied resources, or her geographical position and national environments, and of that spirit of self help and self respect which alone befits a strong and growing people, Canada should no longer delay in assuming her proper share of the responsibility and financial burden incident to the suitable protection of her exposed coast line and great seaports.

To that resolution an amendment was brought forward by the right hon. leader

of the government. And what does this last resolution of the right hon. gentleman contain? I read a portion only of its conclusions:

The House will cordially approve of any necessary expenditure designed to promote the speedy organization of a Canadian naval service in co-operation with and in close relation to the imperial navy, along the lines suggested by the Admiralty at the last Imperial Conference, and in full sympathy with the view that the naval supremacy of Britain is essential to the security of commerce, the safety of the Empire and the peace of the world.

The House expresses its firm conviction that whenever the need arises the Canadian people will be found ready and willing to make any sacrifice that is required to give to the Imperial authorities the most loyal and hearty co-operation in every movement for the maintenance of the integrity and the honour of the Empire.

Really, on hearing the hon. member for Yamaska express so strongly to-night that frightful theory of imperialism, I am inclined to believe that he is no staunch supporter of the government. Does he wish to strike his chief in the face? I cannot bring myself to imagine he would have that courage. I will insist no longer on that question; I think the most appropriate answer is found in that part of 'Hansard' which I have just quoted. I have, also, no intention whatever of defending the hon. member for North Toronto. I know he is well able to defend himself, and will, therefore, leave the matter in his hands.

The hon. member for Yamaska has told us of the bounties paid by the Conservatives when in power. The bounties paid during that administration were far from considerable, because the Conservative party had quite different ideas as to national politics, and did not give the bounties any great attention. National industries were encouraged in quite another manner. This was perhaps a bad policy, but such was its policy, and it is not here the place nor is it the time to discuss it. Bounties then could not have had any great influence in equilibrating its budget.

My hon. friend has stated that the hon. member for North Toronto, during his term as Minister of Finance, could show nothing but yearly deficits. That assertion is completely in opposition with the facts, and one has only to open the blue-books, to find not only the refutation of the accusation, but also to get proof that the hon. member for North Toronto was able to show an occasional surplus.

On the other hand, what is the substance and material of the surplus of which the present ministers are so boastful? If one follows the easy methods of the Minister of Finance, it seems to me quite any easy matter to have a surplus. I do not know if the secret is one of his own invention, but according to his ideas, it is sufficient to capitalize the revenue. He does not spend public money, he capitalizes it. It is according to those ideas that he capitalized the $6,424,000 sunk with the Quebec bridge. Strange capital, I must say.

The hon. minister pays to certain industries bounties amounting to $2,787,354, and in his mind, this is also a capital, although the government have assumed these obligations by means of a law obliging them to pay the bounties; yet, at the end of the year, the minister does not hesitate to capitalize that also. The same system applies to the grants to the railways; again my hon. friend includes them in his capital. Following that plan right through, he will probably end by capitalizing the expenses of the public servants. Putting all that to the credit of capital, he, of course easily finds a surplus. Really, I think the Minister of Finance should have his invention patented.

But they tell us he simply borrowed the system from his predecessor, the hon. member for North Toronto, who was minister before him. If it be true, I say he was quite wrong in doing so. But I do not believe that he, a proud and dignified Liberal, could possibly make use of methods so decidedly Tory in their essence.

The Minister of Finance has been in power for the last thirteen years, and with all his progressive ideas, he has not been able so far to change that wrong method. He might have invited his colleague the Minister of Marine (Mr. Brodeur) and imported a book-keeper from New York, who could have taught him a new system of book-keeping. If it be true that the Conservative party was the first to imagine and apply the theory of capitalization of expenses, the Conservatives greatly deserved to be thrown over and become the opposition, and if the Liberals act in a similar manner, they are equally deserving of a similar treatment, and should pass into the opposition as quick as possible.

Simple minded and innocent, I had thought that a sum of money could be converted into capital when that sum of money represented a real and solid value, and I said to myself; now here is a farmer who, as a result of strict economy, has saved a sum of $1,000. He takes that money, builds a barn on his farm; he is not impoverished thereby, he simply puts his cash into a building and adds so much to the value of his property; he can in all justice charge that sum of $1,000 to his credit and capital account. But the Minister of Finance acts differently, he capitalizes all the money he spends. The principle is a false one, and the method quite wrong, when applied to financial dealings.

A government who builds a railway will

capitalize its real value, because it is equivalent to cash or credit on hand. But certainly that cannot be said of the $6,400,000 of the Quebec bridge, which he buried in the bottom of the St. Lawrence. The old members of this House know and understand the meaning of these surpluses the Minister of Finance speaks of, but the new members do not know, neither do the public, and all this is likely to be misleading to the people, the creditors, and to the Minister of Finance himself.

There seems to be very little chance of an understanding in this matter of accounting, but there is a wonderful understanding as to the frightful proportions of the public debt. The public debt has in the last two years increased by $46,000,000. We are living on loans. We have long term and medium term loans; we have also temporary loans which, I might say, are on the weekly payment or instalment system. Here we find a condition of things that requires prompt attention. And yet, I believe we are extravagant in the administration of our affairs. And that is the point I had most particularly intended to develop. We are extravagant in the salaries we pay to the Government officials, we are quite exaggerating in the extent and largeness of certain salaries. We are also sometimes exaggerating in the smallness of some other salaries paid to the small and humble servants in the public service. This was brought to my mind the other day, when the hon. Postmaster-General Mr. Lemieux, brought forward his bill in connection with the salaries paid in his department. We insisted on this side of the House, that he should grant certain postmen, mail carriers and other humble post office officials, a sum sufficient to permit them to live.

The hon. minister protested, saying: 'Gentleman, what you are asking from me represents a large amount of money, and I desire and so do my colleagues, to practice strict economy.'

I felt inclined to rise and say to him: 'Gentlemen of the Government, if you wish to practice economy, I can only congratulate you; but for mercy's sake do not try and practice it on the backs of the starving, but rather on the heads of those who gluttonously feed on favouritism. There is more to reap on the salaries of five, six, nine and ten thousand dollars, than there is to pare and clip from the salaries of five and six hundred dollars.'

I did not even open my mouth, reserving my right to return to the subject when the opportunity offered itself; and I believe it offers itself now. I notice that the Minister of Finance does away entirely, in his estimates for 1909-10, with an amount of $22,581,458. I hope that this saving will not be too much at the expense of those earning small salaries, and that the Postmaster General who has obtained a surplus, an effective surplus, will see that these people do not suffer in consequence. It should not be inferred from my reference to the hon. Postmaster General that my criticism is aimed specially at him. In the first place, I have no ill feeling towards any of the hon. gentlemen occupying the treasury benches, and this is particularly the case as regards the Postmaster General. I have no intention of criticising his department; on the contrary, were I to follow my inclination, and were it not for fear of annoying so modest a man, I would say that if there is a minister who seems to manage his business properly, it is he, and if there is a well managed department, it is that of the Postmaster General, and the proof is to be found in the surplus which he obtains from year to year for the Minister of Finance, a surplus perceptible to the naked eye, and in regard to which he is worthy of congratulation. I also take this occasion of congratulating him on having remembered the small wage earners who never have many defenders, while the high officials always have many, besides being in a position to take care of themselves, which they do with courage and success.

There is a wide margin between a salary of $10,000 and another of $500. The distance which separates one from the other is great, I was tempted to say immorally so, in a democratic country such as ours. The man who earns $500 or $600 has a wife and children whom he cherishes just as does the man whose salary runs up to $10,000; his wife he must provide with clothing and nourishment ; his children he must clothe and feed and educate, exactly like the man who, one year with another, draws $8,000 or $10,000 of a salary. The former gets his $50 check per month, while the latter draws $700 or $800 per month ; the former will starve in the service of the people, while the other, if he leads an honest life, will not be able to spend his whole salary; one will be a pauper all his life, while the other will heap away money, grow rich, build up a fortune for himself at the expense of the public.

Mr. Speaker, the minister who will put an end to that state of things will go down to posterity as a benefactor of his country, and a grateful nation will dedicate a monument to his memory. The proper rule to follow in fixing the scale of salaries, is to grant to each man enough to live, bring up his family in accordance with the needs and requirements of the social environment in the midst of which he is called to live, and not the rule followed at present which ignores that elementary principle. Such a system is likely to cause large numbers to curse the fate which providence has assigned to them, and to build up on the

free soil of America an aristocracy of the worst type, an aristocracy of wealth. Luxury side by side with misery in the service of the government and the people, is a thing which should not be tolerated. However, that state of thing exists, Mr. Speaker, and I have only to open the blue book to find numerous cases of men employed in the various departments, heads of families, who do not earn enough to ensure a comfortable living for themselves and family, while there are numbers of others who are unable to spend the whole of what they earn. I do not propose indulging in personal references in the course of the remarks which I have to make, nor attacking any one in particular. I shall refer to some high positions, but without in any way reflecting on those who were fortunate enough to secure such appointments. Moreover, my intention is not to hold the present administration wholly responsible for the evil, except in so far as they have made no attempt to cure it, but instead have allowed it to grow worse, after promising implicitly, if not expressly, that they would apply a remedy, and though, in truth, they were in duty bound to do so.

For the time being and to start with, I shall be content with mentioning a few of these positions with large salaries attached. I may point out, in the first place, a few positions created by the present government; for instance, the Board of Commissioners appointed to supervise the building of the National Transcontinental Railway. At the outset, three commissioners were appointed; later on, a fourth commissioner was named. The chairman's salary is $8,000 per annum; the three others receive $7,000 per annum each. These salaries are too high, and moreover, there are too many commissioners. Would not two commissioners have been able to cope with the work?

Then we have the Railway Commission, an institution which I admire, and whose work will soon extend over the whole Dominion. At first they were three in number; a chairman and two commissioners. To-day there are six of them, and their salaries are as follows: the president gets $10,000 per annum, the vice-president, $9,000, and the other commissioners $8,000 each.

The Civil Service Commission comprises two commissioners, each of whom draws a salary of $5,000 per annum.

The deputy ministers are to-day very numerous. They are growing in numbers day by day, and their salaries are increasing at the same rate. Once more, I am only stating the facts, and although I have worked the matter up carefully, I may have made some mistakes. If so, I shall be glad to be set right and corrected. In the Privy Council, in the Department of Militia, in that of Agriculture, in the Department of the Secretary of State, in the Library, in the Public Works Department, in short, in all the departments, numbering fourteen in all, there are to be found deputy ministers, or head officers designated at times under some different names, but drawing the salary of a deputy minister, and these gentlemen, if I am not mistaken, number in all thirty-three. There salaries run from $4,500 to $8,000 per annum. There are two with salaries of $4,000, twenty two or twenty-four drawing about $5,000; five drawing $6,000, one $7,000, and lastly one drawing $8,000.

The ministers, who number fourteen, draw salaries amounting to $9,500, including their sessional indemnity, while the Prime Minister draws altogether $14,500. By the way, let me state that I am not objecting to the salaries granted to he ministers of the Crown; in fact I consider that their remuneration is inadequate, as compared with that of their deputy ministers. They have to undergo elections, and it is well known that, in regard to the Liberal party as well as to the Conservative, elections are an expensive thing and cannot be carried on solely by means of prayers. There devolve on the ministers social duties much more onerous than those devolving on the deputy ministers.

The judges of the Supreme Court of Canada are six in number, the Chief Justice, and five puisne judges. The Chief Justice gets a salary of $10,000 per annum, the five others, $9,000 per annum. There is also a judge of the Exchequer court who is paid $8,000 per annum. Then there are judges for the provincial courts whose salaries run from $3,000 to $8,000 per annum. besides their travelling expenses, which make up quite a large amount, reaching in several cases $1,100 and as high as $1,300 per annum. Six have received over $1,000 for travelling expenses. The expenditure in connection with these salaries and travelling expenses, reaches in the aggregate $1,075,536.81, for the year 1907-08.

In the Yukon we have three judges drawing $10,000 each per annum, in all $30,000. The administration of justice in the Yukon entails an expenditure of $88,088.47, and I understand the population is on the decline. According to the last census, that of 1901, it numbered only 27,219. The population of the country as a whole barely reaches 7,000,000, but for the purpose of my argument, I shall take it at that figure.

I have pointed out the high salaries which the Dominion government pays to its officers. Now, let us see how these things are managed in the United States. Our neighbours to the south of us are older and richer than we are. They number 87,971,000 in the United States proper ; while, with the islands taken in, the population

reaches 96,850,000. Taking the United States proper with all their denominations, we have a total population of 105,000,000.

Now, let us see what salaries they pay. The figures which I am about to quote, are taken from volume 34 of the Senate documents, 59th Congress, 1906-07, appropriation for the year closing June 30, 1908. The United States have nine state departments called secretaryships or departments of state. They are as follows: Agriculture, Treasury, War, Navigation, Postoffice, Interior, Commerce, Labour, and Justice, that is the department of the Attorney General. The various secretaries or ministers, heads of these departments, receive salaries of $12,000 each. Up to February 26, 1907, they were paid only $8,000. It was not until the year 1907-08, that they obtained that increase for the first time. The under-secretaries are paid on the average $4,500 per annum. There are several under-secretaries, whose salaries vary according to the importance of the various departments; but I repeat it, many of these under-secretaries get only $4,500 per annum. The chief clerks are paid only $2,500 or $3,000 at most.

In the Department of Agriculture, for instance, the under-secretary gets $5,000, but his department is somewhat more important than ours, since its appropriations for the year 1907-08 reach $9,444,290, equal to about one-eighth of our whole Supply Bill, and about eight times larger than the amount voted for our Department of Agriculture, which that same year amounted to $1,481,091.67, and for 1909, aggregates $1,112,500. Notwithstanding which our deputy minister of Agriculture draws a salary of $6,000 per annum.

The Postmaster General has a first assistant who draws $5,000 per annum. The secretary of the Department of Commerce and Labour has also an assistant and two under secretaries who draw $5,000 each. The assistant to the Attorney General draws $7,000, and the assistant to the Solicitor General, $7,500. One would be inclined to think that they have copied our scale of salaries or that we have copied theirs, seeing that we pay our deputy minister $7,000 and our solicitor $7,500.

While, as a rule, the salaries paid to their deputy ministers or under-secretaries are smaller than those we pay to our 33 deputy ministers in Ottawa, on the other hand, as regards subordinate officers, I find a smaller proportion of those starvation salaries to which I referred a moment ago, and on which no man can be expected to support a family.

Ambassadors and plenipotentiaries of the United States to England, Germany, Japan, Russia and other countries of the same standing, draw a yearly salary of $17,500. Extraordinary envoys and plenipotentiaries to Belgium, China, Spain and other countries of the same class, draw $12,000.

The same officers representing the United States in Chili, Columbia, Peru, Roumania, Servia, Persia, and Siam brought $10,000 per annum. The envoy to Liberia, who fulfils the duties of consul general draws $5,000; the consul general to Cairo draws $6,000.

We have not as yet representatives of Canada in foreign countries; but we have in this very city of Ottawa, as members of the Railway Committee and of the National Transcontinental Railway board of commissioners, officers who draw salaries reaching seven, eight, nine and ten thousand dollars per annum.

At the congressional library, at Washington, the total salaries amount to $18,140. At the Dominion library of Ottawa, the salaries reach $25,685.50; and if the further increases are taken into account, the total amount will almost be double that of the salaries paid out for the same purpose by our neighbours.

The Civil Service commissioners at Washington receive only $4,000 per annum. Our commissioners here draw a salary of $5,000 each. The Washington War Department comprises what is known as the Office of Public Buildings and Grounds, apparently under the management of an assistant engineer, who draws $2,400 per annum and of a chief clerk whose salary is also $2,400 per annum.

Let us now come to the courts. The United States Supreme Court consists of a chief justice and eight puisnes judges. The chief justice is paid $13,000 per annum and the puisne judges $12,500 each. There are 29 circuit court judges, whose salary is $7,000; 70 district court judges, with a salary of $6,000 per annum. There are also six additional judges, appointed to meet the needs of the new territories. They also draw $6,000 per annum. The unorganized territories have eight judges with salaries of $5,000. The district or territory of Hawaii has three judges. The court of appeal for the district of Columbia consists of three judges, one of whom gets $7,500, and the two others, $7,000 per annum. The Supreme Court of that same district consists of six judges at $6,000 each. For all these judges, except those in Alaska, Arizona and Hawaii, appointed under federal authority, the total of salaries is $969,000, while for our Dominion judges, the total expenditure is $1,075,536.81, that is to say an over-expenditure in our case of $106,536.81.

The administration of the territory of Alaska, apparently entails on the people of the United States an expenditure of $67,000 per annum. The population is 32,000; the governor draws a salary of $3,000, and there are three judges with salaries of $5,000 each. The territory of Arizona has a

governor whose salary is $3,000; the territory of New Mexico a governor with a salary of $3,000. Our Yukon territory for judicial purposes only costs us $88,088.47 per annum. If we add to that figure the salaries of three other chief officers, we reach a total of over $104,000, that is $47,000 more than what the United States have to spend. The cost of management of the territory of Alaska as compared with that of the Yukon, shows how extravagant we are.

In the United States, barring the federal Supreme Court, I found no judges with a salary of $10,0000. The average runs from $5,000 to $6,000. On the other hand, in the territory of Arizona the judges get only $3,000. We have here many judges of superior jurisdiction who get only $3,000, while in the Yukon we have three judges drawing $10,0000 each, that is a total of $30,000, to administer the law to 27,219 people, provided their number has not gone down since the last census. These judges at $3,000 are not treated as well as subordinate officers at Ottawa, drawing the high salaries to which I have referred. Without some personal income these magistrates are unable to live up to the requirements of their position. They are starvelings, and I cannot conceive a worse situation than that of the man compelled to play the person of consequence on an empty purse.

I estimated the population of Canada as 7,000,000. That of the United States proper reaches 87,971,000. If all their dominions are included, that figure should be raised to 105,000,000. The cost of government here is $16.09 per head. In the United States, it amounts to $8.67, or $10.47 according that one or the other of the above figures is taken as representing the total population. Am I not justified in stating that our expenditure is extravagant?

I find another evidence of that extravagance in the pensions granted to some former officials. It is a matter which I have some hesitation in taking up, but I think it is my duty to do so. I am not attacking individuals, but merely a system. I refer to the judges. I consider that our system of pensions to superannuated judges rests on a false principle, on a principle of class legislation, which is always hateful and condemnable.

Mr. C. A. WILSON (Laval). (Translation.) Does my hon. friend comprise in the list of superannuated judges the member for St. Anne's (Mr. Doherty)?

Mr. NANTEL. (Translation.) I except nobody. I am not criticising the hon. member for St. Anne's. I can only say that the hon. member has availed himself of the law, and it would not have been the part of so intelligent a man to omit doing so. In volume I of the Auditor General's report, page G—17, I notice the name of an ex-judge who draws a pension of $10,000, and I am satisfied that he has no children to bring up and send to school.

Mr. WILSON. (Translation.) . Please give us his name.

Mr. NANTEL. (Translation.) I do not like to mention any name. The hon. member will find out for himself by referring to page G-17, of the Report of the Auditor General, from which I am quoting.

Mr. WILSON. (Translation.) Will the hon. member say whether it is not to the hon. Mr. Justice Routhier that he is referring?

Mr. NANTEL. (Translation.) No, it is to the Hon. Mr. Justice Taschereau, of the Supreme Court. You are putting me under the necessity of giving his name; you will be to blame for it. Another judge draws a pension of $8,000, and besides for the year 1907-8, he has drawn a further salary as judge of the Admiralty Court. Another pensioner draws $5,000. We pay altogether under this head $126,359.82. That also is extravagance.

That legislation providing for the superannuation of judges, as enacted, is to say the least, overdrawn. It goes too far when it states, as will be found by referring to volume 3, chapter 138 of the Revised Statutes: "If any judge who has continued in the office of judge for fifteen years or upwards, or ('and' should have been put in here instead of, 'or') who becomes afflicted with some permanent infirmity, disabling him from the due execution of his office, resigns his office, &c." he is entitled to two-thirds of his salary for the remainder of his life. And please observe, even if he be only 45 or 50 years old. Section 20 states: if he has reached the age of 75 and has been a judge for 20 years; if he has reached the age of 70, and has been 25 years a judge, or if he has been 30 years a judge, whatever be his age, he is entitled to his full salary in each case at the time of his resignation, and that as long as he lies. While in office, that judge is not called upon to contribute a dollar to a pension fund. And see how solicitous the legislator appears to be: the benefit of that provision has been extended to the president of the Railway Commission, while the vice-president has been left out, although he may be in precisely the same position as the president. How admirable, Mr. Speaker, is that great solicitude shown on behalf of the president of that commission. Section 23 of the Act just quoted, provides that if the office of judge, which that president may have relinquished to accept the chairmanship of the commission, should later on entitle its occupant to a higher rate of salary, say $12,000 or $15,000, that same president would be en-

titled, even after being superannuated as president of the Railway Commission, to get that increase.

These high officials do not contribute one dollar to the superannuation fund out of which they will later on be paid as pensioners of the State, while subordinate clerks who get only $500 or $600 of a salary are called upon to contribute each month to that fund at the rate of 1, 1½, 3, or 3½ per cent, according to their status and depending on the fact whether they draw $600 or more per annum, and whether they have joined the service previous or subsequently to a certain date. Then in order to be entitled to that pension, it is necessary that one should have been in the service of the State ten years or more, have reached the age of 60, and have become incapacitated through infirmity or otherwise. The pension is based on the average salary and it is a rather complicated affair to obtain it. It is granted by fractions of one-fiftieth per year of service. If the head of the department should make an unfavourable report, if the clerk should have been unfortunate enough to displease one of these gentlemen, his pension may be reduced. It is not even stated to what extent that reduction may be affected; that is left to the discretion of the deputy head or the minister. It is a rather difficult matter to get through the meshes of such an act. I believe it is Solon who said that laws are like a spider's web, which stops flies and other insects but through which birds easily pass. Solon lived 600 years before Christ but this truth still holds good to-day. Look into the act providing pensions for high officials, and you may be inclined to think that the legislator has purposely woven a web of such a fabric that high officials might easily get through, while others would be captured.

Why should there be two weights and two measures? I sincerely believe that we should change such a state of things, without, of course, interfering with vested rights. Therein lies a real evil, and the law should be amended so as to be more equitable and fair to all. Nowhere else is such a law to be found. I am not an iconoclast, but if we are intent on managing things economically, that law should be changed as soon as possible. Do not attempt economy at the expense of the small wage-earners while letting the higher officials go scot free.

It is geting late, Mr. Speaker, and while I might go on speaking of a good many other things,—since we are allowed in connection with the budget to refer to various matters,—I shall cut short my remarks for the time being.

Mr. NANTEL.

Mr. C. A. WILSON (Laval). (Translation.) Mr. Speaker, I crave the indulgence of the House for undertaking at this late hour of the night to answer briefly the remarks made by my hon. friend and neighbour the hon. member for Terrebonne.

I merely wish briefly to take exception to certain peculiar and eccentric statements uttered from his lips; for instance, his concluding remarks to the effect that any question whatsoever can be discussed on the budget. That is surely a new doctrine. I am at a loss to imagine where my hon. friend could have got acquainted with constitutional and executive law; but assuredly he cannot have followed the same curriculum that I have, for this is the first time I ever heard this theory expounded. I came to Ottawa with a strong settled purpose of talking little but listening much. I wished to learn something and I have just learned from my hon. friend, that anything can be spoken on the budget. It is evident that he and I are not agreed upon this subject.

My hon friend spoke of the pension law. As I did not wish to misquote him, I have endeavoured rather to get at the real meaning of his words and if I mistake not, I believe he is opposed to such a law as that. I do not entirely disagree with him on this point. But before attempting to improve or repeal a statute, it is well that one should look at what was done not very long since. I would understand the position taken by my hon. friend had he the courage of his convictions, and were he, before this session is over, to call for the repeal of that pension law which favours all those whom he termed the dregs of power. Such are the words he uttered.

Mr. NANTEL. (Translation.) I never used that word. I said budget-fed.

Mr. WILSON. (Translation.) Well, let it be so, and I will help him if he likes to define what is properly meant by the budget-fed friends of the party, accentuating the expression if he so desires. It will be recalled that the legislation which was abrogated had been placed in our statute books in order to favour your ex-ministers, the late Sir A. P. Caron, Sir Mackenzie Bowell, and, last but not the least, the hon. member for North Toronto (Mr. Foster). Are the gentlemen intended by my hon. friend for Terrebonne (Mr. Nantel) to be the satiated of power? Or was the word aimed at such of his friends whom he called intelligent for benefiting by a statute passed quite a few years ago granting a pension to judges after fifteen years service? At all events, I would like to know what he thinks of those men who, as in the case of Yamaska county, went out campaigning against the government candidates, while at the same

time receiving a good big fat pension from the government, under pretense of physical disability, or of him who, not satisfied with getting such a substantial pension, got elected a member of this House to secure the $2,500 indemnity attached to the job. I hardly think the hon. member knew what he was talking about when expounding such a principle in the tone he assumed before the House a while ago. The hon. member also alluded to what took place when the Postmaster General asked the House to increase the salary of certain employees of his department. The government have already started increasing the salaries. They have appointed a Civil Service Commission, and increased the salaries of the inside service. If I mistake not it is their intention to pursue that wise policy. A little consistency does not hurt anyone, not even the hon. gentlemen opposite, who have been clamouring ever since the session started that the government are spending extravagantly. I will merely answer to them: 'Gentlemen, tune your fiddles.'

My hon. friend thinks that as a whole, this pension law is nothing but a perfect squandering of the public money, inasmuch as the beneficiaries of it never have contributed one dollar into the pension fund. He is mistaken. Let him look at the statute and he will see there that the government hold back upon their employees' salaries a certain sum which in their old age will be refunded to them. I hold the public servants in high respect, and I do not want to see them go a begging when old. As regards the increase of the smaller salaries, let him look at that particular branch of the service with which I am especially acquainted, I mean the employees of the penitentiary. Their salary under the old regime was $500 only, but I was successful in having it raised to $600. This is again a happy reform brought on by the present government, which shows their good will towards the humbler offices of the service. Of course the hon. member, who was elected a Tory, dared not, and I know the reason why, attack the policy of his friends when they were in power.

He finds fault with the expenditure connected with the library, which he thinks, is out of proportion with those in the Washington library. I believe he was in Washington in his mind only. Had he been there at all, he would know how things are carried on there. I do not doubt of the correctness of the figures he quoted, but he does not know perhaps that the library at Washington cost $8,000,000 ; that electrical appliances and contrivances are in use which do away with perhaps one hundred employees. I invite him to call personally. Ours did not cost that amount, and I am not surprised at the number of employees which is required to give us an adequate service. It is therefore practically impossible to cut down expenses in that direction.

Such were the few observations I had to offer on the question of the pension law. I will conclude by referring to my hon. friend's first declaration. He was shocked at the Finance Minister capitalizing what was now lying at the bottom of the river near the city of Quebec. Had the Minister of Finance done what the hon. member for Terrebonne says he did, there is no question he could be held up to ridicule. But is that what he really did ? My hon. friend is a very clever finance man in St. Jerome ; he is even wealthy and I congratulate him. Let us take this for example: If he loaned $6,000 and the borrower did not pay him, would he charge this transaction to his revenue account or to capital account at the end of the year ? He would beyond doubt, charge it up to capital account. That is precisely what the Finance Minister did in charging this operation to capital. It is thus also for all monies spent on the National Transcontinental. They all go to make up this country's assets. That is my way of understanding public finances. When I take out of my capital a certain sum of money, I cannot but help debit my capital with a like sum. The hon. Finance Minister seems to me to have figured out in the same manner.

Mr. NANTEL. (Translation.) Should you lose all your capital, would you still figure it out as your capital ?

Mr. WILSON. (Translation.) If I lose all my capital, I charge the amount against my capital account, and the result is nil.

Mr. NANTEL. (Translation.) You will not come out of it as wealthy.

Mr. WILSON. (Translation.) Of course not. Supposing my farm is worth $10,000, and I borrow $10,000 on it. Practically I do not own a farm any more, but will that keep me from deriving the revenue from that farm for the time being ? It seems to me a skilful financier like my hon. friend, would be able to understand such a clear argument.

With these few remarks, Mr. Speaker, I will now resume my seat. I would have several observations to make yet, but I want my hon. friend from Terrebonne to sleep upon his speech, and I hope his slumber will not be too much disturbed.

Mr. W. H. SHARPE (Lisgar). Mr. Speaker, as the hour is getting pretty late I will promise not to keep you very much longer. Since the budget speech was delivered we have heard a great many different kinds of arguments, but it strikes me that what the farmer and the average business man want to know is what amount of taxes they are paying at the present time.

By looking at the record we will find that in 1896 each man, woman and child in Canada was paying $5.48 in taxation while at the present time we find that we are paying $11 per head. While we find that the hon. Minister of Finance (Mr. Fielding) showed a surplus on the year's business we also find, by looking at the records, that we are $46,000,000 farther in debt. It struck me very forcibly how this would affect the province that I come from. By going into the figures I find that the province of Manitoba's share of this debt is something over $5,000,000. We have in that province about 2,000,000 acres of land under cultivation, and the debt of last year means a mortgage of $400 on every section of land under cultivation in the province of Manitoba. I would like to ask the Minister of Finance what the debt of this country will be at the end of four years. I had read a good deal about the Minister of Finance but I had never seen him until I came to this House. From what I had read and heard of the Minister of Finance I never knew of him as a joker until he delivered his budget speech. I am sure that the Minister of Finance must have been trying to get off a joke when he told the House that this government was a government that had held the land for the settler. I wonder if he forgets that almost the very first action of this government, after they came into power in 1896, was to try and give 375,000 acres of our western land to Mackenzie and Mann. Does he remember this government selling 250,000 acres of our homestead lands in the west for the paltry sum of $1 an acre? Every government that has ever held power in Canada, whether Reform or Conservative, has always held the homestead lands as a sacred trust of the people, but when this government came into power they sold even the homestead lands. They sold thousands and thousands of acres of our best coal lands to speculators and their friends. They gave leases of thousands and thousands of acres of our best grazing lands for a paltry sum and in some cases people could get these leases for almost a song. Does the Minister of Finance forget this government selling hundreds of miles of fishing rights in the western country for $10 per year, or, does he forget the timber limit deals that were put through by this government or that they even went so far as to traffic in the Indian lands? They were not satisfied with dealing in the white man's lands but we find that they took advantage of the Indians. The Indians are the same as orphans in this country; they are the wards of the people, we have charge of their resources and yet this government go to work and sell to their friends 39,000 acres of their land for $9,017. The purchasers, in a few weeks, in fact, before the deed is made out to them, turn it over to speculators for $101,813, thereby cleaning up, out of the Indian lands, over $90,000. Mr. Speaker, we have heard a good deal during this session about a man they call Bill Miner. Bill Miner took his life in his own hands, you may say, when he went into the Rocky Mountains, held up the Canadian Pacific Railway express and stole a sum of money from it. I consider that Bill Miner is a prince beside these men who hide themselves behind the law and rob the orphans of the country. I do not intend occupying the time of the House very long, but there is a matter I wish to bring before the government and the House and that is in connection with an interview that the hon. member for Brandon (Mr. Sifton) gave his newspaper in Winnipeg on the 10th February last. It is as follows:

Bluff and Bluster—Mr. Sifton's Comment on Mr. Roblin's Defence of the Voters' Lists.

Hon. Clifford Sifton, who arrived in the city Monday from Ottawa, was interviewed yesterday in regard to Mr. Roblin's statement in the legislature regarding the provincial voters' lists. Mr. Roblin claimed that the lists were clean and satisfactory.

Mr. Sifton said that the statement of Mr. Roblin was untrue and that Mr. Roblin knew it to be untrue. The lists were flagrantly stuffed as every one knew perfectly well who had anything to do with the late election.

The assertion of the provincial premier, Mr. Sifton said, was a piece of impudent bluff and bluster.

When the last election was over the right hon. Prime Minister (Sir Wilfrid Laurier) asked the hon. member for Brandon the reason why the elections had gone against him in the province of Manitoba, and the hon. member for Brandon made practically the same reply to the Prime Minister. The Prime Minister repeated that same statement, or pretty nearly the same statement, on the 22nd January last in this House. I claim that if the statement made by the Prime Minister on the floor of this House on the 22nd January last is true, and if the the statement made by the hon. member for Brandon in this interview with the Winnipeg 'Free Press' is true, I, for one, have no right to a seat in this House. If those statements are false, as I claim they are absolutely false, then the hon. member for Brandon has no right to a seat in this House. I do not intend to discuss the merits and demerits of the Manitoba voters' lists at the present time, more than to say that the electoral lists for the province of Manitoba are the fairest lists that are compiled in Canada to-day. The judges have complete charge of the lists in that province and there cannot be one name added or one name stricken off without the sanction of the judges. I was elected in the constituency of Lisgar, Manitoba, by 105 majority, and if this government will ap-

point a royal commission to inquire into the lists in that constituency, and if they can find 106 Conservatives improperly put on that list, or if they can find 106 Reformers improperly left off that list, I will resign my seat, provided, the hon. member for Brandon (Mr. Sifton) will agree to resign his seat if his statements are not true, as I claim they are not true. I hope, Mr. Speaker, I make myself clear on this question. As the hour is very late I will resume my seat.

On motion of Mr. Nesbitt, the debate was adjourned.

On motion of Mr. Fielding, House adjourned at 12.30 a.m. Friday.

HOUSE OF COMMONS.

FRIDAY, April 23, 1909.

The SPEAKER took the Chair at Three o'clock.

THE NAVIGABLE WATERS PROTECTION ACT.

Hon. L. P. BRODEUR (Minister of Marine and Fisheries) moved for leave to introduce Bill (No. 152) to amend the Navigable Waters Protection Act. He said: The object is to give a better definition of the word 'vessel' in the Act. A wrecked vessel is there defined to include merely the keel, hull and machinery, but not the equipment, tackle, cargo, stores and ballast. When a vessel is wrecked, they generally remove at once all that is of value in it, and nothing is left except the hull and machinery, which is most of the time not of much value. Consequently when we call for tenders for the removal of a wreck, we have to deal with an article which is almost of no value and becomes a loss to the country; and the object is to declare that when a vessel is wrecked, the cargo should not be removed but form part of the claim which must exist on the vessel for the cost of removal of the wreckage. We ask also to be allowed to amend the law in order to declare that wrecks shall be removed immediately without the necessity of obtaining a formal order in council, but simply on the order of the minister. The reason for the change is this: When a wreck takes place, it sometimes is absolutely necessary to have it removed without delay, but when we have to go before the Governor in Council some time is lost. It may take a good deal of time before we can get an order in council, and in the meantime navigation may be seriously affected. We are asking also for power to regulate the cables which are put in rivers for ferry-boats. The request to do this has been made to the government by different provinces and especially by the province of Manitoba. In that province the complaint is made that cables are put in some of its navigable rivers and there is no provision in the law to regulate them. The object is to provide that they shall only be laid in such a way as not to interfere with navigation. We wish also to improve the regulations for the opening and closing of draw-bridges and their operation. This gives power to the government to make some regulations in that connection.

Motion agreed to, and Bill read the first time.

THE NATIONAL TRANSCONTINENTAL RAILWAY.

Hon. G. P. GRAHAM (Minister of Railways and Canals) moved for leave to introduce Bill (No. 153) respecting the National Transcontinental Railway. He said: This is a very trifling Bill. A bridge has to be constructed over the Red river between the cities of Winnipeg and St. Bonifice by the Transcontinental Commission. These cities are anxious to make some arrangement by which they can construct a bridge for vehicles as well in connection with this bridge. The legislature of Manitoba has given the city of Winnipeg the power to make such an arrangement if it can, and this will allow the Intercolonial Railway Commission to make arrangements, if they think it is advisable, for the construction of a traffic bridge in connection with the railway.

Motion agreed to, and Bill read the first time.

HARBOUR COMMISSIONERS OF MONTREAL.

Hon. L. P. BRODEUR (Minister of Marine and Fisheries) moved for leave to introduce Bill (No. 154) to amend the Act respecting the Harbour Commissioners of Montreal. He said: The object is to extend the boundaries of the harbour of Montreal. To-day these boundaries extend from Verdun to Longue Point, and it is proposed to continue them from Longue Point to the extreme north eastern end of the island. We are also seeking power to declare that the port of Montreal shall be in the future under the Department of Marine and Fisheries. The port of Montreal is now that part of the River St. Lawrence which extends from Portneuf to Montreal. That part of the river was declared some years ago the port of Montreal for pilotage purposes. In 1903, a change was made by which the Harbour Commissioners of Montreal ceased to be the pilot-

age authority, and that authority was then vested in the Department of Marine and Fisheries. No change, however, was made in the law itself, and as we are amending the law this year for the purposes that I have just mentioned, I thought it would be just as well to declare that the port of Montreal should, in that respect, cease to be under the control of the Harbour Commissioners. As a matter of fact, that has already been done. However, the right to make the rules of the road on that part of the river has hitherto been exercised by the Harbour Commissioners of Montreal. In all other ports of this country, the rules of the road are made by the Department of Marine and Fisheries, and it was thought advisable, as the harbour commissioners had ceased to be the pilotage authority, that the rules of the road should be made by the Department of Marine and Fisheries, as is the case in all the other navigable waters. These are the only changes proposed, except a small change declaring beyond doubt that the Harbour Commissioners of Montreal have the right to operate railways within the limits of the harbour.

Mr. MONK. Are we to understand that the commission itself is to be abolished and the department to take over the entire management of the port?

Mr. BRODEUR. Oh no, the Bill simply provides that the commissioners will cease to exercise any authority with regard to the rules of the road and pilotage in the port of Montreal; as to the management of the harbour itself the authority of the existing Harbour Commission will continue.

Mr. MONK. Is it intended by this resolution to give effect to the report of the Transportation Commission that the port of Montreal be made a national and a free port?

Mr. BRODEUR. I do not understand that the Transportation Commission ever asked that it be made a free port. I know it was suggested it should be made a national port, but it is not the intention by this Bill to make any change in that respect.

Mr. MONK. Did the commission not recommend that the port be made a free port?

Mr. BRODEUR. I do not remember that.

Mr. GEOFFRION. Before the Bill is read the first time I wish to make a suggestion for the consideration of the minister. I would ask him to consider the advisability of extending the jurisdiction of the Harbour Commissioners of Montreal to the south side of the St. Lawrence. Their jurisdiction now extends, I believe, only to the centre of the river. The business of the harbour of Montreal has increased so that the harbour is now somewhat congested and the change I suggest would undoubtedly be an advantage. They might be given jurisdiction over the south shore of that part of the river commencing at the Victoria bridge and including St. Lambert, Longueuil and Boucherville. With comparatively little dredging a channel could be provided affording navigation there, and wharfs and probably elevators could be built which would relieve the congestion now existing in the harbour of Montreal. I do not see why we have not navigation upon that side of the St. Lawrence. St. Lambert is a town which is increasing rapidly and so is Longueuil. The minister knows that there are several railways now in those towns. The Delaware and Hudson Railway is building a very important road from Montreal to Quebec. Then we have the Grand Trunk Railway and several American railways besides the Intercolonial Railway, all coming to St. Lambert and an electric railway will soon connect the town with Montreal. That part of the St. Lawrence is fast increasing in importance and I think it would be to the general advantage if jurisdiction over it were vested in the Montreal Harbour Commission. I hope the minister will take this matter into consideration and consult the Harbour Commissioners, who have promised to consider it. Of course I do not make this proposition solely for the advantage of that part of the country; the suggested change would also be of advantage to the port and city of Montreal because it would be very easy to build elevators there which cannot be built on the Montreal side.

Mr. FOSTER. Mr. Speaker, it seems to me we are drifting into a general discussion.

Mr. SPEAKER. This is the first reading of the Bill.

Mr. BRODEUR. It is perfectly in order.

Mr. GEOFFRION. The minister has explained his Bill and before he proceeds with it I wish to make a suggestion and to explain to him as fully as possible the advantages to be derived from my suggestion. The minister knows that the valleys of the St. Lawrence and the Richelieu are probably the most fertile and prosperous parts of the province of Quebec and now he has an opportunity to come to our relief. We have been deprived of all these communications with the city of Montreal and it is thought that if jurisdiction over the south shore was vested in the Harbour Commissioners of Montreal there would very soon be a great change in that part of the country. I need not go further at present as the Bill will come up for discussion in the committee. I hope the minister will be able to favourably consider

my suggestion before the Bill again comes before us.

Motion agreed to, and Bill read the first time.

BANK ACT AMENDMENT.

Mr. S. SHARPE moved for leave to introduce Bill (No. 155) to amend the Bank Act. He said: The provisions of this Bill are very simple. It merely provides that the balances that remain in the hands of chartered banks for over six years shall be transferred to the government as trustees and custodians of a fund on behalf of those entitled to them. The Bill is very simple.

Motion agreed to, and Bill read the first time.

INQUIRIES FOR RETURNS.

On the orders of the day being called.

Mr. LENNOX. I wish to ask the Minister of Railways about a return referring to tenders, &c., of the Transcontinental Railway which was ordered on March 3, more than a month and a half ago. We wish to have information as to the tenders put in, the estimates in connection with these tenders and generally information as to the estimated cost of the road at the time these tenders were accepted. The minister seems to have lost track of it. We have partial information by this return, which does not appear to be satisfactory, from mere glancing over it. But as to the order made on the 3rd of March, no attempt seems to have been made to comply with it, though it was very specific.

Mr. GRAHAM. This will be prepared by the Commission of the Transcontinental. They have been asked for it, and I will call their attention to the matter again.

Mr. LENNOX. Will the minister instruct us on Monday as to how the matter stands, or tell us when we may expect it?

Mr. GRAHAM. I will have the return if I possibly can. I will give whatever information I can get from the commission.

Mr. ARMSTRONG. I would ask the Postmaster General when I may expect an answer to the order which was passed on the 8th of February regarding contracts for carrying the mails which expire in the month of April, 1909, and have been renewed without calling for tenders.

Mr. LEMIEUX. I will attend to that this afternoon.

Mr. FOSTER. I would call the attention of the minister to the return brought down from the Transcontinental Commissioners with reference to the employments and employees. There is one schedule they do not fill out, they say it will take two or three weeks to get the information. I would like the minister to inform them that the information is required, and that the return is not satisfactory without that.

Mr. GRAHAM. As to the residences?

Mr. FOSTER. Yes, they can get that in about three weeks.

EXPROPRIATION OF LANDS BY RAILWAYS.

Mr. D. D. MACKENZIE (North Cape Breton). I desire to call to the notice of the Minister of Railways and Canals a matter under the Railway Act that seems to be ground for complaint in several parts of the country, that is, in respect to the powers of expropriation of lands for right of way by railway companies. There is provision in section 122 of the Railway Act which provides that the price of lands taken for right of way shall be the value of the land at the time that certain plans and specifications were filed in the registry of deeds for the district in which the lands lie. It is said that that provision, and that privilege, is being abused by certain railway companies, who put their plans on record and then allow the matter to stand for an indefinite period.

Mr. SPEAKER. No debate can take place at this point of our proceedings.

Mr. MACKENZIE. Then I would ask the Minister if he thinks that any remedy could be applied, so that the company would be compelled to proceed with the expropriation, as seems to be the intention of the Act, and not be allowed to wait for an indefinite time.

Mr. GRAHAM. That matter has been engaging the attention of the department for some little time. In an amendment to the Railway Act I have introduced, I have a clause dealing with that, which I think will remedy the real evil complained of by my hon. friend.

MONTREAL A FREE PORT.

Mr. MONK. I would like to call the attention of the Minister of Marine and Fisheries (Hon. L. P. Brodeur) to page 23 of the Report of the Royal Commission on Transportation:

> Your commission recommend that Montreal be made by the government a free port along the lines hereinafter set forth in this report.

Perhaps my hon. friend will make some change in his Bill.

Mr. BRODEUR. I was speaking, of course, subject to correction.

BOARD OF MANAGEMENT FOR THE INTERCOLONIAL.

Mr. EMMERSON. I desire to ask the Minister of Railways if the Board of Management of the Intercolonial have been appointed, and if so, have they been appointed by order in council, and will he lay upon the table a copy of the order in council, with the instructions defining the powers of the Board of Management?

Mr. GRAHAM. The Board of Management of the Intercolonial have been appointed by order in council. I had intended to give the information to the House when my estimates came up in connection with the working expenses. However, I will lay on the table a copy of the order appointing them, and outlining their duties.

Mr. R. L. BORDEN. Does the minister not think it would be a proper proceeding to make an announcement of that kind in the House first instead of at a party banquet or function?

Mr. GRAHAM. I made the announcement in the House that such a board was to be appointed. I do not think there is anything out of place in making the announcement I did as to the personnel of the board, as, with one exception, that personnel had been announced in the newspapers for two or three weeks.

Mr. R. L. BORDEN. I entirely disagree with the view the hon. gentleman has expressed.

LICENSE FOR TAKING LOBSTERS.

Mr. R. L. BORDEN. I would like to ask the Minister of Marine and Fisheries if he would be good enough to give information, and if necessary bring down the correspondence, if there be correspondence, with reference to the refusal to grant a license for packing lobsters to William Charles Henley, of Spry bay, in the county of Halifax. I ask this because it is alleged that the reason which was given in his case has not been applied to other persons in the county of Halifax. I am speaking only of that county.

Mr. BRODEUR. I do not remember the incident. I will be glad to bring down the papers.

Mr. R. L. BORDEN. Would the minister make an examination into the circumstances?

Mr. BRODEUR. Yes.

WAYS AND MEANS—THE BUDGET.

House resumed adjourned debate on the proposed motion of Mr. Fielding, that Mr. Speaker do now leave the Chair for the House to go into Committee of the Whole to consider the Ways and Means for raising the Supply to be granted to His Majesty.

Mr. E. W. NESBITT (North Oxford). As a new member of the House I have listened very attentively to the various speeches that have been delivered on this motion. What has struck me most forcibly is the wonderful difference of opinion expressed by hon. members on both sides of the House. I cannot say I am surprised at that, because we know that it is very seldom indeed that many people agree entirely on any financial matter. That fact proves the absolute necessity of having at the head of the finances of this country a man that we have faith in. I can certainly say that of the hon. Minister of Finance who has had charge of the finances of this country for the last twelve years. Personally I am willing to acknowledge that it would be difficult to find any other gentleman in the whole country more capable than the present Minister of Finance to look after our finances, both as regards the revenue received and the expenditure. Hence we see the necessity of having a supreme head of the finances in whom we have confidence.

After listening to the criticisms of hon. members on the other side of the House, and leaving out of view the superfluity of words and the extra flow of language which characterized them, they practically amount to two charges, namely, that our expenditure has been too high, and that our loans have cost us too much to float, thereby impairing the credit of Canada. Even the speech of the hon. member for North Toronto (Mr. Foster), if you make deduction of the vivid imagery and dramatic eloquence with which his speech abounded, only added a warning to the Finance Minister that the American people will probably adopt a maximum and a minimum tariff. I would like to look at the cost of the loans for the last few years. I am not going into figures very much, because you know the old adage that figures cannot lie, as stated by some wise man in the past, and also the equally old adage that you can prove anything by figures. Therefore, I am going to look at it, as far as I can, from the simple, practical, every day business man's standpoint. The cost of loans since 1897, some hon. gentlemen say, has very much exceeded the cost of loans previous to that time. My hon. friend the Minister of Finance (Mr. Fielding) has told us, and I think quite correctly, that the loan that was floated in 1897 was an exceptional loan, that it was an exceptional period and all of us who have kept track of the loan market for a number of years will fully agree with him that the period from 1896 really until 1902 inclusive was an exceptional period in the history of the world as far as the interest cost on loans was concerned.

The hon. member for North Toronto has stated that the cost of floating the loans of this government has exceeded the cost of floating the loans of the Conservative government previously in all instances except in that one case. I have, since that speech was made, looked carefully into the cost of floating the loans and I think that the cost is exactly the same as it was at that time, but that the system of making the loans has very materially changed. It would be idle for us to deny, if we have followed the loan market for any length of time, that the system of making loans has changed. No Minister of Finance can regulate that. The fact is that you have to adapt yourself to the system in vogue at the time and, of recent years, the system has been that you have to go to the underwriters. The reason for that is very simple. The loaning public have faith in some underwriter who has made a reputation for himself, and he passes on the loan practically speaking before it goes to the general public. I do not know that that is a wise precaution. I believe it is but, in any event, it is the system that is in vogue at the present time and it is a system that has to be followed not only by large corporations, such as railway and loan corporations, but by governments. It is the only system that you can take advantage of. The reason why interest has been so much dearer than it was in 1897, is because the loan market has run higher. Under this system of underwriting, loans that are put on the market are scrutinized by the underwriters and the public therefore take hold of them. There is more competition in the loan market and in making a loan on behalf of the country or on behalf of any institution you have to bid against the competition. You have to be governed by that competition. That is no reason to say that my hon. friend the Minister of Finance has not done just as well with the loans that he has floated for this country as any person else could have done, and I believe he has done better than could have been done by almost any person else. However, he has done all that could be done and our loans have not suffered in comparison with similar loans that have been floated by other countries. We all know that Japan, Russia, Germany and the great countries of Europe have paid more for their loans than we have paid during the same period. What more could you say to the credit of the Finance Minister in floating these loans?

The hon. member for North Toronto says that the Minister of Finance says that in calculating the cost to the people of this country it is not fair to say that the indebtedness per capita is a proper criterion to take. He says that even if we do calculate on a less rate per dollar it costs $11 per head to live. I think that one of the most creditable things that can be said of the Liberal party in governing this country is that the people had means enough to pay the greater amount, had means enough to purchase sufficient goods which they did at a lower rate on the dollar. Even if the cost were $11 per head as against $6.50 per head it reflects all the more credit upon this party that the people were able to purchase that much more goods. The hon. member for North Toronto says that the wise business man, when he makes his calculations for the year, sits down and figures what goods he is going to require; that is his raw material, I suppose, if he be a manufacturer, and his stock in trade, if he be a merchant. He also figures or estimates the amount of business that he is going to do. The hon. member for North Toronto says that we do not do so. It is quite true that any reasonably decent business man does estimate what the cost of his goods is going to be, does estimate what quantity of goods he is going to require during the next year and what his sales are going to be. But, that is only an estimate after all. He does not absolutely know. There are few business men who know the year before the quantity of goods that they are going to put out next year. There are some business men and some manufacturers who have to estimate three and four years ahead what goods or what raw material they are going to require. Supposing that the hard times came would not they also have incurred expense that the hon. member for North Toronto might equally as well say should have been avoided? The Minister of Finance can only make estimates, but there are certain forced expenditures which not only this government, but every other government in the world finds it impossible to foresee. The mother country has been forced to tax more than she would like to tax. Every country in Europe is forced to tax until the people are almost broken down to meet military and naval expenditures. In our country, while we have no military or naval expenditures, look at the transportation that we have to provide for.

Look at the various other expenditures that are absolutely forced upon the government, whether they will or not It is unfair criticism to say that many of the public expenditures ought to have been cut off some years ago, because every intelligent business man knows that you cannot cut off a business in the middle of its operations. Every member of this House who knows anything about business, and I think most of us do, knows that in the year 1907 and the first part of 1908 the great industrial and transportation corporations of the country would like to have cut down their expenditure, but they found it impossible to do so. No matter how prescient

they may have been they could not have foreseen the hard times of 1907 and 1908, and although many of them, as early as July and August, 1907, saw the depression coming, yet they had their output provided for and they had contracts for supplies let and they had to carry on their business as they had been doing in the past. How could the Minister of Finance have foreseen these times of stress any more than the great captains of industry in the commercial world. But, the hon. gentleman did as other prudent men and he now has wisely reduced the public expenditure. The government had made preparations for certain expenditures, just as business people had, and if they had stayed their hand and interrupted the progress of the country to that extent, I can imagine how hon. gentlemen opposite would have raised their voices to Heaven in denunciation of such a policy. The hon. member for North Toronto quoted some figures from a little book published by Mr. Woods of Toronto, and as I remember the figures quoted by the hon. gentleman they went to show that during the last four years $802,000,000 had been the extent of the borrowings all over this country. I have no doubt these figures are perfectly correct, and if the hon. member (Mr. Foster) or any other man had wanted to preach a sermon from the Epistle of Fielding to the Canadians he could not have taken a more appropriate text to prove the prosperity of this country. What enabled the people of this country to borrow that great sum in four years if it was not that the wise policy of the government had firmly established the credit of Canada and of Canadian concerns on the money markets of the world?

Mr. FOSTER. My hon. friend misapprehended the statement and therefore his argument does not rest on a sound foundation. I did not take it upon myself to say, nor did Mr. Woods, that this country had in eight years borrowed $802,000,000. That would have been a most extraordinary thing.

Mr. NESBITT. That is what I understood the hon. gentleman to say.

Mr. FOSTER. My hon. friend is mistaken. What Mr. Woods said was that at a certain date, I think the 31st of December, 1908, that was the amount of bonds of three denominations that were now running, but many of them may have been borrowed sixteen or twenty years ago.

Mr. NESBITT. Well, Mr. Speaker, we have it stated by a reliable financial authority that Canada borrowed all told $650,000,000 last year, and therefore my argument is still sound, that the high standing of this country has been so established under the wise policy of the Liberal government that the credit of our railway corporations, our industrial corporations, our mining companies, and all other concerns, is so high that they were able to borrow this vast sum, and even to become competitors of the Dominion government in the borrowing market. It is not so many years ago since the only loans that could be floated in Canada at any reasonable interest were the loans made by the Dominion government. But now, any reasonable proposition coming from Canada is so highly regarded not only in England but in Germany and France that it can obtain money just as easily as can the Dominion government, or for that matter the British government itself. And why is that? It is because the policy of the Canadian government has been so wise and so progressive that Canadian concerns are no longer confined to the money markets of England, or of the United States, or of Canada, but can go to France or to Germany and raise money with the greatest facility. France is probably the greatest lending country in the world and to-day the stock of the Canadian Pacific Railway is sold in France as readily as in England. This again is a tribute to the policy of the government which has laid so solidly the credit of Canadian business enterprises. One hon. member on the other side told us that a week ago in New York money was loaned at 1½ per cent and 1⅞ per cent, but that money was raised on call loans and everybody knows that call loans in New York are sometimes down as low as even 1 per cent. But that is an entirely different proposition from business loans. At the very time when call loans are going at 1 per cent let any man try to float on the same market a time loan for 30 or 40 years, and he will see what he will have to pay for it. One hon. gentleman opposite cites the instance of a three months' loan which had been floated in New York the other day, but what has that to do with the question? A loan for three months is a very short date loan. Any reasonable ordinary man can say what the money market is going to be for three months; but how many men dare say what the money market is going to be for five years from now, let alone for forty years from now? How many people are going to risk their money in long-time loans when there are more demands for money all the time on things which are absolutely safe, so far as things can be safe in this world, and paying them five or six per cent interest? Do you expect our Minister of Finance to float loans against the demands of other countries or corporations, and float them cheaper than they do? If so, you expect something that no human being can do, and I suppose our Minister of Finance does not claim to be more than human.

The hon. Minister of Finance has been criticised for having floated short-date loans. I submit that that is purely and simply an opinion. I might express the op-

posite opinion. Any gentleman on either side of the House can express opinions or make assertions, but that does not make them true. During the last few years, while money has been high, I think, with all due deference, that the Finance Minister was wise in not trying to negotiate long-time loans when he did not know the moment the money market would be in a more satisfactory condition. It is all very well to point out that he paid 1½ per cent commission on those loans; but suppose he had paid 2 per cent. That is 2 per cent on only one year, on the face amount of the loan, which means that if he got a loan for 20 years or 30 years, the 2 per cent of cost would be wiped out at ½ per cent per year in four years, and for the balance of the period there would be a profit to us.

One hon. member, in the effort to show that our credit was impaired, said that the Bank of British North America had, on some day, written off a certain proportion on some bonds of Canada which it held, because they were depreciated in value, but had not written off British consols. Is that a fair criticism? British consols, if they do belong to old England, are on exactly the same basis as our bonds. If that bank chose to write off our securities, and did not choose to write off British consols, is that any reason why it could not have done so? That is only the opinion of the manager of one bank; and while I have a great deal of respect for experience and for the opinions of some bank managers, there are others for whose opinions I have not so much respect—and they only have their opinion, after all. So I do not think that is a fair criticism. If you go back over the last ten or twelve years, and follow Canadian government securities on the British market, you will find that they have not fluctuated as much as British consols; and I have at no time noticed that the securities of any country, of the same class, have been in better demand than the securities of the Dominion of Canada during that time. That is what speaks. It is not what we can borrow money for; it is what we can borrow money for in comparison with other people on an equal basis.

This brings me to a suggestion. I believe, with one of the hon. members on the other side of the House, and with my hon. friend from Red Deer (Mr. M. Clark), in sinking fund loans. I have always believed in them. It is quite true that we are getting value for our money in the promotion of the transportation of this country, and in various public works we are building, and that the future should pay for these, at any rate to a large extent. It is also true that the future commences to-morrow. Therefore we should, in my judgment, commence to pay for them, or prepare to pay for them, at least partially, to-morrow. When a loan is floated, we should at once begin to prepare for payment. I do not believe we should borrow money—and if you take the Finance Minister's report, you will find that we do not for building ordinary public works such as public buildings. I believe we should pay for these as we go along; but for great public works such as we are forced to build to maintain the progress of the country, there is no reason why posterity should not help to pay; and I believe that every man who has studied finance to any extent at all, will agree with that.

Some hon. members on the other side of the House say that we should not have cut down our expenditures on ordinary public works. There is a good deal in that argument, because during the last two years we could have built very much more cheaply than we did in the previous five or six years. But the hon. Finance Minister did not think it wise, nor did any of his supporters, that that should have been done, and we are perfectly willing to abide by his opinion.

One hon. member the other night said that the Bank of Montreal has refused loans to private corporations because this government had borrowed during 1907 or 1908, $20,000,000. The hon. Finance Minister challenged him at the time to say if he had ever been told that by an authority in the Bank of Montreal. The hon. gentleman did not answer that question. That was a very unfair criticism. I do not think, nor do I believe that he or any other man in this House thinks, that it was because of the borrowings of the Dominion government from the Bank of Montreal that loans were refused to private customers. Every member of this House knows that the reason why the banks refused to advance more money to private customers was that they thought that the manufacturers and merchants of this country were promoting their businesses too rapidly, and that the banks should check them a little—probably a very wise precaution under the circumstances. Everybody knows that it was the actual money itself which was scarce. Everybody knows that the banks were not afraid to make loans but were afraid that the money might be called for. The money however, was not actually taken out of the hands of the Bank of Montreal by the Dominion government. The banks did not think that the money would be taken out and put into the minister's pocket or hidden in some cellar. They were not afraid of that, so that I do not believe that the criticism was a fair one.

The hon. gentleman from North Toronto (Mr. Foster) sounded the warning, with reference to the tariff, that the United States will apply their maximum unless we give them the same preference as we give the French. Well, so far as I have seen in the papers, the question of a maximum

and minimum tariff has not as yet been brought up in the American Senate, and is not at all settled. Was there any particular necessity for the warning? If you take the French treaty and see the articles on which France is given a preference over and above every other country except the mother country, and by the way the hon. gentleman said that they were even given a preference over the British, but if you will go through the schedule carefully, as I have done, you will only find two items of which that can be said, and those are two that we never have imported from Great Britain. You will see that should the United States apply their maximum tariff to us unless we give them the French preference tariff, there are very few items in the preference we give the French which we import from the United States. It is true that the minimum tariff, applied to a great many articles under the French treaty, would affect us to a large extent, if brought in from the United States, but I do not see that there will be any difficulty in arranging with the United States when the time comes for doing so.

Now, with reference to the Finance Minister himself, when we come to consider the pressure brought on him, both by members on the opposite side as on this, to change the tariff in the interest of some particular locality or corporation or individuals, we must give him great credit for the stability he has put into our tariff. And after all we must admit that stability in our tariff is the main thing in keeping faith with the rest of the world. We cannot go on changing our tariff daily, we cannot keep tinkering at it every year, without doing harm to some particular branch of merchandise, but to merchandise in general.

Again, when we come to consider the pressure brought upon the Finance Minister, not alone by members on this side but by members opposite, to incur large public expenditures—and just as much or practically as much does the pressure come from the other side as from this for extraordinary expenditures in various localities—do you not think that it requires a man of steel, let alone of iron, to withstand that pressure? And then when the Finance Minister does yield to pressure, and when expenditures are incurred, we find these hon. gentlemen opposite, who are urging him to spend the money, crying out to high heaven that he is ruining the country. I believe that our Finance Minister deserves a great deal of credit for firmness and decision and foresight in administering our finances, and that brings me to the fact that my hon. friend from North Toronto (Mr. Foster) told us that next year we would add $70,000,000 to our national debt and the year following $38,000,000, and he painted a very dark picture indeed of what was going to become of us. Well, I might reply in the old words, 'Oh, ye of little faith.' You cannot run a country's business or a private business, if you are going to sit down and figure out the expenditure for the next ten or five years without figuring out also the revenue. The world is not going to stop. Why are we building the National Transcontinental Railway? Why did we construct our various canals? The object was to add to our revenue by bringing in people to the country who will in turn contribute large receipts to the Dominion treasury. Does the hon. gentleman think we are going to stand still? Although not an optimist, I do not agree with those who draw those gloomy pictures of the future. There is no reason why, with a continuance of the reasonable common sense which this government has shown in the last twelve years, we will not be just as well off, and perhaps a great deal better off at the end of the next twelve years, than we are to-day. As the country keeps on growing, no doubt we will be able to provide for all the debts we may incur during the next ten years; and I trust that this government will not consider too seriously the dark side of the picture but will go on with the necessary expenditures for the improvement of our transportation facilities. And these facilities are, after all, owing to our peculiar geographical formation, the most important and urgent question we have to deal with.

One hon. member last evening pictured to us, in his advocacy of a higher tariff, the difference between the tariff on horses and cattle, &c., going into the United States and those coming in here. Well, I have heard a good deal of talk, since I have been here, about the farmers. A good many speakers on both sides have talked about this and the other thing being done for the farmer. Let me tell them that our farmers are not worrying a bit about the tariff. In my section they do not want a tariff equal to that of the United States on horses and cattle. They can fight the United States, if you will give them cheap transportation. That is all they want. They can compete with the United States or any other country if given a fair show.

This same hon. gentleman told us also that the Minister of Agriculture (Mr. Fisher) had spent only $7,000,000 during the last ten years on agriculture in this country. But he forgot that at least one half of the money we have spent on transportation should be charged to agriculture. There is not a man in this country who knows more about agriculture than does the minister of that department (Mr. Fisher.)

So far as I am concerned, and I know

something about farming, I am not an imaginary, but an everyday farmer, and I know something about what the farmers think, and I have just as good a class of farmers in my good old county of North Oxford as are to be found in the world to-day.

Let me tell my hon. friend that the farmers are not worrying a bit. They realize the weight of the old saying or the dispensation that comes down to us from the Bible: 'Bear ye one another's burdens.' We must remember, no matter what our positions may be, no matter to what class we belong, that we have to a certain extent to bear one another's burdens. I have no doubt that if a vote were taken tomorrow the farmer would be willing to do away with all duties. The farmer does not want protection from the United States, he can fight the United States on even terms. The farmer is willing to pay a reasonable duty, he is willing to pay his share of the cost of carrying on the government, he is willing to do what we are all willing to do, to tax others and to be taxed himself in order to raise the necessary revenues of this country, but he is willing to pay a revenue tariff only.

I do not think that any hon. members need worry about the farmer as far as existing duties between Canada and the United States are concerned. We are getting along very well and I have no doubt will continue to do so. This continual harping on what is done for the farmer, what is spent for the farmer and what should be done for him is all a deception. What would hon. gentlemen opposite, if in power, do for the farmer in addition to what is now being done? It is true that we are asking the Minister of Agriculture to assist us further with cold storage facilities. Do we want him to plow for us, to raise our pigs and sheep? No, what we want him to do is to increase the cold storage and transportation facilities just as rapidly as they can be increased. We are willing to wait in a common sense manner for what has to be done, the present government are doing remarkably well for the farmer, cold storage facilities are being established as rapidly as possible. No man deserves more credit than the present Minister of Agriculture for the assistance he has granted to the farmer. An attempt at deception is made in connection with the expenditure made for the benefit of the farmer. The farmer, beyond all doubt, gets the benefit of at least half the moneys spent on the improvement of the transportation facilities of Canada. You may say that the benefit of the other half goes to the merchants and the manufacturers if you will. But the western railroads, which, after all, have entailed the greatest cost in connection with our system of transportation, are built largely for the benefit of the farmer, although of course they to a large extent benefit the manufacturer by enabling him to ship his goods to the west. I do not believe in urging the Minister of Agriculture to establish to a large extent what are called industrial farms. I do believe in experimental stations which are very different from industrial farms. There is nothing in our section of the country of which the farmers think less than the so-called industrial farm where there is a large staff and heavy expense. What they believe in is experimental stations where experiments can be tried out at the public expense which the farmer could not afford to try out for himself. These experimental stations afford valuable object lessons and the literature sent out on the various experiments is of great value. That is all our farmer is anxious for; he can take care of himself, he does not want anybody here to tell him how to grow pigs or milk cows—he knows these things from experience, the great teacher.

I do not believe there is any ground for attacking the Minister of Finance (Mr. Fielding) on his budget this year. That is proved by the way in which our friends of the opposition have wandered into all kinds of subjects, they have talked about everything else—but they have not attacked the budget.

Mr. D. HENDERSON (Halton). Mr. Speaker, in this, the 13th week of the session, it is not my purpose to detain the House at any very great length. The Finance Minister (Mr. Fielding) told us, in opening his budget speech, that this was his 13th budget. As we are all aware this is the 13th year of Liberal rule in this country. By the way, I have often heard it said that the number 13 is an unlucky number, and it seems to me that the government, more especially the Finance Minister, must realize that there is some truth in that old saying. The Finance Minister in this, the 13th year of his rule and of the regime of the Liberal party, finds that the national debt of Canada has been increasing by leaps and bounds. The expenditure has been increasing in the same degree, and I have no doubt that the Finance Minister, with his 13 colleagues around him, has had a great deal of worry as to how he was to provide for the hundred and thirteen millions of dollars that he spent in one year, and as to how he was going to satisfy the people of this country that the Grand Trunk Pacific would be completed at an expense of not more than thirteen millions.

Mr. FIELDING. That is the unlucky number too.

Mr. HENDERSON. It seems to me that this unlucky number has been following the hon. gentleman all the way through. Taxation also in this 13th year of Liberal rule is increasing. The Minister of Customs (Mr. Paterson) looks at me through his spec-

tacles, but I draw his attention to the fact that in his famous table of average duties on goods dutiable and free, compiled every year and placed in the pages of the Trade and Navigation returns, the average rate of duty for the year 1908 was larger than it was in the previous year.

Mr. PATERSON. Not much.

Mr. HENDERSON. About 61, a very considerable increase indeed. Not only has this 13th year been an unlucky year in the increase of the debt, the increase of the expenditure and the increase of taxation, but it has been an unlucky year in the borrowings of the government, and in the high rate of interest which they have been compelled to pay. In the disclosures of royal commissions the government cannot deny that they have been unlucky. Matters have been brought out that did not redound to the credit of at least one or two departments of this government, and I have no doubt that in this respect they will regard this 13th year as the unlucky year of their term. In another way it has been an unlucky year, inasmuch as the revenue has declined $11,500,000 during the year, which is a very considerable decline in revenue when we take into consideration the enormous expenditures and the obligations that we are called upon to meet. In another sense it has been unlucky; the boasted surplus, which always formed an important part of the deliverance of the Minister of Finance, has practically almost disappeared, dwindled down to a miserable million and a half dollars, whereas in the previous year he was able to tell this House that he had a surplus of some $19,000,000.

By the way, there seems to be considerable difference of opinion amongst members of the government as to whether there should be a surplus at all. One member of the government, I recollect in former years, did not think there should be any surplus, and he ridiculed a Finance Minister who could not calculate the requirements of the country without having to take too much money out of the pockets of the people, because if a Finance Minister has a surplus it is only an evidence that he has failed to grasp exactly what the requirements of the country were. No Finance Minister ought to claim credit for taking out of the pockets of the people more money than is required for the business of the country. Permit me to read from an old 'Hansard' which I picked up in the library the other day, giving the opinion of the present Minister of Customs on this question. The Minister of Customs in 1883 was discussing the budget of Sir Leonard Tilley, who claimed at that time to have a surplus. By the way, I may say that Sir Leonard Tilley had a very happy way of dealing with surpluses. When he found he had too much revenue he simply reduced it by placing some necessary article on the free list, and in this way tea and coffee were placed upon the free list, instead of taking taxes out of the pockets of the people in order to show a surplus. The Minister of Customs in that year used these words as recorded in the 'Hansard':

> When the government find they have beyond doubt a surplus, when they can calculate to a certainty on having one, it is their bounden duty to reduce taxation. It is no part of the duty of a Finance Minister to extract more money out of the pockets of the people than is absolutely wanted to carry on public affairs.

I do not know whether the Minister of Customs stands by that opinion to-day. I read further:

> Let me point out to the hon. gentleman that if the Chancellor of the Exchequer of the United Kingdom was to have a surplus, in proportion to their revenue, equal to that which the hon. gentleman has boasted of to-night, he would have a surplus of $82,000,000. Fancy what would be said of a Chancellor of the Exchequer in England if he could not estimate the requirements of the public service nearer than $82,000,000. He would be ridiculed as unable to grasp the financial condition of the country.

Does the Minister of Customs hold to that opinion to-day? Is that the opinion he has of his colleague the Minister of Finance, that because he has a surplus from year to year he is unable to discharge the duties of his office, he is unable to grasp the business of the country? Possibly he may tell us when he speaks whether he has revised that opinion or whether he stands by it.

Mr. PATERSON. There is perhaps a context.

Mr. HENDERSON. The hon. member for North Essex (Mr. Sutherland) ridiculed the hon. member for North Toronto (Mr. Foster) for having a deficit in the latter years of the reign of the Conservative party. By the way, I may remark here that I am going to make a slight difference in my address from nearly every member on the other side of the House, who has made the hon. member for North Toronto the chief figure or text of his speech. I think the hon. member for North Toronto is perfectly able to take care of himself, and I do not propose, during my remarks, to use him simply as a text. I may say however, that I think the hon. member for North Essex might have been a little more fair with the hon. member for North Toronto. He claimed that in the last three years of the Conservative regime there was a deficit of $5,700,000. I grant that was the case; but it only goes to show the wisdom of the Finance Minister of that day. A series of bad times, or a depression I

might call it, was setting in about the year 1891. It was evident that the outlook was not very rosy for some years to come, and the Minister of Finance of that day, acting as a wise statesman, says: We will remove some of the taxes, and leave the money in the pockets of the people; and by a stroke of his pen he struck off the duties on raw sugar, and relieved the people of Canada, in the five years from 1891 to 1896, of a taxation equal to about $19,000,000. Had the Minister of Finance chosen at that time to continue that taxation, to continue the duties on raw sugar, instead of having a deficit of $5,700,000 in those three years, he would have had a very respectable surplus indeed.

Now I am going to repeat some figures that have been given by previous speakers and that are matters of record. I think it is well that these figures should be repeated time and again, that they should be fairly grounded into the minds of the people, in order that they may realize what the financial position of the country is. Away back in 1893 when the famous platform of the Liberal party was formed, they made the declaration that they viewed with alarm the continual increase of the national debt. In 1896 the debt of the country, when the Conservatives left power, was $258,500,000; in 1909, according to the estimate given us by the Finance Minister, our net debt has increased to $323,960,000, an increase during the regime of the Liberal party of $65,460,000. I wonder if they view that with alarm. Are they going to repeat the old expression, 'We view with alarm the continuous increase of the national debt of the country.' ? I have not heard from one of them that expression during these four days of debate.

Mr. PATERSON. We have something to show for it.

Mr. HENDERSON. The Minister of Customs says that they have something to show for it. Did not the Conservative party have something to show for their national debt? The Conservative party had completed a transcontinental railway, they had purchased a country, they had put through a railway to the Pacific Ocean, and it was in operation. They were not only taking people into that country, but they were bringing out their products. They had something to show for their expenditure, certainly. Now, let me point to this debt in another way, because, as I said, I think it ought to be ground into the minds of the people, and we cannot do it better than by way of illustration. The net debt in 1908 was $40.49 per head of the population of this country. In one year it has risen to $45.72, an increase of nearly $5 per head of the population. Then, as I hear, and as we will no doubt hear from some hon. members on the other side of the House: 'Wait till you see us next year.'

Now, one word about expenditure. In 1896, the last year of the rule of the Conservative party, the expenditure on capital and consolidated revenue accounts was $44,000,000. In 1898 it reached, within a few thousand dollars of the enormous sum of $113,000,000, an increase of $69,000,000. I doubt very much even if hon. gentlemen sitting on your right, Mr. Speaker, have realized that this ought to be viewed with alarm. Speaking of undue taxation, which they also viewed with alarm in 1893, the right hon. Prime Minister (Sir Wilfrid Laurier) stated that 'we are a party of low taxation.' The taxation for customs and excise in 1896 was $27,758,285, or $5.46 per head of the population. In 1908, for customs and excise, we paid $73,023,046, or $11.70 per head of the population. I ask hon. gentlemen if this is not a very considerable increase. Is it not enough to cause them to pause and view with alarm the condition to which they are bringing the affairs of this country. But I think a more impressive way still to grind that into the minds of the people of this country, in order that they may realize whither we are drifting, is this: In 1896 the total taxation per family was $27.68, but in 1908 it had increased to $58.88. Let us look at the daily tax. In 1908 the taxation per week was $1,404,289, while it had only been $503,877 in 1896. The taxation per day, Sunday included, on account of customs and excise in 1908 amounted to $200,612, whereas, in 1896, it only amounted to $76,281. I think that the people of this country might well view that with alarm also. But, the hon. Minister of Customs (Mr. Paterson) had another way of telling this story in bygone years. Those of us who were in parliament prior to 1896 did not hear the Minister of Customs speaking of the average rate of taxation on goods coming into the country, dutiable and free, and making a comparison from year to year. He then preferred to make his comparison on the basis of so much per head of the population of the country. In 1896 the customs taxation alone amounted to $3.94 per head, in 1906 it had risen to $7.70, and in 1908 it had risen to $9.26. The Minister of Customs has abandoned that plan of showing the taxation of the country. He found it was telling hard against this government; so, he has fallen back upon another plan, that of taking the average rate of taxation on goods dutiable and free. My hon. friend from Red Deer (Mr. Clark)—I am sorry that I do not see him in his place——

An hon. MEMBER. He is over there.

Mr. HENDERSON. Delighted. My hon. friend had a good deal to say about cus-

toms taxation and he certainly pronounced himself beyond measure a free trader if there is such a man in this House or in this country. At any rate he gave us the idea that low tariff was his policy and that he could support no policy but that which was low. I wondered if the hon. gentleman had really looked over the tariff of this country. I wondered if he had ever read the tariff. I cannot attribute ignorance to the hon. gentleman because I regard him as an intelligent Scotchman——

Some hon. MEMBERS. Oh, oh.

Mr. HENDERSON——who came to this country knowing that by coming he could better his condition.

An hon. MEMBER. He is not a Scotchman.

Mr. HENDERSON. Well, if he is not a Scotchman, he is pretty near it, because I know he is a graduate of Edinburgh. He told us about a friend of his in the west whom he had induced to vote for him because he was a low tariff man. He said that this was the first time that this friend of his had voted anything but Conservative and, if I mistake not, when this friend comes to know just what is right, it may be the last time he will vote for him. He told us that this friend went out with a gun to shoot rabbits.

Mr. M. CLARK. That was another party.

Mr. HENDERSON. Was that not the same friend?

Mr. M. CLARK. No.

Mr. HENDERSON. At all events, there is very little difference. He took his gun and went to shoot rabbits. Did he tell his friend that the duty on guns in Conservative times was 20 per cent and that he was supporting a government that had raised it to 30 per cent? I wonder if he told him that they had even increased the duty on rabbits likewise 5 per cent? It would not make any difference because they were growing their own rabbits there and it was immaterial whether it was a 20 or a 25 per cent duty. But, he enlarged very much on these reduced duties that his friend was enjoying under the present government. Well, I fancy I see his friend coming home, foot-sore and weary from the chase, with a rabbit over his shoulder. He was going to have his dinner. If he had not caught a rabbit he would have had no dinner. I do not believe the country is so poor. I never knew it so poor as that. There were ranches and cattle in that country in abundance and there is no difficulty in getting beef and other meats if you require them. However, the hon. gentleman told us that his friend had no money, that he could not buy a postage stamp. I feel very sorry for the country. I believe that the hon. gentleman is libelling his country.

Mr. M. CLARK. That is all changed now.

Mr. HENDERSON. Yes, that is all changed and it was changed before the hon. gentleman came to this country. That was changed before the Conservative party went out of power. Why, the Conservative party bought that country and paid for it—no they charged it to capital account which I think was a very good thing. It is not paid for yet. It simply cost us the interest on the money. I believe that was a very good plan. Canada was not as rich in those days as it is now, but the government of that day not only bought the country but built the railway to take the hon. gentleman out there and bring his products into the markets for which he ought to be reasonably thankful. If it had not been that the Conservative party was in power before the hon. gentleman (Mr. Clark) came to this country I doubt very much if he would have his 1,000 acres of farm land that he boasts so much of. He ought to be proud that the Conservative party once ruled in this country. Now, I want to show the hon. gentleman that he is all wrong, and to do that I will tell him how his friend gets along. His friend comes home weary from work and his wife is preparing the rabbit for supper, and he sits down in a corner of the kitchen to have a smoke and he sees that the plug of tobacco instead of the large plug it was in the Conservative days is very much smaller and is in fact what the people of Nova Scotia call the 'Fielding fig.' The government that hon. gentleman from Red Deer supports last year increased the duty on tobacco by over $2,000,000, and is it any wonder that his friend grumbles in the kitchen corner about the small plug. Well, the rabbit is prepared and they sit down to supper and his wife tells him he must be careful about the table linen and napkins because this good government has increased the duty on linen. Then the good wife warns him that he must be satisfied with one spoonful of sugar instead of the two he might have if the Conservatives were in power, because the Liberals have enormously increased the duty on sugar. He finds around him that everything has been increased in duty but at last he says: 'Heaven be thankful that there is no duty on the light.' His good wife points out that he is mistaken and she says to him: 'Why, this government that you sent the member for Red Deer to support actually increased from 15 per cent to 25 per cent the duty on the putty that keeps the glass of the window in its place.' They rise in the morning and their frugal meal is prepared and the good man says: 'There is no duty on oatmeal,' but his wife tells him that the government

he is supporting, two or three years ago increased the duty on the Scotchman's oatmeal from 20 per cent up to 60 cents per 100 pounds. This tariff is a tariff for revenue only; it may be but it is not a tariff for the settler. After breakfast the friend of the member for Red Deer goes out to the stable to hitch up his horse, and looking at the cement on the stable floor he finds that this government has increased the duty on cement five cents per barrel, for the benefit of the farmers I suppose. He sees that the duty on his cutter is increased from 25 to 35 per cent, but he can console himself with the thought that the Minister of Finance has advised him to buy his cutters in England when he will get the benefit of the preferential tariff. He remembers that in the west he is a long way from England, that the transportation charges would be pretty high on cutters, and that as the lesser of two evils he had better pay the full duty on them.

Mr. PATERSON. They buy their linen in England.

Mr. HENDERSON. Oh yes, that is where they buy their linen but the linen manufacturer in the old country makes us pay for it with an increased price on his linen. Did we not hear the Minister of Finance tell us how they played a trick with the sugar duties, and before I get through I will explain to the Minister of Customs that there is a corresponding actual increase in the cost of linen sent to this country, over what there would be were it not for the preferential tariff. Now, furs are necessary in the west for the farmer and his wife, and they find that for their fur coats and fur mitts and the fur sleigh robe to keep them warm they have to pay an increased duty of five per cent over what they paid in the Conservative days. Then the farmer says: 'what does all this mean?' and the wife tells him just as the member for Red Deer told us: 'It is a tariff for revenue only.'

Mr. PATERSON. And you want it made higher?

Mr. HENDERSON. When did I say so?

Mr. PATERSON. Always.

Mr. HENDERSON. Before I have finished my speech, I will tell the Minister of Customs what I would like, but in the meantime I prefer to make my own speech.

Mr. PATERSON. I beg your pardon.

Mr. HENDERSON. Why, great heavens, we cannot make the tariff higher on some things than you have got it now. If you import linen from Germany you pay 40 per cent, and if you import cotton from Germany you pay 40 per cent, and I can tell my hon. friend the Minister of Customs that many of the people in this country have but a small conception of what this tariff for revenue only really is.

Mr. PATERSON. Woollens from Germany are 45 per cent.

Mr. HENDERSON. They possibly are, but we do not bring many of them from Germany; your tariff is too high, we cannot get over it. My hon. friend from Oxford (Mr. Nesbitt) told us that the farmers were not worrying. Well, I do not know why they should, because when the Conservative party was in power they gave them a tariff that suited them and that tariff practically remains intact to-day. It has not been greatly disturbed by the peculiar dealings of the present government, and with the exception of two articles, mutton and corn, the tariff just remains about where the Conservative party left it. Now, let me proceed with my illustration. The good farmer says to his wife: 'But has the government done nothing for the farmers?' and she answers, 'Oh yes, cultivators, seed drills, horse rakes, and wagons, have the same duty now as when the Conservatives were in power, but the Liberals have reduced he duty on sickles, and scythes, and snaths, and reaping hooks, and hand rakes, and they have put mushroom spawn and sausage skins and mustard seed on the free list just to please the hon. member for Red Deer who no doubt is duly thankful. 'When the hon. gentleman goes back to Red Deer he had better tell his friends that he will have to change his way of voting if he wants to have a low tariff.

Mr. M. CLARK. Will the hon. member permit me to ask him if he was correctly reported in ' Hansard ' as having said a few years ago in the budget debate that if he had fifty majority on that side of the House, he would soon repeal the British preference, which I claim to be something for the benefit of the farmer?

Mr. HENDERSON. My memory is too short—I have no recollection of having made the statement. If the hon. gentleman says I did make it, I will certainly agree to it. I will give him my views of the preferential tariff before I am through. I know that I have been challenged by the Minister of Finance to say whether I would repeal the British preference or not, and I might have made that statement.

The Minister of Customs clings to the idea that this is a low rate of taxation. He adheres to his plan of measuring the taxation of the country by the average rate of duty. In getting at this, the hon. minister simply takes the table of averages previous to the Conservatives going out of power and the table of averages after the Liberals came into power, but he neglects to arrange these tables on the same basis.

We know that the system of taxation in this country has been very materially changed, in many ways. Last year $2,000,000 was added on tobacco; but that has been collected as excise duty, so that if it does not appear as a customs duty; consequently the impression is given by the minister's statement that the taxation of this country is $2,000,000 less than it really is. That is hardly fair. I am not going to attribute anything to the hon. Minister of Customs. He is simply giving a calculation of the customs duties; but the increased excise duty on tobacco should in fairness be included in a comparison of taxation. Then, last year we paid bounties to the extent of $2,286,289. These bounties were given in lieu of duties. The duties on iron and steel, on coal oil and on binder twine were lowered or wiped out, some of them, and then the manufacturers of these articles were given bounties. Can you tell me where the difference is? I fail to see it. The one is just as much a matter of taxation as the other. I was challenged a year or two ago by the Finance Minister who said that these bounties were paid out of the money that was collected through customs; but the hon. gentleman was mistaken, because these bounties are not paid out of customs duties. They are charged up to the mortgage, they are added to the debt of the country; but they are taxation against the people of this country all the same. When we find that the total amount of bounties paid since 1896 amounts to $16,326,185, I think they view the condition with alarm.

Another item which I wish to draw attention to in order to bring these tables to a fair basis is the fact that the Minister of Customs takes all the corn coming into this country from the United States, and includes it in the imports for consumption, forgetting that a large amount of that corn simply passes through this country in transit, and ought never to be taken into consideration in calculating the average rate of duties on goods, dutiable and free.

Now, I am going to give my hon. friend the Minister of Customs a table based on the alterations that I have suggested. First I will take the table showing the average rate of duties on goods, dutiable and free, as given in the trade and navigation returns for the last five years of Conservative rule:

	Per cent.
In 1892, average rate..	17·56
" 1893 "	17·38
" 1894 "	17·13
" 1895 "	16·99
" 1896 "	18·28

Add these together and divide by five, and you find that the average for the five years was 17·46 per cent. These figures are identical with those given in the trade and navigation returns. For the next five years, the first five under the Liberal tariff, I model the table on the basis I suggest, including the bounties and the tobacco duties, and excluding the corn which was imported and simply passed through this country in transit, and we find this result:

	Per cent.
In 1898, average rate..	18·34
" 1899 "	18·14
" 1900 "	16·96
" 1901 "	17·25
" 1902 "	16·60

The average is exactly 17·46, the same as in the last five years of Conservative rule. But the taxation is growing. By the last revision there was an increase, and when we add this to the average of 1906 and 1908 we find that it brings it up to 17·54 per cent, showing conclusively that the hon. gentleman is wrong when he says that the rate of taxation has been reduced and not increased. Some years ago the Finance Minister made an important statement in this House. I can excuse the hon. member for Red Deer for not having referred to it, because he was not here and possibly has never had an opportunity of seeing it. He told us practically that his new tariff was simply a readjustment, and he spoke of it thus:

> It was of the utmost importance that we should maintain a strong financial position, and in view of the uncertainties as to the amount of revenue that might be produced by this lower rate of taxation, it became necessary that we should take some steps to make good any possible loss that might result. It was thought that it might fairly be met by providing for the raising of some additional taxation in order to balance or make good the loss occasioned by the reduction of duties. It was necessary to have an increased revenue in certain directions when we were to lose revenue in other directions.

That was the policy on which the Liberal party framed its tariff. Take a little off here, and put a little on there, but always be careful that the revenue is cared for. The people had no interest, they thought, in this matter, the industries of the country were not to be considered, the sole question was to arrange so that we would get as much revenue as we did before or more. But the Minister of Customs will claim that they made a sweeping reduction in corn. I grant you they did, but when they took the duty off corn, and proclaimed throughout that they had given our farmers free corn, they simply transferred it to sugar. They largely increased the duty on sugar. Then, when a farmer went to a railway depot to get his wagon load of corn, he bought it without paying any duty; but when he went to his grocer to buy sugar he found he had two duties to pay—one the duty on corn and the other the duty on the sugar. If hon. members will analyse that statement, they will find

a great deal of truth in it. The duty may not have been exactly double, but no doubt the government were following out their system, and when they took the duty off corn they added it on to the duty on sugar. Our farmers were clamouring for free corn, so they said. 'We must give them free corn, but we can fix that in such a way that they will never know, we will add it to the duty on sugar and they will never think of it. We can then tell them, when the elections are on that we gave them free corn and we need not proclaim that we doubled the duty on sugar. Our tariff is a tariff for revenue and we must have the revenue, so that if we lose our revenue on corn, we shall make it up on sugar.' And that satisfied my hon. friend from Red Deer (Mr. Clark). In the same way they reduced the duty on wines for the benefit of some gentlemen who liked French wines for dinner, they lowered these duties away down, but on tobacco, the poor man's luxury, they put a tax over $2,000,000 in order to make up the loss by the decrease in the duties on wine. They could not reduce the duties on wine without increasing them on something else. They took the tax off the rich man's luxury and charged it on the solace of the poor man. When my hon. friend from Red Deer (Mr. Clark) goes west let him tell his friend out there that he is paying the duty on the rich man's wine as well as on his own tobacco, let him give his friends an accurate understanding of what is done; but if he does, I think he will find that his friends will not vote the next time as they did on the last occasion.

I notice that the readjustment in the tariff in 1897 was for revenue only. The Liberals always say that their policy is a tariff for revenue. But the tariff of 1897, in very many items, remains unchanged. Our hon. friend who just sat down, (Mr. Nesbitt) said that the farmers were not worrying over the tariff. Let me tell him the reason why. It is because the agricultural schedules were not interfered with. They remained practically where they were, leaving out the two items of corn and mutton. The duty on mutton was increased from 35 per cent to 3 cents a pound, but in many other respects the tariff was not interfered with. The policy of the old Conservative party was to let in free any article which we could not produce in this country. That is the national policy. What we cannot produce, do not tax. My hon. friend shakes his head. In his opinion we should tax everything in order to get revenue. He would tax anything he could lay his hands on so long as he could get revenue. But that is not our policy. I say that what we cannot produce we ought to admit free. Under the old regime we admitted tea and coffee free, and the Liberal party dare not change that. No doubt if they thought the country would submit to it they would tax these articles and get all the money they could out of them, but tea and coffee are two things they dare not put their hands on. Raw products, such as hides, largely brought from South America and other parts of the world, the raw material for the manufacturer, were admitted free under the old Conservative policy, also raw cotton and fine wools. I am not going to say that the admission of fine wools free is the best policy at present. My hon. friend from Red Deer (Mr. Clark) I think, will agree with me when I say that this country can to-day produce fibre wool, similar to Cape wool and Australia wool, which it could not produce 25 years ago. At present we can produce an excellent class of wool in our western country, and if encouragement were given the woollen industry, no doubt our flocks of sheep would be enormously increased and the production of wool become one of the greatest industries of that great west. Many articles, no doubt, under the revision of the tariff were charged a lower rate, under the British preference, but that produced more revenue.

Some people have the impression that if you want more revenue, you must increase the duties. That is a great mistake. To get more revenue you must reduce the duties. If you put a duty of 2 cents per pound on bacon and hams, a certain amount will come into this country on which you will get a revenue. But if you raise the duty to four cents, the probability is you would exclude bacon and hams altogether and consequently get no revenue from them. The preferential tariff was framed along that line—encourage importation and get all the revenue you can even if the Canadian has to pay more for his goods. I contend that these increased revenues, under the operation of the British preference, are at the cost of the Canadian tax-payer. When that preferential tariff was introduced, it was heralded with delight all over the country. It was heralded as a great boon to Canada. Of course, the people would naturally think that when the duties were lowered by the preference, they would get cheaper goods. But is that the sentiment of the country to-day? I would not like to ask my hon. friend the Minister of Customs, because I would not like to make him feel uncomfortable, but if the British preference was to give us cheaper goods, what means this cry from Halifax to Vancouver that the cost of living has increased. Surely the people expected the cost of living to be reduced by that preference. Suddenly, however, it dawned on them, as matters worked out, that goods went up in price instead of coming down. The cost of living was increasing instead of getting cheaper, and that is the position in which we find ourselves to-day. Let me dwell on that for a moment. I am going to refer to the

budget speech of the Minister of Finance to demonstrate this matter. He was very free in making the statement, which I think will be read with a great deal of interest, that the British preference, instead of diminishing the cost of goods, has practically increased it. He told us that the planters in the West Indies refused to sell sugar to Canada at the same price as they sell it to the people of Great Britain. Great Britain is a free market; sugar from the West Indies goes in there without duty and so does sugar from Belgium, Russia or any other country where beet sugar is produced. But, he said, the planters in the West Indies discovered that if they were to simply follow out that rule, it would be a Canadian preference instead of a preference for them, and they, with the aid of their agents and brokers in London, made a calculation of how much it would cost the people of Canada to import sugar from foreign countries. Having done that, they enhanced their price on West India sugar for Canadians to a figure above what they charged to the people of England, knowing that the Canadians would have to pay that enhanced price, plus the preferential duty, so that instead of Canadians benefiting by this preference, in the purchase of West India sugar, they are practically losing through being compelled by the West India planters to pay a higher price. The Finance Minister, referring to the refiners of eastern Canada who were making a complaint that this thing was being done, said:

They say that there is a combination amongst the West Indian planters, among the growers of sugar in the West Indies, through their agents and brokers in London whereby the Canadian refiner is not permitted to buy that West Indian sugar upon the same terms as it is purchased by the British refiner. This question of who shall profit by the preference has been much debated. At one time the West India merchants complained that the refiners in Canada managed to take the whole preference to themselves. Now the accusation is the other way. Our Canadian refiners say that this combination so manages that it will only sell West India sugar at a price which makes the thing of really no more advantage to them than if they were to buy the foreign sugar and pay the higher duty. Of course, no matter what they pay for West Indian sugar, they would only pay a lower rate of duty. But it is claimed that though they do not pay any more duty they are obliged to pay a higher price. They say that the growers in the West Indies, through a broker and agent in London, ascertain just at what price sugar can find admission into the Canadian market, and they only sell at that price, with the net result that while the British refiner who competes with the Canadian refiner in the finished product, practically buys in a free market, the Canadian refiner is only allowed to buy on terms which oblige him to pay in addition to the price of the sugar, the amount of the preferential duty.

Mr. HENDERSON.

The price of sugar referred to in the concluding words of that paragraph of the minister's speech is the enhanced price, the price of the Belgian, German, or Russian beet sugar with the full duty added. The West India planters said: 'You cannot get sugar from us unless you give an enhanced price that leaves just a little margin below the price of foreign sugar plus the full duty, which will be sufficient to induce you to purchase from us.' I ask if that is fair treatment? Is that a Canadian preference? It is a preference for the benefit of the people of the West Indies. I was ignorant enough to think, with many others, that when we gave a British preference we would get something out of it, and that when we gave a preference to the West Indian planters, we would derive some little benefit from it, too, but it appears that the West India planters, receive all the benefit and there is nothing in it at all for us.

Let us see how that principle will work out in the case of linens under the British preference. The Minister of Customs practically says: 'You can buy linen in the old country and bring it here under the preferential tariff.' Certainly you can, but when you go to the old country you mingle with as shrewd people as are to be found in the world; the linen manufacturers of Great Britain are able to form their combinations just as the West India planters do. They can get together and say: 'We will not let the Canadians have the benefit of this preference, it must come to us.' They figure out that we cannot import linens from the United States unless we pay a duty of 30 per cent, and so they shade up the price of linen to nearly what it would cost us to import it from the United States, with 30 per cent added. Thus the British linen manufacturer will not sell to the Canadians as cheaply as they will sell to the people of the United States.

I need not carry this argument further; the same principle can be applied to cottons and to many articles coming into Canada. The Minister of Finance demonstrated that fact to us only a few years ago. I shall use an illustration of his own, I shall reverse his illustration because it is a very curious rule that will not work both ways. Here is what the Minister of Finance said on March 23, 1900:

When hon. gentlemen desire to know what the tariff reform has been, they must take up the individual items of the tariff.

——just as I have been doing, and I would advise the hon. member for Red Deer (Mr. M. Clark) to do the same thing.

Last year, under our tariff, we added materially to the free list.

Sausage skins, mushroom spawn, mustard seed, and some other things. Of course I am only joking in saying that there were other minor reductions.

There were besides, 148 items on which the duties had been reduced on the general tariff.

I gave you an illustration of some of them, the minor farm implements.

And on every one of these items, in the case of importations from Great Britain, the duty was further reduced to the extent of the preferential rate. I think that will be an indication that there has been some very considerable measure of tariff reform. Then there is another point to be remembered. Even taking your average, you have saved not only 2·2 per cent on your imports,—

He worked out a table and found that the average rate on goods dutiable and free in that particular year was 2·2 per cent lower than it was in 1896. That was the table of the Minister of Customs. Of course it did not include bounties or increased tobacco duties or anything of the kind. I dare say he included the corn that went through the country in transit.

Even taking your average, you have saved not only 2·2 on your imports but you have saved also 2·2 on your purchased goods of home manufacture. We all know that as a rule—there are exceptional cases, of course—the price of the home product is influenced by the duty on the foreign article.

I shall take him at his word. He says that the price of the home product is influenced by the duty on the foreign article. That is to say. if there were 35 per cent on foreign cottons, the Canadian manufacturer would shade up his price in order to bring it very close to the figure at which the consumer in Canada could import foreign cottons and pay the duty. I grant that the principal, in fact the only precaution against that was to so increase the manufacture of cotton goods in this country that home competition would prevent a combination and keep down the price. That was the principle of the National Policy, encourage the industry and make it so strong that home competition would maintain a proper level of prices.

On coloured cotton goods coming from foreign countries the duty was much higher than when coming from Great Britain, and the Canadian manufacturer said to himself: 'Canadian consumers cannot get coloured cottons from the United States unless they pay the 35 per cent, consequently we will level up our prices to that margin.' Do you think for a moment that the British manufacturer was asleep? Do you think he was not watching our tariff? I found, when I talked with men in the old country, that they knew about as much of our tariff as we know ourselves. The manufacturer of linen in the old country can say: 'You cannot get linen from the United States or any other country unless you pay 30 per cent. True, you can get it if you buy in Britain, at a lower rate of duty, but before you can get it from us we are going to level up our prices, we will make you pay more for the goods, and you will find, when you get your linen home, that you might just as well have bought from the United States and paid 30 per cent. 'Do you think that is not possible? I believe it is not only possible but probable. I do not take the British manufacturer to be insane. I do not believe they are doing business for the fun of it, they are doing business to make money, and they are going to make money, no matter who pays the piper. They are going to make money out of Canadians just as well as out of the people of other countries, and if we are simple enough to give away our market to them, give them a preference in our market, they are certainly going to take advantage of it, and I have no doubt in the world that they will do so.

What means all this cry over the country that the cost of living has increased? Go where you will, even on articles that do not come from abroad, you will find the cost of living has increased. Why? Out of sympathy. A railway tie will increase in cost as well as a yard of cotton ; it rises in sympathy with the increase in the cost of labour. There is no question in my mind that this is a solution of the whole question why goods have increased in price in Canada. Look at what we had to do for the Civil Service of Canada during the past year. Hundreds and hundreds of thousands of dollars had to be paid out to increase their salaries. Why? Because this government had adopted a policy that compelled them to pay more for the requisites of their households, and it was only fair that we should come to their rescue. We had so arranged our tariff as to increase the cost of goods and it was only fair that we should come to their rescue, give them an increased salary in order to enable them to pay their way, to pay for the increased cost of living. I say this is a subject worthy of the consideration of the government. I was foolish enough, in 1897, when this policy was heralded by the government as a boon to Canada, to think it was going to be a boon to Canada. I thought that whilst we called it a British preference, it was going to be a Canadian preference. I have changed my mind. It is not a Canadian preference, it is a British preference pure and simple, and we really have no part or lot in the whole matter. Just as the West India planter says: 'Canadians are not going to get the benefit of this, they appear to have got the benefit for a year or two, but we are going to see to it now that they will not get it any longer.' So the Minister of Finance was compelled the other day to announce a policy by which he would get back for the people of Canada a small modicum of that which they ought to have had under this preference.

I want to deal briefly with another ques-

tion that has been referred to. I hope that the hon. member for North Oxford will pardon me for not making any extended remarks with regard to what he said. He dealt largely with the borrowing of money, and that question has been so thoroughly discussed in this House that I do not think it would be fair for me to take up any more time of the House in discussing it. It is therefore not out of any lack of courtesy to the hon. gentleman, who I think delivered a very fair speech for his first year in the House. Now let me point out the difference between the policies of the two political parties. I would like if my hon. friend from Red Deer (Mr. Clark) would wait for a few minutes, and I will tell him the difference, in a few words, between the two parties. The policy of the Conservative party in power was a policy of promoting production in the factory and on the farm; that was the leading feature of the Conservative policy. The leading feature of the Liberal policy is to promote the importation of the productions of the farm and of the factory. What was it the Conservative policy aimed at? Production. What is the object of the policy of the Liberal party? To produce a revenue. Now let us see how it has worked out. In 1896 the exports of Canada totalled $121,000,000, and the imports $111,000,000. This, I presume, includes coin and bullion; however that makes no difference so far as the comparison is concerned. These figures show an excess of imports of $10,000,000. Now that was a very nice sum of money to leave in the country. We were able that year to pay for all our imports by our exports, and leave us a surplus of $10,000,000 to be used for business purposes. In 1908 Canada's imports increased to $364,237,864, and our exports only increased to $263,368,952, merchandise only. The excess of imports was $101,000,000. In other words, after sending out of this country all the agricultural products that we had to spare, our fish, our minerals, our lumber, all our butter and cheese, and everything of that kind that we could rake and scrape to pay for our imports, we practically came short by $101,000,000. We bought $101,000,000 more than we had exports to pay for. What would a farmer think if, at the end of his year's operations, he found that he had purchased a thousand dollars more than he was able to sell off his farm? He would feel that he was getting poorer. Very well, how is that to be met? I think some remark was made if I mistake not, by the hon. member for Red Deer; perhaps he was only quoting somebody else. But it has been said that that adverse balance, that debt, must be paid. Not long ago the manager of the Bank of Montreal said that that was an obligation that must be met, an obligation that this country has got to pay. It must be met either in exports or in gold. We had not the exports, we had exported everything we could, we had exhausted our surplus of exports, and we were still $101,000,000 in debt to Great Britain and foreign countries. How are we to meet it? Send gold out of the country? I see no other way for it, and we are obliged to rake and scrape every dollar we can get, to use an extreme expression, in order to pay our balance of trade and maintain the credit of the country. Is it any wonder that a money stringency fell upon this country? Is it any wonder that two years ago there was not enough money in the possession of the banks of this country to move the western crops? The Minister of Finance had to acknowledge it, he had to break into the strong box and take out $5,000,000 of gold that ought to have been held sacred, that was laid away for the redemption of our Dominion notes and for the payment of our post office depositors. He was obliged, without law, without authority, to do this, though I am glad to say that parliament afterwards indemnified him, so that no action could be brought against him for malfeasance of office. He did what he thought was his duty. He could pursue no other course. The people of the west were crying for money to move their crop because if they could not get their crop out they were ruined. The miserable policy of the country had drawn out the money that was necessary to pay for the transportation of their crop and the Minister of Finance was compelled to come to the rescue and provide the money out of the strong box, the reserve which was laid away for future needs, which was sacred against even an emergency.

How do other countries fare? I look at the trade of Mexico, a country not nearly so rich as Canada and I find that in 1906 their exports were $271,000,000 and their imports $221,000,000. They practically paid for all their imports by their exports and they had $50,000,000 to the good. Then let us look at the Argentine republic, a country in many respects, very much like our own. Their exports in 1906 amounted to $292,000,000 and the imports to $270,000,000, an excess of exports over imports of $22,000,000. They paid for all their imports by their exports and had $22,000,000 left to circulate in the country. They did not require to break into the strong box and to take out from the gold that they had laid away sacredly for other purposes, in order to get money to move their crops. There is no stringency of money there. They have an abundance of circulating medium because they adopt the wise policy of production on the farm and in the factory instead of the ruinous policy of the importation of everything. Let us look at our sister country, Australia. In 1908 the exports amounted to £64,000,-

000 and the imports to £49,000,000. I take all these figures from the weekly letter which is sent out by the right hon. Minister of Trade and Commerce. These figures show that they had, in 1908, an excess of exports of £15,000,000 or about $75,000,000. Could we not take a leaf out of their book and change our policy so as to give the people of this country something that will enable them to carry on the affairs of the country with profit to themselves even although we do not provide as large an amount of revenue? Here we have a large excess of imports. Is it not time that we had a change? I believe it is time that we had a readjustment. The Minnster of Finance told us a few years ago how he had readjusted, but he had readjusted entirely along the line of tariff for revenue only. I say that the true policy is to readjust the tariff along the line of doing something for the people as well as the treasury. The treasury does not need everything; the people ought to have something. We should revise our policy so as not to take so much money out of the pockets of the people. We should readjust it in a way that it would put something in the pockets of the people. That is my idea of the duty of the government. The government is bound just as much to help men to make money as to force men to pay revenue. The people ought to have some rights. New let us look at a few of the principal items. Look at the enormous amount of breadstuffs that we import. Why should we? Cannot we produce all we want? Of cotton goods we imported $10,745,000 worth in 1906 and $16,559,000 worth in 1908. We import raw cotton free. It costs us nothing. Let us give our own Canadian workmen the labour of making these cotton goods, instead of sending the money out of the country, to buy the manufactured article. Of gloves and mitts, a large quantity of which is manufactured in my own town, we imported last year $2,000,000 worth although we have in this country factories capable of making a large part of these gloves and mitts. Now, take leather. We admit raw hides free of duty. Why then not do something to encourage the manufacture of leather goods in this country instead of importing in 1906 $3,000,000 worth and in 1908 $3,750,000 worth? Of vegetables we imported, in 1906, $936,000 worth. In 1908, under this tariff of ours, which does everything to increase importation instead of production, we imported $1,094,000 worth. Of provisions, cheese, butter, lard, bacon, hams, pork, and beef we imported in 1906, $3,189,000 worth, and in 1908 $3,573,000 worth, as if we could not produce all the provisions that we want. Then we come to wool manufactures. In 1906 we imported $17,892,000 worth and in 1908 $20,962,000 worth. Is it not possible to manufacture more of these articles at home? We find fourteen business men at the head of this government.

An hon. MEMBER. Hear, hear.

Mr. HENDERSON. 'Hear, hear,' an hon. gentleman says. I do not discredit their capacity for business if they would only undertake it. The trouble is that while they are perfectly capable of doing business it does not seem to me that they are willing, because they have tied themselves down to a fixed policy, a fixed course and they do not seem to be able to get out of it. They have tied themselves down to the miserable policy of importation—import everything you want and get all the revenue you can out of it—tariff for revenue only—instead of saying to the people of this country: 'Produce what you can in the factory and on the farm and import less.' Why not readjust the policy along that line and reduce importation ?

There is one other point that I want to refer to. We were promised when the Liberal party came into power, and even before they came into power, that they would find us new markets. New markets are what we want. Have they improved the British market for us? We admit that we gave them the British preference. It was not a Canadian preference. We gave them all that was in it. They can charge us higher prices under our tariff schedules for the goods even although they come in at a lower rate of duty. Have we obtained any better entry into their market? I need not ask the question. We were told yesterday, I think, by the hon. member for Red Deer, that when increased imports came in exports started to go out. If they started to go out they stopped short very soon because we were $100,000,000 out in our general trade.

Are we going to get any advantage under this maximum and minimum tariff from France? Are the farmers going to get any benefit by being permitted to send an ox into France and pay a duty of $24 or $28 when they can send the same animal across the channel into Great Britain and pay nothing? I doubt very much the advantages that we are going to get from the French treaty even if it is ratified. We see how particular the French people have been, and that they actually refused to ratify the treaty until it was provided that we must not send fat cattle into France. Who wants to send stockers to that country? We have abundance of food to finish these animals at home, but under this treaty we are not allowed to do what is in our best interest in this respect. Where has the government provided any other new market? They have provided Japan with a market in Canada for a great many things, amongst others, a market for Japanese, a thing which the western people

do not seem to approve of. Of course, we have to take the word of the Postmaster General that the Japanese government is going to play the game fair and will not send any more Japanese here than they can help.

Mr. LEMIEUX. They are playing it fair.

Mr. HENDERSON. Yes, but wait till you see it next year. We have given the Japanese a market for their silk at a low rate of duty, and I do not know if they manufacture wines.

Mr. LEMIEUX. They do not.

Mr. HENDERSON. Then the benefit of the low duty on wine is reserved for the French.

Mr. LEMIEUX. It is the best wine.

Mr. HENDERSON. I am not so sure that it is any better than our Canadian wine made out of Canadian grapes grown by the farmers of Ontario. I think our Canadian people are perfectly satisfied with our Canadian wines, and even if they don't come so cheap as the low class French wines we have loyalty enough as Canadians to pay for them; that is those who prefer to use the Canadian article. Formerly we could send wheat and barley and cheese and flax and rye and apples to Germany, but when this Liberal government came into power they disturbed the whole trade between Britain and Germany and Canada, and the people of Germany taking umbrage, by way of retaliation they put their duties up against Canada. I do not know the exact duty on Canadian wheat going into the German market but I do know that it is practically prohibitive. In Ontario, in British Columbia, down in the maritime provinces, we have millions of bushels of apples rotting under the trees and much of these we might have shipped to the German market were it not for the German retaliatory policy brought about by the mismanagement of the Canadian government.

Mr. PATERSON. In your judgment were they justified in that?

Mr. HENDERSON. I leave that for the Minister of Customs to answer.

Mr. PATERSON. I would like you to answer it.

Mr. HENDERSON. I am not making the Canadian tariff and I do not intend to pull the hon. gentleman out of the hole he has got himself into. He will have to crawl out of it as best he may. I perform my duty when I criticise the actions of the hon. gentleman and show that he has acted against the interests of the people of this country; he got into the hole, let him exercise his ingenuity to get out of it.

Mr. LEMIEUX. What about loyalty in Germany?

Mr. HENDERSON. I do not know.

Mr. LEMIEUX. Loyalty in wine.

Mr. HENDERSON. My impression is that the German surtax affects the German wines, and if the Postmaster General likes German wine he will have to pay for it. It does not make any difference to me personally because I do not know what German wine tastes like. Perhaps there are some people who indulge in that luxury, and if so the Postmaster General has put a stumbling block in the way of their getting their favourite beverage without paying the high surtax. I trust that the government will take the matters to which I have referred into consideration and give us a truly Canadian preference. I am not begging for a British preference. We were loyal to Britain by giving them that preference which they have enjoyed for 11 years. Cannot the government now do something for Canada?

At six o'clock, House took recess.

After Recess.

House resumed at eight o'clock.

PRIVATE BILLS.

THIRD READINGS.

Bill (No. 77) respecting a patent of the Submarine Company.—Mr. Proulx.

JOLIETTE AND LAKE MANUAN RAILWAY.

House in committee on Bill (No. 126) respecting the Joliette and Lake Manuan Colonization Railway Company.—Mr. Dubeau.

Mr. W. E. KNOWLES (Moosejaw). Mr. Chairman, before voting for the extension of time for this railway I would ask my hon. friend from Joliette (Mr. Dubeau) to kindly explain.

Mr. J. A. DUBEAU (Joliette). (Translation.) Mr. Chairman, by way of information about this Bill, let me tell this House that the terms of it are not very intricate. The object of the Bill is simply the granting to the Joliette and Lake Manuan Colonization Railway Company an additional extension of time for beginning and finishing the construction of the railway line they were authorized to construct under statute 3, Edward VII, chapter 135. By that statute, this company was empowered to construct a railway from a point in or near the town of Joliette, in the province of Quebec, following a northerly direction as far as Sainte Emelie de l'Energie in the electoral district of Joliette, thence following a

north by northwesterly direction as far as St. Michel des Saints in the electoral district of Berthier, and thence to a point near Lake Manuan in the said province.

In 1905, this company asked for an extension of time which was granted by this parliament, but up to the present time, the company has been unable to begin the construction work of its line. Surveys have been made that show that it is possible and even easy to construct a railway from Joliette towards the northern part of the province, as proposed by the Joliette and Lake Manuan Colonization Railway Company.

According to the information given to me by the promoters of the company, I may say that this company is seriously determined to undertake the construction of that railway at an early date. Moreover, Mr. Chairman, I may add in support of this Bill that the construction of this railway answers a necessity as regards transportation and settlement in the vast Mantavesia valley through which the projected line would run.

As regards transportation, the railway in question would gather immediately an important traffic along its route, because at the present time there is no railway running through the northern part of the counties of Joliette, Berthier and Maskinongé, where some parishes are situated at a distance of 25, 50 and even 60 miles from the terminal points, and these parishes could supply a profitable trade to a railway entitled to rely on a traffic all the more considerable because there are in that part of the province of Quebec some powerful companies engaged in pulp wood pursuits while others are working the mines.

Another strong reason that should lead this House to grant the powers asked for by the Joliette and Lake Mannan Colonization Railway Company is that the development and prosperity of our young country depends on colonization. It has almost become a principle that this parliament should encourage by all possible means the construction of railways intended to promote the development of colonization. It is with that object in view that the construction of penetration railways has oftentimes been advocated in this House.

The line the Joliette and Lake Manuan Company wishes to construct would open to colonization that immense Mantavesia valley where there are, according to one of the greatest colonization men in my province, the late lamented Father Labelle, over 500,000 acres of excellent land. That valley, where the soil is most fertile, is equally renowned for its rich mines and forests and its water-powers. As regards the mines of that region, I may be allowed to quote what I read in the prospectus of the Mattawa society and in the pamphlets published in Mantavesia by Mr. Alfred Pelland, the publicist of the Colonization, Mines and Fisheries Department of the province of Quebec:

> We have made research and excavation works and have found indications of mines, especially at La Barrière where two mineral veins have been discovered; at St. Alphonse de Joliette another metallic vein has been discovered; at St. Zénon, there are graphite beds in every part of the parish; at St. Michel des Saints, mica is found in several places, and on the heights there is gold, mercury and coal.
>
> At a distance of about 50 miles from the St. Félix de Valois station, in the township of Maisonneuve, there is an important white mica mine, the property of a French syndicate, "The Canadian General Mining Company.' This company employs a number of men and has put up steam machineries and several buildings. Besides, these people are getting ready to utilize the water power lying at a distance of about two miles on Milieu river. Surface prospecting work has been made and they have begun the sinking of a shaft, using steam drills for that.

At a banquet given in Montreal, on the 11th December, 1908, the right hon. Prime Minister was quite right when he said: 'behind the mountains of Joliette and Berthier, there are very large rivers emptying into Hudson's Bay and running through countries the richness of which we could not even surmise.'

Before him, in 1864, Surveyor Carolus Laurier, the late lamented father of the right hon. Prime Minister, had made a survey of the region through which the projected railway is going to pass, and had submitted an elaborate report showing the area of lands fit for settlement, the richness and fertility of the soil as regards forest, agricultural and mining pursuits. In 1869, five years later, Hon. Louis Archambault, then Commissioner of Agriculture, visited the Mantavesia region in the northern part of the counties of Joliette and Berthier and made a report bringing into relief the fertility of the soil of that region.

What will become of that vast territory so much renowned for its forest, agricultural and mineral resources if people who are going to settle there and who will find themselves at a distance of 70 or 75 miles from the main line of the Grand Trunk Pacific railway, and 100 miles away from the principal commercial centres, have no railway to connect them with the latter? Therefore it is important to open these fertile lands to settlement by means of the construction of a railway. The success of such an undertaking is highly desirable, because the difficulties in the matter of communications have obviously been up

to the present time and are still the main impediment to the development of that country.

It only requires a more glance at the map to see that every other colonization centre in the province of Quebec is intersected with railways. In fact, the Nominique valley, in the county of Labelle, is connected with Montreal by the following railways: the Montreal and Western, the Temiscaming, the Temiscaming and Western Ontario, the Gatineau Valley and the Ottawa Northern. We have also the Monford railway which is intended to connect with the Ottawa Northern. All these penetration roads are the very best colonization agents in that part of the country. The Mantavesia Valley is the only one without any railway line. Therefore, it is only just that the Joliette and Lake Manuan should be granted the extension of time asked for together with the power to construct a railway through that fertile Mantavesia valley, if we want to extend to the inhabitants of the northern part of the counties of Joliette, Berthier and Maskinongé the advantages we are endeavouring to confer to those in the other parts of the country, if we do not want to deprive our country of a source of incalculable wealth.

Having offered these few remarks, Mr. Chairman, I ask the House to allow this Bill to pass.

Bill reported, read the third time and passed.

CONSIDERED IN COMMITTEE—THIRD READINGS.

Bill (No. 133) to incorporate the Kootenay and Alberta Railway Company.—Mr. Knowles.

Bill (No. 87) to incorporate the Arnprior and Pontiac Railway Company.—Mr. Hodgins.

Bill (No. 119) respecting the Quinze and Blanche River Railway Company.—Mr. McGiverin.

Bill (No. 120)) respecting the Windsor Essex and Lake Shore Rapid Railway Company.—Mr. A. H. Clarke.

Bill (No. 121) for the relief of John G. Ridout.—Mr. Guthrie.

Bill (No. 129) for the relief of Evelyn Martha Kellar.—Mr. Pardee.

Bill (No. 130) for the relief of Frank Parsons.—Mr. Tolmie.

THE CABANO RAILWAY COMPANY.

House in committee on Bill (No. 122), to incorporate the Cabano Railway Company. —Mr. Gauvreau.

Mr. MICHAUD. Mr. Chairman, this railway is entirely in the county of Temiscouata. It is a feeder of the National Transcontinental Railway. It is 20 miles in length and is to be built as soon as possible.

Bill reported, read the third time and agreed to.

CANADIAN MEDICAL ASSOCIATION.

House in committee on Bill (No. 134) to incorporate the Canadian Medical Association.

On section 1,

Mr. ROCHE. This is a Dominion Medical Association that has been in existence some years, and is seeking incorporation.

Mr. SPROULE. It seems to me we are asked to give this association pretty large powers—to make such by-laws and rules, not contrary to law, or to the provisions of this Act, as it may deem necessary for the management of its business affairs, and especially with regard to the qualification, classification, admission and expulsion of members. Now why should an association have any right to set up a standard of qualifications for other men to get in? Suppose they set up a special examination which medical men must undergo before they can join the association, although they may hold degrees. It seems to me this is intended to make a close corporation of a section of the medical profession, and would put in their hands a power which they might use to the detriment of their brother practitioners. Suppose such an association was established in this city, and one-third of the medical men joined it, and they would make onerous laws, and prescribe qualifications which other medical men would be obliged to conform to, otherwise they could not join the society. It might not be inconsistent with the medical law of the country at the present time, but it would give them a power over other members of the profession in their locality which I think no association should be allowed to exercise. There must be something behind this which is not very plain. I do not see the object of it, nor do I see the wisdom of putting into the hands of any medical association such a power.

Mr. ROCHE. I think my hon. friend from East Grey (Mr. Sproule) has misconceived the object of this clause. This is an association of medical men of the Dominion of Canada that has been in existence for the last 40 or 50 years. They already have power to make by-laws to prescribe qualifications of membership. It is voluntary whether a man joins or not.

Mr. SPROULE. It does not say what qualification, whether professional or otherwise.

Mr. ROCHE. You do not have to join the association unless you like, and you

become a party to the qualifications in joining the association. It is not something you are forced to join, it is quite voluntary on the part of medical men to join or not as they choose. I think they can be trusted; certainly I would not fear that they might abuse any powers entrusted to them. They already have the authority which this clause gives them.

Mr. SPROULE. Under what Act?

Mr. ROCHE. Under no Act whatever. It is voluntary on the part of medical men. They are seeking incorporation in order to enable them for instance to hold property. They have not that power at the present time. They simply desire to come together for mutual advantage, to hold property, and to be able to issue a medical journal under the authority of the entire profession of the Dominion, to cement together the members of the profession of the several provinces. They will have interprovincial registration, which they have not at the present time. I do not think there are any powers here at all that would be detrimental to the outside medical men. No man is compelled to come in, and if he does, he comes in with his eyes open. There are no powers sought here that the association do not exercise at the present time.

Mr. SPROULE. If this is the old medical association, that was provincial in its character.

Mr. ROCHE. No, this is the Canadian Medical Association for the Dominion, they do not interfere with any provincial association.

Mr. SPROULE. I am not aware of any such body holding regular meetings lately.

Mr. ROCHE. It meets this year in the city of Winnipeg, Dr. R. J. Blanchard is president. I am not sure whether it met last year in Winnipeg or Vancouver. It meets in a different province and a different city once a year.

Mr. SPROULE. If this were a medical association to cover the whole Dominion it would be more desirable and less dangerous. But, if it is only some small association, meeting in Ottawa or Toronto, such as was proposed to be incorporated a few years ago and the aim of which was, in my judgment, not of a very high nature, it would be an entirely different thing. I can see a great deal of good in the organization of the Dominion Medical Association to meet and bring together the medical men of the whole Dominion. As to the right to publish a journal, I think it is most desirable because this association would keep in view the bringing together of the medical men of the whole Dominion and would try to assimilate the laws as to the interchange of registration and such things as that. These are all very good objects, but I have not heard of this measure before. We had a Bill of this kind to deal with once before and the fact that this has been—I was going to say—smuggled in from the Senate, makes us all the more suspicious. Very often these Bills, to which they do not want to attract too much attention, get the imprimatur of the Senate by first being put through that House and necessarily we have to look into them more carefully than we otherwise would. If the object is, as I have described, it is probably a good one.

On section 4, existing constitution, by-laws and rules continued till changed.

Mr. SPROULE. We should have a copy of these by-laws for examination. Surely they might have provided them for the medical men of the House. It is treating them with rather scant courtesy to ask them to pass a thing without having seen it.

Mr. ROCHE. This Bill passed the two committees in the Senate and the House of Commons without any question.

Mr. SPROULE. It must be that the medical men were not over zealous in their watchfulness or they would have asked for a little more information with respect to it.

Mr. BARR. I think this is rather a dangerous Bill. Certainly we are going it blind in passing it without further knowledge. There may be some of these by-laws which are very dangerous. I would like more light upon them. These by-laws should be in our hands and we should have time to consider them.

Mr. ROCHE. I can see no objection to permitting the unincorporated society that we are incorporating, continuing their present by-laws, until, of their own volition and by a majority of the votes, they choose to change them. I do not think there is anything unusual in that clause at all. They must go on with some form of by-laws. If you pass the Bill without approving of the present by-laws they could adopt other by-laws if they chose.

Mr. SPROULE. Yes, they could make by-laws.

Mr. ROCHE. This is to continue the existing by-laws until they are altered.

Mr. BARR. We are now incorporating a close corporation. We are vesting in them large power and we are doing it simply because the Bill comes from the Senate without probably any member of this House knowing whether these by-laws are wise or not. They say they can change them, but the fact is that we are passing them and that probably they are not in the interest of the public at large.

On section 5, executive council and officers to continue in office.

Mr. SPROULE. I respectfully decline to accept that unless we have a copy of the by-laws before us. That executive council may be in there for ever, or for any length of time, if such a provision is to be found in the by-laws. But, we have not the by-laws before us and we do not know anything about them. I move that the committee rise and report progress so as to allow whoever is in charge to furnish a copy of the by-laws to the medical men of the House and let them see what we are passing.

Mr. ROCHE. The Bill stands in my name, but I did not think that it would meet with any objection, especially from the medical men.

Mr. SPROULE. The medical men do not know anything about it.

Mr. ROCHE. Apparently the opposition comes from gentlemen who have not studied very well the history of the Dominion Medical Association. This is the Dominion Medical Association that meets and elects officers every year. Its next meeting will be held in Winnipeg. The officers are most anxious to have this Bill through as soon as possible. Dr. Blanchard, of Winnipeg, is the presidnt. I think it is in the month of July that it meets in Winnipeg It elects its officers annually.

Mr. SPROULE. Is that the executive or the association?

Mr. ROCHE. The officers of the association, as I understand, are elected annually.

Mr. SPROULE. That is the executive council or is there a difference between the officers annually elected and the executive council?

Mr. ROCHE. No.

Mr. BARR. Are they appointed at the annual meeting?

Mr. ROCHE. At the annual meeting.

Mr. SPROULE. Well, there should be no objection to that.

Mr. ROCHE. No.

Mr. SPROULE. All right.

On section 6, members not personally liable.

Mr. GRAHAM. Will not that clause have the effect of relieving the incorporated body from liability?

Mr. SPROULE. I do not think it would relieve the body.

Mr. R. L. BORDEN. This is merely to prevent personal liability on the part of the members.

On section 7, real and personal property.

Mr. SPROULE. I think this last clause should be amended. It says

> Provided however that the annual value of the real estate held by the association shall not exceed the sum of $50,000.

That means the annual rental of the building. A building that would rent for $50,000 would be a very large one. The Medical Association of Ontario had the worst cloud that it could have had over it from the indiscretion of the medical council in committing the association to a large expenditure for the erection of a great hall in Toronto. That was an incubus on it from which it has not yet recovered. It has broken up that unity which ought to exist between the members of the association. If you give power to put up a building of the dimensions and cost provided for in this section, the annual rental value of which would be $50,000 a year, it seems to me that you would be giving entirely too great latitude. For many of these insurance companies we put the annual value at from $10,000 to $15,000 and we think that quite enough. Five per cent on $150,000 would be $7,500. They are likely to be an itinerant body; they meet this year in Winnipeg and next year somewhere else, and if you give them the power to put up a building the annual rental of which would be $50,000 they would have to utilize it in some way to get a return for their money. I think it would be injurious to the profession to pass this clause of the Bill.

Mr. ROCHE. The hon. gentleman has in mind what took place in Ontario when the medical council expended a large sum of money for a building. The difference is however, that all the medical men of Ontario are compelled to pay their fees in order to keep in good standing in the council and in the opinion of a good many of the profession their representatives unwisely spent too much money in one building. I do not think it is desired by the Canadian Medical Council to put up an expensive building. You will see in the second clause that they get power to publish a medical journal and they will want a printing plant to get out bulletins, for instance, to educate the people in hygiene, and the idea is that all the property they may acquire for any purpose shall not exceed the sum mentioned in the clause.

Mr. SPROULE. That is not what the Bill says. I think it would be unwise for the association to erect a very expensive building. When we incorporate religious or educational or fraternal institutions we generally allow $10,000 as the annual value for a building, and that is considered ample.

Mr. A. H. CLARKE. Is not the membership in the Medical Association entirely voluntary.

Mr. SPROULE. Yes, but this enables them to hold too much real estate.

Mr. A. H. CLARKE. What difference does that make? The general Act respecting companies in Ontario fixes no limitation, and if they choose to put up an expensive building it is their own business.

Mr. SPROULE. I do not know what any other law may provide, but when we are passing similar Bills in this parliament we generally limit the sum to $10,000 or $15,000. The fact that the Medical Association of Ontario put up such a large building has ruined the association for years past.

Mr. BARR. The danger is that if such a large sum of money is invested in a building it may prevent medical men who are not very wealthy from joining the association because after they have joined they would be liable for whatever tax was fixed.

Mr. ROCHE. I would rather let the Bill stand until we get information than accept the suggestion of the hon. member (Mr. Sproule).

Mr. GRAHAM. There is a difference of opinion and perhaps we should let the Bill stand so that in the meantime these gentlemen can get together and agree.

Mr. SPROULE. I would accept that suggestion.

Progress reported.

WAYS AND MEANS—THE BUDGET.

House resumed adjourned debate on the proposed motion of Mr. Fielding: 'That Mr. Speaker do now leave the Chair for the House to go into Committee of the Whole to consider the Ways and Means for raising the Supply to be granted to His Majesty.'

Mr. H. H. MILLER (South Grey). Mr. Speaker, it was with a great deal of pleasure that I listened, and I am sure that the House listened with the same pleasure, to the bright, snappy, pleasing and capable speech of the hon. member for Halton (Mr. Henderson). I always listen to that gentleman with a great deal of pleasure, no matter on what subject he may speak; and my admiration for him is always increased by the consciousness that he could make an equally excellent speech on either side of the argument. The hon. gentleman has for many years been an honoured member of the Conservative party, and naturally is inclined to claim for his party all the credit to which they are entitled. He claims for them the credit of having purchased the great northwestern country. His party is, I believe, entitled to that credit. When questioned, he admitted very frankly that while the Conservative government of that day purchased the country, they did not pay for it. They purchased the rights of the Hudson Bay Company for £300,000; they added the purchase money to the public debt of the country, and it remains as yet unpaid. Nevertheless credit is due to them for their foresight and for the bargain they made, which I do not hesitate to say was a good bargain. But while the Conservative party are entitled to the credit of having purchased, on credit it is true, the vacant land, the Liberal party deserves the credit, and I believe the country gives them the credit, of having improved the land, laid it out, cultivated it, built upon it and attracted to it the people who are living on it to-day. The hon. gentleman also claimed credit for his party for having built the first transcontinental railway, and he says that is one of the reasons for the increase of the public debt under their regime. I do not know that the Conservative party can claim the credit of having built the Canadian Pacific Railway. It is true, they aided in the construction of the railway, they paid a large part of the price of the railway, but it is hardly true that they built the railway. If they did, then surely they would own the railway. There is one circumstance which might perhaps lead us to believe that it was a government-owned railway, and that is the fact that it does not pay taxes, that it is not possible for any municipality, under the bargain the Conservative government made, to collect taxes from it. That is the only reason one could have for supposing it a government owned railway. When the company sells a $100 share for $170, the proceeds of the sale go not into the public treasury, but into the treasury of the Canadian Pacific Railway Company. When we travel on the railway or send freight over it, the money that we pay for a ticket or for freight charges goes into the treasury not of the country, but of the company. I would like to spend a few moments in the company of that good old gentleman and lady living in the constituency of Red Deer with whom my hon. friend from Halton, had some pleasant conversation. My hon. friend pictured the old gentleman coming in from his day's work and sitting in the kitchen. In the old Conservative days the old man did have to sit in the kitchen. In fact, he lived in a little shack of only one room, which had to be parlour, kitchen, bedroom and everything else. But if my hon. friend goes into that western country to-day, he will find the old gentleman living in a fine two-story house, and sitting, not in the kitchen, but in the parlour, in which is a cabinet-organ or an upright piano. My hon. friend has pictured the old gentleman sitting beside the kitchen stove, smoking his pipe, and talking with his good wife. He has voted for the hon. member for Red Deer, and the

good wife says to him: 'How can you vote for the candidate of a Liberal government who tax the very tobacco you are smoking?' The old man answers: 'Do they?' The Minister of Agriculture has brought a man from Europe, and is paying him a salary to instruct the people of British Columbia, of Ontario, and of Quebec, and under these instructions the people of Canada in these three provinces are growing their own tobacco, and we shall very soon have, if we have not now, an excellent brand of Canadian tobacco and will not have to buy the foreign article at all.' As the old gentleman uses sugar in his coffee on the following morning, his good wife says to him: They surely tax you on the sugar.' He says to her: 'Good wife, do you not know that the Canadian government is encouraging the growing of sugar beets, and in this province of Alberta we have as good a country for growing them as lies beneath the sun?' 'But,' she says, 'the government tax your light—the very putty in your window.' 'Why, good wife,' says he, 'all the putty that we used in the shack which we lived in when the Conservative government was in power did not cost 25 cents, and all the putty that we have in this fine house of ours did not cost over 75 cents, and what does the duty on that amount to? But talking of light, you know that the Liberal government has taken almost entirely away the duty on the coal oil that gives us light as we sit here comfortably by the fire 365 nights a year? 'Oh, then,' she says at the breakfast table, the Liberal government have taxed the oatmeal from which your porridge is made.' He replies, 'It is true, but on the very day the Liberal government increased that tax, a Liberal member of parliament, then representing North Wellington in the Dominion House, and who was an oatmeal miller by trade, wired to his partner in the firm and told him to increase the price paid the farmers for their oats. Does that not apply, not only to North Wellington, but to every other oat growing district in Canada? And out here in Northern Alberta we grow oats with perhaps better success than in any other part of the Dominion. If we lose 5 cents, he said, in the summer by the increased duty on oatmeal, how many additional dollars do we not make in the increased price of the splendid oat crop I have to take to market.' 'But,' she says, 'we shall have to buy a few barrels of cement, with which to cement our cellar, and we shall have to pay an increased duty on that cement imposed by a Liberal government.' 'Yes, Jean' he says' 'some Tories did get the better of the government and induced it to increase the duty on cement, but what has been the result? The usual result followed, which always follows the imposition of an unreasonable duty. It increased the home production so much, that the cement industry has become nearly ruined, no manufacturer can make money out of it, but we are buying our cement at less than half we had to pay under the Tory government. 'Ah, but,' she says, 'Mr. Henderson, a friend of mine, who represents the county of Halton a way down in Ontario rather makes fun of the government. He says they have let scythes and sickles in free. Her husband replies: 'Bother Mr. Henderson, why did he not tell you the whole truth that the Liberal government let in reapers, hay tedders, mowers, hay rakes, and all these things at 17½ per cent duty, or 2½ per cent less than the Tory government charged? And the binder twine which we use in large quantities we get in entirely free of duty. And our fence wire which we require to fence these broad acres, we buy, under the Liberal government, entirely free of duty. My good wife,' he says, 'you wanted me last summer to buy a cream separator.'

Mr. MEIGHEN. Does the hon. gentleman argue that this government has adopted the principle of protection in these industries?

Mr. MILLER. I shall allow my hon. friend to gather from the facts whatever inferences and conclusions he desires. The farmer said to his good wife, 'did you not last summer want me to buy a cream separator? I did buy one and paid $80 for it. Now, if the Liberal government at Ottawa had imposed a duty on cream separators, as many Conservatives tried to get them to do, that separator would have cost me $100 or $110.' 'Do you know,' he added, 'I have been an old Tory all my days but I have come to believe it is true that the present government at Ottawa is imposing a tariff for revenue only.' His good wife retorted: 'What difference does it make what you call the tariff, it is there just the same, and they collect a large amount of duty under it.' He said: 'Perfectly true, Jean, but do you not know that Mr. Borden has been going all over the country, except in the prairie provinces, advocating adequate protection. Now, if that means anything, it means to the manufacturers in Ontario and Quebec that if his party were in power, they would increase the tariff and give them greater protection, and where then would you be'? 'After all,' he continued, 'I have been doing some thinking. The old Conservatives used to laud themselves as being the loyal party, and they were never tired shouting for 'the old man, the old policy, and the old flag.' Now, the old man is dead and has left no successor. The old policy, I used to think was a pretty good policy, but after I found the new policy of the Liberal party working in this country for thirteen years, I concluded that I had been

entirely mistaken. You have to judge a policy as a man, by what it does; and looking at the policy of the Liberal government sanely, as a sane man should, I cannot help but conclude that the new policy is better than the old one. Then, as to the old flag, they used to wave the old flag and boast of their loyalty, but, Jean, you and I are from old Scotland, we are loyal to Britain; and the Liberal party, which used to be called the party of rebels, have introduced the British preference. And there goes your friend Henderson, representing the county of Halton, saying that if he had 50 of a majority in the Dominion House, he would repeal the British preference.' 'Why,' Jean, 'your friend says that the British preference does not give any preference at all to Canada but to Britain, and he would abolish it because it gives benefit to Britain without giving any to us.' He says: 'Jean, can you just consider the philosophy of that man Henderson and say where he is at, anyhow? He says that if you increase the duty on meal and putty you have to pay more for it, but if you reduce the duties by giving a lower tariff to Britain you do not get your goods any cheaper. Is it not a poor rule that does not work both ways? Let me tell you, Jean, he said, another thing. If the Tory party get into power, just as sure as fate, the Hon. Geo. E. Foster will be Finance Minister again, and you know what that means. The old lady says: 'Well, Jock, my father was a Tory, my grandfather was a Tory and I have been a Tory all my days, and you and your people have always been Tories, but I believe after all you are right, and I will never ask you to give a Tory vote again especially when you have as capable a candidate on the Liberal side as Dr. Clark, of Red Deer. More than that,' she says, 'I want you to vote Grit and will try to get the boys to vote the same way.'

This budget debate has dragged along for some days and has ceased perhaps to be very interesting. Figures and facts are dry things. The government has been attacked, as it always has been, on many lines. It has been attacked because of the increased cost of the Grand Trunk Pacific and the Transcontinental Railway. Hon. gentlemen opposite say, and say truly, that the railway has cost this country a great deal more than was anticipated. The hon. member for Argenteuil (Mr. Perley) pointed out, as others also have done, that the cost greatly exceeded the estimate. That is perfectly true. But it is not the first time any great public undertaking or a great private undertaking or even that a small private undertaking has cost a great deal more than the estimate. No one, however, has undertaken to point out that the increased cost has been due to any mismanagement, lack of integrity, or fault on the part of the government. I ask my hon. friends opposite to argue fairly. The hon. member for Argenteuil (Mr. Perley), following the example of other hon. members, mixes up the cash paid by the government for the construction of the railway with the guarantees they have given.

I contend that it is not fair, I contend that when you bulk together the cash that this country pays for the building of a railway and add to that the amount guaranteed by the government for other people, it is not a fair way to state the case to the Canadian public. If I pay for a certain undertaking, for a certain property, or for the doing of certain work, which when completed is to be mine that is one thing; if I guarantee the cost of the doing by some other party of another piece of work that is to be directly to his benefit and directly and indirectly to my benefit, and I guarantee his paper for the amount, taking what I believe to be adequate security, that is quite another thing.

The hon. member for Argenteuil (Mr. Perley) is usually broad-minded. He is a business man with business ideas and he is usually fair. I do not think that he did himself justice nor that another hon. gentleman who spoke this afternoon did himself justice in stating that the Liberal party or the leader of the Liberal party said to the people of Canada that that undertaking would not cost the country more than $13,000,000. I have read from beginning to end the speech of the hon. the Prime Minister, and while I will admit that if you take out one single sentence from that speech it does appear to say that the cost of the road to the people of Canada will not exceed $13,000,000, yet no intelligent man, no man with half a mind, can read that speech of the Prime Minister and make it say anything of that kind.

The hon. member for North Toronto (Mr. Foster), speaking of the government undertaking the building of the railway, endeavoured—I will not say that but his words were calculated to mislead the people of this country who might listen to or read that speech. He spoke of the government going into the building of this railway

> On estimates made by themselves or by some others for them.

He said the members of the government were not experienced, not engineers and had gone into this thing carelessly and without proper information. Then he said they had gone into it on estimates made by themselves or by others for them. The words are perfectly true, the idea sought to be conveyed is entirely incorrect. No man who proposes to build a house or other building, unless he be an expert architect, will do it upon his own estimates, he will secure estimates by an expert architect. No railway company will undertake to build

a railway line without first obtaining the estimates of a capable engineer, and that capable engineer will be the 'other person' to whom the hon. gentleman refers. When the government made up their minds to build a government transcontinental railway, they did so on estimates made for them by another person and that other person was Mr. Collingwood Schreiber, the government engineer, who had also been the government engineer under the Conservative party. I shall not further discuss the National Transcontinental Railway now as it will form the subject of further debate on the loan of $10,000,000 to the Grand Trunk Pacific.

The government are also assailed because of the increase of the public debt. Here again I wish to refer to words spoken by the hon. member for North Toronto (Mr. Foster) and in this I differ from the hon. member for Halton (Mr. Henderson) who said he would not take the hon. member for North Toronto (Mr. Foster) as his text. I will take him for my text for a little while and if I make a bad speech I hope, Mr. Speaker, you will attribute it to the choosing of a bad text. The hon. member for North Toronto admitted that the Conservative party in ten years from 1886 to 1896 had increased the public debt by $35,000,000. But then he argued that while they had increased the public debt by $35,000,000, for $10,000,000 of that they had received 7,500,000 acres of land, and he said if that 7,500,000 acres be worth $3 an acre, it makes a total of $22,000,000 to be deducted from the $35,000,000 by which they had increased the debt. But he maintained that the land was worth more than $3 an acre, he said: 'If you calculate its value at $6 an acre, it makes $45,000,000 which will exceed the whole addition to the public debt. I am perfectly willing that the hon. member should make that argument, I am perfectly willing to accept his figures and his statement, but I would ask him, were he here, where the lands came from that they purchased for $10,000,000. He would state that the 7,500,000 acres was part of 25,000,000 acres that the Conservative government had given to the Canadian Pacific Railway for nothing at all. I would say to him: I am perfectly willing that you should give your party credit at $6 an acre for the 7,500,000 acres you thus obtained, but if I do you must be willing to be charged at the same rate with the 46,000,000 acres that your government gave away while in power to persons other than actual settlers, and so while I credit you with $42,000,000, I charge you with $276,000,000, and I do not think the hon. member would make the account look any better for his party. The hon. member for North Toronto sought again to make it appear to the people of Canada that we had increased the public debt to a greater extent than we had any right to increase it, and in order to drive home that idea and to make out his case he made a comparison with the public debt of the United States and said: If you will go to the United States with its 80,000,000 or 90,000,000 of people you will find its public debt per capita is very much less of a burden. I wish to show the House that in 1889, when the hon. member for North Toronto was making his first budget speech as Finance Minister of Canada, he entertained a different opinion as to the fairness of a comparison of the public debt of Canada with the public debt of the United States. I would ask the patience of the House while I read the hon. gentleman's words, because as you will see from the words I read, it was at that time a matter of very great importance. He said:

It is a common error to take the debt of Canada and compare it with the federal debt of the United States in order to make a point as against Canada and in favour of the United States, or, to speak more truly, to make a point against the government which is now in power on account of its alleged extravagance in increasing the public debt.

Listen now to his words:

I do not know that a more unfair comparison could be instituted than a comparison between the federal debt of the United States and the federal debt of the Dominion of Canada.

Then he proceeds to give his reasons which I shall read. What I want to point out is that an argument which the hon. gentleman considers to be a fair and proper argument to advance in 1909, with his party in opposition, is the very argument which he said he thought was the worst possible argument when he was the Finance Minister and a member of the government in power. It is this very habit which the hon. gentleman has of arguing one way at one time under one set of circumstances and arguing another way at another time when the circumstances are entirely different, that robs him of the confidence which the people might otherwise have in him, which makes him a political impossibility, and robs him entirely of the influence with the country that a man of his educational advantages, his oratorical powers and long parliamentary experience would otherwise be entitled to enjoy. Proceeding with his argument to show why this is a wrong argument to advance he says:

I do not know that a more unfair comparison could be instituted than a comparison between the federal debt of the United States and the federal debt of the Dominion of Canada. Broadly stated the comparer says: Look at the United States; to-day it has a debt of $20.42 per head of its population. Look at the Dominion of Canada; to-day it has a debt of $47.16 per head of its population. And the comparison always tends, as these financial comparisons must, to prejudice the minds of those who do not see through it in favour

of the country which, seemingly, has a lighter debt and against the country which, seemingly, has a heavier debt.

That is exactly the position the hon. gentleman puts himself in during this present debate.

Now, if by a simple statement to-day, I can set, to a certain extent, at rest and dispose of this comparison of two things so dissimilar, I shall feel that I have performed a duty, not only to the party in power, but to this House and to the country as well.

I contend, Mr. Speaker, that if the hon. gentleman was performing a public duty in stating that argument to the House in 1889, I am surely performing a like duty when I repeat his language in 1909:

The constitution of the United States and the constitution of Canada are very different, so far as financial matters are concerned which lead to public debts and to public expenditures.

Then the hon. gentleman proceeds to show the difference between the constitution of Canada and that of the United States. He points out:

The United States, in the first place, assumes no debts of its different states. The Dominion of Canada has assumed the debts of its provinces to the amount of $109,430,148.69. The United States pays no subsidies to its different states. The Dominion of Canada has paid in subsidies to its different provinces, since confederation, $72,306,029.95.

Then he points out that the federal government in the United States does not pay any large part of the cost of the administration of justice, but that in the Dominion of Canada the federal government pays a very large part of the cost of that administration. He says:

In regard to immigration and quarantine, we find that we have paid $5,571,631.81 since confederation. The United States government paid little or nothing for immigration and quarantine. For militia and defence, this government has paid $21,851,635.50 since confederation. In the United States they keep up West Point Academy and a small standing army, but the militia throughout that vast country is kept up at the expense of the different states, so that if Canada had been in the same position as to these matters as the United States, it would have saved at least one-half of that sum. For penitentiaries, we have expended since confederation, $5,611,696.54. The penitentiaries in the United States are supported, not at the charge of the federal power, but at the charge of the different states. Then we have expended for the salaries of governors, $2,250,643.01. In the country to the south of us the salaries of the governors are paid by the states and not by the federal power.

Then the hon. gentleman concludes in this way:

If Canada had set out on the same basis as the United States, she would have saved the assumed debts of the provinces, the subsidies paid to the provinces, the interest paid on the debt assumed from the provinces, the amount paid out for penitentiaries, the amount paid for the salaries of governors, at least half the amount she has paid for militia and defence, at least half the amount paid for the administration of justice, and the whole amount paid for immigration and quarantine, amounting in all to no less a sum than $309,860,987.40. The net debt of Canada to-day is $234,531,358; so that if Canada had set out from the first on the same basis as the United States, and had made no payments that the federal government in that country does not make, she not only would have had no debt at present, but would have had a surplus of $75,329,629.40.

Some hon. MEMBERS. Oh.

Mr. FOSTER. Hon. gentlemen may treat this as a good joke, but from their point of view it is no joke, for, as soon as this gets before the people and into the minds of the people, a stock argument of the hon. gentlemen opposite will be for ever taken from them, which is their comparison on an unfair basis of the debt of the United States with ours, and always to the advantage of the United States and to our disadvantage.

Now I say again, Mr. Speaker, that if that was good argument away back in 1889, it is a fair argument to-day; and it is a very strange thing that the hon. member for North Toronto should have so completely changed his mind according as circumstances have happened to change.

Our friends on the opposite side of the House have questioned the expenditure of the government in building the Grand Trunk Pacific. I was reading lately in one of the financial journals of Canada that there would probably be opposition in this House to the Grand Trunk Pacific, but there would not be any opposition outside the House. Our friends object to the Quebec bridge, not to the cost of the bridge nor as to its necessity, but because the bridge fell down. Any fair-minded gentleman in this House who has followed the history of the Quebec bridge, and knows anything of its construction or of the disaster which happened to it, will know that the very best bridge engineers on the continent of America were employed to design and to superintend the construction of that bridge, and that when the bridge fell it was considered to be a mystery by all the bridge building engineers of the continent, who could not understand why it should have fallen and where there was any fault in its construction.

Our friends on the other side of the House are very fond of making jeering and sneering references to the Newmarket canal, which they have chosen to dub the Aylesworth ditch. One hon. gentleman on the other side of the House challenged the hon. member for Red Deer (Mr. Clark) last night because he had not censured the government in his speech yesterday for building the Newmarket canal. I venture to say

that the member of this House who challenged the hon. member for Red Deer, had never seen the Newmarket canal, that he had no knowledge of the geography of the country through which it is being built; and I venture to say that he knows nothing whatever about the necessities of the country, or the possibilities of the canal. I, Mr. Speaker, did not vote against the appropriation of $1,000,000 for the completion of that canal. From personal knowledge I do not know whether it is a wise or an unwise expenditure. But I reasoned with myself in this way: It has been stated in this House that a number of gentlemen belonging to both sides of politics came down from the neighbourhood in which the Newmarket canal was being constructed, and asked that the work be undertaken. Now what object could these gentlemen have had in asking for a great public work if it were not needed? If it were not to be a benefit to the locality, it would be a monument of the folly, not only of the government that built it, but of the folly of the people who asked for it.

Mr. WALLACE. Did the delegation that came down here from North York ask for the building of a canal from Lake Simcoe to Newmarket, or did they ask for the deepening of the Holland river from Lake Simcoe to Holland Landing?

Mr. MILLER. That is a question that I frankly admit I am not able to answer. It has been stated in the House that gentlemen came down from the neighbourhood in which this canal was to be built and asked for its construction; whether there is any difference in detail I am not aware. But I reasoned with myself in this way: If intelligent and sane business men, one of them a Conservative member of the Ontario legislature, came down and asked for a work of this kind, what could have been their object? If it had been for some great public building, I might have thought: Now this building will not be of any particular use, but these gentlemen would like to point it out as an ornament to the locality in which they lived.

Mr. WALLACE. Did the hon. gentleman say a member of the local legislature came down here?

Mr. MILLER. I trust I am not mistaken. I understood Mr. Lennox came down, or had signed a petition.

Mr. WALLACE. I do not think he was a member of the local legislature at that time.

Mr. MILLER. Possibly not at that time, but it is the same gentleman. I reasoned with myself in this way: These gentlemen might have asked for the construction of a large public building which might not be necessary, but would be an ornament to the locality in which they lived. But a canal would be an entirely different thing. A canal, if it was not to be a useful thing, would be an eyesore rather than anything that would beautify the country through which it passed. I will say further that within two weeks before the vote was taken in the House, I met on the train a resident of the riding that my hon. friend from South York represents.

The gentleman whom I met was an honourable man; he was an intelligent man; he was a man with no personal interest, and I said to him: Tell me now confidentially what is your opinion as to the building of the Newmarket canal. That gentleman stated: Well, while I do not look with any particular degree of favour upon the building of any part of the Trent Valley canal, the Newmarket section of the canal will be just as useful as any other part of the system. I know that, as to that question, men may differ in opinion. The hon. member for Centre York may believe it to be a useless expenditure, but other men of good judgment believe it as useful as any other part of the Trent canal which was undertaken by our Conservative friends.

If fault is found with the expenditure under the present government, if we are told that our public debt has increased more quickly and to a greater extent than it ought to have increased, let me ask my hon. friends on the opposite side of the House and let me ask the people of Canada what they think would have been the state of affairs if our good Conservative friends had been returned to power? Turn to the Halifax platform, and we have the hon. leader of the opposition (Mr. Borden) advocating—did he not?—the government ownership of railways. Perhaps he did not exactly do so in definite terms, but he did advocate the government ownership of telegraph and telephone lines, and I leave the people to judge what it would have cost the government to have purchased the telegraph and telephone lines from one end of the Dominion to the other. The hon. leader of the opposition told the people of British Columbia that if he had been returned to power he would have given an increased subsidy to British Columbia, and I contend that if he had done that he would before long have been obliged to have given an increased subsidy to every province in the Dominion. It is a part of the Halifax platform that rural free mail delivery should be extended and made general throughout Canada. Then the leader of the opposition, at the time that this government were planning to build the Transcontinental Railway, said that if he were in power he would not build the Transcontinental Railway as they proposed to build it, but he did not say that he would not expend any money at all. Far from it. He said he would extend the Intercolonial Railway

from Montreal to a point on the Georgian bay; from a point on the Georgian bay to the main line of the Canadian Pacific Railway; that he would buy the Canadian Pacific Railway main line from North Bay to Fort William; that he would assist the Canadian Pacific Railway and the Canadian Northern, or at least one of these lines, to improve their grades from Fort William to Winnipeg; that he would help the Grand Trunk Pacific to build their road from Winnipeg to the mountains; that he would build as a government railway a road through the mountains, and that, if it proved to be necessary and in the interest of the people, he would, as a government undertaking, extend the Intercolonial Railway from Winnipeg to the Pacific coast. Then we had the hon. and gallant member for Victoria and Haliburton (Mr. Hughes) advocating at that time not the cutting out of the Newmarket canal, but the spending of $3,000,000 or $4,000,000 additional in improving and enlarging the Trent Valley canal. He advocated the building of the Georgian Bay canal and the spending of large sums of money for improving the navigation of the Saskatchewan and Assiniboine rivers. Then the hon. member for East Grey (Mr. Sproule), at that time while not in favour of building the Transcontinental Railway as the government proposed to build it, was in favour of building the Hudson Bay Railway. Then the hon. member for Lanark (Mr. Haggart), though not in favour of building the Transcontinental Railway as it was then proposed to build it, was in favour of building the Georgian Bay canal that would have cost $125,000,000. The hon. member for North Toronto, speaking at Prince Edward Island, said that if his party were returned to power they would undertake, at the cost of many millions, the building of the Prince Edward Island tunnel. So, I say that if all these promises, which are only some of the promises made by our friends in the opposition prior to the election, had been fulfilled, and if they had been returned to power our national debt would have increased, not as it has increased, but by many millions more and if our plight to-day be a bad plight, it would have been a very much worse plight.

The hon. member for North Toronto does not to-day favour the system of bookkeeping that is in vogue under the party in power, and that has been practised not only by this government since 1896, but by the preceding government and by all governments since confederation. My hon. friend from Essex (Mr. Sutherland), in a very able speech in this debate, pointed out that while the hon. member for North Toronto, who formerly himself practised the very same system of bookkeeping which is now practised by our government to-day, condemns that system, Mr. Cortelyou, the ex-Secretary of the Treasury of the United States, is advocating that the people of the United States shall cease to maintain their system of bookkeeping and adopt the system that is in vogue to-day in the Dominion of Canada. But, Sir, I not only put the opinion of Mr. Cortelyou against the opinion of the hon. member for North Toronto, but I put against the present opinion of the hon. member for North Toronto the opinion of the hon. gentleman who was Minister of Finance, the Hon. Geo. E. Foster, in the old Tory days. If you will look at 'Hansard' for 1894, when the hon. gentleman who now represents North Toronto was Minister of Finance, you will find his statement of the surplus that he claimed to have at the end of that financial year. The hon. gentleman, speaking in this House on the 27th March, 1894, said:

> I stated about a year ago, or a little more, that my estimate of expenditure for the year 1892-3 was $36,500,000, whereas the actual expenditure was $36,814,052. The income was $38,168,608, so that the total expenditures on consolidated fund account taken from the total revenue on consolidated fund account, leaves, what has been a pleasant and recurring experience in the administration of the present government, a tidy surplus of $1,354,556.

While the Minister of Finance of that day estimated $1,300,000 to be, as he said, a tidy surplus, and he had that surplus by the very same system of bookkeeping that is in vogue to-day, he stood up in this House last week and despised a surplus of $1,500,000, a couple of hundred thousand dollars more than his, and arrived at in the very same way. In the year 1894, when the then Minister of Finance claimed a surplus of $1,300,000, the net increase in the public debt was $549,605. The year before the actual increase in the debt of the country had been $3,332,000, and for the year following—1895—it was a still larger sum. The hon. member for North Toronto has rather ridiculed the Finance Minister because of what the hon. member for North Toronto claims to be the late date at which he asks hon. members on both sides of the House to assist him in bringing about economy. I want to show to the House that in 1894 the position of the then Minister of Finance, now the hon. member for North Toronto, was identically the same. Speaking in the same debate the hon. gentleman said:

> Though this country stood remarkably well the stress of the hard times and the commercial disturbances which the world experienced in 1892 and 1893, and seemed to have passed through them without visible effect upon our trade or revenue, we are now feeling the reflex or dying influences of that world-wide depression and period of low prices, and it has had and is having the effect in Canada—for a period short as yet, and which I believe will not be of long duration—of making people

prudent in expenditure and careful and conservative in their purchases.

These reasons lead me to think that the revenues will be considerably less during the year 1893-94 than the revenue which accrued in 1892-93, and from present appearances I do not anticipate more than thirty-six and a half or thirty-six and three-quarter million of dollars. If the expenditure from the 10th of March to the end of the year should be normal, that would leave us with a deficit; but this government has come to the conclusion—a wise conclusion, which I think will be echoed by this House, and in which the government will have the co-operation and cordial help of the House—to endeavour to live during this year within our income, and, if our income is less, to resolutely keep down the expenditure.

Here we have the hon. member arguing in 1894 that the country was suffering because of business depression in 1892 and 1893, and he said that the revenues of the country had fallen off, that he was faced with a deficit, and as the present Minister of Finance has done, he appealed to both sides of the House to assist him in retrenchment and economy so as to lower the expenditure.

The hon. gentleman (Mr. Foster) seeks to make capital out of the fact that we are now paying a higher interest on our loans than we were a few years ago and he endeavours to argue that the credit of Canada in the money market of England is not as good as it formerly was. Well, the price of wheat is higher in Canada now than it has been for many years, and he might just as well blame the government, or praise the government as you will, for the high price of wheat as for the high price of money. The price of wheat is governed by the wheat markets of the world; the price of money is governed by the money markets of the world. We all know that during the last few years if a private person wants to borrow money he has had to pay a higher rate of interest than before that period, and so it is with the government, because money is scarcer and its value greater. Let me make a comparison of the borrowings of Canada from the British money lenders. In 1908 the Dominion government and the several provincial governments of Canada issued bonds to the amount of $77,598,500; municipal bonds were issued in Canada that year to the extent of $47,433,911 and bonds of Canadian financial and industrial concerns were issued to the extent of $71,325,000; the combined loans of municipalities and industrial corporations totalling $118,758,000 as against $77,598,000 total borrowings of the Dominion and provincial governments. The grand total of Canadian bonds issued in 1908, was $196,357,411. Now, in the year 1907 the total borrowings on Dominion and provincial and municipal and industrial corporation bonds, in place of being $196,000,000 was only $82,635,741, and if in 1908 we were able to borrow in the markets of Britain a good deal more than twice what we borrowed in the preceding year it certainly is not any evidence that the credit of Canada is getting worse. Of our total borrowings in 1908, governmental, municipal, and otherwise, Canada took 12½ per cent of the amount, the United States took 3¼ per cent and Great Britain took 84¼ per cent.

Let me say a few words here about the rate of interest on post office savings bank deposits. The hon. member for North Toronto (Mr. Foster) referring to the action of the present Minister of Finance in this connection said:

Why, Sir, my hon. friend the Minister of Finance also takes some rank as scalping the thrifty depositors of this country of a part of their interest on their deposits in order to swell that vaunted surplus of his which he must have. If he cannot get it by changing two millions from current account to capital account he can take two or three million dollars by docking the depositors in the savings banks of one-half of one per cent.

Well, if it was a crime for the Liberal government to reduce the rate of interest on savings bank deposits by one-half per cent, was it any less a crime when the savings bank deposit rate was cut down in former years by a Conservative government. On the 12th of May, 1888, Sir Charles Tupper being Finance Minister, chapter 8 of 51 Vic., was passed, providing that the then Conservative government might by order in council fix the interest on deposits in the government savings bank at such rate not exceeding four per cent as might be declared by the Governor in Council. The interests on deposits had been four per cent and no change was made in 1888, but in 1889 when the Hon. Mr. Foster was Minister of Finance the rate was reduced from four per cent to three and one-half. If it was a vice and a crime to reduce the rate of interest one-half per cent on savings bank deposits when the Liberals did it, was it a virtue when the Hon. George E. Foster reduced the rate in 1889?

Then, the hon. gentleman from North Toronto (Mr. Foster) and the hon. member for Halton (Mr. Henderson) as well, referred to the payment by the present government of bounties upon iron and steel and upon sugar, and these hon. gentlemen referred to this matter in order to try to make the people of Canada believe that the paying of bounties by the government is wasteful and extravagant, and wrong. When Mr. Foster was Minister of Finance in 1894 he delivered a speech in this House on the question of iron bounties, and I quote his words from 'Hansard':

On the one hand the duties on iron have been and are relatively high, on the other hand

there is the patent fact that unless there be a sufficient inducement in the way of protection or bounty given for the manufacture of iron, it will be impossible in this country, as it has been found impossible in all other countries, ever to rise from the production of raw ores which abound in this country to an independent and self-contained manufacture of the larger portion of the iron needed for the consumption of the country.

Again, he says:

We must bear in mind that although the national policy dates from 1878 there was nothing but a revenue tariff upon iron from 1878 to 1887. It was at that period, and only six year sago that parliament assented to a scheme which had for its object the development of the iron industry by a system of protection and bounty.

So that we see that bounties were first paid on iron and steel, not by a Liberal government, but by a Conservative government. Now, the payment of bounties on iron and steel is right or it is wrong. If it is right, it is not necessary for us to say any more about it. If it is wrong, it surely is not more wrong to-day than it was when it was instituted by our hon. friends on the other side in 1894. It is true, this government is paying a bounty on the production of beet root sugar, and this bounty was established by a Conservative government in 1891, by chapter 31 of the Dominion statutes of that year. That bounty was renewed by a Conservative government in 1895, by chapter 6 of the statutes of that year, in a Bill introduced into the House by the hon. member for North Toronto himself; and with regard to that I say, as with regard to bounties on iron and steel, if it was right to pay that bounty in 1891 and right that the hon. member for North Toronto should renew that bounty in 1895, it is right that this government should continue it in 1909.

The hon. member for North Toronto, in his budget speech in 1895, the last he delivered as Finance Minister in this House, endeavoured to prove that this was a prosperous country because our bank deposits were increasing. Speaking of the increase of deposits in the government savings banks and in the chartered banks, the hon. gentleman said:

Another evidence of the condition of Canada is to be found in its savings.

Mr. MILLS (Bothwell). Hear, hear.

Mr. FOSTER. The hon. member for Bothwell says 'hear, hear.' He does not believe that such is the case—he treats the idea with contempt. But when his colleague was Minister of Finance from 1874-78 he did not treat an argument like that with contempt; he put it forward as a very strong point in favour of a better condition of affairs than some of his opponents argued as existing. The hon. gentleman thinks a great deal of Liberal traditions, of Liberal precedents and Liberal principles as they are exemplified by the present government in Great Britain, and he has only to read the telegraphic despatches of the speech of the Chancellor of the Exchequer yesterday to find that he went into an elaborate argument to show that the position of Great Britain was not so bad as had been stated, and the argument on which he relied was the increase in the savings of the people. Without doubt it is an argument which has weight.

If the increase in the deposits of the people in the chartered banks and the government savings banks be a strong evidence of the prosperity of the country, let us compare the figures. The hon. gentleman stated that in the five years preceding his statement, that is, previous to 1895, the total deposits had increased to the extent of $41,271,908. If the argument was a good argument then, it is a good argument now, and what are the facts? In the five years ending with 1908 the increase in the savings of the people in the banks amounted to $239,826,679. If the hon. gentleman's statement proved that the people of Canada at that time were a prosperous people, then, on the same kind of evidence, the Canada of to-day is six times as prosperous as was the Canada of that day.

But the hon. gentleman had another argument in 1895. He said that he would prove that the country was in a prosperous condition because of the increase of the railway mileage, which had increased in the preceding five years from 12,628 miles to 15,620 miles, an increase of 2,992 miles. But in the last five years, from 1903 to 1908 the railway mileage has increased from 18,988 to 22,966, or a total increase of 3,978 miles. The Wall Street 'Journal' in a recent article, says that 'the farmer's work and harvest have had the benefit of more varied knowledge and more effective intelligence, his life and living have undergone transformations which increasingly make the farm preferable to the town.' These words were uttered with reference to the United States; but if they are true and applicable as to the United States, they are equally true and applicable as to the Dominion of Canada. The prosperity of Canada must ever depend very largely on the prosperity of the Canadian farmer, and if his work and harvest have had the benefit of more varied knowledge and more effective intelligence, this means great things for the future of this country. The varied knowledge and more effective intelligence of the Canadian farmer have increased because of various things—the general advance of the people, the advance in education, better mail facilities, cheaper and better literature, especially literature pertaining to the farm, and also largely because of the help and assistance of governments, Dominion and provincial, under both political parties; and, Sir, I believe that the condition of the Canadian farmer has been vastly improved during the last

thirteen years, by the very great assistance rendered by the present Dominion Minister of Agriculture. I believe that the home and foreign trade of the Dominion of Canada will develop in the years to come, as it has been doing in the years that are past, and especially so, if the people of Canada continue to entrust, as I am sure they will, the government of this country to the party that is now in power.

Speaking of the development of our foreign trade, which is a matter of great importance my attention has been drawn to the question of Canadian trade with the British West Indies. In the Canadian 'Trade Review' of last week, I read an account of the return to this country of Mr. W. F. Thompson, the vice-president and managing director of the Ogilvie Milling Company, of Montreal. Mr. Thompson had been paying a visit of some months to the British West Indies, and while there was struck with the importance of obtaining for Canada the British West India trade. In urging the importance of securing that trade, one means he suggested was the establishment of better transportation facilities between the British West Indies and the St. Lawrence ports. Turning to the Colonial Office 'Journal' of October, 1907, I find an article written by Mr. Eyre Hutson, and editorially vouched for by the editor of the magazine, in which Mr. Hutson pointed out that:

The purchase by Canada of the exports of the British West Indies, particularly of coffee, cotton, fruit, rice, hide and skins, salts, sugar, molasses, tobacco, manufactured and unmanufactured—the purchase by Canada of such articles as these, exported by the British West Indies, had increased from 1898 to 1905 from £3,121,769 to £6,134,923. And he said:

The total value of all exports from the British West Indies to all countries, including bullion and specie, for the year 1905 was £9,969,722. In this amount is included the value of exports from British Guiana, British Honduras and Bermuda. The value of the total exports during that year to the United Kingdom was £2,905,573, that to other countries was £7,064,149, and comparing this latter figure with £6,134,923, the total importations into Canada of what may be described as West Indian products, there is a balance of £929,226, which may be taken as representing the value of West Indian exports which in 1905 could be purchased by Canada.

Mr. Hutson argued then that it was possible for Canada in 1908 to have purchased nearly all the exports of the British West India islands. In the same magazine, published in April, 1908, I find another article by Mr. G. B. Mason, written from the West India islands, in which he says :

The question of a common tariff for the West Indies, will, no doubt, be considered at the approaching conference to discuss trade relations with Canada, which it is proposed to hold in the near future, on the initiative of the Imperial Commission of Agriculture for the West Indies. It is to be hoped that one result of this conference will be a common revenue regulations, with free trade between the islands, a preference to British and colonial goods and reciprocity to those countries which give the West Indies reciprocity.

Again he says:

The best policy for the West Indies is the closest possible union with Canada, while keeping on the best terms with the United States. A government commissioner, travelling in Canada for the West Indies, and one travelling in the West Indies, for Canada, would be of the greatest help in promoting trade between the two countries. With the Canadian market, and with good management, the future of the West Indies is well assured. especially if good fruit steamers are built to run between the islands and Canada, and a West Indian sugar refinery is put up in Halifax or Montreal, owned by the planters themselves and their friends, in connection with the central factories in each island. There is no German bounty-fed beet sugar in Canada, and no free imports.

I believe that the recently rearranged tariff of the United States shuts out from that country the fruits produced in the British West India islands, and this should make it more important for them to secure the Canadian market. Therefore, I hope that at the conference to be held this coming summer, some arrangement will be arrived at to better the conditions of trade between the two countries. And I hope for this result, not altogether because of selfish national reasons, not altogether for the benefit to be derived by Canada, but for abstract reasons, I would like to see Canada do, in whatever degree she can prudently do so, improve our relations with the West India colonies which follow the same flag and owe allegance to the same sovereign.

We have had some discussion regarding imperial defence, and on that point I wish to say a word or two. There is not, I believe, any man in the House to-day, on either side, there is not, I believe, a citizen of Canada, whatever may be the language he speaks, whatever may be his creed or the race from which he springs, who will object to the Canadian government giving Great Britain in her time of need, should that time arise, such help in money or men as we can give and in such a way as will be of the greatest advantage to the old land. I do not believe that the time will ever come when we shall not be willing to help Britain in her need in proportion to our means. I do not believe we shall ever see the day when our people will not be willing, so far as may be necessary, to aid in upholding the British flag. But while

this will be our attitude, it is the part of wisdom that the people of Canada should not do what others have done simply because others have done it. We should keep a cool head and act prudently, wisely and cautiously in unison with the mother country. And while speaking of imperial defence, let me say a word regarding our own militia expenditure. I listened yesterday to the eloquent and forcible speech of my hon. friend from Nanaimo (Mr. Ralph Smith). I heard his words concerning the large expenditure we are making on our Canadian militia. I believe in getting a hundred cents of value for every dollar spent by any department of the government. I do not believe in spending $7,000,000 on the Canadian militia, if it be an unnecessary expenditure; but I do not know that I can conclude that $7,000,000 wisely expended or expended to obtain a dollar's value for every dollar spent, is too great for this growing Dominion. That is a matter I am not capable of judging. I am not a militia expert. But whether that be a proper amount to spend or not, I do not agree with my hon. friend from Nanaimo in his argument. He asks: Where is the enemy we need to fear? I say that the enemies of Canada, if there be any, or if there ever shall be any, are not obliged, and it is not the custom of enemies, to advertise a year ahead their intention of invading our soil. I see no danger at present. I hope there will be none in the future and I believe we can profit much more by peace than by war; but I say it is not possible to train soldiers and officers, it is not possible to procure the necessary militia equipment in a month or three months or a year. If we are to maintain our self-respect and dignity, and are not to depend on any strength but our own, so long as our own can accomplish what we ought to accomplish in maintaining our position as a Canadian people, we ought not to be unprepared for any emergency.

In conclusion let me quote what the 'Chronicle,' a Finance paper published in Montreal, said in its issue of the 16th of April, 1899:

> While no sudden expansion is to be looked for or desired, it cannot be doubted that Canadian business development during the next few years will be of far greater magnitude than ever in the past.

Every Canadian citizen will echo that opinion. However pessimistically men may sometimes, on the other side of the House, express their views, after all, down in our hearts, we all believe that our country has such vast natural resources that we can look forward with confidence to our expansion and growth into a great nation. And in my opinion, and I believe in the opinion of the people of Canada, it would be wise to leave the control of our affairs in the hands of those by whom they have been so successfully managed during the last 13 years. We are sometimes asked what great work has the government undertaken or accomplished? Well, it has erected great works, such as the Grand Trunk Pacific, the extension of the Intercolonial Railway, the improvement of our canals, the lighting of our harbours; but I glory not so much in these vast undertakings as in the smaller ones, the works done by this government for the ordinary citizens, we have made it possible for the ordinary citizens the man who works in the depths of the mines to bring out of the earth the riches we are only beginning to discover and realize, the man who reaps the harvest from our fertile acres, the man who, in his fishing boat, reaps the harvest of the seas, the man who by the sweat of his brow and with calloused hands, hews the lumber out of our forests, the man who whether he works by his muscle or his brain, to accomplish that work to the greatest advantage to himself and his country. Canada has never known, notwithstanding the temporary depression of the last year or two, such an area of prosperity on the whole as she has experienced during the last 13 years. I congratulate my hon. friend the Minister of Finance on the fact that during the present year, when, in common with the rest of the world, we have been suffering from a temporary commercial depression he has been able to present to the country such a splendid budget speech and exhibit a surplus of $1,500,000—not as large as other surplusses, but still, especially under the circumstances, a very considerable sum.

Mr. GLEN CAMPBELL (Dauphin). Mr. Speaker, the debate on the budget has been so comprehensive that at this stage little remains for me to add. There are still, however, a few subjects that may be of some little interest which I would like to bring to the attention of the House. One thing that has struck me very forcibly, and possibly it has struck other new members, is the bouquets that have made their appearance at different times in the House. The hon. member for Pictou (Mr. E. M. Macdonald) and the hon. member for Strathcona (Mr. W. McIntyre) on their return to the House from little political trips into their several provinces were presented with bouquets. I wondered at the time the meaning of those bouquets. It struck me at first that they were marks of appreciation on the part of their fellow members who were of their peculiar persuasion in politics; marks of especial esteem and regard; tributes to some good work accomplished by these gentlemen. But that could not have been the reason as these gentlemn had broken the rule laid down by Liberals in my own province and in the province of Ontario. Instructions were given in these provinces to election speakers at the

time of provincial elections to say to the elctors : Do not vote for a Liberal candidate because he is a Liberal, but vote for a Liberal candidate so as to strengthen the opposition against this Conseravtive government which is so strongly entrenched in power in order to secure good government. We heard that motto on every platform in Manitoba; that was their method of trying to wiggle in another member against the government. That policy is followed also in Ontario, but evidently when members of this federal House go to Nova Scotia and Alberta, they return here with laurels after having broken that rule laid down by the Liberals, having further strengthened the governments already too strong in those provinces. That was evidently looked upon by Liberals in this House as a reason for congratulating these members. I think it a most invidious thing that bouquets are handed out to some gentlemen and not to others. We saw an hon. gentleman who had wended his weary way from British Columbia come here weary and sad and worn from the efforts that he had put forward to obtain a seat by acclamation. No bouquet was handed to him. The seat he now occupies had been won in a manly way by a gentleman of the name of Sloan, but for reasons, which I fancy will appear a little later, Mr. Sloan retired in favour of the hon. the Minister of Inland Revenue and Mines (Mr. Templeman). I myself feel like handing that hon. minister a bouquet and I would suggest a bouquet of roses as the most suitable. Roses in their beauty and fragrance would remind him of the city of Victoria which had turned him down in favour of an untried warrior on the Conservative side, even with all his prestige as minister. I would further suggest roses because with every rose go a few thorns, and these thorns in the bouquet I would give him would remind him of his feelings on the evening of the 26th of October last. The thorns might also remind the First Minister of his feelings when he heard the sorry tidings from British Columbia on that evening. The thorns also ought to have a little prick for the man from Nanaimo (Mr. R. Smith) when he remembers that he went out, fought and won his fight, and came here the accredited representative of the people, but was not thought good enough to take a portfolio as a representative in the cabinet for British Columbia. When I look at the hon. gentleman who represents British Columbia in the cabinet and think of him and his position in the government. I am reminded of a story of Richard Croker, the Tammany leader. When American horses were first run on the race courses in England Mr. Croker was very much interested. If you remember the Americans took with them to the old country their own jockey, Todd Sloan. Sloan rode the first horse that won a race in England. The race was won by a neck, and Richard Croker was heard to exclaim: Thank God for Sloan. Those few words of thanks to the great Being, I feel sure, are reiterated most heartily by the hon. gentleman who now represents Comox-Atlin.

With the permission of the House I would like to refer to some extent to some previous debates. On the evening of March 23, the First Minister (Sir Wilfrid Laurier) made a solmen statement which I would like to read to this House. I must say I regret exceedingly that that right hon. gentleman is not here, because it is to him personally, perhaps, more than to the House that I would like to address my remarks. While discussing a matter that was in debate the First Minister said:

> I am sorry to say that is another evidence that we are not to trust Conservatives when they pledge themselves to us as members of the House or as a delegation.

In other words, he stated from his place in the House that Conservatives were not worthy of credit. Now, Sir, I am a kind of a Conservative myself, and I felt at that time, as I feel now, that it was a harsh remark for the First Minister to make with regard to any loyal gentleman in this House, even though they differ with him politically. I could assure the right hon. gentleman, if he were here, that he can always trust me most implicitly, trust me to fight him as long as I have breath, as long as he follows his present methods of conducting the affairs of this country, as long as he prostitutes the great and heaven-born gifts that he possesses, a flowery language and a silver tongue, to whip, as he did on that occasion, his most unwilling followers into voting a grant of the people's hard earned money to a most useless work called the Aylesworth ditch, down which to float, or to wheel, as events will show, the Minister of Justice into his seat in this House. He can always trust me to oppose him in such projects as that, and I think I am safe in making the same promise on behalf of other hon. gentlemen on this side of the House as long as he carries on a policy of wanton waste of the public moneys that we have seen him pursuing in this House, despite all that the members of the opposition can say in the way of protest. I refer, for instance, to the buildings that were put up at Kingston for some servants of the officers there—$112,000 for 16 houses for under-strappers of some kind of officers. Why, Sir, I want to tell you that we have some 9,000 farmers in my own riding, and they are living in houses costing from $150 to perhaps $500 or $600; and the minister who is in charge of that department asks the people's representatives, who are here tak-

ing care of the people's interests, to vote their hard earned money to build some palaces for flunkeys, and bung-starters, and I know not what. Those are some of the expenditures that I take objection to. Another thing I take objection to is the enormous waste of public money that we see voted from time to time in this House, for instance, for towers for public buildings. In one breath, the minister in charge of the department says, Canada is hard up, and we are retrenching; the next moment he asks us to vote $2,000 $3,000 or $4,000 for a tower to make a public building in Glencoe, or somewhere else, look a little better. No sooner do we vote that tower, but he asks us to vote a clock for the tower costing several thousands of dollars of the people's money; and no sooner have we voted the clock than he asks us to vote $300 or $400 to pay some fellow to wind the clock. I want to say that in matters of that kind the First Minister can absolutely and always count upon me to oppose him. He can trust me to vote against him as long as he follows his present policy of expediency instead of trying to fulfil some of his pledges.

The right hon. gentleman is credited with having a very short memory. I would like to remind him of some of the pledges he got from Conservatives, which were fulfilled, and the fulfilment of which resulted in his attaining to the position he now holds as leader of this government;

I refer to the pledges that Conservatives made to him in 1896. I am much mistaken if some of the erstwhile Conservatives who at that time made him those promises do not sit behind him now, and form part of his majority. I would ask the right hon. gentleman, if he were here, to look to his own honesty in the matter of his promises. Let him carry his memory back to 1894, I think it was, when he came to Winnipeg as leader of the great Liberal party of Canada. He told them that he came with a message to the people of the west, a message that had great bearing on the approaching election that we were all looking forward to. He made them a certain promise, a promise that I feel sure my hon. friend from Red Deer (Mr. Clark) would have appreciated had he been there. He got up on a public platform in Winnipeg and said to the people: I come to the west bearing you a message, I come to you preaching a gospel, a new gospel, a gospel of free trade as they have it in England. Where is it? It is gone with the breath he used in uttering these words. And still owing his position of Premier of Canada to the pledges he received from Conservatives, which were fulfilled, and to pledges he gave himself, which were unfortunately not fulfilled, he had his nerve with him, when he dared to get up and accuse Conservatives of want of credibility.

Mr. MACKENZIE. He did not say it. You had better read the whole article.

Mr. CAMPBELL. The hon. gentleman can read it for himself, it is here in the 'Hansard', I will give the page. The whole article absolutely bears out what I said.

Mr. MACKENZIE. He didn't say it at all.

Mr. CAMPBELL. I heard, on a previous occasion in this House, a gentleman who went even further than my hon. friend who now speaks; he refused to allow the House to credit the words that were marked in his own name. I heard the Minister of Finance, in his speech the other day, refer to the grand old policy we hear so much of, the land for the settler, as being the policy of the Liberal party. He spoke of the fact that the Conservatives had given land grants to railways, and that his government had ceased to do so. Has the hon. gentleman forgotten that there is a railroad built up through Manitoba and the Northwest Territories called the Canadian Northern? Has he forgotten that, from time to time since this government has been in power, that railway company has come here for an extension of time for its charters, and other extensions of rights which those charters gave it? Has he forgotten that some million acres of land have been given to the Canadian Northern by this government, because that is an absolute fact, and he cannot deny it, nor can any one deny it with truth. Has he forgotten, Sir, with regard to his policy of the land for the settler, a fact which is fairly well known and has been fairly well advertised that his government gave 250,000 acres of land to a company principally of Americans for $1 an acre? When that deal was consummated the poor settler, the man who gives the land value, had to pay from $5 to $15 an acre for the same land and the quality of which had not changed in any way although the land had changed from the ownership of the people to the ownership of a band of American speculators. He has perhaps forgotten all that was said at that time with respect to the politicians who took an active part in putting through the deal. It was stated and it is believed in the west that a certain politician who still has a seat in this House received from the Saskatchewan Valley and Manitoba Land Company a certificate of stock to the amount of $50,000 signed in blank and handed to him for his share in putting the deal through.

Mr. CAMPBELL. I do not think that a charge of that kind can be made against a member of this House.

Mr. CAMPBELL. I would have very much preferred to have made the remark in the presence of the gentleman I specially refer to.

Mr. FIELDING. The hon. gentleman would not be at liberty to make it in the absence of the gentleman referred to. He can make an accusation against a gentleman and have it tried out, but he cannot make such a remark in the way he suggests.

Mr. SPROULE. I think the language which he has used is quite permissible. He says that it has been said. We often hear what is current rumour quoted in this House.

Mr. FIELDING. No, I dissent from that

Mr. SPROULE. I think he is quite within the rules in using the language he has used.

Mr. FIELDING. I must dissent from the view of my hon. friend (Mr. Sproule) that we can justify a statement by the remark 'it is said.' There is no justification for anything of the kind.

Mr. SPROULE. Well, rumour is quoted very often in the House.

Mr. CAMPBELL. Perhaps it would meet the views of the hon. Minister of Finance if I would say that it is common report among the people.

Mr. SPEAKER. A charge of that kind cannot be made against a member of the House. It will have to be withdrawn. Unless it is made in the regular course prescribed by parliament.

Mr. CAMPBELL. I suppose it is possible for me to withdraw the words without withdrawing the meaning?

Mr. SPEAKER. No, the hon. member must withdraw entirely because a charge of that kind is unparliamentary.

Mr. CAMPBELL. I bow to the ruling of the chair. However, that only applies to a gentleman who has the honour of having a seat in this House?

Mr. SPEAKER. Yes.

Mr. CAMPBELL. At the same time that these charges were current in regard to the hon. gentleman I spoke of there were other charges made, they were made so late as last summer on the public platform in Saskatchewan and they were made by one of the late directors of the company to the effect that the man I now speak of, whose name I have no object in concealing—his name is Walter Scott—when he was a member of this House, accepted, for his efforts on behalf of putting that Bill through, a certificate of stock of the Saskatchewan Valley and Manitoba Land Company signed in blank to the extent of $10,000. That is common report. It was said on every public platform in Saskatchewan that I had the felicity to be on. It was denied, it is true by the Hon. Walter Scott, but he took very good care never to deny that accusation when made by the man that I have mentioned. I repeat, it was common report. I think that possibly every minister in this House knew the report. But, I can say more than that. I know the man who handed the stock to Walter Scott, and I saw all the evidence in the matter. This government, through its Finance Minister, says that is good business. The Finance Minister says it is good business to give land belonging to the people to American speculators for $1 an acre, and whatever perquisites can be got from them on the side. He says it is good business to let these American speculators come into Canada, exploit the country and sell to the poor farmer, for from $5 to $15 an acre, land which they are able to get for $1 an acre. Then, this hon. gentleman goes around the country saying: the land for the people, not the speculators, is our motto. I would point out further to hon. gentlemen on that side of the House, and I would bring to the attention of the Minister of Finance, that for years and years the Manitoba government had a claim upon what is called the Manitoba and North Western Railway lands lying between Lake Manitoba and Lake Winnipeg. They were to get every odd numbered section in every odd numbered township in every odd numbered range until they got the full complement of 250,000 acres. For years and years the Manitoba government applied to get that land so that they could do something with it, so that it would be an available asset, but they could not get one acre of it surveyed and they could not get any right to it until it was surveyed. Finally, the Canadian Northern people—I do not know whether they called themselves the Canadian Northern Railway Company or Mackenzie & Mann, or under what name they operated—came to the Manitoba government and said: We will give you $400,000 cash for your claim to that land which you cannot get. They simply had to sell their equity to Mackenzie & Mann. Mackenzie & Mann came down to this government, and within a few months this government handed over to them, in lieu of the land which is very poor, for the most part, being covered with water, scrub and stone though there are some townships of first class land admixed through it, the best land that Mackenzie & Mann could select out in Saskatchewan. Yet, my hon. friend says : The land for the people. Who are the people ? In that case the people were Mann & Mackenzie. The hon. gentleman says that their policy is not to give land to the railway companies, that their policy is to keep the land for the settler. Is he not aware that his own government gave 20 square miles for every

mile of road constructed by the Canadian Northern Railway Company from Erwood to the Pas Mission amounting to over a million acres? Instead of giving them wild land there of comparatively little value, they gave Mann & Mackenzie the same right in that case as they did in the other to pick out their land in Saskatchewan. Yet the hon. gentleman says: 'The land for the settler.'

Frequent reference has been made to the land grant given to the Canadian Pacific Railway by the Conservative government, and at this late hour I shall not enter into a lengthy discussion of that question. There has been a great deal said about the fact that the Conservative government did a great deal for the Canadian Pacific Railway and no one can deny that it gave that railway company a tremendous land grant. But in those days the land was worth comparatively nothing and had not the Canadian Pacific Railway built into that western country the land never would have been worth anything. A few years before the Canadian Pacific Railway went into Winnipeg you could have bought the whole town site for $5,000, but to-day it is worth millions and millions. It was the advent of the Canadian Pacific Railway into that country that made the land worth anything whatever. And, Sir, speaking of the Canadian Pacific Railway, I am reminded of the question brought up by the hon. member for South York (Mr. Maclean) in connection with the permission given that company by the government recently to increase their borrowing powers. In that regard let me say that the opinion voiced by the hon. member (Mr. Maclean) and by the hon. member for Strathcona (Mr. McIntyre) and by the hon. member for Assiniboia (Mr. Turiff) is the opinion held by 99 per cent of the people of the west. The Minister of Justice told us that the contract made between the government and the Canadian Pacific Railway was vastly in favour of the railway company and against the people, but he said: 'I hold that a contract is a sacred thing and so long as its true intent and meaning is lived up to it cannot be infringed upon. 'Well, I believe that no sane man who was in this House in 1881 when that contract was made, believed anything else than that the exemption clause was to expire in twenty years from the date of the contract and 'Hansard' shows that every member of parliament at that date believed that such was the true intent and meaning of the contract, outside perhaps of lawyers' quibbles. That being so, this government was remiss in its duty to the people when on the various occasions that the Canadian Pacific Railway came asking for favours it did not say to the Canadian Pacific Railway : 'This is the true intent and meaning of your contract; we want you to abrogate that exemption even though you have perhaps a legal right to it; you are asking something from us now and we will not give it to you unless you show the people of the west that their interest is your interest, and that you will not shelter yourselves behind a legal quibble with regard to this contract.' The government did not do that, and the government was remiss in its duty. As my hon. friend from Strathcona well said: 'How would any man in the east like if he were compelled not only to pay his own taxes, but to pay the taxes of his neighbour,' and that is absolutely the condition in every settlement in the west where Canadian Pacific Railway lands are located in any quantity. The Canadian Pacific Railway refuses to pay taxes, it refuses to do any road work, its land grows in value from day to day through the toil of the poor farmers in the neighbourhood, and as guardians of the public interest the government was more than remiss in its duty to those people that it did not insist on a quid pro quo from the Canadian Pacific Railway when it came seeking favours. Now. Mr. Speaker, I wish to refer to another matter, and I am going to refer to it largely because, like every Scotchman, I hate to be dared to do or not to do anything. The hon. gentleman from Regina (Mr. Martin) speaking with regard to the Grand Trunk Pacific loan, said there was no member from the west who dare oppose it. Well, were he here to-night I would let him know that I dare oppose it and I will tell him why. The primary reason is that the Grand Trunk Pacific has not lived up to its contract with the government, and to prove that I will quote from the remarks of the supporters of the government when the contract was under discussion.

Mr. SPEAKER. I call the attention of the hon. member to the fact that the question is still on the Order Paper for the second reading of the Bill to authorize a loan to the Grand Trunk Pacific Railway Company. There is great latitude allowed in the budget debate, but it is not permitted to discuss a question which is still on the Order Paper.

Mr. CAMPBELL. I bow to your decision, Sir, but I had to tell your deputy on one occasion that what was flesh for one ought to be flesh for another; and so far, other members who have taken part in this debate have been allowed to refer to this subject. However, I do not wish to insist against your ruling.

Mr. SPEAKER. I would not like the hon. member to think that I am unjust to him.

Mr. CAMPBELL. I do not think that at all, Mr. Speaker.

Mr. FIELDING. There have been various reference to the Grand Trunk project during the debate, but I do not think any hon. gentleman has discussed the loan.

Mr. R. L. BORDEN. It is clearly in order that my hon. friend (Mr. Campbell) should point out in this debate that the Grand Trunk Pacific have not carried out their contract, which is a different thing altogether from discussing the loan.

Mr. CAMPBELL. Well, Mr. Speaker, I will have much pleasure in leaving the loan alone for the present, and I only wish that you would rule that the government also should leave it alone. I was going to point out that the hon. member for Brandon said :

> We make a clear-cut proposition embodied in a contract signed and sealed with a reputable corporation of great resources which is going ahead with this work as rapidly as possible.

In his opinion the Grand Trunk Pacific Company was a reputable corporation of great resources. The hon. Minister of Finance, if I may quote him, referring to the Grand Trunk corporation, said:

> We have not been content that they should stand behind it. We have required, and they have readily consented, that they shall be in it and of it and form the whole thing.

I want to point out that they are very much in it—that they need $5,000,000 in their own business to pay themselves. That is why they are in it. They are looked upon as a company of great resources, and because they are in it and of it and form the whole thing, therefore Canada should respond to their call when they do call. I would point out to those gentlemen who think so highly of the resources of the Grand Trunk Railway Company, this fact, that these people, who are in it and of it and the whole thing, owe Canada, and have owed Canada for years, $50,000,000, with interest, and Canada cannot get a cent; and still we are asked to bank for these people. I think perhaps the fact that they owe that $50,000,000, with interest, has something to do with their trouble in financing for themselves. My opinion of the trouble with the Grand Trunk Pacific Company, and their failure to carry out their contract with the people of this country, is this. It was pointed out by the First Minister, by his aides and his general help, that this was a colonization road—that when it got into the western country it was going to open up new country. What has it done in that respect? In the province of Manitoba you can stand anywhere on the Grand Trunk Pacific and throw a stone on to either of the old roads, the Canadian Pacific Railway or the Canadian Northern. Is that carrying out the promise made to the people by the government on behalf of the Grand Trunk Pacific? That to my mind is breaking the contract; and many hundreds of farmers, all through that western country are in need of railways to open up the particular districts in which they live. I heard the hon. member for Assiniboia (Mr. Turriff) make the remark that in his riding the Grand Trunk Pacific paralleled another road for over eighty miles. Is that making a colonization road to open up a new country and benefit the farmers ?

Mr. KNOWLES. Will the hon. gentleman kindly give us the date when the hon. member for Assiniboia made that statement?—because the Grand Trunk Pacific does not go into his riding at all.

Mr. CAMPBELL. I was perhaps wrong in quoting the hon. member for Assiniboia just in the way I did. To correct myself and to put myself absolutely in the right, I may say that his argument was this, that it ought to have come through his riding, and instead of doing so it had paralleled another road within a stone's throw. My own opinion with regard to this Grand Trunk Pacific project is this, that the construction company behind it, call it what you will, has made up its mind that it is going to make its rake-off now out of Canada. Everything it sells to Canada, from town sites down to ties, is sold at from ten down to three prices over proper values. They are going to make all they can out of Canada, and when they have built a road which will have cost so much that it will be almost impossible to operate it at a profit, they will hand it back to Canada and say: 'Here is your road, run it yourself.' For example, I will instance the little matter of ties, millions of which are used. In the season before last ties were made and laid down on the right of way of the Transcontinental Railway by the contractors, who made money doing it, at from 21 to 28 cents each, and Canada pays for those same ties in the neighbourhood of 60 cents each. Nobody in this House can refute that. Perhaps in a few isolated cases, when some party heeler required a long price, a little more was paid; but the great bulk of the ties on the Transcontinental Railway were laid down on the right of way at the prices I have stated.

Mr. FIELDING. On what section of the road ?

Mr. CAMPBELL. On the section eastward from Fort William—the eastern division.

Another matter of policy of the government that I would like to take a little cognizance of is the matter of deferred elections. I have had some personal knowledge of this matter, both on one side and the other, and if any man in this House is an authority on the subject I think I am. I had a deferred election in 1892 over practically the same territory that I now represent in this House. In 1896 I had the same experience. In 1899 I did not happen to be there, and a friend of the same stripe of

politics as myself had the experience. In 1904 I had the same experience over the same territory, but for the federal house. On that occasion there was more time between the date of the issue of the writ and the date of the election than there was in the last election, when we did not have a deferred election. The reason why we did not have a deferred election this time was perhaps this, that the best thinking Liberals in Dauphin constituency had got tired of deferred elections; they had got tired of being disfranchised, and they told the gentleman who was representing the Liberal interest that if he held a deferred election he could not count on their support.

That was perhaps one reason. Another was that I had the pleasure of travelling with the returning officer a few days before, when he had to make known whether there was to be a deferred election or not. The conversation turned on that possibility, and I advised him, as a friend, having heard the rumour, that if he did not want to take a prominent part in a hanging bee, he had better not have a deferred election. I mention this to show the feeling of the people in that country on that point. Neither Conservatives or Liberals out there want deferred elections. We want the use of our franchise and are prepared to use it in the proper way. In 1899, another gentleman had the pleasure of contesting a deferred election. On that occasion it was a provincial election and this man, who was a prominent worker for the Liberals in Winnipeg, went out on a specia train. I hope my hon. friend from Rainy River, (Mr. Conmee) will not get angry with me for speaking of special trains. On that train he had 50 or 60 men to whom he paid $2 a day and provided them with all the whisky they wanted besides what they required to eat. He took them up—I had the story from himself—into a district where there were no actual settlers, and voted them time and again until he piled up 400 of a majority for the government candidate. His employers were gentlemen known to both sides, and if any one is anxious for the names I shall be pleased to whisper them to him. I can assure you that if the Liberal candidate at that time were here, he would not want to hear the names. That is the great danger in deferred elections. The government have the leverage by running all the party heelers into the particular districts, even if there be an election held and it does not go by acclamation, and in this way they can smother the voice of the people. I would be in favour of this House setting the example of legislation in such a way as to prevent the holding of deferred elections, which they could easily do. In Manitoba there are certain districts in which it has become the fashion to hold deferred elections. That happened in my own case in the last provincial election. Although I tried personally in every way possible to obviate the necessity, still for certain reasons, owing to the state of the law on elections, it was not possible to get time enough to hold the contest on the same day as the others. Perhaps while that was not an unmixed benefit to my opponent, because I believe it saved him expenses and his deposit of $200 as the seat was given to me by acclamation, this government should set an example in that particular matter to the provinces, and I feel sure that if it did, the provinces would have no reason in the world for not following suit.

Another matter to which I wish to bring your attention is something which occurs on account of deferred elections. That is explained in a letter, of which I shall give a paraphrase to the House. I do not wish to read the letter itself, because I do not intend to lay it on the table, but I shall give the exact meaning. The letter was to the following effect:

> I write to ask if you will not come down and use your influence to call Glen off. He is very stubborn, and no one here can do anything with him.

This was written in 1904, before the election, and it was written to a gentleman who had been actively concerned in political interests with the writer or his close friend. The writer went on to say:

> In any case, I think we can beat him, but you know you never can tell what these damned Grits will do.

This was written by a Liberal candidate, and it will not surprise you to learn that I have no wish to endorse his language, having been brought up in the Presbyterian church myself. But I often wonder who were the gentlemen who were stigmatised by that unhappy epithet. Did he have in his mind, I wonder, the right hon. the Prime Minister or any of his cabinet, or the hon. member for Brandon (Mr. Sifton)? Or did he just mean the honest and decent Liberal electors? I think perhaps that is really what he meant. Being a turncoat Tory himself, having been a Tory for years, so long as the flesh-pots were in charge of the Conservative party, and having changed his politics in 1896 because the flesh-pots still had attractions for him, possibly I am right when I say it was the honest Liberal electorate he was referring to. But if there were no deferred elections, a letter such as that would be impossible.

I just want to say a word with regard to my hon. friend who is asleep here, the hon. member for Red Deer (Mr. Clark). Knowing him as I do, I know that anything I say will not be offensive to him. When

he spoke yesterday I listened to him attentively, and do you know the thought that flashed across my mind was this : 'Here is another maverick.' Perhaps you do not know what a maverick is. It is an unbranded steer running on the range, owned by nobody and subject to be caught at any time and branded, and the ownership would then be in the proprietor of the brand. My hon. friend was wandering around talking free trade and imagining he was talking for those gentlemen over there. His speech was all right if he had only brought it to a logical conclusion. He talked free trade, and then he talked of what the government had done for free trade, and admitted that the Conservatives had done more to reduce the tariff really than had those so-called free traders. And he went on to speak of inconsistency in politics. When he considers those two facts, and the conclusion he came to in regard to the lowering of the tariff being greater on this side than on that, there is only one thing for him to do, and that is to rub off the hair-brand he got since he came down here and fall in line with the people he knows are honest. He knows that on that side they are not honest because on one particular occasion they were so dishonest that he went out and would not vote for them. He felt, as I say, lost. He is a free trader; there is no free trade in Canada.

Mr. M. CLARK. Can the hon. member recall a single phrase in which I mentioned free trade?

Mr. CAMPBELL. I am not referring to what he specifically mentioned in the way of free trade because I realize that since he came down to this House there are some things which he must not mention in a Liberal camp. But the hon. gentleman cannot deny that he is one of the most ardent free traders in Canada. On this side of the House, Sir, we call a spade a spade, we believe in protection and call it protection. The other people believe in protection but they call it by any name under the sun that they think will hood-wink the people. I believe in protection and I believe in this party because they enunciate clearly and honestly what their policy is in that regard and they are willing always to stand and fall by it.

I listened to the splendid logical argument laid before this House on the matter of imperial defence or aid to imperial defence delivered by the hon. member for North Toronto (Mr. Foster). It was found fault with by the hon. gentleman who leads the House. Why? Because it was not concrete. That is the fault he found with it and what did he give us? He gave us verbiage, which means nothing. Why, Sir, it is time for this House to realize that the whole world is looking to Canada in this particular matter. I say the whole world and I mean it. Why these little Japanese with their civilization 4,000 years older than ours in some matters of esthetics and the arts, have come to realize in the last few years that painting and ornamental work of that kind does not bring them anything, they have become ambitious to take a position in the world and have taken a position by defeating great Russia. The fact that they defeated Russia has stimulated them to further aspirations, there is no doubt about that, they are looking around for fresh worlds to conquer, they are watching to see what Canada is going to do, when the motherland is calling. Then there is Russia, she is watching as we all know, to see if anything will befall the navy of Great Britain. If anything occurs to the navy of Great Britain, I am of the opinion that the next day Russia will be marching across the borders into northern India. Germany is watching to see what Canada will do. Why? Because she has an idea that if she can only beat England on the sea she has the supremacy of the world. She is watching to see if Great Britain has her colonies at her back, she is watching to see whether the Germans, who have come out here by thousands, are ready to support loyally the country of their choice and their adoption. France is watching for the same reason that all the minor powers in Europe are watching, watching on account of her commerce for one reason, because she knows that the naval power of Great Britain has stood for the safe commerce of the world, has stood for the safe commerce of all the smaller countries, knows that the navy of Great Britain has not been maintained and brought to its present standard because Great Britain desired to go out to conquer new worlds, but simply because Great Britain believed that as long as she held the supremacy of the seas, the commerce of all kinds from the smallest nation to the greatest nation was safe. France is looking to this colony to see what it will do. France does not forget that on this side of the Atlantic are the descendants of Frenchmen in their thousands, she looks to them to see whether the old French chivalry, the loyalty to the flag which protects them, is dead in the descendants of the men who came over from beauteous France. She is looking to see if chivalry died in this country when fell Montcalm.

I think further that we ought to remember that in Great Britain there are hundreds of thousands, nay millions of people who for all those decades have been paying ' with a smile ' for the protection of Can-

ada as well as other colonies, they have been paying their taxes, and it has been hard to pay them, with a smile, because they knew it was Great Britain's colony, it was the daughter of the great mother, whom they were helping to protect. Those people are looking to us to see whether we are going to respond to the call, if we are not going to show that we were ready to help our brothers across the sea in bearing the burden they have to bear on our account. All through Canada the people have been looking to see if anything definite is going to be done. Every board of trade from the Atlantic to the Pacific has been passing resolutions to that end, to have Canada show herself, show her hand, show her willingness to come out in the open and say: We are with the mother country. Send the message to Great Britain. 'You can call on us for what you want and we are behind you.'

I was more than surprised to hear the hon. gentleman from Nanaimo (Mr. R. Smith) speak in such a cold-blooded way about gathering up gear and getting rich. No matter how rich we got, if anything should happen to the navy of Great Britain, where are we at with all our richness? The hon. gentleman who represents in this House the hardy men of the Yukon came here and made a cold-blooded speech on this subject. Knowing the people of the north country as I do, I declare that his sentiments as expressed in this House are not the sentiments of the men who have gone into that north country and taken their lives in their hands from day to day. I hope the First Minister will reconsider his reply of two or three days ago with regard to aid in the matter of Dreadnoughts. I hope he will consider that even although he cannot trust me to back him up in many of the things he does, there is one thing in which I and every Conservative would support him, loyally and enthusiastically, that is, if he would come to this House and give us a part in saying what we will do for the mother country and for the empire. Had he been here I would have taken pleasure in telling him that it is my opinion that this is the hour and he is the man, and all Canada is looking to him.

Mr. M. Y. McLEAN moved the adjournment of the debate.

Motion agreed to, and debate adjourned.

Mr. FIELDING moved the adjournment of the House.

Mr. R. L. BORDEN. I suppose we continue this debate on Monday?

Mr. FIELDING. Yes.

Motion agreed to, and House adjourned at 11.35 p.m.

HOUSE OF COMMONS.

MONDAY, April 26, 1909.

The SPEAKER took the Chair at Three o'clock.

YUKON ACT AMENDMENT.

Hon. A. B. AYLESWORTH (Minister of Justice) moved for leave to introduce Bill (No. 156) to amend the Yukon Act, Revised Statutes, 1906, chapter 63. He said: The object of this Bill is simply to permit a member of the bar of the Yukon territory to be appointed as a judge in the territorial court, in case there may be any vacancy.

Motion agreed, and Bill read the first time.

HECATE STRAIT.

Mr. R. L. BORDEN (Halifax). I desire to ask the Prime Minister (Sir Wilfrid Laurier) whether his attention has been directed to a statement in the press, that the government of the United States have repeatedly applied to this government for a statement of its position with regard to Hecate strait, British Columbia. I have observed it in several journals lately. If the right hon. gentleman will refer to the Toronto 'Globe' for April 23, he will see that to which I allude. I will read only a portion which is material to my inquiry.

It was said by the department——

That is, the State Department of the United States.

—at that time that this government had on three occasions within the last few years asked the British ambassador at Washington to obtain from his government a definition of the status of Hecate Strait. No reply was ever received by the State Department.

Within the past three or four weeks, that statement has appeared in the press of the country on several occasions—that is, that the United States government have asked for a reply on at least three occasions from the British ambassador—and I assume that the British ambassador would consult with this government—and has been unable up to the present time to obtain any reply whatever. The matter is of some interest to British Columbia, as I understand from members from that province, therefore I thought it well to bring it to the attention of the Prime Minister.

Rt. Hon. Sir WILFRID LAURIER (Prime Minister). There is some correspondence going on at this moment on this subject, but what is the nature of it I am unable to state now.

DISALLOWANCE OF ACT OF THE ONTARIO LEGISLATURE.

Mr. R. L. BORDEN (Halifax). Saturday's issue of the Canada 'Gazette,' con-

tains a statement, I understand, of disallowance of an Act of the Ontario legislature. Would the premier (Sir Wilfrid Laurier) have any objection to bring down the order in council?

Sir WILFRID LAURIER (Prime Minister). Not at all.

NATIONAL TRANSCONTINENTAL RAILWAY. PUSHER GRADES.

Mr. R. L. BORDEN (Halifax). May I ask the Minister of Railways and Canals, (Mr. Graham) whether he would be good enough, when the debate comes up on the Grand Trunk Pacific Loan Bill, to give me information with regard to the pusher grades on the National Transcontinental Railway between Quebec and Moncton? In speaking on this subject, as the hon. gentleman will remember, I allowed to the National Transcontinental Railway a saving, I think, of twenty-nine miles over the Intercolonial Railway between these two points. It has been represented to me that I rather understated the case from my point of view, that although there had been this saving in distance, it is accomplished only by means of heavier grades, and that for heavy traffic, certain portions of the road will have to be operated by what are called 'pushers.' It is in connection with that that I would like the hon. gentleman to give the information when the subject comes up again.

Hon. GEO. P. GRAHAM (Minister of Railways and Canals). I will get it.

LETTERS PATENT OF F. M. GREY.

House in committee on Bill (No. 132) respecting certain letters patent of Franklin Montgomery Grey.—Mr. Rankin.

On section 1,

Mr. LENNOX. What has the Minister of Agriculture to say with reference to this Bill?

Mr. FISHER. This seems to be one of the ordinary Bills for the extension of a patent which has lapsed through negligence.

Mr. LENNOX. How long is the lapse?

Mr. FISHER. I cannot say. The gentleman in charge of the Bill or the chairman of the Private Bills Committee may be able to.

Mr. LENNOX. We should know something about it. The other night we had a Bill where the lapse has extended three years and a satisfactory explanation was forthcoming. There may be a satisfactory explanation of this Bill or there may not.

Mr. RANKIN. I understand that this patent lapsed through a misapprehension on the part of the patentee. After getting his patent some six years ago he had a reissue, there having been some changes or improvements; and thinking his six years dated from the reissue he did not apply for the patent in time. The patent thus lapsed through a misunderstanding.

Mr. FISHER. I have no objection to it going through.

Mr. LENNOX. Is that a sufficient excuse in the estimation of the minister?

Mr. FISHER. I have only to say, as I have said before to the committee, that I accept the report of the Private Bills Committee. The Private Bills Committee look into the details of the reasons for each of these Bills. I have not myself examined them and consequently I can only accept the report of the Private Bills Committee.

Mr. R. L. BORDEN. I do think that when Bills involving the renewal of a patent that has lapsed come before the attention of the Private Bills Committee, they should be submitted to the department which has charge of such matters, and that the department should have some supervision over these applications. Otherwise we may eventually drift into this position that whenever negligence of the slightest character can be alleged the person whose patent has lapsed can come to parliament and have it renewed. I have urged before when these matters have come to the attention of the Committee of the Whole House that some fixed principle should be adopted according to which these patents should be renewed or not renewed as the case may be. I do not think it will do to continue the system of letting any negligence, however slight, or any circumstance, however trivial, be regarded as sufficient. It seems to me that if no principle has yet been laid down (and I am not aware of any), it is about time that some principle should be adopted so that persons who obtain patents and permit them to lapse will know exactly what they will have to face when they come here asking for legislation.

Mr. FISHER. The other night, when I presume the leader of the opposition (Mr. R. L. Borden) was not present, we had a case of this kind, and I then said that I have personally always objected to the renewal of these patents. At the same time the Private Bills Committee and parliament for ten years back have been accepting this principle of the renewal of patents which have lapsed in this way. The Private Bills Committee is charged with the examination of details in each particular case. The deputy commissioner of patents always attends that committee and looks into the matter on the part of the department. I am not a member of the committee and so am not in the habit of attending its meetings. The deputy commissioner always reports to me if there is anything in connection with a Bill contrary to the workings of the department. When he has not so re-

ported I have taken it for granted that the Private Bills Committee have acted in accordance with these principles, and have satisfied themselves with regard to the details. If the deputy commissioner reports to me that there is anything in connection with the Bill contrary to the practice of the department, I inform myself in regard to the Bill and am prepared to discuss it when the report of the Private Bills Committee comes before the House.

Mr. E. M. MACDONALD. I had occasion lately to look into this question as to the practice and the law with regard to patents in Canada, more particularly in reference to this question of the renewal of patents where through some inadvertence on the part of their owners the conditions of the Patent Act have not been complied with, and I submit to the minister that the present position of the law in this respect is very unsatisfactory. I do not think a committee of this House is a proper tribunal to inquire into these questions. I think the practice adopted in England under the Act of 1907 is much better. By that Act, under carefully drawn legislation, powers are conferred on the commissioner of patents to make full inquiries as to the circumstances of alleged inadvertence after due notice not only to those who might be affected directly or might have filed caveats, but also to the public generally through advertisements. As it is, quite frequently, we find, in reference to these Bills, that the patentees who have not complied with the provisions of the law with regard to the manufacture of their articles within the time provided by the statute are also in default with regard to the rules and, upon some specious plea as to the carelessness of their clerk, or counsel, or something of that kind, they impose upon the good nature of the committee, or perhaps the committee has not had its attention fully called by the private interests that are affected, as to the full effect of the Bill submitted, and the renewal goes through. We are reaching a stage in Canada where we should have more attention paid to the matter of our patents. The course adopted by the imperial parliament of stringently enforcing the law with regard to the manufacturing clause is one which has created a great deal of satisfaction in that country and has obtained the approval of business men in this country as well. I think that the minister ought to take the power which has been given to the commissioner of patents in England to make an inquiry into all the circumstances to ascertain whether there has been any inadvertence or overlooking of the conditions in reference to the payment of the fees or otherwise. That power is one which should be exercised by the commissioner after full investigation and not one which should be left to a committee of this House.

Mr. LENNOX. I do not know that I can quite agree with the hon. gentleman who has just spoken (Mr. Macdonald) as to increasing the quantity of machinery. I think is is more a matter of getting the machinery we have at work.

Mr. MACDONALD. I do not propose to increase the machinery, but I suppose that the provisions of the law which exist in England should be applied in this country.

Mr. LENNOX. I understand that the hon. gentleman proposed that the people who had charge of this matter should be given a power they do not possess at the present time. I submit to the minister that there is a duty cast upon him, not merely of bringing this kind of negative evidence before the committee from time to time that he has not heard of any objection, but as the Minister cannot probably attend the meetings of the committee and has to send a deputy or subordinate to watch the interests of the public, it is absolutely necessary for the minister to see to it that from time to time he has a report of the actual circumstances attending the proposed renewal and that he should inquire into these circumstances and see if they are such as commend themselves to his judgement, so that he can come before this committee and tell it that his opinion is that the renewal should or should not be sanctioned by this committee. It is not sufficient to my mind, for the minister to come before us and plead that he has heard no objection, non constat, the deputy may have forgotten all about it, or he may have very little judgment in regard to the matter. But, we are getting away from the principle of responsible government when the Minister does not take this matter in hand and gradually formulate a rule which shall guide him in all cases, so that, as each case arises, he will have precedents to go by or analogies to consult and be able to say that it is right that this should be granted or that it should not be granted. The minister has said that he is opposed to this indiscriminate renewal, but it goes on all the same. We have no knowledge of whether this patent has been put into actual use or not, whether the parties have been exercising their rights or not, and we have just this mistake of law put forward as a reason why the renewal was not obtained at the proper time. Does the minister think that a mistake of law is a proper ground upon which a renewal should be granted? It is very doubtful whether such a reason should be accepted. I do not think a private Bills committee is the best possible tribunal to decide a question of that kind. I think the minister should have a policy upon the matter. He has

legal officers in his department and he should be prepared to say that he has come to the conclusion that he should or should not consent to a renewal of the patent on the mere excuse that the patentee has misunderstood the law. Generally speaking, courts of justice have found that there is a no more dangerous kind of excuse than the excuse of misunderstanding the law. Every man is bound to know the law. It is pretty hard to know it sometimes, I admit, but that is the principle we adopt in the courts of justice. In this case the minister does not take any responsibility in regard to it, and on the ground of misunderstanding what the law was the plea is put forward that the party allowed his time to lapse. I do not want to advance any unnecessary criticism of the minister, but I think from this time on, at all events, assuming that this government is going to control the affairs of Canada for a little while longer, we ought to have the minister take the responsibility of his position in connection with these matters and see that in each case he has some knowledge of the circumstances attending it before it comes before the committee and be able to advise the committee as to what is the proper course to pursue.

Mr. ETHIER. I may say as chairman of the Private Bills Committee, in answer to the question asked by the hon. leader of the opposition (Mr. R. L. Borden), that the committee, for nearly ten years has pursued its present policy in regard to the revival of expired patents. Where good grounds were presented a failure to comply with the law for one year has not been regarded as a bar to the renewal of the patent. This principle has been applied to the special case now before us. This company had their patent for six years ; less than one year has been allowed to elapse since the time at which the patent should be renewed. Good grounds have been advanced for the neglect to renew the patent. They gave good reasons why the licensee did not renew his patent in time and they showed that the right which had been acquired by other parties had in the meantime been protected. Three applications came before the committee this year in regard to which it was obvious that there had been negligence on the part of the patentee in failing to renew his patent and they were refused. But in the case of Montgomery Grey, the first six year period during which the license was in force expired on October 28, 1908. The patent is granted for eighteen years and it is necessary for the licensee to renew his patent every six years. By an inadvertence the lawyer of this patentee Montgomery Grey, overlooked the 28th of October which was the last day for renewing the patent for the next six years. These parties have taken steps to protect the acquired rights of other parties. The commissioner of patents has always attended the meetings of the Private Bills Committee when Bills relating to patents have come before that committee. But, in answer to the hon. member for South Simcoe (Mr. Lennox), I would say that I think the law should be amended. As it is now, the only way to protect the licensee who may have good grounds to ask for a renewal of his patent is to come before the House and obtain it by means of a private Bill. I think the general law with regard to patents should be amended giving the necessary powers to the commissioner to inquire into these cases. This would save a great deal of trouble, and the department and the government could attend to these cases in a more careful and satisfactory manner than is at present possible.

Hon. SYDNEY FISHER (Minister of Agriculture). There are two matters of general interest, apart from this Bill, which have been brought up, and I would like to say a word or two upon them. The hon. member for Pictou (Mr. Macdonald) has suggested that the power of renewing expired or lapsed patents should be vested in the commissioner of patents and that private Bills should not necessarily be brought before parliament for that purpose. I may say to my hon. friend—I am not sure whether he was in the House at the time or not—that some years ago, when I was making several amendments to the Patent Act, that point was thoroughly discussed, and parliament objected to divesting itself of the power to deal with these lapsed patents and objected to giving that power to the commissioner of patents. I am not anxious to have that power. I would be willing to assume it if parliament desired to impose it upon the department, but I do not desire it at all and I would much prefer that it should not be imposed upon me, because it would involve the exercise of judicial functions of the greatest importance and in some cases it would involve millions of dollars of value in the reinstatement of patents. If that had been the intention of parliament when it amended the Patent Act I would have accepted the responsibility, but parliament decided that should not be done.

Mr. E. M. MACDONALD. Two years ago that principle was adopted in England.

Mr. FISHER. When this parliament disposed of the matter in 1900 that regulation had not been passed by the English parliament. It is possible that if it had been the parliament of Canada might have come to a different decision from that which it did. As to a rule in dealing with the renewal of these patents, shortly after I became Minister of Agriculture I discussed

the question before the Private Bills Committee and the committee then laid down the rule that where the omission of the payment of fees appeared to be due to inadvertence or negligence on the part of the attorney rather than on the part of the owner of the patent, the patent might be renewed, provided always that the term during which the patent had lapsed was not too long. I do not think any definite rule as to the length of time was laid down, but the practice has been one year. In this case the patent was taken out on the 28th of October, 1902, and the fees were paid for six years which lapsed on the 28th of October, 1908, only a few months ago. That date passed probably through the inadvertence of the attorney, and the Private Bills Committee having examined the matter reported to this House in favour of the Bill. There does not seem to be anything contrary to the practice of parliament in that, and under the curcumstances I feel justified in supporting the recommendation of the Private Bills Committee. In most cases the recommendation of the Private Bills Committee has been accepted by parliament, but a good many cases no doubt have occurred in which the committee have rejected applications of this kind. The rights which have accrued during the lapsed period of the patent have always been protected by a clause similar to that which appears at the end of this Bill. I give this explanation because the impression has been conveyed that the department has been negligent of its duty in dealing with these patent bills. That is not a fair imputation on the department. I do not think it is necessary, as suggested by the hon. member for Simcoe, that a special report should be presented to parliament from the Deputy Commissioner of Patents in connection with each of these Bills; but I am quite ready to follow any expression of opinion by the House in that matter.

Mr. CARVELL. Notwithstanding the clear statement of the case made by the minister, I am inclined to agree with my hon. friend (Mr. E. M. Macdonald) that such matters as this should be dealt with by the commissioner of patents rather than by parliament. I am not a member of the Private Bills Committee, and therefore do not know what evidence may have been given as to whether this patent as a matter of law did or did not expire on the 28th of October, 1908, but from a cursory reading of this Bill it would appear that the latter part of section 2 actually cures any defects which may have existed in this patent down to 1908. Under the Patent Act if a man fails to commence manufacture within two years from the granting of the patent his patent is void or if he has imported the patented article after one year after the granting of the patent it is also void or if he has refused the right to any person to manufacture under certain conditions prescribed by the Act, his patent is also void. I suspect that many of the Bills brought before this parliament for renewal of patents are brought because the patent has become void under the law and so that they may be renewed by a special Act, rather than because of any neglect to pay the fees. There is something very suspicious in this very Bill we are now considering. Section 2 provides that any person who has commenced the manufacture of this article since October, 1908, may continue to do so, but that exemption is not to extend to any person who, without the consent of the holder of the patent, has commenced to use, construct, or manufacture such invention before the expiry of the letters patent. It seems to me that this Bill would rehabilitate the patent and override certain provisions in the General Patent Act with regard to the rights of others. If a person commenced to manufacture before October 28, 1908, he would have a perfect right to do so under the Patent Act, but it seems to me that the latter part of this clause takes away from him the protection which the law gave him and under it the patentee would have a right to bring an action for infringement. I do not know enough of the particular conditions connected with this Bill to vote against it, but it seems to me there is a great deal in what the hon. member (Mr. Macdonald) says, that this matter should be dealt with by the department, and that the department should have positive proof that the patent has been kept alive, and that the patentee has complied with all the conditions of the Patent Act. I believe that the Commissioner of Patents and not a committee of this House should be the judge in such a case. I suggest that the minister take this matter into serious consideration and before another session introduce legislation making the law more clear than it is at present regarding these extensions of patents. I suspect that in this very case there is something wrong with the patent, and that we are curing the defect by the legislation we are passing to-day.

Mr. FISHER. I would say to my hon. friend who has drawn attention to the last clause of the last section, that these words have not generally appeared in the clause to which I referred as being usual in the Patent Acts, and I do not think they are necessary here to safeguard any person who has commenced the manufacture or the use of the article during the lapsed period, unless there is some such object in view as my hon. friend suggests. Although the deputy minister has not reported to me that there is anything objectionable in the Bill, I think perhaps it would be as well to let it stand until we look into this matter.

Progress reported.

SECOND READING.

Bill (No. 135) for the relief of Hannah Ella Tomkins.—Mr. J. D. Reid.

CONSIDERED IN COMMITTEE—THIRD READINGS.

Bill (No. 134) to incorporate the Canadian Medical Association.—Mr. Roche.

Bill (No. 143) for the relief of Mildred Gwendolyn Platt Patterson.—Mr. Harris.

Bill (No. 144) for the relief of Charles Bowerbank Lowndes.—Mr. Wallace.

Bill (No. 145) for the relief of Isaac Moore.—Mr. Wallace.

QUESTIONS.

CHICOUTIMI PULP COMPANY.

Mr. GIRARD—By Mr. Ethier—asked :

1. Is it true that the Pulp Company of Chicoutimi has tried to sell to the government the booms which belong to it for the sum of $30,000?

2. What has been the valuation placed on these booms by the Department of Public Works?

3. Who are they that, on behalf of the company, have approached the government for the purpose of obtaining $30,000. and in what years?

Hon. WM. PUGSLEY (Minister of Public Works):

1. The pulp company made a proposal to sell its booms to the government for the sum of $30,000.

2. The chief engineer's valuation was $6,000.

3. Mr. J. E. A. Dubuc.

THE ROSS RIFLE.

Mr. J. A. CURRIE asked :

1. What is the weight of the Ross rifle, marks I., II., and III., respectively, without bayonet?

2. What is the weight of the Lee-Enfield issued to the Canadian militia without bayonet?

3. What is the length of the barrel of the Ross rifle?

4. What is the system of rifling in the Ross rifle, the calibre, number of lands or grooves and the number of turns in the length of the barrel?

5. What is the outside diameter of the barrel of the Ross Rifle at the muzzle ?

6. What is the outside diameter of the barrel of the Lee-Enfield at the muzzle?

7. What is the initial velocity of the bullet with service cartridge, (a) fired from the Ross rifle, and (b) fired from the Lee-Enfield?

Hon. Sir FREDERICK BORDEN (Minister of Militia and Defence):

1. Weight of Ross rifle, Mark I, approximately 7½ pounds; Mark II, approximately 8¼ pounds; Mark II**, approximately 9½ pounds. There is no Mark III Ross rifle.

2. The weight of Lee-Enfield rifle is approximately 9¼ pounds.

3. Length of barrel of Ross rifle, Mark II, 28 inches; Mark II**, 30½ inches.

4. System of rifling, Ross rifle, Mark II, uniform right handed; Mark II**, uniform left handed. Calibre, Ross rifle, designed for ·303 service cartridge; Number of lands or grooves, 4; Number of turns in length of barrel, Ross rifle, Mark II, 2½; Mark II**, 2¾.

5. Outside diameter of barrel, Ross rifle, Mark II, at muzzle, 0·556; Mark II**, at muzzle, 0·650.

6. Outside diameter of barrel, Lee-Enfield rifle, 0·651.

7. The muzzle velocity of both rifles with service ammunition is approximately 2,000 feet per second.

PORT HOOD BREAKWATER.

Mr. GEO. TAYLOR asked:

1. Has the government spent any moneys during the last year, or are they now spending any moneys, on a breakwater at Port Hood, county of Inverness, Cape Breton?

2. If so, how much money has been spent in the last six years, respectively, on said breakwater?

3. What is the purpose of said breakwater?

4. What is the government engineer's original estimate for the full completion of this work?

5. What is the completion of the work now estimated to cost?

Hon. WM. PUGSLEY (Minister of Public Works):

1. Yes.

2. In 1903-4 . . . . . $ 2,968 85
1904-5 . . . . . 19,942 43
1905-6 . . . . . 9,999 91
1906-7 . . . . . 14,885 13
1907-8 . . . . . 14,999 37
1908-9 . . . . . 15,000 98

Total $77,796 67

3. To increase the area of safe anchorage in Port Hood harbour at present inadequate and to render the east or mainland side safe for landing and for the shipment of coal. The breakwater will also prevent the further movement of sand to the southward and westward and the consequent shoaling of the harbour.

4 and 5. Several estimates were given, varying from $165,000 to $482,000, and depending upon character and height of work. These plans, however, were not adopted, and the chief engineer recommended loose brush and stone work, the total estimated cost of which is $215,000.

36TH REGIMENT BAND.

Mr. BARR asked:

1. Has the band of the 36th Regiment been paid the $75 band allowance for 1908? If not, why not?

2. If paid, to whom, and when?

Hon. Sir FREDERICK BORDEN (Minister of Militia):

1. Yes.

2. Cheque issued in favour of Captain G. F. Gabriel on 22nd January, 1909, forwarded to officer commanding the regiment, Lt.-Col. Wallace, under registered cover on same date.

Mr. BARR. When this question was put on the Order Paper the money was not paid. How is it payment was held back so long?

Sir FREDERICK BORDEN. I am sorry I was not here to give the answer before.

CAPTAIN GABRIEL, 36TH REGIMENT.

Mr. BARR asked:

1. Has Captain Gabriel, commanding No. 7 Company of the 36th Regiment, been paid for recruiting in the year 1908? If so, how much was he paid?

2. If not paid for this service, why not?

Hon. Sir FREDERICK BORDEN (Minister of Militia):

1. The allowance referred to is command pay and drill instruction which was paid to Captain Gabriel on April 14, 1909, the amount of same being $39.

2. Answered by reply to No. 1.

ST. POLYCARPE POST OFFICE.

Mr. LORTIE asked:

1. What are the names of the persons who laid complaints against the administration and officials of the post office in the village of St. Polycarpe?

2. In what year were the complaints first made; and by whom?

3. Is it the present intention of the Postmaster General to have that post office changed to other quarters?

4. If so, who has been recommended for the postmastership of the village of St. Polycarpe; and by whom has he been recommended?

Hon. RODOLPHE LEMIEUX (Postmaster General). Recently representations were made to the Postmaster General as to unsatisfactory management of the St. Polycarpe post office, with the result that an inspector was instructed to make a report, but his report has not yet reached the department, and in the absence of which it is not possible to state what action the department may require to take.

36th REGIMENT—STORAGE OF ARMS.

Mr. BARR asked:

1. Has the rent for storage of the arms of Company No. 7 of the 36th Regiment been paid for the years 1907 and 1908? If not, why not?

2. If paid, how much, when paid, and to whom?

Hon. Sir FREDERICK BORDEN (Minister of Militia):

1. The Militia Department does not pay the rent for storage of arms, but the allowances authorized by regulations for care of arms, &c., have been paid as follows :

Period.	Amount.	Less deficiencies.	Net payment.	Date of payment.	Paid to.
	$ cts.	$ cts.	$ cts.		
Nine months ending March 31, 1907	37 50	3 30	34 20	Feb. 16, '08	Capt. G. F. Gabriel.
Two years from April 1, 1907 to to March 31, 1909	100 00	2 25	97 75	April 14, '09	" "

2. Answered by reply to No. 1.

INLAND REVENUE—BELLEVILLE AND CORBYVILLE.

Mr. PORTER asked:

1. Have any changes, retirements, removals or superannuations been made in the officials of Inland Revenue Department at Belleville and Corbyville? If so, what, and for what reasons?

2. Who is deputy collector at these ports? When was he appointed and at what salary?

3. What were the qualifications of the present deputy collector, so far as concerns previous service in the department, and was he required to pass any qualifying examination for his present or former position? If so, what?

4. Were there any officials of the department at those ports who were eligible to the position of deputy collector at those ports at the time of appointment or promotion of the present deputy collector? If so, whom? What is the length of their service, respectively, what is their respective salaries, and why was not some one of these promoted?

Hon. WM. TEMPLEMAN (Minister of Inland Revenue):

1. Yes. C. W. Pole, deputy collector of inland revenue (Class 'A') Belleville, was superannuated—age and failing health.

2. W. J. Cook—1st February, 1909—$1,500. Length of service, two years and one month.

3. Passed Civil Service qualifying examination in 1907 and under the provisions of the Civil Service Act no examination is necessary for the position of deputy collector of inland revenue.

4. Yes. Wm. McCoy, special class exciseman, $1,400. Length of service 24 years and 9 months A. F. McCuaig, deputy collector of inland revenue (Class 'B') $1,000. Length of service 22 years and 6

months. A. C. McFee, 1st class excise officer, $1,200. Length of service 12 years and 8 months. W. J. Brown, 1st class excise officer, $1,200. Length of service 8 years and 8 months. H. R. Wilson, 2nd class excise officer $935. Length of service 4 years. F. W. Sprague, 3rd class excise officer, $600. Length of service 2 years and 29 days. J. E. Lally, 3rd class excise officer, $600. Length of service 2 years and 1 month.

SS. 'SCOTIA.'

Mr. CROSBY asked:

1. What are the existing terms of the contract with the ss. 'Scotia' plying between Halifax and ports east of Halifax?
2. What subsidy does she receive?
3. Has she been receiving her full yearly subsidy?
4. Did she receive the full proportional part for calling at Moshers river last year?
5. Did she call there every trip? If not, how many calls did she make?
6. If the terms of the contract call for her calling there every trip, why has she not fulfilled that part?

Right Hon. Sir WILFRID LAURIER (for the Minister of Trade and Commerce):

1. The terms of the contract are of very considerable length and can hardly be given in the form of a reply to a question.
2. $4.000 per annum.
3. Yes.
4. Yes.
5. No. 13 calls.
6. Terms of contract require calls at Moshers river in January and February only, only three calls were missed by reason of the boat being off route undergoing repairs. This is permitted under the contract.

SPRY BAY GOVERNMENT WHARF.

Mr. CROSBY asked:

1. What amount of money was spent on the government wharf at Spry bay in 1908?
2. How was it spent; and if by day's work, what number of men were employed, at what pay, and what time were they employed during the year 1908?

Hon. WM. PUGSLEY (Minister of Public Works):

1. There was no work done during the calendar year of 1908; work was done, however, from 10th August to 26th September, 1907, and charged to account of fiscal year 1907-1908, to the amount of $269.42.
2. (a) Compensation for shore privileges, $100, and day's labour. (b) Five men. (c) Foreman, $2.50 per day; others $1.50 per day. (d) 10th August to 26th September as above.

Mr. TEMPLEMAN.

POST OFFICE DEPOSITS AND INTEREST.

Mr. MACDONELL asked:

Is the government crediting up in the pass-books of the depositors in the Post Office Savings Banks, the interest on their accounts, and to which they are entitled? If not, why not?

Hon. R. LEMIEUX (Postmaster General). Interest to 31st March, 1909, has been calculated on all depositors' accounts and has been made principal. This interest is being entered in depositors' pass-books as they are received for examination in accordance with the regulations.

FRENCH TREATY.

Mr. MACDONELL asked:

What is the present condition of affairs with regard to the commercial treaty with France, and what is the cause of the delay in reference to the matter?

Hon. W. S. FIELDING (Minister of Finance). The treaty of 1907 was approved in due course by the parliament of Canada and also by the Chamber of Deputies of France, but when it reached the French Senate there was very considerable delay owing to the strong opposition among the French senators who claimed that the treaty was too favourable to Canada. After considerable delay and negotiation, a supplementary treaty was entered into, which has been laid before this House. That, as well as the original treaty, has been approved by the French Senate, but it requires yet to be approved by the Chamber of Deputies. We have delayed bringing forward a resolution to confirm the supplementary treaty because we desire to await the action of the French Chamber of Deputies. That body adjourned for several weeks, but I anticipate that at an early date the treaty will receive its approval, and at the same time steps will be taken to present to this parliament a measure for the approval of the new treaty.

POSTMASTER AT BLACK LAKE, QUEBEC.

Mr. GEO. TAYLOR asked:

1. Have any complaints been made against the postmaster at Black Lake post office, in the province of Quebec?
2. Was an inquiry held by Mr. Larue, post office inspector? If so, has he made a report?
3. If a report has been made, will the Postmaster General lay the same on the table of the House?
4. Did the postmaster at said post office, Mr. Ouellette, present a petition to the Postmaster General since the inquiry by the post office inspector, praying that no change be made in the postmaster at Black Lake?

Hon. R. LEMIEUX (Postmaster General):

1. Yes.
2. Yes.

3. Yes, if papers are moved for in the ordinary way.
4. Yes.

POST OFFICE AND DOMINION GOVERNMENT SAVINGS BANKS.

Mr. S. SHARPE asked:

1. Is the post office savings bank distinct from the Dominion government savings bank?
2. Wherein do they differ, and why are the accounts kept separate?
3. What are the total deposits in both accounts at the present time?
4. In regard to the expense connected with the management of the post office savings bank deposits, which was given in the return brought down March 23, 1909, as amounting to $72,885.57 for the year ending March 31, 1908, does this mean merely the cost of the officials at headquarters who have charge of the management of the fund, or is there included in that item a proportion of the expenses from all outlying points of collecting and transmitting the deposits to headquarters?

Hon. R. LEMIEUX (Postmaster General):

1. Yes.
2. There is no substantial difference. What are known as Dominion Government Savings Banks are the remains of an old system which began in some provinces prior to confederation. This system is being gradually abolished. Whenever vacancies occur in the management of Dominion Government Savings Banks through death, resignation or other cause, the business is transferred to the Post Office Department, it being the policy of the government that the whole savings system be managed by that department. Since the 1st June, 1888, thirty-two agencies of the Dominion Government Savings Bank have been abolished and the business transferred to the Post Office Department.
3. Post Office Savings Bank—28th February, 1909, $44,447,567.21. Dominion Government Savings Bank—31st March, 1909, $14,748,436.12.
4. The figures referred to include all salaries at head office, commissions to postmasters, and cost of printing and stationery.

WESTMORELAND COUNTY COURT JUDGE.

Mr. McALLISTER asked :

1. When was W. W. Wells appointed judge of the Westmoreland county court?
2. On what occasions, for what reasons and for what length of time has leave of absence been granted by the Department of Justice to W. W. Wells?
3. Has the government or the Department of Justice knowledge of W. W. Wells, judge of Westmoreland county court, being absent from the province without leave? If so, when?
4. What judges have acted for W. W. Wells, judge of the Westmoreland county court, when on leave of absence or when absent without leave?
5. Is there an application for leave of absence on file in the Department of Justice from W. W. Wells, judge of Westmoreland county court, at the present time? If so, for what length of time, and on what grounds is the application made?

Hon. A. B. AYLESWORTH (Minister of Justice):

1. 21st October, 1893.
2. In 1894 for six months, ill health; in 1902, for 3 months, ill health; in 1903, for three weeks, ill health; in 1907, for six months, ill health; in 1908, one month, ill health; in 1909, for 5 weeks, ill health.
3. The department is aware that in 1906 the judge was, for a few weeks, absent without leave.
4. Judge Wedderburn of Hampton and Judge Forbes, of St. John.
5. No.

INTEREST ON TEMPORARY LOANS.

Mr. AMES—by Mr. Perley—asked:

1. What was the total amount paid by way of interest upon the temporary loans, amounting to $101,000,000, made during the last twelve and three-quarter years?
2. What was the total amount paid for the same on the amount of $136,500,000 for the previous corresponding period? (See unrevised 'Hansard,' 4786).

Hon. W. S. FIELDING (Minister of Finance):

1. $1,698,006.91.
2. $1,717,648.08.

The periods for which the loans are made vary from time to time.

GRAND TRUNK PACIFIC—LABOURERS FROM SIBERIA.

Mr. J. D. TAYLOR asked:

1. Has the government taken any steps to investigate the report that labourers from Siberia are being brought into Canada under contract to work on the Grand Trunk Pacific Railway?
2. If so, by whom is the investigation being conducted, and have precautions been taken to prevent the entry of further consignments of these labourers?

Hon. RODOLPHE LEMIEUX (Minister of Labour.) The Department of Labour has received no report as described by the hon. gentleman (Mr. J. D. Taylor) in this question. The only notice we have had of the matter is the mention that was made of it in the House.

CONVICT BILL MINER.

Mr. J. D. TAYLOR asked:

1. Was a sum of money received by mail at the New Westminster penitentiary for the convict Bill Miner shortly before his escape?
2. If so, what was the nature and amount of the remittance, by whom was it sent, and in whose care was it addressed?

3. Was there already money on deposit to Miner's credit? If so, how much, and how was it received?

4. Is the possession of money supposed to be of any advantage to a life prisoner, in the way of providing him with luxuries or otherwise?

5. Was the receipt of any money reported to the department in connection with the investigation into the circumstances surrounding Miner's escape?

Hon. A. B. AYLESWORTH (Minister of Justice):

1. Yes, on 28th March, 1907.

2. Postal order, for $100. Sent by J. C. Budd of Princeton, B.C. Received by Deputy Warden Bourke. Deposited in Bank of Montreal, New Westminster, in Savings Bank Account.

3. Yes, $49.10, and interest from the time it was deposited. From Miner when received into the penitentiary.

4. No.

5. Yes.

The following memo. appears on page 36 of the return made in compliance with an order of the House of Commons dated February 17, 1909.

New Westminster, September 6, 1907.

Memo for inspector Stewart, re convict Edwards (Bill Miner).

His effects consist of cash $149.10, a gold watch, chain and charm. The statement that he had $500 here is incorrect.

(Sgd.) G. W. DAWSON.

NATIONAL TRANSCONTINENTAL RAILWAY—QUESTION OF CLASSIFICATION.

Mr. LENNOX asked:

1. Has the government contemplated or decided that a reference should be had to determine differences as to classification and other matters between the Grand Trunk Pacific and the railway commission, which would probably be proceeded with the 1st of April instant? If so, has the reference been proceeded with, has it been concluded or what progress has been made, and what is the result?

2. If not, when will it be proceeded with, and what is the cause of delay ?

3. What are the terms of the reference, if any?

4. What matters were referred?

5. Will the minister bring down the formal instrument of reference?

Hon. GEO. P. GRAHAM (Minister of Railways and Canals):

1. The government has decided on a reference. The reference has not been proceeded with.

2. It will be proceeded with as soon as the chief engineer of the Grand Trunk Pacific Railway is able to give the matter attention. The causes of delay are, that early in April the conditions were not favourable to an intelligent investigation on the ground, and latterly the chief engineer of the Grand Trunk Pacific Railway Company has been absent in British Columbia and the Northwest on other business.

Mr. J. D. TAYLOR.

3. The matters in dispute are left to the award of the chief engineer of the Transcontinental Railway Commission and of the Grand Trunk Pacific Railway Company and a third arbitrator to be chosen by them, Mr. Schreiber having been agreed upon by them and he having accepted the duty under the clause of the schedule attached to the Act of 1903, chapter 71.

4. No statement of the matters has been drawn up at present and placed before the arbitrators.

5. The minister has no objection to bring down the instrument of reference. It is as follows:

Ottawa, March 16, 1909.

Collingwood Schreiber, Esq.,
General consulting engineer to the government, Ottawa, Ont.

Dear Sir,—By clause 7 of the agreement between the government of Canada and the Grand Trunk Pacific Railway Company, dated July 29, 1903, being schedule to 3 Edward VII., chapter 71, in regard to the construction of the eastern division, it is provided that the work shall be done according to the specifications approved of by the Grand Trunk Pacific Railway Company, and shall be subject to the joint supervision, inspection and acceptance of the chief engineeer appointed by the government and the chief engineer of the railway company, and in the event of differences as to the specifications, or in case the said engineers shall differ as to the work, the questions in dispute shall be determined by the said engineers and a third arbitrator to be chosen by them.

Some such differences having arisen as a result of objections filed by the company, we hereby beg to choose you as third arbitrator for the determination of the questions now in dispute, and on which we have failed to agree after visiting the work, and shall be pleased if you are agreeable to accept the office. In the event of your acceptance, a formal submission will be prepared and handed to you later.

Yours truly,

(Sgd.) HUGH D. LUMSDEN,
Chief Engineer, Trancontinental Railway.

(Sgd.) B. B. KELLIHER,
Chief Engineer, Grand Trunk Pacific Railway.

I hereby accept the above appointment.

(Sgd.) COLLINGWOOD SCHREIBER.
Ottawa, March 22, 1909.

PATENTS FOR LANDS.

Mr. STAPLES asked:

1. In respect of sections 16, 20, 22, the west half section 28, and the northern quarter section 21, in township 28, range 31, west 1st meridian, have patents been issued for these lands? If so, to whom?

2. If patents are not issued, by whom are they occupied, and under what title?

3. Who is responsible for payment of municipal school taxes on these lands?

4. If taxes are not paid, can the lands be seized by the proper authorities for such nonpayment?

Hon. CHARLES MURPHY (for the Minister of the Interior) :

1. No, except the north east ¼ of section 21, which was patented to the Winnipeg Western Land Corporation, Limited, on the 4th November, 1902.

2. Reserved during the pleasure of the government for Doukhobor communities, village of Wozsiennie, by order in council of the 7th December, 1907.

3. The title to these lands being vested in the Crown they are not liable to taxation.

4. Answered by No. 3.

WAYS AND MEANS—THE BUDGET.

House resumed adjourned debate on the proposed motion of Mr. Fielding, that Mr. Speaker do now leave the Chair for the House to go into Committee of the Whole to consider the Ways and Means for raising the Supply to be granted to His Majesty.

Mr. M. Y. McLEAN (South Huron). In resuming this debate, I find that the discussion has been tolerably exhaustive on both sides. Consequently, it may be somewhat difficult for me to find anything novel or new to say. However, I think it is an accepted fact that no two individuals deduce exactly the same conclusions on any question, and I presume that that rule will hold good in the present instance, and that I may be enabled to say something that has not already been said. Before referring to any of the arguments or statements of our friends opposite, I wish to congratulate the Finance Minister on the very admirable and satisfactory budget deliverance which we heard on Tuesday last. I know that, in view of the falling revenue, and in view of the financial and commercial depression which has existed for some time, it was the general impression in the country that the Finance Minister would have to announce a very considerable deficit. It was also feared that he might have to announce an increase in the taxation. But we find that, instead of a deficit, there is a very substantial surplus, and that there is no increase in the taxation to be made, but, on the contrary, the government have wisely, I think, decided to decrease the expenditures and to practice the most rigid economy in order that the revenues may be sufficient to meet the requirements. It is probable that some of us may be a little disappointed because appropriations were not made for some improvements that we might consider were desirable and necessary in our several constituencies. It is probable also, that the people may be somewhat disappointed in this respect, but I am sure that, when they understand the circumstances, they will give the government credit for their good intentions. I am also sure that the country will endorse the course taken by the government in reducing the expenditure with a view to keeping it within the revenue. I must also congratulate the Minister of Finance on his determination to continue to the manufacturers of beet-root sugar the advantages that they have enjoyed for the last few years. This is an infant industry which promises to be of very great importance and value to the people of this country and this is a species of protection, if I may use that expression, which is advantageous to both consumer and producer. It is advantageous to the consumer because it supplies additional competition in the finished product and consequently enables him to purchase that product more cheaply than he otherwise could. It is of advantage to the producer or the farmer because it creates a ready market for a new and what promises to be a profitable farm product, for it has been established beyond peradventure that the sugar beet can be grown in Canada to very great perfection and at a very considerable profit. It has been established by experience thus far that it is a profitable crop for the farmer to grow. Not only that but it works in very well with other crops, and its cultivation and harvesting can be carried on at seasons of the year when other work on the farm is comparatively slack and labour is more plentiful; and as a result the root can be produced at a comparatively trifling cost. Being a profitable crop it adds in this way to the net return of the farmer and the return from the beet crop is in fact practically found money to the farmer, going to enrich him and to add to the wealth of the country.

Mr. Speaker, I shall not discuss the broad question of protection, but let me say that the claim that the farming interests of the country are benefited by imposing a high protection upon their products, more particularly upon products of which they have a surplus for export, is simply a sham and a delusion, because we all know it is an established fact, and I do not think any person will dispute it, that in the case of any product of which we have a surplus for export, the price in the local market is entirely regulated and fixed by the demand and the price at the point of consumption.

Mr. SPROULE. Then how does the hon. member account for the fact that year before last the price of wheat was higher in Canada than it was in England—

Mr. M. Y. McLEAN. It was not due to any protection on wheat.

Mr. SPROULE. —if the export price regulated the price here?

Mr. M. Y. McLEAN. There are many ways in which the government can and do benefit the farming industry, but I shall simply give one or two instances. In the first place the farming interest can be great-

ly benefited by the introduction and perfection of cold storage. It can also be benefited by improving the waterways and the railways of our country and the facilities for shipping. Such assistance as this enables the surplus products of the farmers to be laid down in the markets of consumption in the very best possible condition, in the least possible time and at the least possible cost, bringing the farmers the greatest possible profit. The government can also assist the farmer by encouraging and enabling him to cultivate new products, such as the sugar beet, which will add to his resources and to the wealth of the country. Another way of aiding the farmers which occurs to me at the moment is by the eradication of noxious weeds. I think I am safe in saying that through this cause the farmer loses one hundredfold more every year than he could possibly gain were the protective tariff made as high as it could be placed. If the government by education, by example, or in any other way can induce or aid the farmers to eradicate these noxious weeds they will render the farmers the greatest service that could be rendered. The Department of Agriculture have issued a book of immense value in which the various noxious weeds prevalent in Canada are graphically shown so that the farmers can distinguish at a glance the various weeds which are of injury to this land. The book also gives instruction as to the best method of eradicating this evil and freeing the land from weeds. I am glad to see that the Minister of Agriculture (Mr. Fisher) is in his place. I think it would be advisable to have one of these books placed in the hands of every farmer in this country. I do not know of any way in which money could be more advantageously or beneficially expended than by educating the farmer along these lines, and I am sure there is not a member on either side of this House who would not willingly send a copy of this valuable little book to each of his farmer constituents.

I am sure my hon. friend for Dauphin (Mr. Glen Campbell) will excuse me if I do not attempt to follow him in the devious wanderings of the speech which he delivered here on Friday evening last. I do not think I could do so if I would, and I would not do so if I could. But I desire to say to my hon. friend, and I say it in a spirit of the greatest kindness, that such deliverances certainly do not add to the dignity of any deliberative body, particularly to that of the parliament of this great Canada of ours. I was extremely sorry to hear that hon. gentleman make such a fierce personal attack upon the premier of Saskatchewan. I have no brief to defend that hon. gentleman; I have not the pleasure of his acquaintance. I do not know if I have ever seen him, and I am very sure

that I would not know him were I to see him, but I do know that the people in the constituency where that hon. gentleman lived for a number of years elected him as a representative to this parliament in preference to a gentleman who was in many respects one of the ablest public men in Canada. I also know that the people of the province of Saskatchewan on two different occasions conferred upon Mr. Scott the greatest political honour in their power. I think that in view of these facts it does not become any member of this House to make any accusations against this gentleman. I think the practice which is too commonly indulged in of making charges of this kind against our leading public men should not be encouraged and should certainly be deprecated.

Our friends opposite complain of the increased expenditure in this country. They say that the expenditure has been abnormally increased, that it has been nearly doubled under this present government. That is a fact, but we ought to remember this other fact, that the country has nearly doubled in that time. The Canada of to-day is an entirely different Canada from that of 12 or 15 years ago. In those days there were thousands and thousands of acres that were practically a barren waste, that were inhabited only by the Indian, the buffalo and the coyote, which, to-day, are thickly populated with industrious settlers, and these lands are pouring out their millions of bushels of golden grain each year to enrich this country of ours. Not only that, but in the country to which I have referred, hundreds and thousands of prosperous and populous towns and villages have sprung up within the last thirteen years, while thirteen years ago there was nothing to be seen on these plains for hundreds and hundreds of miles except perhaps Indian tepees. It is also a fact to be remembered that we have opened up the great Yukon territory which is represented so creditably and so well by my hon. friend Mr. Congdon. Within the last thirteen or fourteen years, probably less, an immense section of country, which then we really scarcely knew, has been brought in and has been pouring forth its millions of dollars of wealth in the shape of gold, silver, lead, &c., and in that country also hundreds of prosperous towns and villages have sprung up where before there was nothing but rock, lake, and barren wilderness. The expenditures have only kept pace with the progress and prosperity of the country. You must expect that when the country is expanding so greatly the calls upon the government will be in proportion. You have to establish postal facilities and many other things. This cannot be done without money and without price. But, the increase in

the expenditure is not a criminal offence providing we have the revenue to meet that expenditure and providing the expenditure has been fairly economical and honest. As to whether this expenditure has been honest or economical we can perhaps judge better by a comparison than in any other way. We have a government in Ontario which our good friends opposite say is honest and economical. I am not going to dispute that point because I believe it is honest and possibly fairly economical. But the expenditure under that government during the past five years has nearly doubled. I am not going to say that it has been dishonest or that the government has been recklessly extravagant because the province has enlarged. If the province has increased we must expect an additional expenditure there the same as here in the Dominion. But there is another province which I might mention and some of our friends swear by the government of that province. I refer to the government of Manitoba. They say that it is honest and economical and possibly they are right I have no figures for the province of Manitoba but I think I am correct in saying that the expenditure has a good deal more than doubled since the present government came into power. If that is the case in connection with these other governments why should this government be blamed for an increase in the expenditure. It should not be forgotten that the expenditure has increased by $1,000,000 for the purpose of assisting the provinces of the Dominion in the form of an increased indemnity. The statement has been made and repeated several times during this discussion by our friends opposite that the taxation of the people has been doubled; or possibly that is not just the way to put it, but they say that the people have been required to pay double the taxation under the present government that they did under the late government. I am quite willing to admit that is the case. But, Sir, the rate of taxation has not been increased. The rate of taxation has been very considerably lowered. If the people, by reason of their increased prosperity, are enabled to buy double the amount of taxable goods under the present government that they were able to buy under the late government, surely no person will say that it is a cause of complaint against the present government. If, by reason of the increased prosperity of the country, due to the policy of the government, to take as an example what, I dare say, has been given many times before, I am enabled, owing to the increased wages which I receive, owing to increased prosperity in my business, or in my affairs, to purchase two suits of clothes in a year and add to my other luxuries and comforts in life, instead of one suit a year, as I formerly did under the late government, surely I have reason for thankfulness and have no reason for complaint against the present government. If anything, I should have reason for complaint against those who preceded the present government and who kept me in such a position that I was only able to buy one suit of clothes.

Another complaint is that the public debt has been largely increased. We all know that that is the case but before I go on to discuss that point I want to dissent entirely from the principle which was laid down the other day by the hon. member for Argentueuil (Mr. Perley) that every generation should pay the liabilities of that particular generation and should present a clean slate to the succeeding generation. Most of this money which has caused the public debt has been expended in permanent improvements—improvements that are not only good for the present day but will be advantageous to the people of many generations after this. That being the case, why should the people of the present day be burdened in order to provide comforts and conveniences and necessities for the next two generations? If that principle were adopted and carried out it would be the means of blocking many useful and profitable enterpises. But let us see in what manner the public debt has been increased and I will just give you one instance. I could give you many. In 1896, which was the last year of the government of our friends opposite, there was an expenditure made on railways and canals of 2,699,669. In 1908 the present government expended $28,363,758. In view of these facts is it any wonder that the debt has been increased, and will any person deny that we have received value for that increase in the public debt. Why, Sir, as a result of the improvement of our water highways this country has already become the envy of our great neighbours to the south because we are carrying the trade from their doors and, to-day, trade which was formerly done through American channels is being done through Canadian channels. My hon. friend from Halton (Mr. Henderson) in the course of his very able address stated that one of the great reasons for the increase of the debt under the Conservative government was that they purchased the Northwest Territories, that the purchase price had been added to the public debt, and that it was not all yet paid for. That is quite true, but my hon. friend might have gone a little bit further and he might have told this House and the people of the country that of that territory which was purchased and paid for by the money of the people no less than 25,000,000 acres of the very best land in it was given away. And not only that, but an agreement was entered into by the government with the recipients that that land should be free

from municipal taxation for a long period of years.

Mr. BRADBURY. When the hon. gentleman states that 25,000,000 acres was given away he does not mean that there was no return obtained for that land? What was that land worth at the time the contract was made with the Canadian Pacific Railway?

Mr. M. Y. McLEAN. There certainly was a return but I think I am safe in saying that a good many multi-millionaires have been made out of that land. And I wish to say further, that if the hon. gentleman who interrupted me, or if any others of his friends on that side of the House consider that this giving away of that land was an evidence of superior foresight or superior statesmanship, then, most people will disagree with them as to the meaning of these terms. Our friends on the other side admit that we have had very prosperous times during the regime of the present government, but they claim that all this prosperity is due to the policy which they inaugurated. Well, they had 18 long years in which to work out this great policy of theirs and year after year under their policy the country became worse and worse and the condition of the people poorer and poorer. Especially during the last three or four years of the Conservative government we had scarcity of employment, low wages, and soup kitchens in every city; we had depression in its worst form and the movement of population was from this country to the United States instead of the reverse of that as at present. In these days of the Conservative government we were losing the best blood of our country, our promising young men were leaving for the United States and we were building up the wealth and the population of a foreign nation.

Mr. ARMSTRONG. Would the hon. gentleman be good enough to tell us what legislation the present government has placed upon the Statute-books which has brought about this prosperity he speaks of?

Mr. M. Y. McLEAN. Yes, I will tell the hon. gentleman that this government has used the legislation that is on the Statute-books to such better advantage than the Conservative government as to bring about these results. And further, there have been many changes made in the tariff which have tended to the better and more progressive conditions which obtain to-day. Now, during the last nine or ten years work has been abundant, wages have been high, business has been prosperous, the country has been booming. I think, and I believe the people of this country think, that if that policy can be carried out so much more to the interests of the people by the present government than by the previous government they would be foolish indeed to make any change in their rulers. In view of these facts which I have related and many more that I could relate, is it surprising that the people of Canada have expressed their entire satisfaction with the government and with the manner in which they have administered public affairs, not only once but twice—and they will do it a third time I believe when they have the opportunity.

I want to turn aside a little from the beaten path to say a few words on a subject which was not referred to in the admirable address of the Minister of Finance, and which I should have liked to have heard mentioned by him. I believe it is the duty of this parliament and of the government to do everything legitimately within their power to suppress, or to smash if you will, all trade combines and trusts in this country. I know of no more expeditious or more efficient way of doing this than by hewing a good big gap out of the tariff wall which surrounds them so as to permit of a liberal influx of outside or foreign competition. It may be said that this has been provided for already, and that is true to a limited extent, but only to a limited extent. We have been provided with the machine, but the motive power to operate the machine has been withheld. There is a clause in the Customs Act which says that when it is proven to the satisfaction of some legal tribunal that a combine exists, the government have the power to reduce or to entirely remove the customs duties on the products of any such combine. But the duty of hunting up evidence and of conducting the prosecution is left to a private individual. I maintain that parliament, at the instance of the government of course, having enacted the tariff law, it is their duty to protect the public from all abuses which may arise under that law. While the exactions of these combines or trusts are very large in the aggregate, they are comparatively small to the individual, and hence it is not worth the while of the individual to go to the expense of seeking evidence and conducting a prosecution against them. The result is that the combines are allowed to go on from day to day, growing in strength and power, and, if I might be allowed to use the expression, in impudence. As an illustration, I am just as sure as I am standing here at this moment that a combine exists among the paper manufacturers of this country. You may apply to a dozen different paper manufacturers and you will get precisely the same quotation from each; you will receive from any one only such advantages or privileges as others will grant; you have to pay your money and take what you get, good or bad, and be thankful for it. I have seen the statement made, and not refuted, that the paper manu-

facturers of this country are selling paper in the United States at a lower price than they are selling it at to their customers in this country. I am also informed on excellent authority that you can import paper, what is known as news print, from Chicago laid down in Toronto, plus the freight and the duty, at just about the same price that you have to pay to the manufacturers of this country, showing that the whole of the duty goes into the pockets of the manufacturers instead of any portion of it going into the treasury of the country. Now, although I am perfectly convinced of this, and although the exactions of this so-called combine are very large in the aggregate, yet it is not worth my while, for all it amounts to me, to search for the evidence and conduct a prosecution in order to prove the existence of that combine. What I say is that this law should be treated just as are other laws—the customs law and the excise law, for example. Officers should be appointed under the government whose duty it would be to ascertain where any combine existed and look up the evidence and conduct the prosecution. If a man attempts to bring foreign goods into this country, though it may be only a silk handkerchief, without paying duty, he is met at the frontier by a customs officer; his goods are confiscated, and possibly he is fined and punished. The same is true with regard to the excise law, and properly so. This is necessary in order to protect the revenue of this country. But surely it is as important to protect the interests of the great consuming masses of this country as it is to protect the public revenues. I use the case of the paper manufacturers, not as implying that theirs is the only combination that exists in this country, because I believe there are many such. I use this case as an illustration simply because I am more acquainted with that line of business than any other.

It has been said that we could take advantage of the Criminal Code in order to stamp out these combinations in trade. Well, that has been tried in this country in three or four instances, and I am sorry to say that it has proved a disappointment, a miserable failure, largely because of the apparent indifference of the legal authorities and the long delays that are possible under the law. I may also say that there is a very strong feeling in the minds of a great many people that the springs of justice are tempered with very great mercy towards these combines.

In conclusion, I wish, as a friend and supporter of this government, to urge them with all the earnestness that I can command, to take this matter in hand, and at once; and if the remedy I suggest is not the best remedy, then let them apply what may in their wisdom be considered the best remedy in order to stamp out this evil; because every day these combines are allowed to continue they are growing in strength and influence. We have had an example of that in the neighbouring republic, where the combination have grown so strong that they really master the people and set parliament and the governmnet at defiance, and even the courts are afraid to touch them very strongly. If such a state of things should every unfortunately occur in this country, God help the people of the country. Again I urge upon my friends to use their utmost endeavours to free the people of this country from the tentacles of such an octupus as these combines.

Mr. J. E. ARMSTRONG (East Lambton). Mr. Speaker, I have listened with a good deal of interest to the speech of the hon. member for South Huron (Mr. McLean), which is a severe criticism of several of the departments of the government. I can heartily endorse what he says with regard to the combines; and if these combines exist in this country, it is certainly up to the government to take some definite action with regard to them. The hon. member gave us a great many excuses for the enormous expenditure of this country; but he did not tell us of some expenditures which have been going on in his own riding under his very nose and encouraged by him, such as the expenditure on a wharf at a place called St. Joseph's, where the whole town was sold last year for $700 of taxes.

Mr. M. Y. McLEAN. I have had nothing to do with that expenditure. It has been supported by every representative of that constituency, including the late representative.

Mr. ARMSTRONG. I am glad to hear the hon. member say that he has had nothing to do with the expenditure on that wharf; but why did he allow the government to go on spending money there year after year, even within the last year, since he has been a member of this House? If he will turn up 'Hansard', he will find that the Minister of Public Works, in reply to questions I asked, distinctly stated the amounts of money expended on that wharf during the last few years. I know that the previous representative of that riding condemned the expenditure on St. Joseph's wharf.

Mr. M. Y. McLEAN. There has been no expenditure authorized since I became member. There was some expenditure authorized shortly before that, and any work done since has been to complete.

Mr. ARMSTRONG. The hon. gentleman has just substantiated the statement which I made. He says that the government have

been spending money there merely to complete the work started years ago. I do not want to go into details, but the hon. gentleman knows that the original contract was practically closed and the wharf partly swept away.

Mr. M. Y. McLEAN. I saw the wharf last year and not a foot of it was swept away. There is not a more substantial, better constructed work in Canada.

Mr. ARMSTRONG. If the hon. gentleman only saw the wharf last year, he does not know the portion swept away. I have visited that wharf myself and have seen portions scattered down along the shores of Lake Huron. The hon. member knows well that large parts of the wharf were swept away.

Mr. M. Y. McLEAN. I do not.

Mr. ARMSTRONG. Some years back. If he is satisfied with this work at a cost of $20,000 of the people's money, he is prepared to support this government in anything they may do. Let me call his attention to another wharf, a wharf built at the corner of his own riding, at Grand Bend That wharf cost $25,000, and has to be kept continually in repairs. Years ago, the government thought they had completed it, but they built it on top of the sand, and the waters of Lake Huron undermined it, and the government have been spending hundreds and thousands of dollars to repair the top part.

Mr. M. Y. McLEAN. There never was $100,000 spent on that wharf altogether.

Mr. ARMSTRONG. I stated hundreds and thousands of dollars. When the hon. gentleman is aware of matters going on right under his very nose, and when we find him coming here prepared to stand up for any expenditure in his own riding, I cannot but think that he is prepared to back the government through thick and thin.

I do not intend to take up more time with the remarks of the hon. gentleman except to say that the method in which he attacked the Minister of Agriculture (Mr. Fisher) in connection with the different branches of his department is a severe condemnation of that department. But be that as it may, what I am particularly interested in is to call the attention of the government to our present position with regard to Germany. That position is deserving our most serious consideration. The mismanagement of the present government has been the means of driving us out of the second best market in the world, and has placed us in the humiliating position of being unable to get our goods into that market. The only market we have for the products of the farm, to any great extent, is the British.

And the British markets are open to every country in the world on the very same footing. Let us look for a moment at the German market and see whether it is worthy our consideration. True, we are sending out large quantities of grain and food products to Great Britain, but where else can we send them? We cannot send them to Russia or the United States, because both these countries are large exporters of food products. The only place where we can dispose of our surplus is Great Britain under present circumstances. The population of Germany in 1907 was 62,000,000, whereas in 1850 it was only 35,000,000. Only $500,000 worth of agricultural products went into Germany from the Dominion in 1908, according to the statement given by the Minister of Customs in the last few days, while millions went into Germany from other countries. The total imports to Germany were over $2,000,000,000, and the total food products imported into Germany amounted to over $1.000,000,000. Yet of the latter, only $500,000 came from Canada.

The imports of Great Britain amounted to $3,138,626,598, and her total exports $2,000,000,000. You can judge then whether Germany is worthy of being traded with.

Germany imported $56,000,000 of horses and other animals. Canada did not send one of these. I wonder if my hon. friends from the western provinces, who are deeply interested in raising all kinds of cattle, are not interested in that $56,000,000 worth of animals going to Germany?

Germany imported of barley 96,000,000 bushels last year, valued at $56,000,000. What about the eastern provinces of this country? Take Ontario, one of the best barley producing provinces in the Dominion. We cannot get our barley into the United States on account of the American tariff. I find that Germany imported 96,000,000 bushels of barley, and paid for it $57,000,000, and all that Canada sent was $625 worth.

Of oats, the Germans imported 41,700,000 bushels, value $18,000,000, and all that Canada sent of that quantity was $1,894. Surely that is of some interest to the farmer?

Of rye, 25,000,000 bushels went into Germany last year, for which they paid $18,000,000, and not a bushel came from Canada.

Wheat, surely our men in the west at least are interested in the wheat that goes to Germany. 73,000,000 bushels of wheat went into Germany last year and they paid $67,000,000 for it, and not one bushel went from Canada. Total those few important exports into Germany up, and what do you find? You find 236,000,000 bushels of grain valued at $216,000,000. Canada got in $2,619. Now, we come to the item of apples.

Our people in the province of Ontario are deeply interested in the apple industry. Two years ago, it was estimated, Ontario produced 18,000,000 barrels of apples. If you add the production in British Columbia and other provinces, it will be seen that we produced easily 20,000,000 barrels. Of these, we exported only 1,500,000 barrels, leaving about 18,500,000 barrels in the Dominion. Suppose we ate and destroyed 8,500,000 barrels, there would be still 10,000,000 barrels left for export. Now, the British market can only consume something like 2,500,000 barrels. Germany is a greater consumer of apples than Great Britain. Is it not natural for our men who are producing apples in large quantities to be anxious to get into the German market? A few years ago, we sent them over $400,000 worth of apples. But the German surtax was placed on the apple industry, and the effect was that last year we sent to Germany only $82 worth of apples—eighty-two dollars worth sent into the best apple market in the world, not only the best for green apples, but the best for dried and evaporated apples. When I see men rise in their places in this House, as I have in the last few weeks, to ask this government to give back to the men who are evaporating this fruit a portion of the surtax they have to pay to get into Germany, and when I find men pleading with this government for the removal of the surtax, I cannot but believe that it is high time that this subject should be investigated. The United States sent into Germany 28,000,000 pounds of evaporated apples, for which they received $2,400,000, also 123,000 barrels of green apples, for which they received $620,000, an average of over $5 a barrel. The total quantity of apples imported into Germany was 2,839,000 barrels. Multiply that by five and you have over $14,000,000. Surely that is of some interest to the farmers who are interested in raising apples. Germany's total imports of agricultural products amounted to over $300,000,000 last year, that is of such products as we produce in this country, for I am not talking about the products such as other countries send into Germany, but of the staple products of Canadian farms. We got in, as I have stated, about $500,000 worth. We must recognize the fact that Canada is mainly an agricultural country. In spite of our great developmeent of trade, in spite of our railways and our other trade institutions, the fact is that they all depend on the farmer—it is the man behind the plough, who to-day is building up our trade, our manufactures and our railroads. We ought to realize this, and, instead of confining our farmers to one market, the market of Great Britain, we ought to seek access to every market in the world on the same footing as any other nation.

Now, let us consider Germany's business with other countries. When you consider that Canada is exporting to Germany only $1,900,000 worth of goods, one would naturally infer that other countries cannot be sending in such very large amounts. But take the case of even some of the smaller countries. Australia sent Germany in 1907, $42,000,000 worth of goods. Let me run over the figures of some of these countries:

Imports by Germany from various countries, 1907:

Australia	$ 42,075,000
British East Indies	106,040,000
South Africa	11,016,000
Brazil	47,000,000
Argentine Republic and Patagonia	106,200,000
Chili	34,000,000
United States	316,600,000
Great Britain	234,300,000
Canada	1,959,891

Surely this is sufficient to call attention to the fact that Canada's trade with Germany is a mere bagatelle, and that it is time we took a greater interest in our affairs in that connection and investigated this matter more fully.

Now, consider our exports of farm products to Germany in some detail. These figures are taken from the Trade and Navigation returns:

Canadian farm products exported to Germany, 1907:

Cheese	$ 3
Barley	625
Oats	1,894
Apples	82
Flour of wheat	1,742
Wheat, the product of Canada	None.
Wheat, not the product of Canada	248,000
Rye, hay, peas, flax, butter, horses, cattle, swine, sheep, beef, ham, mutton, bacon, poultry	None.

So you can go through the whole list and see the position in which our great industry is in the second best consuming market of the world and practically the only market to which we could send our products outside of Great Britain. We cannot emphasize our position too strongly nor too strongly urge upon the government the necessity of investigating this matter and trying to get together with Germany with a view to having our products enter that market under the most favourable auspices. Now, let us consider what this $1,900,000 worth of exports from Canada to Germany was made up of. In the first place, there was about $500,000 worth of farm products, including grease and grease scraps, dried apples, clover seed and bran. Farm implements represented about $774,000, and sewing machines, organs and numerous little things such as hair oil and chewing gum make up the balance. But what about the Canadian farmer? Look

at the position in which he is in regard to the export of his products to the markets of the world. Great Britain is our best market. We may be glad and proud that we are sending such an enormous amount to Great Britain. But, if we had not Great Britain, where should we send these goods? As I have already said, you cannot send them to the United States or to Russia. You may send a little to Japan and China, but you have to educate the people there to consume the products we produce in this country before you can export to them in any great quantity. Now, take the British market and see the position we are in. I have here figures showing the total imports into Britain and the position that Canada occupies in that market in relation to all the other countries of the world that export to the same market.

Products.	Imports into Great Britain.	Canada's Exports to Great Britain.	Canada's Exports to all other Countries.
Wheat	97,000,000 cwt.	47,000,000 bus.	1,619 bus.
Wheat flour	$33,000,000	$ 7,625,685	$ 31,879
Oats	10,485,290 cwt.	6,337,455 bus.	831,498 bus.
Pease	1,245,670 cwt.	550,015 bus.	$ 118,609
Hay	97,424 tons.	33,911 tons.	
Apples	2,521,179 brls.	1,490,311 brls.	
Cheese	$35,000,000	$22,886,671	$ 35,109

It must be remembered that all other countries have like privileges on the British market.

Mr. PATERSON. One is struck with the enormous quantity of products that Great Britain has taken from us and the very small proportion of our exports that went to Germany. Yet if I understand the hon. gentleman his position is that we are to withdraw the preference from that country which is taking 60 per cent of our great agricultural productions in order to conciliate Germany which imports $2,000,000,000 worth and put us upon its maximum tariff because we gave the preference to Great Britain. Does the hon. member want the British preference repealed?

Mr. ARMSTRONG. This is an old question, a hardy annual; you can expect it every year. I asked the hon. minister a question. Does he not realize that we are practically compelled to send the goods that we send to Great Britain there because we cannot send them anywhere else? Can we send them to the United States, a country that exported $250,000,000 worth of just such products as we are exporting to Great Britain? Can we send them to Russia?

Mr. PATERSON. The hon. member asks me a question, I answer yes. He says we have sent 60 per cent to Great Britain. There is 40 per cent more of that market, we can work on that.

Mr. ARMSTRONG. If the hon. gentleman will look back a few years, he will find that we were sending these goods there long before he took the office he now holds.

Mr. PATERSON. Not in such quantities.

Mr. ARMSTRONG. If the hon. gentleman remembers his own statements he will recall that he said distinctly on the platforms of this country that he was going to give to the people of Canada the market to the south of us, a market of 85,000,000. He told us he was going to open up the markets of the world to the farmers of Canada. Has he done it? No, he has done the opposite, he has practically sealed the second best market in the world and now he is hiding behind the preference. I would like him to tell the people of one advantage that the preference has been to the farmers or people of Canada. The hon. member for Red Deer (Mr. M. Clark) stated the other day that the preference was a far-sighted policy, as regards the development of Canada, in that it affords us access into the best market of the world, the British market for our ever-increasing agricultural products. He knows full well that we have access into the British market on exactly the same footing as any other nation.

Mr. PATERSON. Better.

Mr. ARMSTRONG. The hon. gentleman last session tried to make us believe that the Canadian farmer was receiving more for the product of his farm on the British market because of the preference. I defy him now and have defied him time and again to show where the British consumer pays one cent more for the products of Canada than he pays for the products of Australia, New Zealand, Russia or any other country. The hon. gentleman knows full well that the preference does not bring us

back one penny in increased value of the products of the farm.

Mr. PATERSON. I hope the hon. gentleman does not assume that I am assenting to that?

Mr. ARMSTRONG. He knows that by granting the preference to Great Britain he has driven us out of the German market and where are we going to be in a few years' time? The late member for Lisgar stated that the little province of Manitoba, with 73,000 square miles, was capable of producing 500,000,000 bushels of grain. When the other two provinces of Alberta and Saskatchewan with 250,000 square miles of land come to produce 500,000,000 bushels where are you going to send it? How much is Great Britain taking? How is her consumption increasing? If you examine the figures for the last five years you will find that her consumption is diminishing. That may seem a strange statement but hon. gentlemen will find that it is true. Instead of the consumption in the British market of the products of the farms of the Dominion of Canada increasing it is decreasing. Great Britain only takes 93,000,000 cwts. of wheat from all countries. Where will we be with the markets of the world closed to us as they will be? I would ask the minister how we are going to get rid of our products? The Minister of Customs knows full well that if we continue in the blundering mismanagement of our treaties and our trade relations with some of these countries, we will be placed in one of the most humiliating positions you can imagine any nation to be in. The hon. minister says we have 60 per cent of the British market now, what better do you want, why do you not get the other 40 per cent? The hon. gentleman knows that if the Argentine Republic which sent $106,000,000 worth of farm products to Germany last year could sell these goods on the British market to greater advantage than on the German market she would send them to Britain. When the minister argues that having control of 60 per cent of any market we should go on and get control of 100 per cent before getting into any other market, I claim that he is not fair to the Canadian producer. The hon. gentleman knows that the ships that are going out carrying the products of Great Britain to these foreign lands must bring back loads and he may depend on it that the goods which they bring back from foreign countris are sold on the British market in competition with our goods and that you cannot, it is not reasonable to expect to get 90 per cent of any market.

Mr. PATERSON. When the hon. member quoted the German returns he gave the quantities and values of grain; had he figured out how much per bushel these different grains would bring?

Mr. ARMSTRONG. I have not reduced it to prices per bushel. I was most careful in gathering these statistics to have them accurate. I spent some time with the Deputy Minister of Trade and Commerce, and I am indebted to him for a great deal of assistance in compiling them.

Mr. PATERSON. In making a mental calculation as the hon. member proceeded, it appeared to me that the barley, for instance, would bring about 40 cents a bushel laid down in Germany. That would not be considered a large price to the Canadian, after he had paid the freight and the duty, and so the German market would not appear to be a valuable one for him. I would like to know what it would be worth a bushel.

Mr. ARMSTRONG. It would be worth more than forty cents a bushel.

Mr. PATERSON. About that.

Mr. ARMSTRONG. I have not figured the price per bushel.

Mr. PATERSON. Would it be any bonanza for the farmer to sell his barley for forty cents a bushel, pay his freight across the ocean and pay the duty to get into the German market? Can he not do better than that?

Mr. ARMSTRONG. That is a very poor argument for the hon. gentleman to advance.

Mr. PATERSON. No, I think it is a good one. I want to know what the value of the market is.

Mr. ARMSTRONG. Germany is a large consumer of barley. She imported 96,000,000 bushels of barley and paid for it $67,000,000. Does the hon. gentleman seem to think that it was a good argument to say that we should not have access to the German market? He says that barley is forty cents a bushel. I have seen the time, when, on the farms of Ontario, we were glad enough to get forty cents a bushel.

Mr. PATERSON. But that is less the freight——

Mr. ARMSTRONG. That cannot amount to very much.

Mr. PATERSON——and the minimum tariff.

Mr. ARMSTRONG. Do I understand from the Minister of Customs that he is not anxious that we should get into the German market at all?

Mr. PATERSON. I want to know what the value of it is, to see if it is worth our while to sacrifice the British preference for it.

Mr. ARMSTRONG. I have tried to show the Minister of Customs that Germany imported $56,000,000 worth of horses, 96,000,000 bushels of barley, 41,000,000 bushels of oats, 25,000,000 bushels of rye, 73,000,000 bushels of wheat, and I might go on down through the list. The trouble in gathering these figures is that they are given in kilos, marks and pesos; so that it requires a great deal of figuring to ascertain quantities and values. I have chosen a number of the most prominent products of the farm and I am trying to show that Germany imported last year over $300,000,000 worth of agricultural products, such as we are producing, and that we were only able to get into the German market $500,000 worth owing to the mismanagement of our trade relations with Germany by the present government.

Mr. PATERSON. My hon. friend has not demonstrated that we have done anything that excludes us from that market.

Mr. ARMSTRONG. The Minister of Customs knows full well what he has done. No man knows better, and I venture to say that if the minister investigates these figures he will satisfy himself that it is time we opened up our trade relations with Germany.

Mr. PATERSON. What did we do to Germany?

Mr. ARMSTRONG. There are a number of new members in this House and I have no objection to stating what the hon. gentleman did do to Germany. I will tell it in just as few words as I can. We were a favoured nation in the eyes of Germany in 1896. Our goods were going into Germany under the most favoured nation clause, or under the lowest possible tariff. The government came into power and in the first budget that he brought down the Finance Minister granted a preference to Great Britain of 12½ per cent. When that 12½ per cent preference was granted Sir Charles Tupper rose and stated distinctly that they would have to include Germany in the treaty. The Finance Minister rather poohpoohed that proposition. But before a year elapsed we found him asking Great Britain to denounce the treaty between Great Britain and Germany. Great Britain did denounce the treaty between Great Britain and Germany as it then was as far as Canada was concerned, but Great Britain took mighty good care to see that she looked after herself and all the other colonies, because I want to tell you that Great Britain and all the other colonies are to-day sending their goods into Germany under the most favoured nation clause, while Canada not only has the maximum tariff against her to-day, but she has the surtax placed on top of it. What else did these hon. gentlemen do? In 1898 they increased the preference to 25 per cent. Germany said: If that is the way Canada is going to treat us, if he is going to slap us in the face, we will put her under the maximum tariff. The result is that to-day Canada comes under the maximum tariff. In 1900 this government raised the preference to Great Britain to 33⅓ per cent. Germany said: They are determined to still slap us in the face and we will place the surtax upon Canadian goods coming into our country. Germany placed upon her statute-book a provision for the collection of the surtax, but she did not apply that surtax until one or two years afterwards and then this government applied the surtax to German goods coming into this country. The agricultural products that were going into Germany from Canada continued to go into Germany under the favoured nation clause until the last year or two, and it is only quite recently to some of these products that Germany has applied the surtax. There is the whole position, and yet hon. gentlemen opposite will tell us that the British preference that they granted to Great Britain has been the means of giving to the farmers of this country a wonderful advantage. I have not the time to go into the question to-day, but the hon. gentleman knows full well that a large portion of the goods coming into this country under the British preference comes through the middlemen to Great Britain, and that these goods are the product of foreign countries. No one knows that better than the minister himself. I would like to show the position that this government occupies with regard to the preferential tariff, but I have not the time. I want to impress upon this House the importance of getting into the German market with the products of the farms of this country, and the sooner we get in there the better it will be for the Dominion. You can depend upon it that it will take years to develop a market in Germany even after we get in there. If you look into the figures relating to the products that other countries are sending into Germany you cannot help but feel humiliated to find that Canada is sending so little.

Mr. BLAIN. The Minister of Customs interrupted my hon. friend from East Lambton by saying that the 96,000,000 bushels of barley imported by Germany were valued at only forty cents a bushel.

Mr. PATERSON. Well, roughly.

Mr. BLAIN. If my hon. friend will make the calculation he will find that this barley was valued at sixty cents a bushel instead of forty cents. That makes a considerable difference.

Mr. PATERSON. At sixty cents a bushel for Canadian barley, paying freight across the ocean and paying the minimum duty in Germany, will the hon. gentleman tell me

how much that will bring you? Will it bring 35 cents a bushel net?

Mr. ARMSTRONG. That is similar to the statement made by the minister a short time ago. He then said it was forty cents a bushel, and now he admits that it was sixty cents a bushel.

Mr. PATERSON. You agreed with that.

Mr. ARMSTRONG. I could not stop to figure it out.

Mr. PATERSON. Neither could I.

Mr. ARMSTRONG. Germany imports the products of the farm in large quantities, and the freight on the goods from Canada to Germany could not exceed a very few cents per bushel. We were examining the figures with respect to British trade and we were trying to find out what it is that she is importing from other countries, because we are looked upon as supplying such a large portion of the British trade that other countries are not likely to get much in there. Total imports of Great Britain from and total exports of Great Britain to the following countries:

Total imports.

From Canada	£ 28,029,461
" Australia	33,836,353
" New Zealand	17,783,729
" Argentine Republic	26,479,724
" United States	133,683,631

Total exports.

To Canada	£10,220,973
" Australia	27,146,803
" New Zealand	9,441,908
" Argentine Republic	18,294,492
" United States	58,052,574

The Minister of Customs is fond of telling us of the wonderful expansion of Canadian trade in comparison with the trade of other nations, but the figures I am able to give show that unfortunately we are not making equal commercial progress with some other countries. The following tables will show the total imports and exports of the countries therein named

Total imports and exports, 1907.

Imports—	
Argentine	$ 285,860,683
Australia	252,137,295
New Zealand	84,207,256
United States	1,194,341,792
Canada	370,786,525
Exports—	
Argentine	$ 296,204,369
Australia	354,411,335
New Zealand	97,668,924
United States	1,860,773,346
Canada	280,006,606

It will be noticed that in the case of these countries the balance is on the right side of the ledger, but in the case of Canada the balance of trade against us amounts to $118,000,000, and the balance of trade against us with the United States alone is $100,000,000. Permit me to refer briefly again to our trade relations with Germany, and it is for that purpose principally that I have risen to speak. I would point the Minister of Customs to the fact that the deplorable condition of our trade relations with Germany is not only bad enough in itself, but that it has had such an effect on immigration from that country to Canada that we get scarcely any German settlers, although they are probably the best citizens a country like ours could possibly have. The Argentine republic is giving large grants of land to German settlers, and the United States is eagerly seeking immigration from the Fatherland, but the Canadian government is spending hundreds of thousands of dollars to get inferior settlers from southern Europe and there is no effort to induce the German people to come here. When I look at the money we are spending to extend our trade with other countries, and the deplorable commercial relations existing between Germany and Canada, I cannot help but feeling humiliated. This government is spending $200,000 now to encourage trade relations with France when they must know that mighty little of our wheat or our oats or our barley or the products of the farm will ever get into that country. We are subsidizing steamers to Mexico on the east coast and the west coast; we are endeavouring to cultivate a trade with Japan and China where we must first educate the people to consume our products, but Germany one of the best customers in the world for our natural products is without a Canadian trade representative. We have trade representatives in China and Japan but we have no representative in Germany, nor have we one in the United States to which we are sending $100,000,000 worth of goods. I ask the Minister of Customs to take this matter into his serious consideration and to see to it that in the near future his government will endeavour to come to some satisfactory understanding with Germany. Look at the example of the United States which last year sent a commission to Germany the members of which were fêted and feasted throughout the empire, and came back with a satisfactory basis for a commercial arrangement between the two nations. But, in Canada, when I rise in this House to call attention to our unsatisfactory relations with Germany, we have the Minister of Finance calling me unpatriotic, and the Minister of Agriculture denouncing Armstrong for attempting to make such statements. I believe, Sir, that when we find this government so self-satisfied and so ready to sacrifice our trade relations with the German empire it is time for some one to wake them up to a true sense of their responsibility in this matter. For thirteen years has this condition

been existing; how much longer is the irritation going to last? The tariff war which this government has been waging for the last 13 years has been most damaging to our trade and at this eleventh hour I appeal to the government to put an end to it. In conclusion I urge upon the government the necessity in the near future, of bringing about some satisfactory understanding with Germany which will be beneficial to the agriculturists and the manufacturers of Canada.

Mr. ALEXANDER B. WARBURTON (Queens, Prince Edward Island). Mr. Speaker; even though the debate on the budget has been continued for some considerable time, I think its importance justifies every member of this House in expressing his views on the financial and industrial condition of the country. As a new member of this House and one who takes an earnest interest in the prosperity of Canada, I should not feel satisfied with myself were I to allow this debate to end without letting my views be known in as brief a form as possible. In conjunction with other members of the House who hold the same political views as I do, I have the utmost pleasure in congratulating the Minister of Finance on the financial statement which he has been able to present. We have become so used to the announcement of surpluses by the present Minister of Finance that I hardly know how we would feel were he compelled to make a budget speech declaring a deficit. But from our long and intimate knowledge of the business and financial ability of the hon. gentlemen we do not look to see any such misfortune attend the country while he remains in office. But I suppose it will be unreasonable to expect all members of this House to take the same view of this matter. That would indicate a tendency towards perfection, and I am not sure that we are yet ripe for that.

The hon. gentleman who last spoke waxed warm over the advantages of the German market. I suppose we all agree that it would be desirable to get access to that market on fair and honourable terms; but I think hon. members on both sides of this House will also agree that unless we can trade with the German people on fair and honourable terms, we are not going to be coerced into taking down our walls while they shake the whip over us. The German government undertook to dictate to Canada the position she should take in regard to the British preference. They practically told us that if we dared to give a preference to the old motherland which we did not also give to Germany, Germany would punish us; and she at once put us under her maximum tariff. I frankly say that much as I would like to see the German trade with Canada restored, I would not, as one member of this House, consent to the surtax being withdrawn so long as Germany continues her present attitude towards this cuontry. I look on Canada as a great and growing nation that should maintain her dignity in her dealings with Germany or any other nation. What does the hon. member want to do? We know the result he aims at; we would like to have the same result ourselves; but does he wish us to knuckle down to Germany, to take our licking lying down?

Mr. ARMSTRONG. Is there no other way?

Mr. WARBURTON. It would appear that there is no other way. I was not brought up in that school of politics. My people and their people before them belonged to the old Liberal school; we have always been willing to make friends where perhaps we had not friends before; and I do not wish to depart from that principle. But I hope never to see the day when I shall consent to get any advantage for my country by dragging her honour in the dust. The market of Germany may have been lost to our farmers temporarily; I do not believe that it is permanently lost. The German people, I believe, possess a fair amount of common sense. I believe the mercantile community of Germany and the people of Germany generally are possessed of much more common sense than their rulers; and I have seen it stated in the press in different times in recent years that the mercantile community of Germany are getting together in regard to the falling off in their trade with Canada, feeling that it was an unwise action on the part of Germany to enter into a tariff war with this country. It was not Canada that began that tariff war, but Germany; and so long as Germany continues that war, so long I think should the surtax continue. I think that is a matter that will cure itself. It appears to me that there is a certain amount of inconsistency on the part of the hon. gentleman and his friends in the strong grounds they take on this question. His friends applauded what he said, and therefore I presume they entirely agreed with him. This is a tariff war, they tell us, and report has had it lately that we are threatened with another kind of war with Germany. I have not seen any indications on either side of this House of a disposition to lie down and take a licking from Germany. Our hon. friends of the opposition are loyal and patriotic, and they were going to do great things in a physical war with Germany if the occasion arose, and I would be heartily with them. They were prepared to throw Dreadnoughts costing millions of dollars into the fray, if neces-

sary they would shake the red rag before the eyes of the German bull. Yet when Germany threatened what was supposed to be a small and helpless colony with a tariff war, these hon. gentlemen say that Canada should not resent that, but should give way.

Mr. ARMSTRONG. Mr. Speaker, I must correct the hon. gentleman when he says that I suggested that Canada should give way or anything of that kind. The hon. gentleman knows full well that he is telling something that is not true.

Some hon. MEMBERS. Order.

Mr. WARBURTON. I am quite prepared to accept the correction of the hon. member; but I do not think it is quite in order for him to tell me that I am making statements which I know are not true. If I have not correctly understood the hon. gentleman, it is due to my ignorance of the English language.

Mr. ARMSTRONG. I rise to a point of order. I have distinctly said tha the hon. gentleman's statement with regard to me is an untrue statement, and he should withdraw it.

Mr. WARBURTON. The hon. gentleman said that the statement which I made was untrue. If I have made an untrue statemen, I will withdraw it with pleasure. I would be very sorry to make an untrue statement with regard to the hon. member or any one else. But the meaning I drew from his remark was, I venture to say, the meaning drawn from it by many other hon. members. If I was mistaken why were the Minister of Customs and the government generally asked repeatedly to get busy and come to some arrangement with the German government in this matter?

Mr. ARMSTRONG. Is there any harm in that?

Mr. WARBURTON. I do not say there is any harm in that; but the inference to be drawn from that suggestion, in view of the stand taken by Germany, is, in my mind at least, that we have to go to Germany, which has been threatening and trying to bulldoze us, and say: Here we are, prepared to take back water if you will let us get into your market.

Mr. PATERSON. And do away with the preference.

Mr. WARBURTON. Yes. The hon. member did not answer the question whether or not he was willing to do away with the preference—because I take it that must be in his mind, otherwise what would be the use of going to Germany and asking her to remove the maximum tariff against Canada? The reason Germany adopted a hostile tariff against Canada was because we enacted the preference.

At six o'clock, House took recess.

After Recess.

House resumed at eight o'clock.

Mr. WARBURTON. At six o'clock I was discussing the question of our trade relations with Germany; and in that connection it seemed to me that the ground taken by the hon. gentleman who last addressed the House (Mr. Armstrong) was not consistent with the position taken by the financial expert of the Conservative party (Mr. Foster). In his speech on the budget the other evening, the hon. member for North Toronto (Mr. Foster), referring to the position taken by the United States in its negotiations with foreign powers, pointed out that it always avoided entangling alliances, so that it was always in a position, in dealing with any foreign country, to deal with that country alone regardless of others. For instance, in negotiating with Spain, the United States had only to look to what was beneficial between Spain and the United States. Going on in that strain, the hon. member for North Toronto spoke as follows:

I am decidedly of opinion that the old method of most favoured nation treaties is entangling and embarrassing, and that it is constantly leading us into difficulties. With our largely increasing trade in Canada, I believe we cannot go on any longer without very carefully considering and making up our minds on this matter. There is another reason why I would plead with the government to hold its hand for at least a time in making these arrangements with different foreign countries. I am one of the men who believes that if we can get a proper arrangement between ourselves and Great Britain and the British empire, that there is an opening field for the richest, the best, and the most secure trade in the world. I look over this great British empire and I find that there is no variety of climate which it does not possess, there is no possible thing that grows which is not grown in more or less abundance within the borders of the empire. It is in that respect absolutely self-contained with reference to powers of production and facilities for trade.

I feel very much inclined to agree with the hon. member for North Toronto in the remarks I have just read, but these remarks do not appear consistent with the argument made by the last speaker (Mr. Armstrong). If the principle laid down by the hon. member for North Toronto (Mr. Foster) holds good, that hon. gentleman would be opposed to our entering into negotiations with any other country for the establishment of special trade relations. I commend these very pregnant remarks of the hon. member for North Toronto (Mr.

Foster) to the consideration of my hon. friends in the opposition, because if those remarks are pondered, and pondered carefully, they will be found to run counter to a good many that have fallen from the last speaker (Mr. Armstrong), and others who think with him.

I listened with a great deal of interest, and a certain amount of amusement, to the speech made by the hon. member for Dauphin the other evening (Mr. Glen Campbell). That hon. gentleman is a genial and pleasant speaker to whom we always like to listen, but it did appear to me that, in some of his remarks, he did what I am sure my hon. friend, who is a manly man, will on reflection regret having done. He struck below the belt. He spoke of bouquets having been given hon. gentlemen who had been taking part in late election campaigns in widely separated parts of this country. Bouquets were put on their desks to welcome them on their return from these elections, but, he said, there were none laid on the desk of the Minister of Mines (Mr. Templeman) when he took his seat. True, there was no bouquet laid on his desk when he took his seat, nor was any sent to him, when he lost his election in Victoria, but I would far rather be in the position of the Minister of Mines (Mr. Templeman), when he went down to defeat like a man in Victoria, than be in the position of the victor in that contest, who won it by the means he did. The hon. minister will, I hope, pardon my referring to him for a moment or two, and I do so because I think that the references made to him the other evening were not those which should be made to a gallant opponent who went down in unfair fight, as the hon. minister did. It is not necessary to revive the discussion which has already taken place in this House regarding the methods employed in order to secure the defeat of the Minister of Inland Revenue (Mr. Templeman) in Victoria. And I wish to say emphatically that the remarks I am about to make are not intended to apply to any member of this House. But I do say that outside of this House, there seems to be some sort of conspiracy on the part of the worst elements of the Conservative party to bring that party into disrepute, and I feel sure that the leaders of that party, and every hon. member belonging to it in this House, personally regrets that sort of conduct. Nevertheless, such conduct has prevailed and continues to prevail; and no doubt some one or other, acting in the supposed interests of the Conservative party, resorted not only to the ordinary means of political warfare in order to bring about the defeat of the minister, but went further and added criminality to these methods. And I do say that when hon. gentlemen criticise the Minister of Mines (Mr. Templeman) because he lost his seat, I do not think they are acting a manly part. If they had seen fit to attack any other hon. gentlemen who had come to grief in the last election, and who came to grief in fair fight, there would be something to justify their remarks, but I am quite sure there was nothing to justify them in the case of the Minister of Mines. That hon. minister nailed his colours to the mast. When he went into that fight in Victoria, he knew that he was going into a very difficult one because of the strong feeling which had been worked up over the Asiatic question ; and when he gave his adhesion to the policy which this government had adopted, he knew that he was likely on that account to alienate a lot of votes. But he went into the contest, knowing he had that handicap against him, and if he went down, he went down like a man.

A good many hon. gentlemen have spoken on the balance of trade. I should have thought that the balance of trade question had been pretty well threshed out in this House and in this country on many a previous occasion, and even that it had been pretty well threshed out during the present discussion. I certainly do not propose to go into the merits of the balance of trade theory, because I think those who have preceded me have done that quite as fully as there is any occasion for. But when I hear hon. members talking of this terrible thing, this balance of trade against us of $118,000,000 or thereabouts, and of the evil effects it must have upon the welfare of Canada, I cannot but ask myself how it is that almost every nation of which we have knowledge which has a balance of trade against it is a prosperous nation, and almost every nation which has a favourable balance of trade is not a prosperous nation. If my memory serves me well, Russia is a country with the balance of trade decidedly in her favour. On the other hand, Great Britain, as we all know, for many years—I do not remember how many—has had the balance of trade enormously against her. Canada has usually had the balance of trade against her; but can any man look around this Dominion to-day and not be compelled to admit that Canada is going on prospering and to prosper? Never in her history has Canada been in a more prosperous state than to-day. In every part of the Dominion from the small province from which I come, the other maritime provinces, the central provinces of Ontario and Quebec, the great west and the Pacific coast, the Canadian people are better off than they have ever been before. How can we reconcile this prosperity, which is evident on every side, with the opinions of our theoretical friends that an adverse balance of trade is ruinous ? It seems to me that in calculating the balance of trade our friends of the other side overlook a great deal. I

am not aware that in making up the balance of trade in personal and other effects any part of the $70,000,000 or more of wealth brought into this country from the United States by the immigrants that are pouring into Canada, is taken into the calculation. I am not aware that large sums in cash brought in by the immigrants coming into Canada are counted in making up the balance of trade. I am not aware that the most valuable asset of all, the men and women who come into the country, have been calculated in making up this balance. Again, if this unfavourable balance of trade is such a terrible thing, and if it is so bad as hon. members tell us and that the duties are all against the Canadian farmer and in favour of the United States farmer—and, of course, it is quite possible these hon. gentlemen may be right—how is it that thousands and tens of thousands of farmers in that tax-blessed land are shaking the dust of their own country from their feet and are coming across to dwell in the Northwest of Canada seeking for homes where the taxes are not so great and, light as they are, according to our friends opposite are very much less favourable to the farmer than are those of the United States?

I listened with considerable curiosity—I think that is the word that best describes my feeling—to the hon. member for Vancouver (Mr. Cowan) who spoke in reply to the hon. member or Nanaimo (Mr. Ralph Smith). He said that at some meeting which he addressed, and which had been referred to by the hon. member for Nanaimo, he had grown reminiscent. I thought we might all grow reminiscent in a case such as that brought before the House by these two hon. members. Judging from the hon. member's remarks there is what looks to me like a conspiracy of the worst elements of the Conservative party to bring the members of this House belonging to that fine old party into disrepute. We find that the hon. member for Vancouver has been the victim of that awful typographical error microbe which seems to be spreading far and wide amongst the Conservative constituencies and people. The hon. member (Mr. Cowan) waxed bold at the conclusion of his speech and threw out challenges to the members of the government, to the right hon. Prime Minister (Sir Wilfrid Laurier) and to every member of the government. These challenges were far flung like 'Kipling's 'far flung battle line,' and seemed to take in every member who professes to be a follower of the right hon. gentleman who is now Prime Minister of Canada. It struck me that challenges of this kind do not indicate prudence or wisdom on the part of the person who issues them. I fought my own way and carried a constituency along with my hon. friend (Mr. Prowse), and I think I could do it again. But I had enough trouble in that campaign to cause me not to flash challenges round and to keep out of the fight until, by the effluxion of time, I have to go into it again. And I fancy my hon. friend who is looking at me (Mr. Staples) feels as I do. I do not think it an evidence of wisdom on the part of any hon. member to throw these challenges loosely around. I have said that the hon. member for Vancouver (Mr. Cowan) grew reminiscent. I should like to be allowed to be reminiscent too. I had not the honour of a seat in the last parliament, but I occasionally sat in the gallery and listened to the discussions that took place on the floor. I remember that in the last parliament there were two members sitting on the opposition side who seemed to be very fond of throwing out challenges. I am satisfied that hon. members who sat in the last parliament will remember hearing these challenges. They were thrown out to the Prime Minister, to every minister in his cabinet, and to every man who took up arms in behalf of this terrible government. I must say that no one seemed to regard them very seriously. An hon. member whom I may call a knight errant of politics went into that warfare from which those of us who are now in the House returned victorious while some fell in the melee. This hon. gentleman (Mr. Chew) had never had a seat in this House, but he went out to test his prowess in the riding of East Simcoe against a member of the last parliament who had issued these challenges and about whom I do not wish to say anything more than that he is no longer here. In the province of New Brunswick, there was another gentleman who often threw out challenges and talked in very loud tones of voice about the members of the government side of the House. But a friend of mine, a gentleman in the medical profession, a very clever and able man, who had not had a seat in parliament before, applied, I presume, to the political life some of the arts he had learned in the management of our physical bodies, and the hon. gentleman who had been heard so often giving forth his challenges died the death, politically. The honourable and learned member (Mr. McAllister) who succeeded him seems to have added the duties of undertaker to those of the politician, for he buried the gentleman below a cairn of some 350 of a majority. So, Mr. Speaker, I think you will agree with me that challenges of this kind are not wisely made.

The hon. member for Argenteuil (Mr. Perley) spoke on financial matters fully and clearly, and I think very well, although I did not agree with all he had to say. He asked us if we knew where the surpluses came from, and said that if these surpluses had not been taken from the pockets of the people the money would still be in their pockets. I do not always agree with him, but in that case I do, that is unless the money was spent for some other purpose.

The money certainly came out of the pockets of the people, that is a self-evident fact. Does the hon. member object to surpluses? Does he wish the government to go on year in and year out, having no surplus, going into debt for whatever permanent works they may have to erect? Then again we were told that we have £23,400,000 falling due between January 1, 1904, and October 1, 1913. The hon. member then presented a table of colonial stocks in order to show how Canada was falling away. He compared the depreciation of our stocks and those of other nations in the markets of the world. He compared the Canadian three-per cents, which I understood him to say sell at 93½, with the stocks of the Australasian colonies, including New Zealand, and said that New Zealand stocks had advanced from 85 in 1906 to 87 in 1908, while those of the other Australian dependencies had advanced in a similar manner. They were all still some five, six or seven points behind Canadian bonds. Canada, it seems, had lost about 3½ points but still maintained a good lead. That argument was used to show how the credit of Canada was being depreciated owing to the action of the present government when borrowing money and the way in which they carry on the financial affairs of this country. It seems to me the hon. member missed the strongest and most evident lesson that was to be learned from his own figures. That was that these great sister nations of ours out on the southern seas had not yet attained that standard of money value, that high degree of credit, which they ought long ago to have reached. There would seem to me to be no inherent reason why any of the states of Australia or the Dominion of New Zealand should not be able to dispose of its bonds at as high a rate as Canadian bonds are sold at. We all believe that these bonds are safe. Any man investing in Australian bonds would feel that he would get his money back and as a permanent investment he would get a high rate of interest for the bonds which he bought at a low price. So the lesson I took from the hon. gentleman's figures was that Canada having long ago attained the reputation of having gilt-edged securities, standing at the top, among the great countries whose bonds were valued highly and were sought after, is still first, while there of course would be fluctuations in the value of bonds these other countries, whose bonds should be as good as ours, are still away behind and are approaching our standard but slowly. At the present rate it is difficult to tell how long it will take them to catch up to us.

I wish to illustrate the argument used by the case of New Zealand without taking up time to deal with the other states in the southern world. The argument was that owing to the way in which the Finance Minister of Canada had placed various loans, short and long, upon the market, and his poor judgment in issuing them in such a way that we had loans clashing, maturing close together, Canada's credit was bound to suffer. As an illustration it was stated that we had £23,400,000 sterling falling due between January, 1904, and October, 1913. He cited the case of New Zealand, whose bonds were going up very slowly, but still had increased showing, as he said, that they were improving financially while we were falling back. Some three or four weeks ago at the time of the discussion in this House on the granting of naval assistance to Great Britain, I pointed out that in my opinion New Zealand, in her offer of a Dreadnought to Great Britain with promise of another if required, was being generous before being just, in other words she was undertaking to make large presents, away up in the millions, when she ought to be paying her debts. I looked up the position of New Zealand and find that in 1908 she had a net debt of £63,524,961, that is over $300,000,000, a net debt as large as that of Canada. I found also that the ordinary revenue for New Zealand for the year 1907-8 was £8,766,343, and the territorial revenue £250,000, a total of £9,000,000, or about $45,000,000, a little more than one-half the revenue of Canada. Her population, according to the census of 1906, and including the Maoris, amounted to less than 1,000,000, the figures in the Statistical Year-book being 989,555. That means that New Zealand, which was held up to us as a country which was going forward and increasing the value of its bonds, has a net debt of $345 per head for every man, woman and child, including the Maoris, while Canada has a net debt per head of about $45. When I see a country like New Zealand, wonderfully rich in natural resources, going behind in this way, I cease to wonder that her bonds have not attained the position they should have attained. I shall quote from the official year-book of New Zealand for 1908 the position in which that country stands:

> The net public debt, after deducting the accrued sinking fund (£2,928,936) was on March 31, 1908, £63,524,961, an increase of £2,248,419, during the year. About seven years revenue, ordinary and territorial at the present rate would thus be required to pay off the net debt.

Three and a half years' revenue, or perhaps less, would pay off the net debt of Canada. I think you will agree with me, Mr. Speaker, that it is utterly absurd to compare New Zealand, or these other countries of the eastern world, with Canada. I do not desire to weary the House by referring to the statistics in regard to other countries. I think this is enough. Then the report goes on to say:

> The net indebtedness per head of population (excluding the Maoris) in March, 1890, stood at £60 5s. 3d.; in 1895, £57 9s. 9d.; in 1900,

£61 17s. 3d.; in 1905, £66 7s. 4d.; and in 1908, £67 15s. 1d.

And by the time they have begun to issue bonds and to borrow money for these two Dreadnoughts the indebtedness will be another £4 per head. It is preposterous to compare the workings and the financial operations in a country like that with those which have been carried on here. But let us go farther. I wish to read this because I want to point out the position in which New Zealand stands in regard to the time at which the different loans mature. During nine years we will have £23,500,000 worth of loans maturing, but New Zealand is easily first in the matter of loans maturing in a limited time. We find in the same report that:

The large sum of £29,150,302 will fall due on November 1, 1929; £9,580,674 on January 1, 1940, and £9,659,980 on April 1, 1945, making £48,390,956 of the debt repayable during or subsequent to the financial year 1929-30.

I am not going to weary you with longer quotations from this report or with references to these eastern countries. It does seem to me that if you compare the public credit and the market values of bonds issued by Canada with the quotations that have taken place in the market for the bonds of those countries which have been referred to you will agree with me that our Canadian bonds stand immeasurably higher than they have ever stood or can stand for many a year.

The hon. member for North Toronto (Mr. Foster), speaking the other evening said, referring to the debt per capita, that:

The vital point is what you take out of the individual citizen for all purposes. If my hon. friend had taken up that branch of the argument, he would have shown a different state of things. Whereas in 1896 we took from the people in taxes $5.46 per capita, last year my honourable friend took $11 per capita. That is a vital point.

I would like to ask the hon. member for North Toronto if it is possible for him and his friends to turn their eyes forward instead of backward, to try and forget the financial slough of despond in which Canada was submerged in the last years of their rule. When the present government came into power they removed the shackles which bound the enterprise of our people and prosperity began. The trade of the country and the revenue increased by leaps and bounds, and the people who were about to go away remained at home and those who had gone began to come back. We all remember the exodus that there used to be from different parts of eastern Canada to the United States and, if my memory serves me aright, there were very few people then returning from that country to Canada. But that has all been changed and we have now people coming into this country at different points. A vigorous and wise immigration policy was inaugurated with the result that our prairie lands are being filled up and there are 40 per cent more people in Canada to-day than there were in 1896, all of whom assist in paying this taxation which is looked upon as a crushing one. My hon. friend from North Toronto must bear in mind that neither under this government or under any government were all the taxes levied upon the people paid into the Canadian exchequer, but I do believe that a far larger proportion of the taxes are being paid into the exchequer now than at the time when his government were in power. Owing to the financial policy in vogue then it was believed, and rightly believed, that a very large proportion of the goods that we require in this country were made here and charged for while the government of Canada got no benefit.

Mr. BLAIN. Would my hon. friend explain how it comes that the best sale of bonds ever made in the history of Canada was made a year after this government came into power?

Mr. WARBURTON. The hon. gentleman is asking me a question that, I think, has been explained before. The reason is that in the money markets of the world at that time money was cheap and there was no difficulty in floating first-class bonds. Money was much cheaper then than it is now. The same remark applies to more than bonds. A farmer who wanted to borrow money on mortgage on his farm four or five years ago could borrow it at a cheaper rate of interest than he can obtain to-day. I happen to know something about this because I do some business for loan companies. Within a couple of years they have increased their rate of interest even on gilt-edged farm land mortgage loans. I cannot explain what the causes were which led to cheap money in 1896, but we do know that money was cheaper in all the money markets of the world at that time. What the cause was I leave to financiers to explain I have no doubt the time will come when money will again be cheap. But, to revert to what I was saying, times have improved in this country and the people have become better off. It does not require a great array of figures to prove that the people were better off than they were thirteen years ago. If you drive along the roads or walk along the streets you can see it for yourselves. They live better, dress better, and they buy more, with the natural result that the revenue has increased. There is nothing very extraordinary about that. The trade of the country has doubled, and if the trade of the country has doubled there must be larger receipts coming into the treasury. The people that were turning their faces to

the south and crossing to the United States are not doing that now. They are finding their way back and helping to make up the revenues.

Some few evenings ago the hon. member for Brantford (Mr. Harris) made a very excellent speech in this House in which he referred to a very excellent article in the Ottawa 'Citizen' of that day. The 'Citizen' the next morning, in referring to that, published another article which was also a very excellent article, but the key-note—I might also call it the text—which ran through the whole of the article was to let the dead past bury its dead, that it was not well to keep up this reference to old financial times or to compare the book-keeping of to-day with the book-keeping under a former government. For some years past the opposition have apparently been trying to get clear of the dead past, but so long as they have as their financial expert—and I have not a word to say against him—a gentleman who in all probability would be Minister of Finance should the Conservatives ever get to power during his political career, how can they bury the dead past? Is not the whole official utterance of our Conservative friends on the fiscal policy simply and solely a voice from the dead past? I was going to call it a moan from the whited sepulchre of Conservative finance.

Now, Mr. Speaker, I wish to refer briefly to the policy of granting bounties, and I would say right here and now that so far as I am individually concerned I am no great lover of bounties. But I love bounties more than I love high protection, and I can very well recognize that there may be occasions when the application of bounties, like the application of the knife in surgery, or of a mustard poultice may do good. I do not believe in the principle of granting bounties as a general thing, nor do I believe in the principle of protection either, although of course we must have revenue to carry on the affairs of the country, and so a revenue tariff is an absolute necessity. I have, however, noticed that industries which get bounties would very much prefer to get protection instead of bounties, and in that light I am led to have a preference for bounties over high protection. I think the fact is undisputed that when duties are levied the manufacturer may in turn levy on his purchasers to the extent that the duty will allow him to do so before outside competition comes in, but when the manufacturer gets a bounty then the moment he goes beyond the bounty outside competitors come in it and keep the price down for those who buy his wares, and so of the two evils I prefer the bounty system to high protection. We have heard a good deal of argument with regard to the system of bookkeeping followed by the Dominion, and possibly the system may be an

antiquated system of keeping our accounts, but the difficulty is that if you do change the system you render it difficult to make comparisons between the present and the past condition of public affairs. Let me say in conclusion that I listened to the budget speech of the Minister of Finance with satisfaction and pleasure. I knew that the times were hard, and I was simply surprised that the Minister of Finance had been able to add another to the long list of surpluses which had become a sort of habit with him since he has assumed office.

Mr. J. W. MADDIN (South Cape Breton). Mr. Speaker, during this debate I have been struck by the many laboured efforts of hon. gentlemen on the other side of the House to point out the great difference which they allege to exist between the tariff as it is and the national policy of the Conservative party. It seemed to me that the object of speaker after speaker on the government benches was chiefly to say something uncomplimentary of the hon. member for North Toronto (Mr. Foster), and it was quite evident that too many of these gentlemen opposite were inclined to regard the speech of the hon. member (Mr. Foster) from a pessimistic point of view. The hon. gentleman from Red Deer (Mr. Clark) treated the House to a quotation from one of the Scotch poets, and I will venture to offer him a couplet which he and others of his political friends may take into consideration:

> The world's a very funny place where each man plays his role,
> The optimist looks at the doughnut; the pessimist sees but the hole.

And if hon. gentlemen on the government side put on their optimistic glasses when they are dealing with the speech of the hon. member for North Toronto they will see a good deal more than they do now. I wonder if, after all, there is such a great difference between the present tariff and that which the Liberal party found when they came into power in 1896.? We know that prior to 1896 the Liberal party were in the habit of decrying protection from Vancouver to Halifax and Charlottetown, and threatening to destroy it root and branch. Amongst the industries which it was said had fattened at the expense of the toiling masses of the country were such concerns as Frost and Wood and Massey-Harris; yet the Prime Minister was not so very long in power until he found places in the Senate for the Hon. Melvin Jones and the Hon. Frank Frost, so that these agricultural implement industries might have their interests well guarded in the parliament of Canada. This may to some extent account for the fact that during the past thirteen years the government with its tariff for revenue only has seen fit to reduce the

tariff on farm implements by only 2½ per cent. The hon. member for Red Deer was not quite content to confine himself to observations on the budget, but thought it well to step aside from the issue before the House to cast animadversions upon the people of Nova Scotia. I quote from the hon. gentleman:

I should always wish to recollect that Nova Scotia is inhabited by a race of men who are reputed to keep the Sabbath and everything else they can lay their hands on.

The hon. member for Digby (Mr. Jameson), who followed the member for Red Deer, censured him for these remarks, and the hon. member for Red Deer informed the hon. member for Digby that he was not quoting him properly. The hon. member for Red Deer said:

If my hon. friend will pardon me, I said they were descended from a race of men who had that reputation.

Which is entirely different from what 'Hansard' credited him with, having actually said. However, later on the hon. member for Digby was followed by the hon. member for Nanaimo (Mr. Ralph Smith), who informed the hon. member for Digby that the hon. member for Red Deer was only in fun, that it was only a joke, only a little jovial way we had. Well, I have only this to say, that the hon. member for Red Deer did not say that he was only joking; and if the hon. member for Nanaimo is his apologist and says that it was only a joke, I can assure him that the people of Nova Scotia are not to be joked with in that light. I put it to the hon. members from Nova Scotia on both sides of the House whether they can tolerate aspersions of that kind upon the people of that province.

Mr. McKENZIE. We do not mind it worth a cent.

Mr. MADDIN. I suppose not. I wish to say, with regard to the remark of the hon. member from Red Deer, that the people of Nova Scotia do keep the Sabbath; they also observe the Golden Rule, and that teaches them to deal properly with other things that come into their hands, and I can assure the hon. member for Red Deer, for whom I have a high regard, that it is in no Pecksniffian spirit that I resent the aspersion which he has cast upon the people of my native province. The hon. member for Red Deer, shortly after he had uttered this aspersion against the people of the province of Nova Scotia, spoke about the national policy in these words:

I fail to see how protection ever works in any other way, and I fail to see that its outlook ever entitles it to the high-sounding name of national policy. Show me where it is a national policy in its operation as between the various classes of a country. It is constantly happening in the high protectionist countries of the world, that goods are sold in enormous quantities more cheaply abroad than they are in the country in which they are produced. A well informed American, intimately acquainted with the iron trade, told me the other day that in Pittsburg, in the month of January, 1908, steel rails were sold to the American people in pursuance of a national policy at $28 a ton, and on the same date were sold in Middlesborough on the north east coast of England for $19.50 a ton. Now, if it be a national policy to rob your own people in order to sell cheaply to foreigners, with the incidental advantage of building up a few millionaires in your country, then a policy of high protection is a national policy, but otherwise it is not.

Mr. M. CLARK. Will the hon. member permit me to say that my information referred to 1906, instead of 1908?

Mr. MADDIN. So far as the principle is concerned, the particular year matters not. I wish to point out to the hon. gentleman that the national policy of the Liberal-Conservative party was not a policy of high protection. The Liberal-Conservatives never advocated a policy of high protection; they advocated a policy of adequate protection for Canadian industries, which does not necessarily mean high protection. On the contrary, it may mean a very low tariff, according to the commodity to be safeguarded. The hon. gentleman need not have cited the particular instance of steel rails to bear out the argument he offered to the House; for butter, cheese and flour all cost more where they are produced than in the market to which they are exported. In an inquiry before a board of conciliation in this country, English miners testified that they paid four cents a pound more for Canadian cheese in Nova Scotia than they could buy it for in England, and Five Roses flour, a household flour manufactured in the province of Ontario, can be intercepted in the town of North Sydney, en route to Newfoundland, and sold there at fifty cents per barrel less than the largest firms in the county of Cape Breton can bring it there for. I would like also to point out that beef produced in the province of Ontario and sent to the county of Cape Breton in cold storage can be bought cheaper there than it can be in the city of Ottawa. So the hon. gentleman need not have gone so far afield for an illustration. But his illustration does not bear out his argument. The same thing is proved true in the countries that enjoy free trade. The prices are governed by the conditions surrounding production, and it cannot be argued that it is because of a protective policy that manufactured articles are sold at higher figures where they are manufactured than in the markets to which they are exported. Some hon. gentlemen have endeavoured to impress on the House, and I

presume on the country that the policy of the Liberal party differs a great deal from that of the Liberal-Conservative party when they were in power, and I have no doubt, if one were to follow the arguments of some hon. gentlemen opposite to their logical conclusion, that free trade is the goal to which they look forward. I would, however, ask hon. gentlemen from the western provinces and hon. gentlemen from the province of Ontario, on what articles do they consider that the tariff between 1878 and 1896 was very high and whether or not the tariff existing at the present time is not as high as was the tariff of those years. There is nothing in a name, and no one will fail to recognize in the policy being pursued by the Liberal party at the present time the old national policy of Sir John A. Macdonald and Sir Charles Tupper.

One phase of the budget about which I have not heard much during this discussion is the question of coal. The hon. Finance Minister, in his budget speech, steered clear of that question altogether; but previous to coming into power in 1896, the Liberal party, including the hon. Finance Minister, the right hon. leader of the government, and many gentlemen who support these hon. gentlemen to-day, were very anxious about the coal industry of the country, and professed to be the great friends of the coal miners and the coal industry of Nova Scotia. At the first session after the Liberal party came into power in 1896, Mr. Tisdale, on behalf of Sir Charles Hibbert Tupper, asked the following question;

Mr. TISDALE (for Sir Charles Hibbert Tupper) asked:

1. Did the First Minister receive a telegram reading as follow:

Pictou, June 18, 1896.

Honourable Wilfrid Laurier, Mtl.

Conservative misrepresentations render it extremely important assurance should be given that coal interests would be guarded. Answer.

(Sgd.) E. M. MACDONALD.

And the Prime Minister replied as follows:

Black Lake, Que.

E. M. Macdonald,
Pictou

Policy to be followed as laid down in Liberal platform adopted at Ottawa convention. Coal interests will be carefully guarded.

(Sgd.) WILFRID LAURIER.

If these telegrams were sent and received, will the Prime Minister now definitely explain what is meant by the sentence 'Coal interests will be carefully guarded?'

The Prime Minister (Mr. Laurier) received a telegram identical with the telegram now quoted, he sent an answer identical with the answer now quoted and the Prime Minister now definitely explains that what was meant by the sentence, 'Coal interests will be carefully guarded' was that at the proper time, coal interests would be guarded carefully.

This explanation of the right hon. the leader of the government was significant at the time and is significant now. I would like to draw the attention of the House to the fact that for the last two years the coal industry in Nova Scotia has been suffering substantially. During those two years the Montreal market has been encroached on by the American coal operators to the extent of 664,000 tons of coal altogether namely, 90,000 tons of coal dust, 400,000 tons of bituminous and 174,000 tons of anthracite coal. That was in the year 1908. In that year there were 664,000 tons more American coal entering the St. Lawrence than in the year 1906. I quote these figures to show the inroads that American coal are making on the St. Lawrence trade to the detriment of Canadian coal, and I do so in order that the right hon. the Prime Minister may take the opportunity to carefully guard our coal interests because the time has really come when they need guarding. The coal business in Nova Scotia during this past winter has waxed exceeding dull. I would like to point out that the Prime Minister was not the only one to exhibit some anxiety regarding that industry. In 1897, when the hon. the Finance Minister (Mr. Fielding) was called from the premiership in Nova Scotia to take up the higher and more onerous position in the federal House which he now occupies, the hon. G. H. Murray was chosen to replace him. The first thing Mr. Murray did was to go to the country in 1897. During that election, the issue was whether or not the government of Nova Scotia should adopt such tactics and bring such influences to bear on the federal government having a friend at court in the person of the finance minister as would insure proper protection to the coal industry of Nova Scotia. The hon. member for Pictou (Mr. Macdonald), who was a candidate at that election, endeavoured to convince the people, as did Mr. Murray himself, that if the duty on bituminous coal, which had been imposed by the Conservative party in 1896, was not sufficient, the Liberal government at Ottawa would place a duty on anthracite coal as well. And in 1898, the hon. member for Pictou (Mr. Macdonald) after carrying the county, was making a speech in the local House in reply to the address, and from that speech I wish to quote a few remarks:

Some of our friends, that are members of the opposition, may be inclined to say that because we take that position that means we have adopted the Conservative policy. I propose to show the fallacy of that contention. What was the position of the Conservative party upon this question? They claimed to be the special conservators of the coal industry of this country; they claimed to be giving it great protection; they claimed, Sir, that the bread and butter of the operatives

of the coal mines in this country depended upon their remaining in power, and you would believe that a government considering protection to be such a good thing would have lavished all the wealth of their protectionist policy upon this one industry. We find them doing nothing of the kind. We find that in dealing with the coal industry of this country they were not giving a protective tariff. We find, taking the total imports of articles used in the prosecution of that industry that the average of the duty imposed by the late government was less than ten per cent. What title could they have from their standpoint to be called the conservators of the industry of this country? Their policy of a revenue tariff in this particular instance was not a protective policy in any degree. Considering the attitude of the American people I say that if the late government had wished to lay any claim to the title of protectors of the coal industry they should have imposed a duty on anthracite coal. They should not have allowed $4,000,000 worth of American coal to be imported into Canada every year free of duty when the people in Ohio who sent it were those in the congress of the United States, which said: 'We should press Canada all we can.'

That was the attitude of the hon. member for Pictou (Mr. Macdonald) in the Nova Scotia legislature in 1898. He said that in order for the Conservative party to be in a position to claim the credit of having been the conservators of the coal trade of Nova Scotia, they should have imposed a duty on anthracite as well as bituminous coal, and he pointed out the deplorable condition existing, under which $4,000,000 worth of American coal had gone into Ontario free of duty. Well, in the last fiscal year $20,000,000 actually went into that province from the United States, and the encroachment made in the Montreal market previously controlled absolutely by Nova Scotia, has been increased to the extent of over 600,000 tons, which means the winter's work of many of the miners in Nova Scotia and Cape Breton. And this is taking place under the American tariff which discriminates against our coal to the extent of seven cents per ton. Under article 415 of the United States tariff, the duty against our coal is 67 cents per ton of 28 bushels of 80 pounds each, or 67 cents per long ton of 2,240 pounds, as compared with our tariff of 53 cents per ton of 2,000 pounds. That amounts to a discrimination of seven cents per ton in favour of American coal against Canadian coal. This may not look very much, but when it is borne in mind that, in competing for contracts in the Canadian market, a matter of one cent or two cents or three cents, where the contract is for several hundred thousand tons, may turn the scale, it will be seen what advantage it would be to have our tariff remedied so as to do away with that discrimination.

I was struck with the lack of unanimity which has characterized the remarks of hon. gentlemen opposite in dealing with that coal question. We all remember the observations of the hon. member for Cape Breton and North Victoria (Mr. McKenzie) in this House on the 22nd inst. These observations, I endorse in every particular. But I was also struck with the remarks of the hon. member for Nanaimo (Mr. Ralph Smith). Nothing short of free coal would satisfy the hon. gentleman. It appears to me therefore that unanimity among the rank and file of the government followers on the coal question is singularly lacking. It may be interesting to hon. gentlemen however to learn that the hon. member for Cape Breton Mr. McKenzie) had addressed himself to this question on a previous occasion. Speaking in the legislature of Nova Scotia in 1901, in moving the reply to a speech from the Throne, he used the following language:

Our fisheries, our coal mines, and our manufactures of iron and steel, are perhaps matters which receive the largest amount of attention in the province of Nova Scotia. It is gratifying to know that the coal industry of the province is to-day on a better footing than it ever was before, and when I talk about the coal industry I talk about something that comes very near home to myself, for I represent a county that has a larger coal industry within its bounds perhaps than any other county in Canada—certainly than any other county in Nova Scotia. We have in the county of Cape Breton the Dominion Coal Company. We used to have there the General Mining Association, which has now changed its name, although the property is still there and is worked by another company —the Nova Scotia Steel Company—which is well and favourably known in connection with other works apart from its works in the county of Cape Breton. When the Dominion Coal Company came into Cape Breton seven years ago, the whole output of coal in the island, including what was mined and shipped by the General Mining Association, together with every other mine then in operation in Cape Breton, was 800,000 tons. This was considered a very large and great output at that time. When we consider that this was the output seven years ago, and that in this year now current, we have the fullest assurances from Mr. Donkin, the manager of the Dominion Coal Company, that the output of that company alone will be 3,000,000 tons, we have evidence of prosperity, which is perhaps, unprecedented in any part of the Dominion, and the government of this province is to be congratulated indeed upon the successful result of its policy in respect to the coal mining industry.

Further on the hon. gentleman said:

It is not for me to say to-day whether or not duties should be levied on coal, but I will say this, that I am willing to stand by anything that is necessary to protect the coal industry or any other industry in Nova Scotia, and if duties are necessary for the protection of the coal industry in Nova Scotia, let us have duties. But I say this, and I do not say it on my own authority, but on the authority of those concerned in the business

—that as far as the coal industry of Nova Scotia is concerned, it is independent of duties of any kind. The coal production of the Dominion Coal Company will be more than consumed by the works at Sydney, and by the works at Everett in Massachusetts, and it will take all the time of the other companies to supply other markets. I do not want to be misunderstood—I am in favour of duties upon coal, and of bounties upon iron, and of anything and everything that is considered to be necessary for the protection of every industry now established or hereafter to be established in the province of Nova Scotia or in the Dominion. But I have been assured by those deeply concerned in the business that the coal business of Nova Scotia is absolutely independent of the result of duties. This is the state of the coal industry in Cape Breton, and I am sure there it like prosperity in every other part of the province.

The result of this enterprise has been that the people engaged in this coal industry, and whose living depends upon it are happy and prosperous. It has been a fact that in the past, for four months, and perhaps five and six months in the year, the people of Cape Breton who depended on the coal industry for their livelihood were idle and that the wages of the other six months were eaten up by getting goods on credit, and that in that way they were continuously in debt and unable to have a dollar in their pockets. But to-day the conditions are changed, and these men can obtain employment continuously throughout the year, and one sometimes hears the complaint from a man that he does not get a moment of rest. That is a complaint, however, with which we can have no sympathy.

Now, these are some observations from hon. gentlemen opposite in speaking about the coal question. And, in view of the observations of the hon. member for Cape Breton and Victoria (Mr. McKenzie) in the legislature of Nova Scotia, it does seem to me it might well be difficult for the Minister of Finance to know what to do under the circumstances. The coal industry in Nova Scotia has had a hard time of it during the last two or three years, and particularly during the last year. The capability of the coal operators to compete with American coal, of course, depends on the cost of production in the province of Nova Scotia, and I wish to point out to the members of the House that the responsibility for the cost of production in Nova Scotia rests in large measure with the local government of that province, for, during the regime as premier of the province of the present Minister of Finance (Mr. Fielding) and during more recent years under the present administration headed by the Hon. Geo. H. Murray in that province, the manner in which the coal leases are dealt with and handed out in that province has gone a long way to hamper the cheap production of coal. The railway charters have also cut no unimportant figure in the province in that matter. In the county of Inverness, in 1887, Hon. Geo. H. Murray, now Premier of Nova Scotia, who was not then even in the legislature, but merely a private citizen, along with some other gentlemen, secured a charter to build a railway from the Strait of Canso up through Port Hood, Mabour and by St. Rose and Margaree to Cheticamp. That covers the section of which I wish to speak, though it was to proceed further and eventually join the Intercolonial near Grand Narrows. This charter called for the building of the line in five years. The gentlemen who had secured the charter had the charter renewed from time to time, and eventually it was handed over to Messrs. Mackenzie and Mann. These gentlemen had secured coal areas in Inverness, and these they proceeded to develop and they built the railway as far as their own mines. It is a fact that there are large and valuable coal areas north of the town of Inverness which are undeveloped, this lack of development being due solely to the fact that Messrs. Mackenzie and Mann have not completed the railway for which a charter was granted in 1887. As I have said, they completed the railway up to their own mines. But from time to time they found the government of Nova Scotia so plastic as to assure them of the renewal of the charter, and the county council of Inverness so plastic and pliable as to renew their free right of way through Inverness. The Nova Scotia Collieries Company hold coal areas at St. Rose, three or four miles from Margaree. They have two or three valuable seams of coal, six, seven and nine feet in thickness, which they are unable to develope for want of railway facilities. Messrs. Mackenzie and Mann are not disposed to complete this road for the benefit of one of their competitors, yet the Nova Scotia government has allowed this charter to be renewed from time to time at the behest of these gentlemen and to the prejudice of the development of valuable coal areas in Nova Scotia. There is another feature in the cost of production of coal in Nova Scotia, and that is the manner in which the coal leases in that province are dealt with. There are no less than 148 coal leases in Nova Scotia held by speculators. We must all admit, and it must be apparent to hon. gentlemen whether acquainted with the coal trade or not, that coal, in order to be cheaply produced, must be taken from somewhere near the surface, that if coal is produced at a great distance from the surface the cost of production is necessarily increased. In the county of Cape Breton, the Dominion Coal Company is the only company in a position to produce coal at a reasonably low cost. The Nova Scotia Steel and Coal Company, on the other side of the harbour, is producing coal in a number of instances from a dis-

tance of a mile and a half or a mile and three-quarters from the foot of their shaft. Only last July, in company with the chairman of the Civil Service Commission, Professor Adam Shortt, I had an opportunity to go down the Queen pit shaft of the Sydney mines, which is on the shore near Cranberry Head, and is sunk to a depth of 800 feet. We travelled 2,460 yards to a tool house or station where the miners' lamps are tested and they get their tools to proceed to their work. This will give some idea of the cost of mining coal to that company. When it is borne in mind that this company were obliged to drive through crushes in order to win the coal at even this great distance, one can form a still further idea of the cost of production. The company cannot develop the areas to the south because they are bounded by the Dominion Coal Company, or to the north because these areas are held by private individuals and concerns that are not developing.

Let us leave that county for a moment and go up to the county of Pictou. There the two principal producing concerns are the Acadia Coal Mining Company and the Intercolonial Coal Mining Company. Both these companies are circumscribed in their operations and the result is that their slopes have been sunk to a depth now of over 7,000 feet and the great output of coal comes from a distance of over a mile from the surface. When we remember that driving for such a distance the roof and pavement becomes bad and a great amount of unskilled labour is required to keep up air ways, timber and ventilating, we can form some idea of the cost of producing coal there. This condition exists notwithstanding the fact that there are over 140 coal leases in Nova Scotia tied up in the hands of non-producing speculators. We are givn to understand that the coal in that province is vested in the Crown and may be mined on payment of a royalty of so much a ton, but still this large number of leases have found their way into the possession of speculators. The member for Cape Breton North and Victoria (Mr. McKenzie), in his observations before the local legislature in 1901, was very proud to point out that in past years the miners of the county of Cape Breton were obliged for four and even five or six months of the year to go without employment, and that their earnings during the months they worked were sometimes eaten up, and they were obliged to go into debt in some instances in the four or six months of loafing. I would point out to him that the conditions of the miners of Cape Breton county and of the province of Nova Scotia were very much better from 1878 to 1896 than they have been from 1896 until the present time. I wish to show that the miners in the province of Nova Scotia are in a more deplorable condition at present than they ever were under he regime of the Liberal-Conservative party. In 1878 when Sir Charles Tupper came to the east to announce the national policy of the Liberal-Conservative party, the coal industry of Nova Scotia was at its very lowest ebb. At that time, standing on the site now occupied by the Dominion Steel Company in the city of Sydney, Sir Charles pointed out that before any great length of time iron and steel works would doubtless grow up under the national policy. He announced that it was the intention of the Conservative party if returned to power to place a duty on coal, and to make the duty so adequate as to develop the mineral resources of the country and to afford adequate protection to its industries; that protection would be given to the iron and steel industries of the country, and he said the time was not far distant—waving his hand toward the shores of Sydney harbour—when great smoke stacks would rise up from iron and steel and smelting works upon those shores. He spoke as a prophet. In 1878 Sir John Macdonald commencing at the west and Sir Charles Tupper at the east, went through the country and preached the national policy. The people of Nova Scotia and of the Dominion took them at their word, and they were swept into power in 1878. In 1879 they brought down that tariff affording us adequate protection for coal. In 1883 they commenced the bounties on iron and steel. The legislation providing for bounties on iron and steel was introduced by the hon. member for North Toronto (Mr. Foster), who was Finance Minister, in 1891, and during those eighteen years the development of the mineral resources of the province of Nova Scotia was an established fact. It only required the continuation of the fostering care of the Liberal-Conservative administration to secure the growth, development and extension of these industries. It is quite true that up to 1896 the output of these mines was not so large as to warrant the shipment of coal in winter. Some of the mines banked more coal and some less; some none at all, and so at some of the collieries of Nova Scotia work during the winter fell off considerably, with the result, as the hon. member for Victoria quite rightly said, the miners for four and sometimes six months in the year were unable to find employment about the colieries. But they were enabled to make their daily bread the year around; they brought up and reared about them large families and enjoyed as good a measure of prosperity as they do to-day. What is their position to-day? It is practically true that for eight or nine or ten years the miners of Nova Scotia have been afforded employment for twelve months of the year.

and if these twelve months were to be proportionately as remunerative as their employment during the months they were at work prior to 1896, you would expect that, having their employment practically doubled, they would be twice as well off. That, however, is not the case. In the county of Cape Breton the miners do not own their own homes; they live in company's houses; they trade in company's stores, and it is safe to say that at least 30 per cent of them have never known for the last seven years what it is to be out of debt in the company's books. Striking instances have been brought to my attention time and time again. There are at least hundreds of instances where the indebtedness of a family in the books of a coal company in Cape Breton aggregate from $600 to $1,000. If the condition of the miners in Nova Scotia was deplorable before 1896 because they were able to work only six, seven or eight months in the year, but were still able to make a livelihood, I submit that they were very much better off, having the additional four or five months off to improve their minds, than they are to-day when they are able to work for twelve months but are still in the unfortunate position I have described. I am not viewing their position from any pessimistic point of view. I would be very sorry indeed, coming from amongst them as I do, to make their case out as worse than it is, but I have been brought in personal contact with so many instances such as I have described that I cannot allow the opportunity to go by without pointing out that the condition of the miner of Nova Scotia is to-day not as good as it was pervious to 1896, notwithstanding that the men are now able to work for twelve months in the year. I have brought these matters to the attention of the government. The Minister of Finance in a by-election in the county of Cape Breton in 1896, he being then premier of Nova Scotia, seemed to have very little sympathy with the coal duties as enjoyed by the operators of Nova Scotia. I do not wish to be understood as a suppliant on behalf of the mine operators in Nova Scotia, because as a class I do not think Boswell ever slobbered over Johnston as abjectly as the mine operators of Nova Scotia as a class fawned over the government in power, whether it be Liberal or Conservative. This was true of them previous to 1896, and it is true now. Thus it is not out of any feeling I have for the coal operators of Nova Scotia, but rather out of feeling for those who are employed that I speak. Their interests are so interwoven and so closely associated with those of the coal operators that it seems to me the government should introduce some remedy to relieve the situation in connection with coal in the province of Nova Scotia.

As I observed a few moments ago, the Finance Minister was not so friendly to the coal operators of Nova Scotia in 1896. He was wont to say, according to the 'Morning Chronicle,' speaking in Temperance hall, Sydney, in 1896, that if the coal industry of Nova Scotia could not exist without duties let them close down the mines. I have quoted to you the telegram sent out by the right hon. Prime Minister to the hon. member for Pictou on the 18th June, 1896. I have referred you to the observations of the hon. member for Pictou in the local legislature in 1898 when he said that for a government to be able to pose as the conservators of the coal industry they should impose a duty on anthracite as well as on bituminous coal. I have pointed out the observations of the hon. member for Cape Breton North and Victoria. When the right hon. Prime Minister went to the country in the last general election he had for his slogan 'Let Laurier finish his work.' Inferentially, I presume, he is not going to the country again in person or at the head of his party to seek re-election for another term in power. I have pointed out that the coal industry of Nova Scotia is now in need of the guardianship which he promised to give it in 1896. I believe from the observations of the press and of the Prime Minister that he is not going to the country again, and therefore I would urge upon him and his administration that they study carefully the needs of the coal interests in Nova Scotia. I believe that we are not again to have the spectacle of the Prime Minister leading his party in another election. No longer are we to see him as, on the 2nd of October last, we saw him in the county of Russell with his political stock in trade, leading in the van himself with his beaming countenance and sunny smile, speaking the liquid and dulcet language of diplomacy and accompanied by his Irish Catholic Secretary of State, good natured, genial and gentlemanly, and the rear brought up by the Highland Scotch bagpipers of the city of Ottawa. I believe that we are not to see a pageantry of this kind again in the political history of Canada, and I would therefore urge upon the Prime Minister—

Mr. McKENZIE. You do not expect to die before the next election?

Mr. MADDIN. I expect to be very much in the flesh. I would urge upon the Prime Minister that he carefully consider the observations which I have submitted this evening. I have quoted the remarks of hon. gentlemen who support him. The Prime Minister has the Finance Minister from Nova Scotia, he has the hon. member for Pictou and the hon. member for Cape Breton North. These are all great conservators of the coal industry of Nova Scotia and I would ask them and the gov-

ernment: 'What are you going to do about it?' There is no doubt the coal industry has substantially fallen off and as one of the best evidences that the miners of Cape Breton are not enjoying the wonted and boasted prosperity I need only mention that Dominion No. 6 mine has closed down during February and March, or partially closed down. The mine had not been idle three weeks until public subscriptions were called for and the clergy and members of the local legislature were called upon to form committees to provide relief for miners in that community. Hardly a week passes but there are instances of distress brought to the attention of the authorities in the mining towns of Nova Scotia. So much in regard to the coal question.

The hon. member for Queens, Prince Edward Island (Mr. Warburton), while discussing the budget, just preceding me, spoke of the emigration that took place when the Liberal-Conservatives were in power. He said that it was quite a common thing for the people to leave the farms and the country, but that now they were coming back to us. Under the wise administration of this government the people were coming back to their native heath, were coming once again to Canadian soil. There was no one so well able to depict the sad consequences of the flight from the maritime provinces of the people to the United States as the hon. member for Pictou. I have heard him, with a great deal of pleasure, in the most unctuous tones describing the aged pair saying the family devotions and praying for the return of their beloved ones, and he prophesied that this was going to take place as soon as the Liberal party were in power. But the hon. member for Queens has endeavoured to show us that the people are flocking back again to the land of their birth. In 1908 $2,000,000 worth of household effects were shipped into the United States from Canada. What does that mean? It means that $2,000,000 worth of family effects followed the families there that have gone over to the stars and stripes, and if you take into consideration the large number of young men and young women who have gone and taken no family effects with them, you will have some idea of the extent to which emigration from this country is going on even at the present time. I do not know how it is in the province of the hon. member for Queens, but I can assure him and this House that the people are not rushing and flocking back to Nova Scotia from the United States. There are hundreds and thousands of vacant farms in Nova Scotia, and these have been continually increasing in number from 1896 down to the present time. An effort is being made by the local government to induce settlers to come to Nova Scotia, but when one bears in mind that there are more Nova Scotians in the state of Massachusetts than there are in Nova Scotia one can form some idea of the extent to which the population of the maritime provinces has been depleted by immigration to that country. I take issue with the hon. member for Queens when he says that the people are rushing back. Since 1896 we have lost two representatives from Nova Scotia because we did not have population enough to enable us to retain our representation in parliament. Formerly we enjoyed twenty members, but now we have only eighteen, and this is the most striking evidence one could have as to the falling off in population in Nova Scotia.

There is one other matter that I would like to direct the attention of the government to in connection with this debate and it has reference to the English mail boats, I would like to urge upon the government the desirability of having the English mail boats call at Sydney harbour during the summer months. I submit that during the past two years, when these boats have called at North Sydney, the experiment has demonstrated the advisability, the sureness and shortness of that route as compared with any other route that these boats could take. I would urge it for the further reason that it would help the Intercolonial Railway which seems to be an eye-sore to some of our friends from the upper province. The English mail boats discharge the mails at Halifax in winter, and there is no good reason why they should not drop the Nova Scotia freight there as well. I can see no reason why the subsidized steamers which carry the mails for eastern Canada and the freight for the different provinces should proceed to St. John after simply dropping the mails at Halifax. What earthly reason can there be why they should not put off at Halifax the freight for Nova Scotia and Prince Edward Island? The common practice at present is that the freight goes through to the city of St. John, where it is discharged, and the St. John wholesale houses are able to put their goods on the Halifax market before the Halifax wholesale dealer gets his goods which come on the same steamer. It seems that when the steamer arrives in St. John and the freight is put on shore there, the Canadian Pacific Railway in their anxiety to expedite the traffic for the west throw the eastern freight aside; and the St. John freight is taken possession of promptly by the merchants of that city, while the Nova Scotia freight is subsequently sent over the Intercolonial Railway at an additional freight expense of 50 cents per ton to the consumers of Nova Scotia. That is a hardship and it is a discrimination against the merchants of Nova Scotia for which there is no excuse. I beg to submit further that during that period of the year when the Cabot straits are free

from ice, the boats should make North Sydney a port of call, which would result in the landing of quite a number of passengers and a good deal of freight there, and incidentally benefit the Intercolonial Railway.

Mr. D. B. NEELY (Humboldt). Mr. Speaker: When the Minister of Finance made his budget speech the other day the furthest thing from my thoughts was that I should take any part in this discussion, but, as the debate went on certain statements were made in connection with western questions, which as a representative of a western constituency I feel it my duty to challenge, and which I shall undertake to prove were absolutely unfounded and misleading. Let me in the first place congratulate the Minister of Finance and the government on the very excellent financial statement which has been presented to the House. Of course the opposition members do not take the optimistic view of things which we on the government side take, but, realizing as we all must the financial depression that has existed for the last two or three years not only in Canada but throughout the world, it is a remarkable thing that notwithstanding the falling off in our revenue and notwithstanding the heavy expenditures made by this government for the building of railways, especially in western Canada, the Minister of Finance was able to announce to the House a surplus instead of a deficit. And, Sir, in view of what the government of Canada have been doing for the development of the west and the encouragement of immigration and the consequent necessary expenditures, if the Minister of Finance had come to this House with a deficit instead of a surplus he would have met with no condemnation from the large majority of the people west of Lake Superior. We all know that under the Conservative government if a railway was to be built in any part of the west it received aid from the government in the form of bonuses and land grants, and it is notorious that a large part of the heritage of the people of the west was given away by the Conservative government for the purpose of aiding in the construction of railways. But when the government of Sir Wilfrid Laurier came into power it had a different policy and that policy was to pledge the credit of all Canada in aid of railways which were absolutely necessary for the development of our great prairie provinces. As a result of that eminently satisfactory policy the country has the railways and the people have the land. The hon. member for Dauphin (Mr. Glen Campbell) who I am glad to see is in his seat, undertook to question the statement of the Minister of Finance that the policy of this government was the land for the settler, and he claimed that since the Liberals came to power they had been prodigal and profligate in giving away the lands of the people in aid of railway construction. I do not know where the hon. gentleman got his information, but I propose to enlighten him, and I suppose he is open to enlightenment. When the hon. gentleman (Mr. Campbell) made that statement I had a very strong impression that it was not correct, and the result of my inquiry since has been that the very contrary is the case, and that this government has not given away the lands of western Canada to railway corporations. It is true that under this government lands have been selected for railways, but in every instance these were lands that were given to the railways during the regime of the Conservative government. In this House last year, the Minister of the Interior dealt with this very question of western lands in answer to a series of questions which were put by the hon. member for Strathcona (Mr. Wilbert McIntyre), to be found in 'Hansard' of 1908, volume 4, at page 8182, in regard to lands in Manitoba, Saskatchewan and Alberta, granted as bonuses to railways by the government of Canada previous to the 30th of June, 1896, and those given away since that date; and in answer to these questions the Minister of the Interior made the following statement:

1. The total acreage in Manitoba, Saskatchewan and Alberta in odd numbered sections of lands granted to railways before the 30th June, 1896, was 29,550,179 acres.

2. The total acreage in even numbered sections granted to railways before the 30th June, 1896, was 2,212,775 acres.

3. The acreage in odd numbered sections of land granted to railways since the 30th June, 1896, to 1st November, 1907—none.

4. The acreage in even numbered sections granted to railways since the 30th June, 1896, to 1st November, 1907—none.

5. The acreage of add nuubered sections otherwise disposed of before the 30th June, 1896, was:

Classed as swamp lands.. ..	453,647	acs. est.
Surveyed school lands..	4,375,200	" "
Other lands..	3,155.056	" "
Total..	7,984,803	" "

6. The acreage of even numbered sections disposed of before the 30th June, 1896, otherwise than as homesteads with Hudson Bay Company as excluded was:

Classed as swamp lands.. ..	453,647	acs. est.
As sub. railway lands..	2,212,775	" "
Other lands..	2,475,485	" "
Total..	5,141,907	" "

7. The acreage of odd numbered sections otherwise disposed of since the 30th June, 1896, to 1st November, 1907, is:

Classed as swamp lands.. ..	688,308	acs. est.
Surveyed school lands..	1,951,500	" "
Other lands..	1,402,988	" "
Total..	4,042,796	" "

8. The acreage of even numbered sections disposed of other than as homesteads with Hudson Bay Company land excluded since the 30th June 1896 to 1st November, 1907, is:

Classed as swamp lands..	688,308 acres.
As subsidies railway lands..	None.
Other lands..	2,240,505 "
Total..	2,928,813 "

9. The acreage of Indian reserves surrendered and sold before the 30th June, 1896, is 17,828 acres.

10. The acreage of Indian reserves surrendered and sold since the 30th June, 1896, to 1st November, 1907, is 198,987 acres.

11. The total acreage in Manitoba, Saskatchewan and Alberta covered by homestead entries and pre-emptions with cancellations deducted before the 30th June, 1896, is:

Pre-emptions..	1,712,960 acres.
Homesteads..	6,208,440 "
Total..	7,921,400 "

12. The acreage covered by homestead entries and pre-emptions with cancellations deducted since the 30th June, 1896, to the 1st November, 1907, is:

Pre-emptions..	None.
Homesteads..	23,592,590 acres.

Of course, this return only brings the figures down to the 1st of November, 1907, and I have not heard that the government has since that date made any land grants to railways in western Canada, while with regard to the lands given to settlers in western Canada by this government up to date, I am free to say that the amount mentioned in the return falls very far short of the mark. This is the answer to the statement made by an hon. member in this House that this government had been giving away the lands of western Canada to railway corporations. So far as that is true, it has been in consequence of contracts entered into by the preceding government, which this government was in honour bound to carry out. The hon. member for Dauphin also undertook to attack the bargain that was made by this government with the Saskatchewan Valley Land Company.

Mr. CAMPBELL. The Saskatchewan Valley and Manitoba Land Company.

Mr. NEELY. The 250,000 acres referred to were disposed of, if my information is correct, to the Saskatchewan Valley Land Company. The hon. gentleman found fault with the government for having, as he stated, disposed of this land for the paltry sum of $1 per acre, leading the House by inference to believe that the government had granted a very great concession to the men who formed that company. The hon. gentleman might just as well tell the House that when the government allows an actual settler to go to a Dominion land office anywhere in western Canada and obtain a quarter-section of land for the insignificant sum of $10, he is getting that land for a ten dollar bill, whereas the hon. member and every other member of this House knows that the actual homesteader does not acquire the patent of his homestead by the spending of a $10 bill, but only by fulfilling the homestead regulations as to residence and cultivation duties. They call for a certain amount of expenditure in each year during three years before the homesteader can get his patent. The hon. gentleman knows that when the bargain was made by which the government disposed to the Saskatchewan Valley Land Company 250,000 acres at $1 an acre, there were conditions attached. That company bound itself to perform a certain amount of immigration work. It obliged itself to settle 32 actual settlers in every township in which its lands were located, and the hon. gentleman ought to know that before that company ever succeeded in putting a homesteader on a quarter-section of that 250,000 acres, it had to spend, not a few dollars, but many thousands. So that to say that the company obtained the land for $250,000 is absolutely wide of the mark, and I am happy to have this opportunity of enlightening the hon. member for Dauphin (Mr. Glen Campbell). No doubt the hon. gentleman made statements similar to those he has made in this House to the people in the constituency of Dauphin who, being situated a considerable distance from the locality where these lands were situated, were without better information than the hon. gentleman gave them. It is no wonder, therefore that he should sit in this House as a representative of a constituency in Manitoba. He sits here by virtue of such statements made in the last election in connection with this Saskatchewan Valley Land Company contract.

Regarding that contract, I have just this to say. While the hon. gentleman and others of the same political stripe have made the statement in this House and on the public platform that this was a bad bargain, it seems to me that the people of that part of the country directly interested ought to be the better judges as to the quality of that bargain. Well, I am fairly familiar with the conditions that existed there before these lands were turned over to that company. Not more than eight or ten years ago, you might take a train on the Saskatchewan, Qu'Appelle and Long Lake Railway, which runs from Regina to Prince Albert, and after you had left Regina some twenty or thirty miles, you would travel through that country for a distance of 125 to 150 miles and you would see perhaps a coyote or gopher or other animals that inhabit the unpopulated prairie, but you would look in vain for actual settlers. To-day, however, that country is inhabited by thousands of settlers, homesteaders and others, who have taken up

lands and are living on them. The conditions along that line of railway at the time the government made this contract were such as I have described. Why was that country not then settled? Why is it settled to-day? People went to that country through the efforts of the Saskatchewan Valley Land Company and made homes there for themselves and are prospering, so that instead of a bare desert, we find thousands of people now located there and cultivating profitable farms. But how comes it that that country lay barren so long? One of the reasons was that the railway company gave it a black eye by refusing to accept the lands given it as a bonus for building the lines from Regina to Prince Albert. The company refused because they said the lands were not fit for settlement and therefore did not meet the terms of the contract under which they undertook to build the railway. That was the condition of things when the Saskatchewan Valley Land Company was offered the land and purchased it from this government at $1 an acre, subject to the settlement duties I have described. And to-day if that country is well settled, it is due to the energetic colonizing efforts of the Saskatchewan Valley Land Company. If the people of that district believed that this was a bad bargain, if they thought that this government had given away the heritage of the people, surely we would find those people to-day strongly opposing the government which put through that bargain. Yet my hon. friend from Dauphin (Mr. Glen. Campbell), who took some small part in the provincial elections in Saskatchewan last August, will bear me out when I tell him that every provincial constituency along the line of that railway from Prince Albert South in which this land is situated, returned last August a supporter of the Hon. Walter Scott. Surely that is sufficient answer to the hon. gentleman. At any rate it was perfectly satisfactory to the Liberal party last August and an effective reply to those who were seeking, during that campaign, to traduce the character of the Premier of Saskatchewan—a man, who, so far as honesty and integrity are concerned, has not his superior in the Dominion to-day. In that connection I wish to say that I deplore and resent the attempt made in this House by the hon. member for Dauphin (Mr. Glen Campbell) to besmirch the fair fame of the Premier of Saskatchewan.

Mr. CAMPBELL. Might I ask the hon. gentleman a question? Does he, as a man and a gentleman, on his honour, mean to tell this House that he honestly believes that Walter Scott did not get the certificate of stock I spoke of?

Mr. NEELY. The hon. gentleman does not need to put me on my honour in order to get me to make a true statement. But to gratify him, I will say on my honour that I do not believe for one moment that Walter Scott, the Premier of Saskatchewan, ever received one share or one dollar's worth of stock, and I want to say further that I have the word of Mr. Scott himself, in that connection and the sworn affidavit, right in my possession, of officers of that company, who state that neither in the Saskatchewan Valley Land Company nor the company formed to handle the Canadian Northern lands, the Saskatchewan and Manitoba Land Company, does Mr. Scott hold or did he ever hold one dollar's worth or one share of stock.

Mr. CAMPBELL. Perhaps I may be allowed to interject a remark. What I said on Friday night with regard to the Hon. Walter Scott and his getting a certificate of stock in the way I stated is, to my knowledge, as far as a man can believe his eyes and believe his ears, absolutely correct and true.

Mr. NEELY. When the hon. member for Dauphin (Mr. Campbell) undertakes to make statements of that kind, he ought not to ask this House to accept his bare statement; he ought to bring some substantial proof. If he brings that proof, every hon. member will be compelled to believe his statement. But, on the other side, we have the declaration of Hon. Walter Scott himself. I have also the sworn declarations of Mr. A. D. McRae, secretary and treasurer of the Saskatchewan Valley Land Company, and the statement of Colonel Davidson, one of the chief officers. And I say that when this charge was made in the provincial elections in Saskatchewan last August, notwithstanding the fact that one of these gentlemen is a supporter of the party to which my hon. friend from Dauphin belongs, when he saw these statements in the Conservative press of Saskatchewan, he came forward like a man and a gentleman and gave an affidavit that these statements were absolutely false.

Mr. CAMPBELL. If I have permission to speak, I would like to say a word concerning the hon. gentleman's (Mr. Neely) statement that proof is necessary. I give as proof this fact—that when Hon. Walter Scott knew that the charge was made on the platform, and made over the signature of one of the directors of that company, he went to the length of telegraphing up to Balcarres to have that man arrested. His friends did not arrest the man. Yet Hon. Walter Scott, knowing that his name was besmirched publicly up there, has not to this moment dared to institute any proceedings against the man I speak of, the man who handed him the certificate of stock personally.

Mr. NEELY. And I want to repeat that the reason the Hon. Walter Scott did not prosecute the men and newspapers who

made that charge was that these men and newspapers withdrew the charge.

Mr. CAMPBELL. This charge was not withdrawn and never will be withdrawn.

Mr. NEELY. Mr. Speaker, I think the hon. gentleman (Mr. Campbell) has had an excellent opportunity to explain his position on this question——

Mr. CAMPBELL. Thank you; I appreciate it.

Mr. NEELY—I want to say that the charge was withdrawn.

Mr. CAMPBELL. I rise to a point of order. I stated absolutely, and as a member of this House, that the charge I referred to had never been withdrawn.

Mr. SPEAKER. The question is one of fact of which I am not competent to judge as between the hon. gentlemen. It is customary for members of the House to accept a statement made by another member.

Mr. NEELY. I am not stating that I do not believe that the hon. gentleman thinks he is telling the truth when he is making this statement. I am simply contradicting the assertion. The hon. gentleman said he believed that——

Mr. CAMPBELL. I state that I know it.

Mr. NEELY. I state that I believe absolutely the contrary, and I see no reason why my word should not be taken as well as that of the hon. gentleman (Mr. Campbell). I have documents here to show that the charge was withdrawn by Conservative newspapers of the province. For instance, there was the Saskatoon 'Capital,' the chief Conservative organ of the central part of Saskatchewan. When Mr. McRae went to this newspaper for the purpose of giving his affidavit that Hon. Walter Scott never had stock in the Saskatchewan Valley Land Company, they said to Mr. McRae, 'Oh, we made a mistake; we are on the wrong track; what we meant was the Saskatchewan Valley and Manitoba Land Company,' —which was an altogether different proposition; it was not the company that obtained 250,000 acres from this government but a concern organized for the purpose of handling Mackenzie and Mann lands, the Canadian Northern lands, throughout western Canada.

Mr. W. H. SHARPE (Lisgar). Is it not practically the same thing ?

Mr. NEELY. The hon. gentleman (Mr. W. H. Sharpe) represents a western constituency and he ought to know that it is not. Some of the same men belong to both companies, but the Saskatchewan Valley and Manitoba Land Company never obtained any concessions from this government, and if the Hon. Walter Scott had held stock in that company, if he had been given stock in that company or even bought stock or had an interest in it, that was nothing to his discredit.

Mr. CAMPBELL. That is the charge I made, that Hon. Walter Scott accepted $10,000 worth of stock in the Saskatchewan Valley and Manitoba Land Company.

Mr. NEELY. That has nothing to do with his position as member of the House. And I say it is not a fair proposition to talk in this way on the basis of rumours that are heard on the streets, in the highways, byways and alleys.

Mr. W. H. SHARPE. I rise to a point of order. I claim that the hon. member (Mr. Neely) is not discussing what the hon. member for Dauphin (Mr. Campbell) spoke about. What that hon. gentleman said was that Hon. Walter Scott had received this stock from the Saskatchewan Valley and Manitoba Land Company.

Mr. SPEAKER. A point of order must refer to an infraction of a rule of the House.

Mr. NEELY. What I have said is, that, apart from their withdrawal, if these statements had been believed by the electors of the province of Saskatchewan, we should not have had the result so eminently satisfactory to the government, and to its hon. leader, Hon. Walter Scott, that was obtained in the election in August last. And I want to say this, that when the people of that part of the country went to the polls, when they endorsed the action of the government in disposing of this quantity of land to the Saskatchewan Valley Land Company, they went of their own free will. And I would say in this connection that, when the people of Saskatchewan want to vote, they always have the privilege according to the election law of our province. We have not a padded list such as our information leads us to believe they possess in the province from which my hon. friend comes and in the constituency which he represents.

Mr. CAMPBELL. I rise to a point of order.

Mr. SPEAKER. I think that statement should be withdrawn.

Mr. CAMPBELL. Withdraw it at once.

Mr. NEELY. I wish to keep within the rules, and I was not aware that a reference to the lists of Manitoba would be out of order.

Mr. SPEAKER. I think that, used in the circumstances as referring to an hon. member coming from that province, who would be elected on a padded list, the expression was clearly not parliamentary.

Mr. NEELY. I am not stating that the hon. gentleman was responsible for these lists.

Some hon. MEMBERS. Take it back.

Mr. NEELY. I have not made that statement.

Mr. SPEAKER. I think the hon. gentleman had better withdraw the statement.

Mr. NEELY. As far the hon. gentleman is concerned, I am quite willing to withdraw the statement but I still must say, Sir, and this surely will not reflect on the hon. gentleman himself, that the electors of the province of Saskatchewan, if I must not speak of the lists, when they go to the polls are not met by officers of the Attorney General's department of that province and practically intimidated in a great many cases.

Some hon. MEMBERS. Order.

Mr. CAMPBELL. I rise to a point of order.

Mr. SPEAKER. State your point of order.

Mr. CAMPBELL. My point of order is a reflection cast by the hon. gentleman——

Some hon. MEMBERS. Oh, oh. Rats.

Mr. CAMPBELL—on the lists on which members were elected.

Mr. SPEAKER. I do not think there is any point of order.

Mr. CAMPBELL. Intimidation, he says.

Mr. NEELY. I want to say that it is a rather difficult thing for the hon gentleman or for any hon. gentleman who knows what actually happened in a great many of the constituencies of Manitoba, I dare not say all or the hon. gentleman would probably rise to another point of order, but in a great many constituencies in Manitoba the machinery of justice, the Attorney-General's Department of that province, was prostituted and debased for the purpose of securing the return of the Conservative candidates from the different constituencies.

Mr. STAPLES. Mr. Speaker, I beg leave to ask the hon. gentleman to mention one place in which that happened.

Some hon. MEMBERS. Order.

Mr. SPEAKER. The hon. gentleman having the floor can only be interrupted by his own consent except on a point of order. The hon member has no right to interrupt him.

Mr. STAPLES. When I asked a question and the hon. gentleman, having the floor resumed his seat, I assumed I had his consent. I repeat the question and ask for an answer.

Mr. NEELY. I am quite willing to give the hon. gentleman an answer. If the hon. gentleman will read the newspapers of the City of Winnipeg——

An hon. MEMBER. The 'Free Press?'

Mr. NEELY. Any of them, after the election of October 26 last, he will see wherein the Attorney General of the province was humiliated to the extent of having good substantial boot leather applied to the unmentionable part of his anatomy for the way in which he had interfered with the rights of the people in connection with the election, I think that ought to be sufficient answer to the question. I am quite willing to give any hon. gentleman opportunity to ask all sorts of questions but I do not propose to become an encyclopaedia for him. I have given him the information he has asked on this point and I am not lacking for information. Instances can be multiplied where the machinery of justice in that province was prostituted for the ends which I have indicated.

Mr. STAPLES. I challenge the hon. gentleman——

Mr. SPEAKER. Order.

Mr. NEELY. Hearing these statements made by the hon. member for Dauphin in connection with these transactions, especially the Saskatchewan Valley land transaction, and the way in which he attempted to bring before this House rumours that he said were circulated through Saskatchewan during the August election in connection with the good name of the premier of that province, I do not wonder that he sits in this House representing a constituency and that the late member for Dauphin fell by the wayside, if the hon. gentleman used those methods and made those statements on the platform in his own constituency during the late election.

Mr. CAMPBELL. I rise to a point of order.

Mr. SPEAKER. What is the point of order?

Mr. CAMPBELL. The point of order is an insinuation thrown out——

Some hon. MEMBERS. Oh, oh.

Mr. SPEAKER. Order.

Mr. CAMPBELL. And a misstatement made by the hon. gentleman who is speaking.

Mr. SPEAKER. I fail to see that there is any infraction of a rule of the House in what he has said.

Mr. CAMPBELL. There is a misstatement.

Mr. SPEAKER. I do not see any point of order and I failed to see any misstatement.

Mr. CAMPBELL. He said I based my attack on an hon. gentleman on rumours. If he will take the trouble to read 'Hansard' he will see that what I said was not on a mere idle rumour, I did not say it was rumour, I said I had it from the man who handed the certificate of stock to Walter Scott, signed in blank. That is no idle rumour.

Mr. SPEAKER. If I understood the hon. member he referred to another matter, he referred to the late member for Dauphin, another member altogether.

Mr. CAMPBELL. Oh, he is dead now.

Mr. NEELY. Well, Mr. Speaker, the dead have been known to come to life again and the hon. member may find that out on some future day. The hon. gentleman says that I accused him of bringing rumours before this House. The hon. member makes practically the same charge against a member of this House whom he did not see fit to name, at least he made the same statement in connection with what he had heard about an hon. member of this House as against the Hon. Walter Scott. If the hon. gentleman has the excellent and absolute proof he tells the House about, why does he not rise in his place and bring his charge like a man against the hon. member whom he says is guilty of this corrupt transaction? The Hon. Walter Scott, Premier of Saskatchewan, was formerly a member of this House. He is no longer here to defend himself against statements of this kind, but the hon. member of this House mentioned is presumably here and if the hon. gentleman has the kind of proof that he says he has, why does he not rise in his place and on his honour as a member lay a charge against that gentleman and have him expelled from this House for a corrupt transaction? I understand it to be the case that in the election of last October in the constituency of Dauphin, which the hon. member represents, the hon. member went even further than that to besmirch the good name of this government in connection with so-called graft charges that were made so extensively throughout the length and breadth of Canada by the Conservative party on the platform and in the press during that election. I am told, Sir, that the hon. gentleman who represents Dauphin, during the election campaign, on the public platforms throughout his own constituency, made the statement that in order to get a closed grazing lease from the Department of the Interior for the firm of Brown, Beddington and Company, in which the hon. gentleman is interested, he had to spend $2,000 in bribing a high official of the Department of the Interior. This hon. gentleman, this self-confessed briber, if these statements are true, and I give the hon. gentleman the privilege of denying that they are true——

Mr. CAMPBELL. I want to tell this House that I have never in my life applied for any right or franchise from this government or any other gov——

Mr. CARVELL. Go on and make your statement.

Mr. CAMPBELL——that any other man, Liberal or Conservative, did not have the absolute right to make application for.

Mr. CARVELL. Did you make the statement?

Mr. CAMPBELL. If the hon. gentleman wants information in regard to anything—

Mr. CARVELL. Answer that question. Did you make the statement?

Mr. NEELY. I rise to a point of order. The hon. gentleman is not making a statement in answer to the question.

Mr. SPEAKER. The hon. gentleman is making a statement and he should be heard.

Mr. CAMPBELL. If the hon. gentleman wants an answer to his question I will give the same answer to the question here that I gave on the public platform in Dauphin when the hon. member for Brandon (Mr. Sifton) was there supporting his brother-in-law. I think that these two hon. gentlemen knew all about the matter as well as I knew about it, and if they choose to give away the name of the official they are welcome to do it.

Mr. NEELY. I am sure the members of this House will agree with me that a lamer statement in answer to a straight and direct question was never given by a member of this House. The hon. gentleman evades the point at issue. If he has information that a grazing lease covering lands in western Saskatchewan was obtained by any company by a corrupt method that he does not deny, I say it is his duty, now that he has been elected by the people of his constituency to represent them in this House, to represent western Canada and all Canada, to put that information in the hands of the Minister of the Interior that the official may be properly punished for his conduct in accepting such a bribe. But, if it is true that the hon. gentleman made the statement that he had to spend $2,000 to bribe an official in the Interior Department surely it comes with very bad grace from the hon gentleman, who admits himself to be a briber of government officials, to get up here and besmirch the fair name of the honoured premier of the province of Saskatchewan. These statements made by the hon. mem-

ber for Dauphin in the late election were brought to the attention of the Minister of the Interior who, speaking at McLeod on the 1st of October, or thereabouts, made this statement:

> Mr. Campbell now said that he had to bribe an official with $2,000 in connection with procuring the lease. Such a vague statement on the eve of an election was not good enough. Mr. Campbell to be believed, must name the official and give proof of the bribery. If Mr. Campbell did this he, as Minister of Interior, undertook that if the official was in the service of the department he would not be there a minute after the bribery had been established. Mr. Campbell must either prove this charge, naming the offender, or withdraw. If he did neither, he was merely a despicable slanderer.

That was a challenge that was thrown out by the Minister of the Interior at this hon. gentleman and at the statements that he understood the hon. gentleman was making to the people of his constituency. I repeat that the position taken by the Minister of the Interior on that occasion was an absolutely correct position. If we examine into the statements that were made in connection with the lands given to railways in Manitoba I think we will find they are equally as correct as the statements made in connection with the lands disposed of by this government in the province of Saskatchewan. The hon. gentleman refers, at page 4992 of 'Hansard,' and the hon. gentleman can find it for himself, to a grant of land that was given many years ago to a railway which was supposed to be built from Winnipeg in the direction of Hudson bay, and complains bitterly of the fact that the Manitoba government were unable to secure these lands from this government, and that these lands were eventually turned over to Mackenzie & Mann, the promoters of the Canadian Northern Railway, who took over this proposed Hudson Bay Railway. Although the hon. gentleman comes from Manitoba he seems to be very poorly informed even on the question of land in his own province. I would like to say to the hon. gentleman that the statement he made in this House the other day, as far as the facts of that statement in connection with these lands are concerned, is quite misleading. The history of this land grant dates back to the time in Manitoba when Mr. Norquay was the premier of that province. A certain gentleman by the name of Hugh Sutherland, of Winnipeg, obtained a charter to build a railway to Hudson bay. He got from the federal government, not this government, Mr. Speaker, but the government that preceded it, the Conservative government, a land grant of 6,400 acres for every mile of this railway that should be built. This company found that they could not finance the building of the road on the land grant that was to be given them by the federal government of that day. So, they went to the Manitoba government and said: 'We want you to finance this road; we want you to take over these lands that are to be ours as soon as we earn them, that are to be given us by the federal government and we want you to place your bonds on the market.' The Norquay government of Manitoba did as the railway company suggested. And, with the usual stupidity of Tory governments this Tory government of Manitoba actually handed over the bonds of the province to this railway company before they had earned the lands, and before the Federal government had inspected the road and approved of it. The result was that when the provincial government came to the Federal government and said the company had assigned to them their rights to these lands, they were met with the reply from Sir John Macdonald that the lands had not been earned by the railway company and therefore could not be assigned. And so, through this blunder on the part of the Tory government of Manitoba there was lost to the province some $250,000, the value of these bonds. As time went on the Greenway government came into power in Manitoba, and MacKenzie and Mann, the promoters of the Canadian Northern who in the meantime had acquired the charter and rights of the Hudson Bay Railway Company came to the Greenway government for assistance for the building of other branch lines. The answer they received from Mr. Greenway was that when they had undertaken the construction, of this Hudson Bay road and when they had earned this grant of land from the Federal government, then, if the Greenway government would give them any aid to build branch lines through Manitoba they must contract and agree to hand over 256,000 acres of land to the province, and so in this way the Greenway government made provision to correct the blunder committed by the previous Conservative government. The House will readily see that this was a question between the railway companies interested and the Manitoba government and that the Federal government had nothing to do with it. As time went on a new combination of statesmen, a new type of politicians took up the helm in Manitoba, and instead of compelling MacKenzie and Mann to live up to the terms of the agreement they had made with the Greenway government and turn over 256,000 acres of land, we find this new Conservative government in Manitoba selling their right and their title to these lands back to MacKenzie and Mann for the paltry sum of $1.54 per acre, for lands which at that time were worth from $5 to $10 an acre. Here was another in-

stance where, through the mismanagement of a Tory government, the province of Manitoba lost a large sum of money. Surely, before the hon. gentleman (Mr. Glen Campbell) again undertakes to charge the government of Sir Wilfrid Laurier with squandering western lands he had better learn something of the history of his political friends in the province of Manitoba. Let it be remembered that the hon. gentleman (Mr. Campbell) sat for some years in the legislature of Manitoba as a supporter of the Roblin-Rogers government which, as we know, has a world-wide reputation in connection with transactions in public lands and public assets. It is a well known fact throughout western Canada that since the Roblin government came to power it has squandered the heritage of the people of Manitoba. My hon. friend (Mr. Campbell) sat in the legislature of Manitoba supporting the Roblin government when the premier of that province actually put a Bill through the House guaranteeing the bonds of a line of railway into a sand pit owned by himself.

Mr. CAMPBELL. Does the hon. gentleman know as to the truth of what he says now?

Mr. NEELY. Most assuredly I vouch for the truth of what is common and public property, stated in the public press, discussed in the legislature and so far as I know not denied.

Mr. CAMPBELL. I can tell the hon. gentleman something with regard to that which he perhaps would like to know.

Mr. SPEAKER. I cannot allow any interruption of that kind except with the consent of the hon. member who has the floor.

Mr. NEELY. Well, Mr. Speaker, the hon. gentleman (Mr. Campbell) will have an opportunity to reply through some of his friends from the province of Manitoba, who, if they wish, can later on take up the cudgels in his behalf. Surely, the hon. gentleman (Mr. Campbell) is the last man, who, if he has any regard for consistency, should undertake to charge this government with profligacy in their dealings with the lands of western Canada. The hon. gentleman (Mr. Campbell) further undertook to score this government for, as he alleged, their extravagance in the manner in which the contract for the National Transcontinental Railway was being put through. I venture to say that the hon. gentleman had very little to say in criticism of the government policy in regard to the construction of the National Transcontinental Railway when he appeared before the electors of Dauphin last October. In my own constituency the gentleman who opposed me in the Conservative interest had as the principal plank in his platform the early completion of the Grand Trunk Pacific Railway and the immediate construction of the Hudson Bay Railway, and I have no doubt that the sentiment in Dauphin would be very much the same on these questions as the sentiment in Humboldt; and I wish to say that the people of western Canada are glad to know that, notwithstanding the financial depression and the various difficulties in the way of the completion of this great project, the government are coming to the aid of the Grand Trunk Pacific Company and are going to see that that great national undertaking is carried to a successful conclusion.

I have here some facts which I have looked up in regard to the statement which the hon. gentleman made as to the excessive price paid for ties by the National Transcontinental Commission; but I just wish to say that, as I understand, every one of these contracts was let by tender, the lowest tender being accepted in every case, and even then on certain sections of the railway the contractors found the greatest difficulty in securing ties in sufficient quantities to carry through the work.

Another statement which struck me as very strange coming from a man who represents a western constituency, was one which the hon. gentleman made in his discussion of the question of the tariff. These were his words:

> On this side of the House, Sir, we call a spade a spade; we believe in protection and call it protection.

It is very evident that my hon. friend was not a member of this House during the last term of parliament, or he surely would not expect this House to accept his bald statement that his party stood for the principle of protection. It is true, the leader of his party stands for a policy of protection, but the hon. gentleman knows very well that the sentiment on the tariff question west of Lake Superior differs very materially from the sentiment of the people living east of Lake Superior. The hon. gentleman knows very well what the view of the people of western Canada is on the question of the tariff. It is true that the election is over, and the hon. gentleman is very courageous. It will be another four or five years before he will have to appeal to the electors of Dauphin, or else I believe he would not have the temerity to stand on the floor of this House and say that he is in favour of protection. Was that the position taken by the hon. gentleman's friends from the province of Manitoba in the last parliament? Surely he is not cognizant of what occurred at the last session but one of that parliament, when the hon. member for Souris (Mr. Schaffner) introduced a resolution proposing to reduce the tariff, not on all agricultural implements,

but on mowers and binders from 17½ per cent to 10 per cent? The hon. member for Souris when he introduced his low tariff resolution on agricultural implements knew perfectly well that he was voicing the sentiment of the people west of Lake Superior. We know that in western Canada the farmer spends almost annually large sums of money for the purchase of these implements, and I have this to say to this House and to the government, that we who represent western constituencies and the people of western Canada feel that although this government has done something in the way of tariff reduction, that reduction has not gone far enough. As a representative of a western constituency, I am not going behind the government's back to say exactly what I think on this point. I said it to the people in my constituency in my election, and it met with their approval in every case, that while the duty on agricultural implements had been decreased, it had not been decreased sufficiently to equalize the burdens on all the people of Canada, including the western Canadian farmer. When the hon. member for Souris brought in his resolution in the dying hours of the session of 1906-7, he was supported by the hon. member for Macdonald (Mr. Staples) and other Conservative members from the province of Manitoba. I wonder if the hon. member for Dauphin, when he got up and said that he called a spade a spade and that he was a protectionist and believed in protection, was aware of the attitude of these hon. gentlemen in moving that resolution?

Mr. CAMPBELL. Yes, and I will vote for it, too; will you?

Mr. NEELY. I would most assuredly vote for any bona fide resolution brought before this House for the reduction of the tariff on agricultural implements. Now, I want to say this, that the hon. member for Souris, the hon. member for Macdonald and other hon. gentlemen representing Manitoba constituencies in the last parliament were very excellent judges of the sentiment of the people of their constituencies when they moved that resolution in the House. Did these hon. gentlemen expect to carry that resolution? Why, Sir, if they wanted to undertake the contract of having such a resolution passed in this House, if they wanted a majority of the members of this House converted to their views on that question, where would they have commenced that noble work of conversion? They would have commenced it, Sir, with the leader of the opposition himself. We know perfectly well that, in his last tour through the western provinces the hon. the leader of the opposition kept as far away from a thorough and a comprehensive discussion of the tariff as a good skater steers clear of thin ice. Why did he do so? Because he knew that his policy of adequate protection was so indefinite that it did not appeal to the people. He knew that the people of western Canada wanted a clear and unmistakable pronouncement, and that this hazy and indefinite policy was contrary to their views and ideas. That is the position in which hon. gentlemen opposite find themselves to-day. Why, on this very resolution proposed by my hon. friend from Souris (Mr. Schaffner) the leader of the opposition got up and said he could not support it. Did my hon. friend from Souris expect to carry that resolution when he proposed it? Why, he could not get even his own leader to support him. How comes it then that my hon. friend submitted that resolution at the time he did? I am not going to suggest motives, but I think I shall be in order in suggesting that at the time there was an election somewhere in sight not very far away.

An hon. MEMBER. Two or three years.

Mr. NEELY. That may have been the case, but my hon. friend did not know it at the time. If the electors of the various constituencies in Manitoba were brought to believe that the hon. member for Souris and the other representatives from Manitoba were in good faith, if they believed that resolution was a bona fide one, submitted in the hope and expectation of getting the support of this House, is it any wonder that the province of Manitoba sent eight members to support the Conservative oppsition in this House and only two to support the government?

Mr. SCHAFFNER. I regret to have to interrupt my good friend. So far as my motives are concerned and the time it was brought in, that resolution was submitted the only time it could be, as an amendment to the tariff, and the motive was the honest one of obtaining the reduction it called for. I am prepared to vote for a similar motion, whoever may bring it in.

Mr. NEELY. I am surprised, since my hon. friend recognizes the importance, in the eyes of the people of the west, of a lower tariff, and since the party of which he is a member never, when they were in power, reduced the tariff on agricultural implements until they saw doom ahead of them, until they saw their political life about to end and since this government has made reductions in the tariff—I am surprised at the hon. member for Souris supporting the leader he does in this House. His position is not a consistent one, to say the least.

Mr. BLAIN. How did the leader of your party vote on that question?

Mr. NEELY. He voted according to his convictions.

Mr. ARMSTRONG. Is the hon. gentleman consistent in supporting him?

Mr. NEELY. Has the hon. member for Lambton the floor or I? The hon. member for Dauphin (Mr. Glen. Campbell) says he is in favour of protection. Surely he must have made that statement without consulting his political friends, representing constituencies in his own province.

Mr. CAMPBELL. I think that is imputing motives.

Mr. NEELY. Not at all. I am simply suggesting that my hon. friend, when he declared himself a protectionist, could not have consulted with his friends from Souris (Mr. Schaffner) and from Macdonald (Mr. Staples). My hon. friend from Souris (Mr. Schaffner) says that we must take his word that he did bring that resolution before this House in all good faith. Well, I have looked up the report in connection with the vote taken. The House was in committee, and I find that out of a total membership in this House of some 214, there were actually 78 in their seats when that vote was taken. If my hon. friend was so anxious to have his resolution carried, if he was so anxious to have himself and his party definitely committed to that policy, why did he not compel every member of this House to go on record as to whether or not he was in favour of the resolution? Why, the division bell was not even rung. I have looked up 'Hansard' and I find that there is not a name recorded. The vote is simply recorded as so many nays and so many yeas. But if my hon. friend wanted to create a good opinion in his constituency, why did he not call for a record of the vote?

Mr. GEO. TAYLOR (Leeds). He could not do it at that stage.

Mr. SCHAFFNER. I could not take any other course than the one I did.

Mr. FIELDING. He could have divided later.

Mr. SCHAFFNER. Eighty per cent on this side voted for my motion, and absolutely every Liberal, including the members from the west, voted against it.

Mr. NEELY. It is a striking comment on the interest taken by the hon. gentleman's friends in this important matter, that when we look up the vote on it, we find that there were but 22 who supported the hon. gentleman. That surely shows a deplorable lack of interest on the part of his political friends in this House, and so far as his leader is concerned, he knows that he was one of those who voted against the resolution.

Mr. STAPLES. Better read what he said.

Mr. NEELY. I assure my hon. friend I have read it. In the recent election contest, this question of the tariff played a very important part in many of the constituencies of western Canada. I do not see the hon. member for Calgary (Mr. McCarthy) in his seat, but the hon. gentleman was very much exercised, during his contest, over certain statements to the effect that he had shirked his duty in connection with this resolution. On looking up the files of the Calgary newspapers, I find that on the 21st of October, the hon. gentleman offered to bet the Liberal newspaper of Calgary the 'Albertan' $100 to be donated to any hospital, if they could prove that he had shirked his duty and had not voted on this question. The hon. gentleman realized very well what the sentiment of his constituency was in that respect, yet the hon. member for Dauphin (Mr. Campbell) tells us that he is a protectionist. In connection with that same resolution, let me point to this fact, that while only 78 votes altogether were cast upon it, on another amendment submitted by the leader of the opposition on the same evening—very much later in the evening—when one would naturally suppose there would be still fewer members in the House—what do we find? We find that 120 members voted for the amendment of the leader of the opposition. That resolution of the hon. member for Souris (Mr. Schaffner) was one that, if the government could have seen its way clear to accept it, would have been very acceptable to the people of western Canada. But, when these matters are brought before this House, we want them treated with fairness and justice; and I say that I myself, if I had been in the House at that time under the peculiar circumstances surrounding the introduction of the resolution, in all probability would have felt compelled to vote against it.

I have exceeded the time I intended to occupy. I have only this word to say in conclusion: I believe that the people of western Canada stand to-day in support of the present government because of the fact that on the tariff question, if they have not moved as far as they ought to have moved, yet they have moved in the right direction. And I hope they will go further in the same direction when the next revision of the tariff takes place.

Mr. T. G. WALLACE (Centre York). Mr. Speaker, at this late hour I do not wish to take up the time of the House at great length. But, when a candidate in an election presents his views and makes promises to the people of what he will do, if elected, it is clearly his duty when he is honoured with a place in this House to redeem the promises thus made. We are discussing the budget of the Minister of Finance of the Dominion of Canada. As I understand that hon. gentleman's (Mr. Fielding) statement, the revenue of this country last year was eighty-four and a half millions, the

expenditures eighty-three millions, leaving a surplus of one and a half millions. But I understand the hon. gentleman to tell us also that the debt has increased by forty-six millions. To the uninitated, it hardly looks as if we have a surplus when we go further into debt to the extent of forty-six millions, particularly when we find that such items as bounties on steel and iron amounting to $3,200,000, and expenditure for rifles for the militia, $1,300,000, have not been charged to current expenditure. Had these items been charged to current expenditure, as would surely be most reasonable, we should have a deficit instead of a surplus. I regret that the government have not manifested greater care in the expenditure of public money. Had they done so, we might have had an actual surplus instead of a surplus that, in my opinion, exists only on paper.

I regret that the Minister of Finance in his budget has not announced that he will give protection to a certain class of people in this country, the farmers, market gardeners and labourers. As I understand the national policy enunciated by Sir John Macdonald in 1878, it is a protection first to the agriculturists and manufacturers, but also to the labourers, in fact to every class. The manufacturers of this country are fairly well protected—in some lines, probably, too highly protected, though I have no quarrel with the government on that score. But when the manufacturers are protected, I think we should protect the agriculturists, the market gardeners and labourers as well. We are living in a country which has not so early a spring as the country to the south of us. The Finance Minister has been urged to consider the granting of protection on market garden products coming into Canada. It is hardly to be expected that Canada can compete at all seasons with a country situated like the United States. By the time the Canadian products are coming on the market, the price of the second-class stuff coming from the United States is low, and this material comes into competition with the Canadian product. What the market gardeners and farmers of this country want particularly is a specific duty on these products, not an ad valorem duty, because that is not of much use at the time of the year when protection is most needed. I do not wish to go into this matter at length, but I have a letter here from which, perhaps, I may be permitted to read a part, as it states the need better than I could state it:

> The Ontario Vegetable Growers' Association ask that the customs tariff on vegetables be made specific instead of ad valorem, which we believe would prevent our markets from becoming a dumping ground for culls, as they are at present. We would advise a specific duty equal to 30 per cent on a fair cost of production on market value of average quality on vegetables imported, which would not deter the importation of vegetables at times of scarcity or when the Canadian grower cannot supply the demand ; the market price being high at such times, the specific duty would be smaller relatively.
>
> A specific duty would prevent our market from being flooded with the surplus or damaged products of other countries sent here at a low valuation, at a time when Canadian growers are prepared to supply an abundance of fresh home-grown products. At the same time it would improve conditions for the Canadian consumer by improving the quality of the goods imported.
>
> We also wish to draw your attention to the fact that a very large part of Californian grown vegetables imported into Canada are produced by Chinese labour. Especially is this the case with celery, practically all of which is grown by them, and the low prices at which it can be invoiced at point of shipment is largely determined by that fact.
>
> The parliament of Canada having imposed, and we believe wisely so, a tax of $500 on this class entering this Dominion, as a protection to Canadian labour, it appears to us unfair that the product of such coolie labour should enter into competition with the product of the Canadian vegetable grower, and by an ad valorem duty evade the protection which our laws are intended to afford. We would ask that the following duty be imposed on the vegetables mentioned.
>
> Cabbages. .. .. 2 cents per head.
> Celery... .. .. 20 cents per dozen.
> Onions... .. .. 20 cents per bushel of 50 lbs.

In the arrangement of our duties, it is clearly wise for us to take into consideration the fact that Canada is a northern country. We should allow for the fact also that Canada is a young country, one whose industries are not fully developed, and whose population is not large. The agriculturists, market gardeners and labourers are certainly deserving of consideration. We have imported within the last few years hundreds of thousands of dollars worth of these market garden goods from the United States nearly all of which should be grown in the Dominion. Such articles, when demanded before their season, are clearly a luxury, not a necessity. Such a duty therefore, is a luxury and would not affect the poor, and the rich the only ones whom it would affect, can afford to pay a little more for the benefit of a class of producers who should be encouraged. I hope the government will take that into their serious consideration, and that the Minister of Agriculture will do something for the market gardeners. The deputation that waited on him and the Minister of Finance asked that when seeds are put up in packages the percentage of germination be printed on the packages, as thousands of dollars are lost every year through the use of worthless seeds and nobody is made responsible for that loss.

I regret that the government did not see their way clear to place a higher duty

on hogs and hog products entering Canada, as the present duty is not sufficiently large to prevent the fluctuations of price in hogs in the United States affecting the price of hogs in Canada, and therefore it is the duty of the government to place a sufficient protection to prevent our market from being made a slaughter market for American hogs. The government has been giving a great deal of protection to manufacturers, and they should seriously consider helping out the farmers to the moderate extent asked by these deputations.

During the election campaign one of my planks against the Dominion government was their system of immigration. Much of the immigration coming into this country, I believe, is not in the public interest. This subject has been thoroughly discussed in the House. I think we should encourage, as we are encouraging, men from the old land, men from different parts of Europe who make good settlers and men from the United States who are coming in in thousands, but I do not think we have any room for the class of people who come to Canada but never become good Canadians or British subjects. We want people who will come in and make good citizens in time to come. The immigration of Japanese and Doukhobors and people of that class should be either restricted or not encouraged. I have listened with a great deal of attention to members on both sides of the House during the budget debate, and it is only fair to say that I agree heartily with some things said on both sides. I noted particularly that nearly every man speaking on the government side goes in to defend nearly everything the government has done. The government of this country is certainly not perfect, and a man who defends all its acts must defend some things which are wrong. I was rather amused at the member for South Grey (Mr. Miller) who, in making a very able, eloquent and well studied speech defended the government in everything they had done from 1896 down until he struck what is known as the Newmarket canal. Before I came here I concluded from my own belief and knowledge that the construction of the Newmarket canal was a useless waste of public money. After listening to the defence of that project by the Prime Minister, the Minister of Justice and the Minister of Railways, I was sure I was right in that conclusion because their defence was no defence at all. The Prime Minister said that the reason for building a canal and spending one or two millions of dollars on it was that a delegation came down from North York to ask the government to do it. Why, I could get a deputation from any part of Canada to come down and ask the government to spend one or two millions near a village, but that is no reason for spending the money. Another point about that expenditure was that $30,000 or $40,000 was spent before the delegation came down here, and yet we are led to believe that the government started that canal because the deputation came here. That was hardly fair, and I do not think it was intentional. There was no expenditure on the canal for four years except some $31,000 up to March 31, 1908, but from that date to the present about $182,000 have been spent on it. It looked to any one who studied the question at all as if this expenditure was intended as a bribe to the electors of North York, spending $182,000 in a constituency just before an election. I do not think that any hon. member, no matter to what political party he belongs, should support expenditures of that kind. I condemned that expenditure on the platform in Centre York and once or twice in North York, and I believe that the people of that district, although the money is being spent there, will in time reject the men who wasted public money in that way.

I do not wish to take up the time of the House at this late hour. I would simply impress upon the government the necessity of doing something for the market gardeners and farmers. I hope the government will realize that what we ask in this respect is not for the benefit of one class or for one section of the country alone but is for the good of the Dominion at large.

Mr. W. S. LOGGIE (Northumberland, New Brunswick), Mr. Speaker, you have not heard from the province of New Brunswick during this debate and therefore I wish to make a few remarks. The hon. member for Centre York (Mr. Wallace) who has just taken his seat, has asked that the government should restrict immigration and he refers to the Japanese as a people who should not be allowed to enter Canada to any great extent. The hon. gentleman should know that this is exactly what the government have done, that restrictions are now being enforced and that during the last year a very limited number of Japanese have come into this country. The hon. gentleman ought to know as well that the government are using every endeavour to have a proper class of immigrants come into this country, and that every precaution is taken that when undesirable immigrants are landed in this country they are returned to the place whence they came at the expense of the transportation company bringing them to Canada. Another plea made by the hon. gentleman who has taken his seat is that the government should increase the protection to the agricultural interest, and he cites the protection on hogs, which he says ought to be increased. Forsooth there is a duty now of two cents per pound or

four dollars per barrel, and yet the hon. gentleman wants to have the farming interests of Canada protected to a greater extent than four dollars per barrel on pork. The hogs that come into this country are very largely of a class which are not raised in Canada. The imported hog products are consumed in the maritime provinces and in the lumbering operations of Ontario and Quebec and the eastern provinces. My hon. friend would ask that those who are consumers should pay an increased tax to the farming interest of this country. In my judgment it would be unfair to the consumer to increase the taxation on that product when we realize that the producers are already protected to what I consider a sufficient extent. If there is one item in the tariff list which, it seems to me, is on a protective tariff basis, it is the item of hog products. That is one of the items which the Liberal party have continued in force which was in force under the Conservative party in 1896. As to the request of the market gardeners that they be protected, I think we will admit that the products that are imported into this country are imported at a time at which they cannot and are not supplied by our Canadian market gardeners. If that be true is it reasonable that the consumers should be unduly taxed? They are reasonably taxed now? They pay what is a fair tax for revenue purposes. I think that the government have acted wisely in not every year tinkering with the tariff and making changes. We have framed a new tariff about each decade, and during the interim changes of no great consequence have been made. I do not think that I need refer any more to the remarks by the hon. gentleman. But, I want once again to congratulate my hon. friend the Minister of Finance on the showing that he has brought down to this House. A year ago he told the House and the country that it was a time for caution and that yet we should take courage. It seems to me, from the report laid on the table by the Minister of Finance, that this is exactly what the Finance Minister has done.

The hon. member for Centre York (Mr. Wallace) tells us that the expenditure was $83,000,000, that the revenue was $84,500,000 and that we have a surplus of $1,500,000. It is certainly an encouraging fact that it is so because of the stress, if I may so term it, it might have been fair to expect that the Finance Minister would come down to the House showing a deficit on the year's transactions. I think, therefore, that we might repeat what was said a year ago that perhaps no Finance Minister has ever done more to sustain the high credit of the country than has the present Minister of Finance. From his statement we find that the estimated net debt of the country on the 31st March, 1909, was upwards of $323,000,000, and that during the twelve and three-quarter years, since 1896, we have added to the net debt, in round numbers, $65,000,000. But, Mr. Speaker, I want you to mark that the $65,000,000 is accounted for by $52,500,000 expended on the Transcontinental Railway. That leaves a balance of only $12,000,000 expended on the great public works of this country which would represent about $1,000,000 each year for the twelve years. Will you just recall to mind what has happened during the last five years of the Conservative regime? During that five years they expended $16,000,000 on capital account. During the very same term they borrowed $21,000,000: that is to say they had not sufficient money in the treasury to pay the ordinary running expenses of the country. They had to borrow $5,000,000 for that purpose. But the Liberal party have expended about $100,000,000 annually on ordinary consolidated account and the other great public works that they have undertaken during the past twelve years, have added to the public debt only $1,000,000 per annum over and above the expenditure on the National Transcontinental Railway. It seems that the situation is one from which we might well take courage and which should warrant us in going on and completing this great undertaking. We find that in the year 1896, when the Conservative party gave up the reins of power the per capita debt was $50.82, while in 1909, after we had expended $52,500,000 on the Transcontinental Railway, and after the expenditure on other great public works, we have reduced the per capita to $45.72, equal to a decrease in the debt of the country after all these great expenditures of about 10 per cent. I mean the per capita debt, of course. I have explained already that the net debt has been increased, but we have assets for it as I shall tell you later on. Now, I want to say a word about how we got this money. Perhaps I should remind the House here that the member for North Toronto (Mr. Foster) in speaking of that the other day used the following language:

> ——which surpluses were got absolutely and solely because of extraordinary taxing powers that the government availed themselves of. If the government had kept the volume and burden of taxation down to what it was, or to anything near what it was, in Liberal Conservatives times, they could not have amassed such immense sums of money, and they could not have had such large surpluses. If a government will tax sufficiently, it will have large revenue and may have large surpluses.

Now, Mr. Speaker, during the last five years of the Conservative regime, they taxed at the rate of about 14 per cent more than the present administration is taxing. Let me put it in this way. In 1908 we collected 16·48 per cent on $351,879,000 worth of imports. In 1896 there were imports valued at $105,-

361,000 and the rate collected in that year was 19·12 per cent. Our rate is $2.74 on the $100 less on the value of the invoice, or equal to a difference of about 12½ per cent on the duty collected. Apply this and it would demonstrate that if in 1896, under the Conservative government, the people of Canada had imported as many goods as they did last year under the Liberal regime, the Conservative government would have taken out of the pockets of the people over $9,000,000 in extra taxation. If, on the other hand, last year the Liberal government had exacted the same rate of duty as did the Conservative government before 1896, there would have been $9,000,000 more collected in duties, and then our surplus would be ten and a half million dollars instead of one and a half millions. But, the hon. gentleman from North Toronto (Mr. Foster), and the hon. gentleman from Frontenac (Mr. Edwards) say that the vital point is that the present government collects $11 per head, whereas in 1896 the Conservative government collected only $5.46 per head. My contention is that the vital point is the rate at which $11 per head was collected. If I pay taxes on $10,000 this year at two per cent, and I am fortunate enough next year to have $20,000 on which to pay taxes at 1½ per cent, I pay a less rate but I pay more money on the whole and I ought to be glad I am able to pay it because I have something to represent the extra payment. And why is it that at a less rate of duty than formerly, there is more revenue produced? The answer is perfectly simple. A merchant will keep in his store just the goods his customers require, and if there is a demand for two suits of clothes now where there was only a demand for one suit before, the merchant will have the two suits and the customer will buy them instead of one.

Mr. BLAIN. Why not manufacture them here and pay no duty?

Mr. LOGGIE. Oh my dear man, don't you know we do manufacture them here? Let me tell my hon. friend that there is a very small proportion of clothing imported into this country.

Mr. BLAIN. The house doing the largest business in the province of Ontario imports all their ready-made clothing under this tariff.

Mr. LOGGIE. I will accept the hon. gentleman's word but I can tell him that I know of not one but of dozens of mercantile establishments that do not import one dollar's worth of ready-made clothing. The hon. member for North Toronto (Mr. Foster) advanced an argument the other day which it would have been fairer for him to have carried out to its logical conclusions. He told us that in 1886 we would find $10,000,000 charged to capital account but that was for seven and a half million acres of land, which, as an asset, converted into money was worth $22.500,000, and he asked us to take that into consideration. Well, I will admit the hon. gentleman's argument, but had he been fair he would have carried it further and he would have explained that the fifty-two and a half million dollars spent on the National Transcontinental Railway was a national asset. Will the hon. gentleman have the audacity to tell me that in the National Transcontinental Railway we have not an asset representing that fifty two and a half millions. Does he not know very well that in a short time that money will be bearing interest and and that it is just as if we got the fifty-two and a half millions back, put it in the bank, and drew our interest on it, as in the case of the twenty-two and a half million dollars we received for the public lands. Is not that a fair comparison to make? Then, the hon. gentleman (Mr. Foster) spoke about borrowing during the interim, but that argument was answered by the Minister of Finance who told us that it was a temporary loan which had been paid off. If the manager of an ordinary mercantile establishment borrows during the year and pays off his debt, he has no explanation to make to his directors. What he has to explain to the directors is what he owes and what he has to represent it. Then, the hon. gentleman (Mr. Foster) also insinuated that if the Minister of Finance had taken care of the surpluses it would not have been necessary for him to go to the London markets to borrow money. I would point out to the hon. gentleman (Mr. Foster) that no one can deny that the moneys received by the government have been wisely expended, for, although there may have been some small items here and there that might not be expended as we all would like, yet on the whole there is not a man on the opposite side of the House who would undertake to charge that there has been any improper expenditure of public money. It is all very well to make insinuations and inuendo, but when it comes to making a charge hon. gentlemen opposite will not assume that responsibility. Has this government not promoted the prosperity of our great country; has it not deepened the St. Lawrence, protected our fisheries, aided agriculture, assisted in the building of great railways ? It is true that if we had tied the surpluses up in a napkin as it were, we could have reduced the debt, but in growing times such as these and in a growing country like Canada it was wise that we should have applied our expenditures in the days of prosperity to develop-

ing the resources of the country. But nevertheless we have reduced the per capita debt, and yet we have an increase in 13 years in the net debt of only $65,000,000, $52,500,000 of which I call liquid assets that will bring us a return in good time. Just one more word and I have done——the hon. gentleman from Frontenac (Mr. Edwards) gave us a long list of duties levied by Canada and compared them with the duties levied by the United States. I quote his words:

> I submit that it is manifestly unfair and unjust to Canadian farmers, and when we take into account the fact that the United States sent into Canada last year 6,428 horses valued at $1,254,704 we must see that a portion of that was deliberately taken out of the pockets of the Canadian farmers.

If that hon. gentleman were here I would ask him who pays the import duties on goods that come into Canada. Would the hon. gentleman have the audacity to tell me that the Canadian farmer pays the duty on the horses that we send into the United States? And yet that is the logical conclusion of his whole argument; and he turns round and tells us that on the horses we sent into the States that the Canadian farmers pay the duty, and that argument is manifestly unfair. I do not understand the tariff if that is the basis of the hon. gentleman's reasoning. Perhaps in the case of a few artices there may be an exception to the rule. If you have no market but the United States, and are forced to sell your goods there on commission, it may be possible in some cases that the Canadian producer pays the duty; but in ninety-nine cases out of a hundred the Canadian farmer pays the duty on the goods imported into this country, just as the United States farmer pays the duty which his government levies on goods imported into that country; and it is unfair for the hon. gentleman to argue that it is unfair to the Canadian farmer to allow horses to come into this country at a lower rate of duty than United States citizens have to pay on going into the United States.

Mr. GEO. TAYLOR. The Minister of Customs tells us that the Canadian farmer has to pay the duty on Canadian barley going to Germany.

Mr. LOGGIE. I have no doubt that the Minister of Customs will answer for himself. Now, I want to say just one word in regard to the hon. member for Frontenac (Mr. Edwards). Why is it, he asks, that there is a reduction of $35,000 in the estimates of the Department of Agriculture for 1909-10? And then he makes some inuendoes or insinuations—is it because of this or that or the other thing? If the hon. gentleman will read the budget debate of a year ago, or if he studies the budget debate of this year, he will probably get the answer, but I want to tell him this: In 1896 how much do you think the Conservative government expended on the agricultural interests of this country? No less a sum than $210,000. And how much did this government expend on agricutural interests in 1908? $1,218,000, or more than $1,000,000 in excess of what was expended in 1896; and yet the hon. gentleman has the audacity to ask why the estimates for 1909-10 for the Department of Agriculture are cut down $35,000. Now, Mr. Speaker, my five minutes are up, and I thank the House for the attention it has given to me.

Mr. A. L. FRASER (Kings, P.E.I.). Mr. Speaker, at this late hour I do not wish to inflict a long speech on those patient members that I see present. I wish only to refer to one or two matters that have been touched upon in this debate. The first is the statement made by the Finance Minister that there has been a surplus this year. Now, this is either true or it is not true. The Finance Minister makes the statement that the revenue of last year from all sources was about $84,000,000. During that time there was spent about $120,000,000, leaving an excess of expenditure over income amounting to $46,000,000. That is the statement in a few words, and yet the astute Finance Minister ingeniously contrives to figure out a surplus, and the way in which he does it is by the old method adopted by this government year after year, while the net debt of the country increases every year. During the last year it has increased by $46,000,000, equal to $7 per head on every man, woman and child in this country, and the interest on that debt for all time to come until it is paid off will amount to $1,500,000 yearly. Now, by what plan does the Finance Minister figure out that there has been a surplus during the last twelve months? The method of keeping the books will explain how the alleged surplus—because there is no surplus, only a fictitious one—is arrived at. This government has two accounts, one called the capital account and the other the current account. I do not find any fault with them for this, because a great many governments, if not all, as well as large mercantile houses and banking institutions follow the same method. To the current account is charged the current expenditures of the year, while to the capital account should be charged expenditures on permanent public works—works that are assets to the country. But this administration, besides charging undertakings of a permanent character to capital account, go on and charge to the same account what we contend should be charged to current account. Among other things, they charge to capital account the bounties. What assets has this country for the bounties paid during the last twelve months on

steel and coal? None whatever. Similar bounties under the Conservative administration were charged to current accounts, but this administration does not hestitate to charge them to capital account in order to figure out a surplus. By this false method $2,500,000 bounties, which should have been charged to current account, were charged to capital account, and a fictitious surplus of one and a half millions thus created. And we have had the papers supporting the government and benefiting by government patronage and government advertising heralding this surplus throughout the country. Can it be wondered at that many people should really accept that surplus as genuine, although in reality, instead of having a surplus this country has gone back and added to its debt to the extent of $46,000,000?

During the last year, the hon. the Finance Minister has had to take some trips to the other side for the purpose of borrowing money. I should like to see the hon. gentleman take many trips across the Atlantic, I hope he will live long enough to make frequent visits to the other side, but I would like to see him go on a pleasanter mission than to borrow money and put himself into the hands of the money lenders. I would ask him to remember that we have money here in the post office savings banks, and government bank, from which the depositors only receive three per cent, although the government has to pay three and a half to four per cent to the money lenders in the old world. It seems to me that our Finance Minister should give our small depositors in the post office savings banks at least the same rate that he pays to foreign money lenders. Why should our small depositors in the government savings banks receive only three per cent on their money, when the government have to borrow abroad at from three and a half per cent to four per cent?

There is another subject to which I wish to refer and which was first introduced in this debate by the hon. member for North Essex (Mr. Sutherland). That hon. gentleman charged the hon. member for North Toronto with having gone down to Prince Edward Island shortly before the elections and promised to build a tunnel there. In support of the charge, he read this extract from the 'Examiner,' a Conservative paper published in Charlottetown:

> For myself I stand ready to implement our bargain with Prince Edward Island by the construction of a tunnel.

The hon. gentleman charged my hon. friend from North Toronto (Mr. Foster) with having said this. Well, that is a statement of which no hon. gentleman need be ashamed. No public man need ever be ashamed of saying that he stands to carry out the bargain made between the Dominion and any of its provinces. Yet, time and again, during this session, I have heard the hon. gentleman criticised for having made this promise. But what are we to think of the Finance Minister who also went down to Prince Edward Island last fall just before the election and who also spoke in the same connection? I find on the 24th of September in the Daily ' Patriot,' the following words attributed to the hon. gentleman:

> If $10,000,000 would bring communication through the tunnel, I should be willing to support it with my whole heart, and I might be willing to support a larger sum.

Mr. FIELDING. The whole tenor of my statement was that I refused to build a tunnel.

Mr. FRASER. I am only reading.

Mr. FIELDING. The hon. gentleman is not reading enough.

Mr. FRASER. I will continue.

Mr. FIELDING. The substance is as I said.

Mr. E. M. MACDONALD. Did the Finance Minister promise it?

Mr. FRASER. I do not say whether he did or not. I am reading as he is reported.

Mr. FIELDING. Would my hon. friend begin earlier? Let him read what preceded that.

Mr. FRASER. I can only read the extract as I have it here. There is nothing false about it.

Mr. FIELDING. I am not charging the hon. gentleman with misrepresenting.

Mr. FRASER. The hon. minister can remember if he said these words.

Mr. FIELDING. I remember very well.

Mr. FRASER (reading):

> If $10,000,000 would bring communication through a tunnel, I should be willing to support it with my whole heart and might be willing to support a larger sum.

Mr. FIELDING. Yes.

Mr. FRASER. Now, these other members on the government side charged the hon. member for North Toronto (Mr. Foster) with having committed a crime almost because he said that he stood ready to implement the bargain made with Prince Edward Island.

Mr. FIELDING. I have somewhere among my papers a despatch in a Conservative paper with the very heading: 'Mr. Foster promised the tunnel.' My speech was commenting on that and I distinctly said I would not promise the tunnel.

Mr. FRASER. This is taken out of the 'Patriot' newspaper of September 24.

Mr. FIELDING. It is correct as far as it goes.

Mr. FRASER. That is the sentiment I wanted to bring out. The hon. gentleman said further:

> But there is no information that would justify me in saying: 'Put me in power and you should have the tunnel.'

That is the finish of the sentence. He says there is 'no information' to justify him in promising a tunnel. That is the whole trouble. There is no information that would justify any man in saying that if he is elected he will build the tunnel.

Mr. FIELDING. Why, then, did Mr. Foster say it?

Mr. FRASER. Mr. Foster is not reported to have said so in the extract referred to by the member for North Essex.

Mr. FIELDING. I will bring the paper in which it is reported

Mr. FRASER. I know that after Mr. Foster left the province, it was reported outside that he had promised the tunnel at a cost of $150,000,000. But I never heard him make that statement; it was never reported in any paper in our province that he had said such a thing. The Finance Minister tells us that there is 'no information.' We in that province want the tunnel; it is the most vital thing affecting our prosperity. We made a bargain with the Dominion of Canada when we entered confederation, and one of the conditions of that bargain was that the Dominion should maintain continuous communication with the mainland. That part of the bargain has not been kept. We thought we were to become part of the great Dominion and to share in its prosperity, and we depended upon this continued communication with the mainland for a very large share of that prosperity. But thirty years have elapsed, and this part of the bargain is not carried out. It is true this government has already had to pay some damages on account of the breach of that contract, and likely they will have to pay more. Two provinces, any more than two individuals, should not make a solemn bargain, signed and sealed, and then break it. Now, we want the information which the Minister of Finance says is necessary in order to justify him in promising or not promising the tunnel. We want a sum put in the estimates to make a survey to ascertain whether or not a tunnel can be built. We are not unreasonable; we will not ask for the tunnel if it is to cost $150,000,000, or half that much. We will only ask what is reasonable. In the meantime, we want to know what is possible. And we cannot get that information because this government does not see fit to spend a few thousand dollars, or a few hundred thousand dollars if necessary, to find out whether or not this tunnel can be built. Did the Conservative administration behave in this manner? No; they started to make a survey of the Strait and spent some money on it. But the survey required some time, and the government went out of power before the work was completed. And, since this administration came into power in 1896, it has not spent a dollar in getting the information referred to by the Minister of Finance. I have quoted what the Minister of Finance said when he was in Prince Edward Island. I would like now to refer to another very prominent man on that side. In 1891, the right hon. leader of this government (Sir Wilfrid Laurier) visited Prince Edward Island, and he is reported—and has never denied it—reported by a prominent Liberal politician—as reported in the papers at that time and published all over the island—as saying:

> Every man who has given attention to the condition of things and the interests involved by the entering of the island into confederation must admit that such a tunnel must be constructed if the thing is reasonably practical.

Coming to the province before an election, the right hon. gentleman made this promise. Yet he has been in power for twelve years, and has never made a step to find out whether or not the work is reasonably practicable. I urge the government, with all the strength I have, to place a sum of money in the estimates and have a proper survey made of the straits so as to have this question settled, whether or not this tunnel is practicable. That is all we ask—'only this and nothing more,' or less. But I regret that this tunnel matter is not taken up properly even by all. There is a class—a small class of people in our own province who look upon it with apathy; they say they do not think we can get it, that it will cost a very large sum of money. These people do not know that about which they are speaking. No man knows whether the tunnel will cost $100,000,000 or $10,000,000. Any man who makes a statement as to the amount of money it will cost simply shows that he does not know anything about it. We shall never know what the tunnel will cost until a survey is made of the strait. I urge the government not to allow these promises that it has made and the hopes it has held out to go into the already overcrowded graveyard of their broken promises. When the Prime Minister 'finishes his work,' I hope he will not forget to finish this survey which was commenced under the Conservatives, and which has been neglected from that day to this.

Now, as to the expenditure of money, a great deal depends not alone on the amount of money expended, but the way in which it is spent. This is a young and growing country, and necessarily will require large expenditures on public works and means of transportation and works of that kind. Nobody will condemn the government for spending this money on useful works. But what the government should be condemned for is spending money on works that are not useful and not required. This government can afford to spend a million dollars on what is called the Aylesworth ditch.

This expenditure will serve the interests only of a certain township and perhaps serve the interests of the government in securing more support in that township. It is, however, a questionable expenditure and while the government should not be condemned for expending money usefully, it should be condemned when it undertakes such large expenditures which cannot be better defended than this undertaking.

There is another expenditure of a questionable character, the building of that section of the Transcontinental Railway from Quebec to Moncton. This was condemned in the House by the most prominent railroad authority of that time, the then Minister of Railroads, the late Hon. Mr. Blair. Mr. Blair said that it was an unnecessary work, that it was parallelling the Intercolonial Railway and that the construction of that road would eventually turn the Intercolonial Railway into scrap iron. Yet this government has gone on with the construction of that road at a great cost and we will have the spectacle of two government roads parallelling one another from Quebec to Moncton, when one good road would amply serve the purpose and afford railway facilities for the people in that country. At the same time other sections of the country are languishing and starving for railroads, but the government in its wisdom or unwisdom has seen fit to build this unnecessary and unjustifiable section of the National Transcontinental Railway.

The expenditure on the Militia Department is open to criticism. This is the only department whose expenditure has not been reduced this year. The department costs the country about $7,000,000 a year. To keep up what? A standing army? We have read of an army where they were all officers and no men. There is a feeling in this country that a great deal of this money is going to the officers, and yet when the time comes, if ever it should come, when there will have to be fighting by the people of this country, it will be found as it has been before, that the fighting will be done not by the men who are living in luxury and enjoying large salaries with all this fuss and feathers as the hon. member for Nanaimo says about them, the fighting will be done by the hard working men from the country and the towns. There is a feeling of distrust with reference to this militia expenditure. I have no doubt there are many good men in the Militia Department, I have no reason for saying otherwise, but there is a feeling that there is much more spent in that department than the returns justify, and I think that perhaps a certain amount of that money might be more profitably spent in other directions.

Much as has been said about making a gift of a Dreadnought to Great Britain. If the government and the people saw fit to do this, I do not think any fault could be found. I think it would be better to make some such gift as that than to waste any money on the Militia Department. I am not saying all the money has been wasted, but there is a feeling that this department is doing as it likes without any check and I am not surprised that a government supporter should come out and state that there is too much fuss and feathers in that department. I firmly believe that of the $7,000,000 spent on the militia at least some has not been spent in a profitable and useful way.

On motion of Mr. E. M. Macdonald, the debate was adjourned.

On motion of Mr. Fielding, House adjourned at 12.30 a. m., Tuesday.

HOUSE OF COMMONS.

TUESDAY, April 27, 1909.

The SPEAKER took the Chair at Three o'clock.

PAYMENT OF FEES ON PRIVATE BILLS.

Mr. HUGH GUTHRIE (South Wellington) moved that the Fourteenth Report of the Select Standing Committee on Railways, Canals and Telegraph Lines be concurred in. He said: As this is a special report recomending some changes in the rules, I might offer a word of explanation. There is apparently some anomaly in the rules of the House of Commons in respect of private Bill legislation, as they stand at present. The clerk of the committee, who is very familiar with these rules, and a very capable and experienced officer, drew the attention of the committee to the fact that a difference exists in regard to private Bills originating in this House and those originating in the Senate as respects the payment of fees. If a private Bill originates in this House, by rule 88, subsection 3, it is provided that certain fees

shall be paid having regard to the capitalization of the proposed company; and by subsection 5 of the same rule, other fees are chargeable in respect to the borrowing powers or bonding powers of the company. If the same Bill happened to be introduced in the Senate, fees would only be charged in respect of the capitalization and no fees would be required in respect of the borrowing powers. This difference arises by the peculiar wording of subsection 8, of section 88, which provides:

The additional charges provided for in section 3 of this rule shall also apply to private Bills originating in the Senate.

But section 3 of the rule only applies to fees payable on the capitalization of the company, and not in respect to the borrowing powers of the company. The other amendments to the rules which the report mentions are merely to conform with the main objection which I have now submitted to the House, except in regard to section 87 of the rule. Section 87 provides that:

Petitions for private Bills shall only be received by the House within the first six weeks of the session.

It so happens that as a petition has to lie on the table for two days before being received by the House, the time allowed is really six weeks less two days. No doubt the intention was to allow the full six weeks, and the proposal of the committee is that the rule should be amended by inserting the words 'if presented' after the word 'House' in the second line of the rule, which would allow a clear six weeks after the sitting of the House for the presentation of a petition for a private Bill. There is one other change also recommended in regard to companies who seek to increase their capital stock, it being provided in the Bill of incorporation that if at any time they so desire they may increase it. There have been instances where companies have come forward with practically a nominal capital and have asked for power. In that case they pay a very small fee and subsequently increase their capital to what sum they see proper and escape the payment of the fees on the increased capital. The report proposes that in such cases the amount of the increased capital that a company desires at any time to have shall be stated in the Bill and the fees shall be paid in respect thereof.

Right Hon. Sir WILFRID LAURIER. I would suggest to my hon. friend (Mr. Guthrie) that he do not press this motion to-day, but that it stand as a notice for future consideration.

Mr. SPEAKER. Stands as a notice of motion.

Mr. GUTHRIE.

FIRST READINGS.

Bill (No. 157) for the relief of John Denison Smith.—Mr. Guthrie.

Bill (No. 158) respecting the Bank of Winnipeg.—Mr. Guthrie.

Bill (No. 160) to incorporate the Canadian Red Cross Society.—Mr. Macdonell.

Bill (No. 161) to incorporate the Equity Fire Insurance Company of Canada.—Mr. Macdonell.

CONSERVATION OF NATURAL RESOURCES.

Hon. SYDNEY FISHER (Minister of Agriculture) moved for leave to introduce Bill (No. 159) to create a permanent commission on the conservation of the Natural Resources of Canada.

Mr. MONK. Explain.

Mr. FISHER. Mr. Speaker, this Bill is introduced for the purpose of the formation of a permanent commission on the natural resources of Canada. Hon. gentlemen will no doubt remember that there was a conference held in Washington at an earlier stage of this session at which Canada was represented, and that the report of that conference recommended and urged strongly that the countries taking part in it, namely, Mexico, the United States and Canada, should each of them establish a permanent conservation commission for the purposes of considering, investigating and recommending in regard to the development of the natural resources in their own countries. The government has judged that it is wise to accept that recommendation and has entrusted me with the duty of drawing up a Bill for that purpose. I will just say shortly that the Bill provides for a commission, which shall be an honorary commission, of thirty-two members, twelve of whom shall be ex officio members, three members of the government at Ottawa and one representative of each of the provincial governments in Canada, that representative to be, as a general rule, a minister of the province in charge of the lands, forests and mines. That will depend, of course, on the duties assigned to the different provincial ministers. That would provide for twelve members of the commission. It is proposed to provide that the twenty other members of the commission shall be appointed by order in council. The government will appoint one of these commissioners as chairman. The commissioners shall not be paid at all, but shall receive their travelling expenses when they attend a meeting of the commission. There will be one annual meeting in the month of January and other meetings shall take place at the call of the chairman of the commission. The work of the commission shall be conducted by a small office at Ottawa which

office shall be included in the inside service here and be in charge of one officer who shall be called the secretary of the commission. I think this outlines the chief details of the Bill. The Bill, which is a very short one, outlines these details and defines the objects and intentions of the commission.

Mr. R. L. BORDEN. Is there just one similar commission in the United States or does each state have its own commission?

Mr. FISHER. There is a commission appointed by the President and then most of the states—I do not remember exactly how many, but I think some thirty of them —have also created commissions. The President has appointed one federal commission, which is not appointed under any law of congress but upon the initiative of the President.

Motion agreed to, and Bill read the first time.

GRAND TRUNK PACIFIC—LABOURERS FROM SIBERIA.

On the orders of the day being called:

Mr. J. D. TAYLOR. I would like to inquire from the hon. Minister of Labour (Mr. Lemieux) with respect to an answer given yesterday to a question on the Order Paper regarding labourers from Siberia. The minister's answer was that:

> The Department of Labour has received no report as described by the hon. gentleman on this question. The only notice we have had on this matter is the mention that was made of it in the House.

I wish to inquire as to the significance of this answer whether the minister does not consider that a report is made to the department when a member, from his place in the House, reads the details to him and asks the department to be good enough to investigate the statements there contained. That is what I did, and I would like to ask the minister to make clear to us what our standing is in that connection.

Hon. RODOLPHE LEMIEUX (Minister of Labour). I might just say to my hon. friend (Mr. J. D. Taylor) that my remark of yesterday was not intended to hurt the feelings of that hon. gentleman. I merely wished to state then that the first notice the department had received that any Siberians had come to Prince Rupert was through the remarks made the other day in the House by the hon. gentleman. The department, since these remarks were made by the hon. gentleman, has endeavoured to find out whether the statement made on the authority of a newspaper by the hon. gentleman, is true or not. As soon as we get any precise information I will let the hon. gentleman know. But I meant to say that the only notice received of any Siberians coming to Canada was from the hon. gentleman's remarks. There is nothing in the Department of Labour to make us acquainted with any such state of things. We have written to the president of the Transcontinental Railway.

HECATE STRAIT.

Mr. R. L. BORDEN. Has the Prime Minister any information to give in reference to the statement made in the press of the United States, that the State Department of the United States has been unable to ascertain any information as to the position which Canada takes with regard to the Hecate Strait?

Sir WILFRID LAURIER. I do not think the question is at all as represented in the press. I have given instructions that the papers should be collected and they will be brought down as soon as possible.

HOURS OF LABOUR ON PUBLIC WORKS —ORDER DISCHARGED.

Mr. VERVILLE moved:

That Order No. 35 of the Public Bills and Orders for the second reading of Bill (No. 22) respecting hours of labour on public works, be now called for the purpose of its being discharged from the Order Paper.

Sir WILFRID LAURIER. If the object be to discharge the order there can be no objection.

Mr. AMES. Why does the hon. member wish the order discharged ?

Mr. VERVILLE. I wish the order discharged because its discharge will enable me to bring the matter before the House this session in another form. The question as to the hours of labour on public works is, I consider, of considerable importance at the present time.

Motion agreed to.

INQUIRY FOR RETURNS.

Mr. LENNOX. An order of the House was issued on the 3rd of March (Votes and Proceedings page 297) for a copy of all tenders received for the construction of certain sections of the eastern division of the National Transcontinental Railway, &c., and I call attention to the fact that the order of the House has not been complied with in that the copies of all tenders for contracts have not been included in the return brought down.

Mr. GRAHAM. I will make inquiry.

WAYS AND MEANS—THE BUDGET.

House resumed adjourned debate on the proposed motion of Mr. Fielding that Mr. Speaker do now leave the Chair for the

House to go into Committee of the Whole to consider the ways and means for raising the Supply to be granted to His Majesty.

Mr. E. M. MACDONALD (Pictou). Mr. Speaker, the debate which is now drawing to a close may be said to be the first prolonged budget debate in either the last parliament or in this. We have had expressions of opinion from a great number of hon. members on the condition of the country, and with one or two exceptions where partisanship has produced a tone of pessimism, the House must note with satisfaction that the underlying current of all the addresses has been confidence in the future of our country. I believe, Sir, that the Canadian people as a whole share our feelings of confidence in Canada, and confidence in the men at the head of the government of this country who for twelve years past have given us wise administration with its consequent prosperity. and a splendid start in this first decade of this twentieth century which we all hope and believe is to be Canada's. That feeling of confidence contributed in a large degree towards the people renewing on the twenty-sixth of last October their mandate to the Liberal government to continue in the course which they have been pursuing since they attained power. Beyond all doubt we have had in Canada twelve years of sane, practical business administration; an administration not based upon theory but upon sound practical common sense guided by wise statesmanship. In the first place as a result of that administration, no matter what the depression abroad in other lands, the Canadian government while amply providing not only for ordinary expenditure but for laying the foundations for our future progress, has always been able to announce that the finances of the country have shown a balance on the right side of the ledger. Our population has increased year after year in a ratio never before equalled in our history and our manufactures have developed to an unprecedented extent, and the consumer has had no reason to complain of oppression because of the encouragement which the government has been able to give to our industries. During these twelve years we have not followed free trade fads nor protectionists fetishes. In the days when our Conservative friends were in power they claimed that by reason of the protection theory which they attempted to put into practice Canada would be able to pull herself up by the boot legs, and her people would become rich. This government has not hung out any false signals of that kind; it has discarded fads and theories and given to Canada a wise and practical and business-like administration. The hon. member for North Toronto (Mr. Foster) told us that he would plant one or two feathers in the cap of the Minister of Finance (Mr. Fielding), but he must have felt that there were already in the cap of that hon. gentleman one or two feathers which he had the right to wear with distinction; feathers which the hon. gentleman from North Toronto (Mr. Foster) would like to have the title to wear were he himself Minister of Finance, but feathers which the hon. gentleman (Mr. Foster) as a pessimistic developer of deficits in the days when he had charge of our finances was unable to lay any claim to. And so my hon. friend looks askance with envious eyes at the plumes which are so worthily worn by our present minister. The hon. gentleman (Mr. Foster) told us that it was no credit to the Minister of Finance to have a surplus, because anybody could have a surplus by putting up the taxation. Well, in the days when he was Finance Minister though he imposed greater burdens of taxation per capita on the people than the hon. Mr. Fielding ever did, he was unable at any time to so manage the affairs of our country as to have a balance on the right side of the account.

One of the other pessimistic things to which my hon. friend gave utterance, and which justifies us in speaking of him as a little Canadian, was the proposition that the Transcontinental Railway should not be constructed so as to bind the whole of Canada together. He did not wish to see it built from Quebec to Moncton. I say that the man who takes that position is a small Canadian, who talks as if the whole history of this country had been written, and that we had nothing to look forward to—no hopes or aspirations of extension or development to stir the pride and the confidence of this young Canadian nation. The hon. gentleman says that it would be better to have no debt than to have that section of the Transcontinental Railway; that is his position. If that is so, then this whole northern country of Canada is to be left uninhabited, unexplored, untilled. Whatever the people of these original provinces may do in their future history, we in the beginning of this twentieth century are not going to do anything in the way of laying the foundations for that future. All that country is to be a closed book. We are going to build three transcontinental lines through the central and western portions of Canada, and are going to extend branches from them everywhere like arteries; but when we come down to the province of Quebec, to the verge of the little provinces down by the sea, our railway development must stop, and for all time to come, according to this small Canadian who sits on a front bench and sometimes essays to lead the opposition, we are only going to have one line of railway stretching from the provinces

by the sea to the central portions of Canada. No matter what progress or development the central portions of Canada may have, our provinces by the sea are to have no advantage from that, and are to be confined to the single line of railway that has been there since confederation. My hon. friend would willingly go on and spend millions in the building of Dreadnoughts in order to satisfy the aspirations of the constituency which is giving him a resting place for the time being in the province of Ontario; but he would entirely forget the smaller province which gave him birth, and would ostracise and penalize that province, and the others by the sea, by confining them to one line of railway and not permitting them to share in the future development of this country, because forsooth if we go on and prepare for the future we are going to put a little additional debt on the people of this country. Although my hon. friend takes that position, I assume that he does not speak for all the gentlemen who sit behind him. It is but natural that he should be actuated by a spirit of pessimism; but I have sufficient confidence in the Canadianism of a large number of those who sit on the left of the Speaker to believe that they stand with us in favour of preparing in our day for a Canada which shall be properly developed all along the line, feeling that because an Ashburton treaty has to a certain extent ostracised a portion of this Dominion on the east, just as the Rocky Mountains constitute a barrier in the case of our most western province, these barriers shall not be allowed to prevent all portions of Canada from becoming united together as one country stretching from sea to sea. The construction of that railway, so far as the eastern portion of this Dominion is concerned, has in my judgment become an imperative necessity, and I hope that it will pave the way at an early date to the adoption of a policy whereby the imports from the mother country which receive the benefit of the preference shall only be permitted to receive that benefit when they enter by Canadian ports. Our hon. friends who talk about Canada for Canadians will find in such a policy an easy means of benefiting Canada in her trade relations with other countries without imposing burdens.

We are told that because the debt of this country has increased by $65,000,000 during the last twelve years we have reached a terrible condition of affairs. Our hon. friends opposite in eight years increased the debt of this country by $82,000,000, and they never worried about it; and while they were doing it, the population of the country stood still, and the business interests of the country retrograded. Yet we are told that we are on the verge of all kinds of difficulties and that our credit is impaired, because the people of Canada, having made tremendous expenditures out of ordinary revenue, which have advanced this country along lines which will ensure a full return, have increased their debt to the extent stated. In the interim we have gone on increasing our population until it has almost doubled, and the wealth of our people has increased to an astounding degree. Take, for instance, the deposits in the banks of the country. In 1896, when our friends opposite went out of power, and when they had a debt which, in relation to the population, was more onerous than our debt to-day, the deposits in the banks amounted to only $193,000,000, whereas in 1907 they amounted to $654,000,000, an accretion in that respect alone of over $461,000,000. The assets of the banks have increased $625,000,000. The Dominion savings banks holdings by the people have increased $15,752,000. So that the Canadian people during the past twelve years have increased not only in population, but in wealth; and we would be recreant to our whole duty to posterity if we did not go on with full confidence in these expenditures which are sure to yield a full return. Although the accretion to the debt took place within the last few years, very largely on account of the construction of the National Transcontinental Railway, we have also been building great public works. We have among other things greaty improved the St. Lawrence ship channel. Our hon. friends opposite claim to be the only people who have done anything in Canada; yet they went out of power, after almost a quarter of a century directing the affairs of this country, with the great national port at the foot of our canal system in such a condition that it was absolutely impossible for a vessel to go up and down the St. Lawrence below Montreal after five o'clock in the evening of a summer day. But the man who goes up and down the St. Lawrence to-day sees the splendid development that has gone on there. In that one port there have been returns for the great expenditures which have been made which the business men of this country appreciate to the full, and that is one of the reasons why they stood by the government last October and helped to send them back to power for another four years.

Hon. gentlemen opposite say we have not been getting a return for our expenditure. Is this expenditure in the northern country not to bring any return? These hon. gentlemen are singing the same old song that their friends in Ontario did when they were in opposition and when the Hon. G. W. Ross, Premier of the Ontario government, brought down this proposition to build the Temiskaming Railway, these good old Tories in the local House did then what

their friends are doing now. They said that railway would run through a country where nothing was growing, where nothing would be found, and they opposed its construction to the limit of their ability. To-day, however, when splendid returns from that country are coming in, when we find a new mining camp developed there almost every six months, the wisdom of that policy and the justification for the money expended on that undertaking are proved beyond doubt. The development of the clay belt alone in those northern regions, as the result of the policy of the Ross government, will amply vindicate that policy. In the same way, to-day, in Canada, by the construction of a railway through our northern country, we are paving the way for a return, through the development of our great forests in that region and of our mineral wealth, which will compensate us a hundred fold. There is not a man who has any pride in his country and has marked its advancement during the last twelve years, who does not feel in his heart that we would be recreant to posterity if we did not go on manfully and hopefully to open up and develop this great north land of ours.

There is one other thing which has been developed by this debate. I have had the honour of sitting in this House for some five sessions. I have heard my hon. friends outside of this House and have read in Conservative journals something about the united policy of the Conservative party with regard to trade, but I have seen very little illustration of it in this parliament. In fact, I have seen no evidence in this parliament of our friends opposite having any policy at all on the tariff. This debate is another evidence of that fact. Ever since my hon. friend the leader of the opposition developed this theory of his about 'adequate protection'—which nobody, not even his own followers, ever understood, and which the country realizes he never understood himself—no one has attempted, speaking with any degree of authority for the Conservative party, to lay down any proposition regarding the tariff. We have had those gentlemen who claim to be the only people loyal to the mother land and who talk glibly on the platform and elsewhere about the advantages to the empire of a preference between the mother country and her colonies—we have had them telling us that the woollen industry was being ruined by the British preference.

Mr. THOBURN. Hear, hear.

Mr. E. M. MACDONALD. I suppose my hon. friend from Lanark (Mr. Thoburn) would vote against the preference and would like to see it abolished. He gives a sign of assent. I knew he would be more frank than some of his friends who sit around him, who would like to see it abolished but will not venture to get up and say so.

Then I was amused by my hon. friend from South Cape Breton (Mr. Maddin) last night. He gave us a picture of the grand old Conservative chieftain standing down at Sydney in 1878 and predicting that a great steel industry would grow up there, and he told us that the hon. gentleman (Mr. Foster), when he was Finance Minister brought down a proposition to establish steel bounties so as to encourage this steel industry. That is a fair sample of the way my hon. friends opposite argue. There is a steel industry down in Sydney. In fact there are two. But the iron ore which forms the basis of the development of that industry was discovered in Newfoundland some fifteen years after Sir Chas. Tupper had made the prediction which my hon. friend so glowingly described. And the company which was incorporated for the purpose of carrying on the business of making iron and steel was incorporated since this government came into power, and I had the honour of supporting the measure to incorporate it in the local legislature in 1898, two years after these hon. gentlemen opposite had been removed from office. I know that it is the fashion of some hon. gentlemen opposite to forget the great career of Sir Chas. Tupper, the once militant leader of the Conservative party in this country. I know that his name is not a popular one with the Conservative party in certain portions of Canada, and I am quite well aware that his distinguished son, who was to have been an opponent of mine in the last contest in Pictou, is not persona grata with all these hon. gentlemen. But I do not suppose that it was on that account we had man after man on the other side standing up here and declaiming against these frightful steel bounties. One of them went into close figuring to show that every man, woman and child in his riding in Ontario was having a debt placed upon him for all time to come on account of this nefarious proposition of the Liberal government to grant steel bounties. Yet there are some gentlemen who run away with the idea that the party oppoite stands for assistance to the steel industry. It does not stand for anything. It hardly knows what it does stand for. One minute my hon. friends opposite will laud the national policy, and the next they almost unanimously vote in favour of a reduction of the duty on agricultural implements. I remember a staunch old Conservative from my province who said in this House some years ago, when the hon. gentlemen were in power: 'If you remove one brick in the structure of the national policy, the whole fabric will fall to pieces.' Well, the Conservative party made no scruples of removing any number of bricks and stones from the edifice and are going on doing the same to-day.

My hon. friend from Lambton (Mr. Arm-

strong) wants to have a lower tariff on German goods. He is continually attacking our genial Minister of Customs (Mr. Paterson) because our tariff is so hard on the Germans. Yesterday we had a return of that attack. He wanted to lower the tariff so that we may buy German goods. Is not that a strange story for a man to tell us who glories in the virtue of high protection? Then adequate protection was the latest pronouncement. That pronouncement never had any tangible meaning, and has ceased to have any significance, and for five years our hon. friends opposite have been wandering in the wilderness, waiting for a Moses to come along, who, with some divining rod, would strike the water and produce some magic shibboleth with which they might gull the public. Let me recall the fact that while these hon. gentlemen have been laying down theories here and there about what their tariff policy would be if they were in office, they have never ventured to lay down any general policy in opposition. They have never ventured to submit an amendment, declaring for any system different from that advocated by the Finance Minister (Mr. Fielding). No alternative proposal of a general character to the tariff policy of the government has been made by my hon. friends opposite during the past six years. Of course, once in a while one of them gets up and wants to reduce the duties on agricultural implements, another inveighs against the steel bounties, while others, like my hon. friend from North Lanark (Mr. Thoburn) want a higher duty on woollens. And so the inconsistency goes on, with the result that this government, among the satisfactory things on which it can congratulate itself, have the fact that, after twelve years directing the affairs of this country, it has a tariff policy which its opponents in this House do not venture to question in general principles, against which they have never moved any amendment, and in regard to which they have never set up any alternative proposition

When my hon. friend from Cape Breton (Mr. Maddin), who spoke last night, went on to discuss what is popularly known as the coal question, I was somewhat curious as to his position. I have heard that my hon. friend had been regarded as a humorist at least at one period of his career in his addresses in election campaigns; and, though I have never heard him discuss questions on the stump, I am satisfied that he has more than lived up to any reputation that he had in that regard in his utterances on the coal duties and coal business in this House last night. His utterances will be regarded with amusement by every intelligent miner and everybody connected with the coal industry in the province of Nova Scotia. The hon. gentleman reached the summit of temerity and audacity in his discussion of this question. When I heard him, I wondered if I could believe my ears, and now that I find his words in cold print I almost wonder whether I can believe my eyes. This is what he said:

> I cannot allow the opportunity to go by without pointing out that the condition of the miner of Nova Scotia is to-day not as good as it was previous to 1896, notwithstanding that the men are now able to work for twelve months in the year.

That is a very curious statement. Previous to 1896, hon. members opposite were accustomed to claim that they were the sole and only friends of the coal industry of this country, and that if the Liberals ever got into power, such determined foes were they of everything connected with coal that the coal mines would be destroyed and the industry rooted out. And my hon. friend (Mr. Maddin) paid me the compliment of reading certain telegrams that passed between my leader and myself in 1896 and some further utterances made by myself a couple of years afterwards in the provincial legislature. It is not always in these changing times in Canada, that a public man can say of an utterance of his made twelve years previously that he stands by that utterance absolutely. I myself enjoy that satisfaction in regard to the language my hon. friend has quoted as having been uttered by me in the legislature of 1898.

Mr. HUGHES. Was that about the Highlanders?

Mr. E. M. MACDONALD. My hon. friend (Mr. Hughes) does not know much about the Highlanders.

Mr. BOYCE. Tell us about them.

Mr. E. M. MACDONALD. My hon. friend (Mr. Boyce), I am afraid, would be too obtuse to appreciate anything in regard to the great Celtic race to which I have the honour to belong. I ventured to point out, in 1896 and 1898, that our Conservative friends claimed that they were the special friends and patrons of the coal industry, and that that industry would expire if anything should happen to the Conservative party. But, while they claimed to be rampant protectionists, and preached the glory and virtue of protection everywhere in this country, and while they were protecting everything else they were not giving the coal industry any protection in comparison with what other industries enjoyed. And what was the result. In 1896, after eighteen years of Conservative rule, in regard to the coal industry? We did not have the St. Lawrence market. In the great county of Inverness, represented by my hon. friend (Mr. A. W. Chisholm), there was not a pound of coal raised. It is true these hon. gentlemen talked about giving the St. Lawrence market to the

coal miners of Nova Scotia, but the chief colliery in my county never sent a pound of coal in Montreal during the whole eighteen years the Conservative party were in power. And, instead of there being continuous employment for the coal miners, what was the position? In the winter months, there was destitution and poverty in almost every coal mining town in the province.

My hon. friend from Cape Breton (Mr. Maddin) displayed his talent as a humorist when he declared that it was a satisfaction in those old Conservative days that the men did not work in the winter time, that they had a chance to improve their minds. Unfortunately, the result of that was, that in many of the mining districts of the province, appeals were being made to the charity of the citizens during the latter days of the Conservative party's term of power. And, in 1896, under this beneficent Conservative reign, to which my hon. friend refers, the total sales of Nova Scotia coal anywhere and everywhere in this country amounted to only 1,831,357 tons. There were poor wages in all the departments of labour in and about the coal mines, and it was impossible for the people to get along. My honoured leader, in 1896, declared to me and to the coal miners and to people interested in coal in Nova Scotia, that under a Liberal government, the coal interests of that province would be carefully guarded. And let me tell you that my right hon. friend (Sir Wilfrid Laurier) has more than fulfilled his promise in that regard. The great advancement that has come to Nova Scotia industries, particularly to the coal industry, is such that not a man in this country, I care not what his political proclivities may be, who looks at the history and the facts, but must be bound to admit the change that has come over Nova Scotia since my right hon. friend took charge of the affairs of this country and the Liberal party began to dominate the policy of the Dominion. Instead of 1,851,000 tons of Nova Scotia coal being sold, last year we sold 5,485,583 tons, an increase of 3,654,226 tons, or three times as much coal as we sold in 1896 when the Conservatives went out of power. And, as regards the home market, we supplied to it last year 4,203,134 tons, including 2,047,638 to the St. Lawrence River market. And we sent it from all the counties of Nova Scotia that produce coal. The county of Inverness which never produced a pound of coal in 1896 last year produced 335,000 tons. In addition to that, the last act of my hon. friend the Minister of Finance, when he left provincial politics, was to introduce and carry through a policy of developing the coal industry of the Island of Cape Breton by the inauguration of the Dominion Coal Company. And the fruits of that legislation are evidenced not only in our own province, but throughout the whole Dominion of Canada. No less than $40,000,000 of capital is invested in the coal mines of the county of Cape Breton alone. In addition to that, the inauguration of the Dominion Coal Company paved the way for the inauguration of the Dominion Steel Company, which is also in our province, and of which we have heard so much of late. But that is not all this government has done for the coal interest, in Nova Scotia. In 1896, in the days when my hon. friends claimed to be the be-alls and the end-alls in rendering assistance to the coal industry, not a pound of coal could be sent from Nova Scotia west of Levis in the winter time of the year. Our coal mines were paralysed when the navigation of the St. Lawrence was shut up on account of the necessity of paying two freight rates over the railroads in order to reach Montreal, the great commercial metropolis. But the taking over of the Drummond County Railway and the extension of the Intercolonial to Montreal enabled our mines to send their products into the city of Montreal during the entire year. As a result of this action the depression which existed in the coal industry during the winter, in the olden times, has completely disappeared, and in almost every instance work is going on in the coal mines continuously, in the winter months as well as during the summer months.

Then my hon. friend told us that the wages of the miners had not improved. I happen to have under my hand a return on this very point—I am sorry my hon. friend is not here. Here is an actual return of the wages paid in the winter of 1889 in the Victoria mines in the county of Cape Breton. In January the men worked 19 days, in February 16 days, in March 19 days, in April 14 days, an average of 17¼ days per month. The average daily wage of coal cutters was $1.60 per day during that time. My hon. friend from Cape Breton was member of a board of conciliation which sat last year to settle some dispute between certain employees of the Nova Scotia Steel Company and the company itself, and the investigation brought out the wages that were being paid last year by this coal company. Hand miners at No. 1 colliery were getting $2.51 a day; at No. 5 colliery, coal cutters were getting $2.95, and machine runners from $4.57 to $4.70 per day. The average during the same months of 1898 was $4.50 a day, instead of $1.60 during the time our Conservative friends were in power. I am here to say that there is no industrious miner in the province of Nova Scotia who need lack work in the mines, under this government, under the hopeful conditions that exist, not only in Nova Scotia, but all over this country. There is no necessity for

any industrious miner lacking work in any of the coal mining counties of Nova Scotia. My hon. friend tells us that these miners go to the companies' stores for their purchases. Perhaps I ought to apologize to the House for going into these details, but these statements require correction. The provincial legislature of Nova Scotia, a few years ago, passed legislation peremptorily requiring that all the wages of these men employed in the mines should be paid fortnightly and in cash, irrespective of any relation to the stores. That measure was passed by the Liberal party in the provincial legislature. Not only that, but I am in a position to know that the various operators, men controlling the coal companies in our province, are anxious to assist the miners in obtaining their own homes. Cottages are being built by the companies for their miners, in order to provide their men with homes. My hon. friend would like this House to believe that the conditions are bad and objectionable. The fact is that these coal companies have gone to the extent of giving land free to assist their employees to provide homes for themselves about the coal mines of our province. I may say again that unless my hon. friend wants to appear before this House and the people of his own province as a humorist, I can account in no other way for the statements he made last night. So far as the record of this Liberal government is concerned towards the coal mining industry of Nova Scotia, it is one in regard to which we welcome the fullest criticism, and I for one will be glad to hear anything that any hon. gentleman can say about it. I can prove that whereas there was difficulty, whereas there was gloom and despair all over the coal mines in Nova Scotia when the Conservatives were in power, to-day we have prosperity, advancement and development everywhere.

That is one of the reasons why I would like to notice the remarks of my hon. friend from Nanaimo (Mr. Smith), and to point out to the government the necessity for care in observing the attitude of the United States in regard to this matter. My hon. friend believes that the prosperity of our coal mining industry depends largely on a foreign market. My hon. friend is misinformed in regard to that. The markets for the Nova Scotia coal mines are in Canada, are in Montreal, where we send over 2,000,000 tons of coal yearly. This talk about Nova Scotia going into the American market is not based upon actual knowledge. I notice that my friend, Mr. Daniel Mann, of the Canadian Northern, gave an interview in Philadelphia the other day, and he undertook to dispose of this question with a wave of the hand. My friend, Mr. Mann, may know something about building railroads, but he has a good deal to learn in regard to this coal question. I am here to say that his opinion in regard to what should be done with reference to coal, deserves very little weight simply because he is not properly informed. It is one of the old theories that the Ohio and Pennsylvania people are able to send coal down to New York. It would be a very nice state of affairs if the duty was taken off by the Americans, because then of course Nova Scotia would send her coal into New York and Boston, and we would have coal coming in here from Pennsylvania. Now, these are not the conditions that exist at all. The coal conditions along the Atlantic sea-board are controlled by the coal miners of West Virginia. We do not hear of West Virginia coal coming into Canada. An hon. friend near me says it does come in. Well, that only shows how the West Virginian people are extending their operations; if they can send coal across the lakes, and up to the head of Lake Superior; it shows how completely they control the New York and Boston market. I had an opportunity of being south not long ago, and seeing these tremendous piers where the coal of West Virginia comes down from the mountains to Norfolk, and is carried in barges and schooners along the coast up to New York and Boston. Any one who studies the situation will tell you in a moment that the New York market is controlled completely by the coal miners of West Virginia, and that Ohio and Pennsylvania are not competitive factors at that point. The same conditions exist largely also with regard to Boston. The total coal market in Boston is not more than 5,000,000 tons, not much more than Montreal. It might be interesting to the House to see just what these coal mining people say for themselves. You find that the Pittsburg people want to have the duty taken off coal, and West Virginia don't want to have it taken off. I have under my hand a memorandum which the West Virginia people made to the Ways and Means Committee in the United States. This is what they say. and the wisdom of their statement will be recognized by this House:

> The coal trade of West Virginia has been built up against great difficulties in the way of transportation facilities and competition in the markets, and while the operators have, of course, taken their chances in the markets, and while the operators have of course taken their chances on a revision of the tariff injuriously affecting, perhaps destroying their investments, the fact remains that the business has been created and grown under conditions substantially as they are.

There are $70,000,000 of Canadian capital invested in the coal industry in Nova Scotia in regard to which the same statement might be made with equal truth as the West Virginia operators make in regard to themselves. The business in which that capital has been invested has been created and grown under substantially the present conditions as to tariff and on the faith that

things would continue substantially as they are. That is what the West Virginia people say. Now, here is what the Pennsylvania or the Pittsburg people say:

Our experience in past years has demonstrated that practically no more coal has been brought into this country from Canada when the duty has been much reduced or entirely eliminated.

That is laying down a good sound principle. That is laying down a principle which we are bound to accept in Canada in regard to anthracite coal. It was urged that the duty should be taken off anthracite coal so that anthracite would come into the province of Ontario at a cheaper rate. Not a single cent cheaper has it come in. The American operator charges the Ontario consumer just as much for his coal as when the duty was paid, the difference being that he puts it into his own pocket instead of allowing it to go into the treasury of this country. The proposition that these gentlemen lay down here is——

—that practically no more coal has been brought into this country from Canada when the duty has been much reduced or entirely eliminated.

It also shows another thing—that if the duty were taken off bituminous coal it would not help the Canadian people to send any coal into the United States. Then it goes on:

We believe that there is little grounds for the argument that our eastern sea-board markets would be supplied with coal from Nova Scotia, and the coal from West Virginia and central Pennsylvania displaced.

These gentlemen go to the United States government and one group say that they would like to get in here and the other group say that they do not want the duty changed. Every one can see that the question of dealing with coal duties as far as the United States is concerned is not a matter of argument and could not by any possibility be so considered unless there was some idea of a long-term reciprocal arrangement. Then you would have a proposition about which there might be some argument, but the idea that the duty should be taken off in Canada on the theory that the coal purchaser in Ontario is going to get his coal cheaper is the most delusive idea and one that is objectionable——

Mr. STRATTON. The Canadian and American consumer pay the same price for the same coal exactly at the mine.

Mr. E. M. MACDONALD. Yes, at the mine. Well, my hon. friend is telling us what the conditions are now. But, my hon. friend has heard of the dumping clause, has heard of the manufacturing interests of this country coming to this government and asking them to deal with cases where the Americans had made Canada a dumping ground for their products when they were in difficulty and my hon. friend will probably find that a changed condition in regard to coal would apply there. But my hon. friend is beside the mark as regards the ordinary everyday consumers of coal. My hon. friend from Nanaimo (Mr. Smith) gave us the figures showing that the imports of bituminous coal amounted to 6,485,000 tons and that of this 4,311,000 tons were imported by railways. I am aware that there is a large quantity of bituminous slack coal imported into Ontario, but there is no onerous difficulty in regard to that because the duty is only 15 cents a ton—a very much lower amount than a good many of those gentlemen who buy that coal ask and obtain from this government by way of protection to the products that they want to sell to the people of Nova Scotia. There were imported into Canada 1,154,000 tons of slack coal and the total amount of coal that came in for general consumption over and above what was used by the railways was only 2,173,481; so that, one-third of the coal that comes into Canada and is used by the ordinary consumer is slack coal on which there is only 15 cents a ton and on the whole quantity of bituminous coal the duty collected from the ordinary consumer in this country is only $1,000,000 or thereabouts. The ordinary coal consumer of this country contributes to the revenue outside of the railways, which occupy a peculiar position, only in the vicinity of $1,000,000. I do not think that is an unfair contribution and it does seem to me that the integrity of this country demands that due consideration should be given to all the industries all over the Dominion. Of course in addition to that, 615,000 tons of coke came into this country, but it came in absolutely free. One result of the policy of this government in regard to this question and in regard to the tariff question generally has been that it has taught the United States people that this country is a country that proposes to do business at its own stand and on behalf of its own people. In the days when our Conservative friends were in power we were regarded as a mere football for American interests and for American statesmen and manufacturers. But the position has so completely changed that the man who sits down and reads the tariff hearings that have gone on before the Ways and Means Committee at Washington rises from the perusal of that document with the conviction that the intervening years have brought Canada into such a position that the republic to the south of us regard us as a brother country practically of equal position and entitled to the same consideration as they extend to any country in the world.

Mr. J. D. REID. The hon. gentleman is a protectionist now.

Mr. E. M. MACDONALD. My hon. friend need not worry about my position in regard to this question. My position in regard to the tariff is one that has never been concealed and that has never been in doubt.

Mr. J. A. CURRIE. What is it?

Mr. E. M. MACDONALD. I am neither a fad protectionist like my hon. friend nor a fad free trader. I stand for a sound business tariff such as this government have given this country for the past twelve years, one which is adapted from time to time to meet the needs we have and which has regard to the industrial conditions of the country all over. That, I say is a business tariff and I do not wish to be considered at all as a fad protectionist or a faddist free trader. I hope my position is satisfactory to my hon. friend.

Mr. J. D. REID. Perfectly — a good protectionist.

Mr. E. M. MACDONALD. Now, the conclusion at which I wish to arrive in regard to these few remarks is that the coal duty on coal and coal products to-day does not impose an enormous burden on the ordinary consumer and is necessary in order to maintain the proper adjustment of revenue production having regard to the different provinces of the Dominion. Nova Scotia produces very few things that enter into the business life of the rest of the country, and we purchase and purchase gladly from other portions of Canada Canadian products, the result of the efforts of Canadian manufacturers and Canadian workmen. The adjustment of conditions in regard to coal, as it has been made by this government, leaves our province in its proper place in regard to the whole tariff situation. The $70,000,000 invested in that province in that great industry creates a condition which cannot be disregarded whenever any of these problems come up for consideration. The attitude of the American nation to-day with regard to these matters shows that the policy pursued by this government in regard to coal and in regard to all other questions, has earned the respect of the great American people, and shows that they take us into consideration to a degree that they never did before when they come to settle their tariff problems and tariff considerations. The proposition laid down by the West Virginia coal miners in regard to this question is one which should be well considered and I have no doubt will be considered by this government in whatever action may be taken on this question. For myself, I submit that the position of affairs with regard to our relations with the United States was never better laid down than it was laid down by the right hon. Prime Minister of this country some years ago when he declared that we would send no more delegations to Washington. That policy is one which should be maintained not only in regard to this question, but in regard to all the tariff questions which affect the interests of this country. My hon. friend from Cape Breton (Mr. Maddin) in his speech last night dealt with the coal industry in Nova Scotia, and were he in the House to-day I should like to know from him what is his policy with regard to coal. We have a very aggressive paper called the 'Halifax Herald,' which is supposed to speak for the Conservative party, and for months it has been promulgating the theory of free trade in coal. A distinguished journalist very high in the councils of the Conservative party, Mr. Milner, has been carrying a campaign for what is described as a Free Coal League, but the exact existence of which, unless it is a side wheel of the modern Conservative party, nobody has been able to discover. However, the object of his campaign is free coal with the United States. In 1891 the policy of the Conservative party was reciprocity in coal with the United States, and whether or not they have changed that policy I do not know, but for my part I submit that the record of this government for the last 12 years and the results achieved prove that there is no necessity for changing the existing conditions. Of course, as business developments arise conditions may change which might warrant the situation being reviewed in the common interests of the coal industry and of the people of Canada, but, in my judgment that time has not arrived, and should it ever come I have confidence in the ability of this government to grapple with the question and to arrange it in the interest of those concerned in the coal industry as well as of the coal consuming population of the country.

Then, the hon. gentleman (Mr. Maddin) attempted to show that the exodus of Canadians to the United States is as great to-day as it was under the Conservative government, and he cited as a proof that last year $2,000,000 worth of settlers' effects had gone out of Canada. I took the trouble to look at the official returns and I found that the exact amount was $1,664,662, so that the hon. gentleman was only about $342,000 out. It may, however, be interesting to look at the other side of the account and there we find that there came from the United States to Canada last year settlers' effects to the amount of $6,818,673, and that there were over $10,000,000 worth came into Canada from all countries. This is truly a pleasing change from the days of Conservative rule when the balances were largely against us. My

hon. friend (Mr. Maddin) is a pessimist. He of course followed the lead of the ex-Minister of Finance, who seems unable to rise above that feeling of settled gloom which has characterised him during the past three or four years in this House. Other Conservative members occasionally do exhibit some feeling of hope and confidence in their country, but the hon. gentleman from North Toronto has settled down to the gospel of pessimism and the hon. gentleman from Cape Breton (Mr. Maddin) seems to have caught the disease. Our people in Nova Scotia do sometimes stray abroad, perhaps because of the adventurous spirit which characterizes the sons of the heather; but, the happy fact is in evidence now that whereas in the days of our Conservative friends they went to the United States, today they are migrating to the fertile plains of the Canadian west. I regret that the sons of Nova Scotia should leave their native province, but if go they must is it not a consoling thought that they go to another part of our own land where their industry and energy are directed to the development of the resources of our own country. One of the things for which as Canadians we should congratulate ourselves during the past twelve years of our national life is that in that period Canadians have been taught to know their country and to feel proud of it; to believe in its great possibilties and to feel a certainty in its future which nothing can shake. Looking forward to the days to come, and taking a retrospect of the years that have passed in this first decade of the twentieth century, no matter what our politics, we realize that in this northern land we have a country lavishly endowed with vast resources, and a people who, not with faint hearts and doubting words, but with strong minds and hopeful thoughts are eager to develop these resources and to lay the foundations of a great and strong nation. I am one of those who believe that Canada is but at the beginning of her nationhood, and no matter how gentlemen opposite may cavil, expenditures have to be made to-day and will have to be made in the future to prepare our country for the high rank she is destined to take. The feeling of the Canadian people today, and we ought to be proud of it, is a feeling of confidence in the future of Canada, of confidence in this Liberal party which has governed the country so well and under whose administration unprecedented national progress has been made.

Mr. WM. WRIGHT (Muskoka). Mr. Speaker, the annual delivery of the budget speech by the Minister of Finance, dealing as it does with the financial affairs of the country and outlining the general policy of the government, opens up such a wide field for discussion that no member of this House need apologize for expressing in this debate his views on the condition of the country. Before proceeding I want to refer to what has been said by the hon. member for Pictou (Mr. Macdonald) who has just spoken. He told us he did not know what the policy of the Conservative party was, but I can assure him that we have had a well defined policy for a good many years, and before the hon. gentleman casts any reflections on that policy I would suggest to him and to his friends that they should endeavour to find some designation for that poor, nameless, characterless, fatherless, motherless, something of a policy which belongs to the Liberal party, and which so far nobody has been able to christen. The Minister of Finance arbitrarily fixed the population of the Dominion at 7,000,000 and I may say that having given sufficient attention to this question to enable me to give a fairly accurate approximation of what the population of our country really is, I can tell the hon. gentleman (Mr. Fielding) that if he gives the population of Canada at 6,000,000 he will be much nearer the mark, and his deductions as to per capita taxation and so on drawn from the population, would have been much more accurate than they were. These gentlemen opposite claim that they have stopped the exodus of Canadians to the United States but that I most emphatically deny. More Canadians are leaving this country to-day than ever before, and they are being driven out by the policy of the hon. gentlemen opposite. In that connection I wish to read one or two items which I have culled from the newspapers, and which like straws show which way the wind blows:

Toronto, April 13.—'The United States owes much to Canadian nurses,' said Mr. E. F. Stevens, hospital architect, of Boston, addressing the third conference of the Canadian Hospital Association at the parliament buildings to-day on 'Some Points in the Architecture of Small Hospitals.' 'One can scarcely visit a hospital from Maine to California without finding Canadian nurses in charge. In one hospital I visited I noticed a British flag in almost every nurse's room. I asked the superintendent how this was, and she told me that about ninety per cent of the nurses were Canadians. Thus you see that here in Canada I feel among friends.'

This prevails all over the United States. Here is another item which I cut out of a newspaper on the same day:

Seventeen families, all French-Canadians, are reported to have left the vicinity of Farnham, Quebec, for the United States.

Here is another which I cut out of one of the Ottawa papers this morning:

There are glowing reports of the success of the Canadian society of New York, which

during the past year added 71 members to its rolls, and endowed a cot at $5.000 in the Presbyterian hospital of New York. Dr. J. J. McPhee is the president.

If hon. gentlemen opposite have stopped the exodus to the United States, where are the recruits coming from who are referred to there? To my own personal knowledge, there are young men and young women leaving Canada for the United States on every train that crosses the border, and in most instances they do not return to this country. I admit that there is quite an influx of Americans from the western states who are tempted to come to this country, bonused to come by the gift of $1,000 worth of land. A great many of them are coming, tempted by free land and the opportunity to make money out of the land, but a great many of them have no intention of becoming permanent residents of Canada. I will give an illustration. Being in the town of Moosejaw about a year and a half ago, while waiting for an early morning train, I met an American who told me that he had come to Canada some five years before and taken up a homestead, brought some of his relatives, homesteaded in their name, stayed long enough to get his patent, speculated in lands in the neighbourhood, made a lot of money out of Canada, and then took his family back to the United States, and he had come over again to collect some money still due to him. He told me that he was a representative of a great many Americans who came to Canada without intending to make it their permanent home, but simply took advantage of the offer of this government to make some easy money and then go back. I do not mean to say that a large number of these people will not become permanent settlers. Once they settle in Canada, they will find it difficult to pull up and go back, but I do say that a great many come without any intention of becoming permanent residents of this country.

To return to the speech of the Minister of Finance. A great many of the apologists of the government have given a great deal of credit to the Minister of Finance for having what they call a surplus. When you have two accounts open, one a running account dealing with the ordinary running expenses of government, and the other dealing with expenditures on matters of a permanent character, it is very easy, if you are allowed to transfer from one account to another, to make your running account balance and show a surplus, and since hon. gentlemen opposite have come in they have made it easier. When the old rails on the Intercolonial become worn out and they put in new ones they charge the new rails to capital account. When a locomotive wears out and they buy a new one, they charge the new locomotive to capital account. This method of transacting business runs through all their accounts, and by doing business in that way it is the simplest thing in the world to have a surplus. I have been somewhat amused at the government and their friends adding up these surpluses year after year. They always suggest to me the story of the man who went to town before Thanksgiving to get a turkey. He bought the turkey, but also bought and consumed a good deal of liquor. But he knew that it was important that he should bring the turkey home, and he started. After rolling and tumbling in the mud a good many times, he managed to reach home, but the turkey was so muddy that it was hard to tell what it was. He threw it on the table, saying: 'Here, wife, are thirteen turkeys.' His wife said: 'You foolish man, when the mud is off we shall see whether there is one or not; but there are not thirteen.' He said: 'There must be thirteen, because I fell down thirteen times, and every time I fell down I picked up a turkey.' Those thirteen turkeys were not more visionary or harder to find than the surpluses of hon. gentlemen opposite. Some hon. gentlemen opposite suggest that it is important to know where the money came from to make the surpluses. I think it is as important to find out where the surpluses are stored and what use is made of them, and I would ask the Finance Minister to enlighten the House on these points.

We have heard a good deal with regard to the policies of the two parties of this country, as to which bears most heavily upon the general public. My own view is that the only rule that we can apply in deciding that question is to compare the amount of money that has been extracted from the pockets of the people under the respective policies. When we do that, and find that hon. gentlemen opposite have taken nearly three times as much out of the pockets of the people as their Conservative predecessors did, we must come to the conclusion that their policy, whatever its name is, has been successful in taxing the people to a much greater extent, both in bulk and in detail, than that of their predecessors. Now, it is not a very hard thing to tax the people. Some hon. gentlemen opposite thought that the Minister of Finance was deserving of a great deal of credit because he succeeded in taxing the people almost to the limit. To my mind, that is something to apologize for, not to pride themselves upon. It ought to be the policy of public men in Canada to take from the people just as small an amount in the way of taxation as possible. I lay that down as a rule, and that was the policy of the Conservative party when they introduced the national policy. Hon. gentlemen opposite seem to be surprised that we should favour a reduction of the tariff under certain circumstances. Let me reply that it has always been the policy of the Conser-

vative party to lower the tariff to the lowest possible point on everything we do not produce, such as tea, coffee, sugar and other things of every day consumption. Then we would set the tariff high enough to give protection to our manufacturers and at the same time take care to see that the general public were not taxed more than they ought to be. Wherever any manufacturer in this country showed a disposition to take more out of the pockets of the people than he was fairly entitled to, we were in the position to cut the tariff from under him and in that way look after the interests of the people. We were more successful in this matter than our hon. friends opposite. They have succeeded in taxing the people abnormally. They have extracted more out of the pockets of the people than there was any warrant for. So much for the difference between the two policies. But some of our friends, when they attack the national policy say that some manufacturers and producers would take advantage of the high tariff and tax the people beyond what they ought to pay. Well, I admit there is always a danger of that, but it has always been our policy, under the national policy, to protect the interests of the general public, and I do feel that these interests were safer in the hands of the Conservatives than in the hands of hon. gentlemen opposite. I need only refer to what we have heard this afternoon from my hon. friend from Pictou (Mr. Macdonald) and the other night from my hon. friend from Nanaimo (Mr. Ralph Smith). The hon. member for Nanaimo advocates free coal; my hon. friend from Pictou advocates the very opposite. Where is the unanimity there? What is their tariff policy—free coal or a high protective duty? Will some member of the government answer that question? I am afraid no one will attempt to answer it. They will not even give their policy a name because they want to make it all things to all men in every corner of the Dominion. In some places, it will be high protection; in others free trade; in others reciprocity with the United States; and elsewhere something else. It is one of those patent double back action arrangements which will adjust themselves to any kind of conditions anywhere.

Hon. gentlemen lay down the theory that our exports and imports are infallible indications of the prosperity of this country. I feel like taking issue with them. To my mind they are an index of the very opposite. I pin my faith to the theory that the nearer you can bring together the original producer and consumer, the better for the country. What is it that makes the farmer the most independent man in creation? Is it not the fact that within the borders of his farm he can produce a larger measure of what he needs than can any other man? What is true of the farmers is true of the country. Given a country like Canada, with all its natural resources, with its minerals, coal and iron, with its timber, fisheries and agricultural lands, is it not a shame that we should take up a policy apparently designed to make us merely the hewers of wood and drawers of water for the people of the south. What are our exports? Are they not simply the raw material upon which just as little work has been performed as possible to get them out of the country. True, we thresh wheat and ship it, and we ship it that way because we could not ship it in the stock. We cut our timber and ship it in logs because otherwise the United States would charge us a duty. If we cut it into boards, they will not admit it free. We are depleting our forests and taking out our minerals as fast as we can, and sending out our raw material to be manufactured some place else, and then brought back to this country and sold at a profit. That policy is altogether wrong. It ought to be the duty of the government to have these things manufactured in this country. If we had not half the exports and imports we now have, we might be still more progressive and prosperous. Why do we have these excessive exports and imports? Simply because we have been content to ship our raw materials out of Canada. Sooner or later we will begin to realize our mistaken policy, and realize it very keenly. The result of that policy has been that our young men are going to the United States where they can find the diversity of employment lacking at home. Our young men go to the United States in large numbers, and the only people whom we can keep at home are the boys who are content to go and work in the lumber woods or in the mines. To my mind that policy is altogether wrong, and it is the duty of the government to try and develop those lines of manufacture in which we have the raw material, and the brain and the brawn to convert that raw material into the goods we need. Is there any reason why we could not, if we had a proper policy, develop all these things here instead of sending out good money in order to bring into this country goods from Europe and the United States?

There is a feature brought to my mind in connection with this debate with which I wish to deal at a little greater length. Before doing that, I want to say a word with regard to some statements which were made by some hon. gentlemen who addressed this House. The hon. member for South Huron (Mr. McLean) stated that the people of Canada did not want to go back to the days of soup kitchens, and he intimated that during the time of the Conservative government soup kitchens were a common thing. I want to say to him and to hon. members opposite that there has been more

soup ladled out in soup kitchens in the last two years than in any two years—or any four years—of the Conservative government. In the riding I have the honour to represent, there were more idle men last winter than in any two years of the Conservative regime. In that riding we have three factories closed that were closed within the last year or two—shut up by the policy of the hon. gentlemen opposite. No smoke comes from their chimneys, the wheels are standing still, the workmen rap at their doors in vain, and as they stand they bear eloquent though silent tribute to the efficacy of the policy of the present government. We are hopeful that possibly we may be able to start one of these again, but we are not sure. We had a linen mill started there very hopefully a few years ago. It went on until the people found difficulty in selling their product. In discussing the matter with the manager, I stated to him that government objected to putting on higher duties, on the ground that the prices would be raised accordingly. He said to me: If the government will give us a little higher duty, sufficient to afford us a reasonable grip of the market, we are ready to give a bond to the government or to anybody in their employ that we will not raise the prices to the consumers of Canada; what we want is the market; the price is all right, we are quite satisfied with the price, but when we put our travellers on the road, they find that dealers are already supplied from importing houses in England, France, Germany, or elsewhere, making it very hard for us to carry on our business. Besides, there is the prejudice against Canadian goods fostered by hon. gentlemen opposite in the years, to them long and weary years, when they were out of office. During that time, they travelled up and down this country—and I charge them with it now—trying to poison the minds of the people against the manufacturers of Canada, calling them robbers, thieves, scoundrels and every name they could lay their tongues to. That is absolutely true; I have heard them say it myself.

Mr. PATERSON. When was that mill built?

Mr. WRIGHT. About six or seven years ago.

Mr. PATERSON. Under the present tariff?

Mr. WRIGHT. Yes, and it has been shut up under the present tariff.

Mr. R. L. BORDEN. Misplaced confidence.

Mr. WRIGHT. I do not wish to be understood as saying that the linen mill is permanently closed. The people are hopeful that they will be able to go on when they can get rid of their stock, or when the government come to their assistance. What is true of the linen industry is true of others; the people do not ask higher prices, but they ask the market and right there hon. gentlemen opposite and their friends throughout the country are unfair to the producers and manufacturers, of Canada. The manufacturers, as I understand it, do not ask higher prices, they only ask the market, and there is all the difference in the world between these two. Let me give an illustration. I was once in the manufacturing business in a small way, and I take this illustration from the business I know—building wagons: Suppose a small manufacturer is building one hundred wagons a year and feels that he ought to make $1,000 a year out of it,—he works hard not only with his hands, but with his head. To make the $1,000 he has to make $10 on each wagon. If he can make 1,000 wagons instead of 100 wagons, he will only have to make a profit or $2 each in order to make $2,000 a year, which is better for both parties. The amount of business a man can do is the important matter. A manufacturer in the United States selling in our market, while he has his own market also is at a decided advantage over a manufacturer in Canada who has only a limited market and has to divide it with a competitor, who has an advantage over him in so many ways. I am speaking not only for the manufacturers of this country but for the consumers as well. I believe that, under a proper policy properly carried out, the consumers would get their goods cheaper than they do to-day. I ask hon. members on both sides of the House: Comparing with world-prices, are the people of Canada getting their goods cheaper to-day than they did fifteen or twenty years ago? The answer must be, emphatically, No; they are paying more in proportion to the prices of the world than when the Conservative party were in power. Hon. gentlemen opposite say wages are up. We have not found it so in the riding I have the honour to represent. I will not say they have gone down quite to the point they reached in the days of the depression from 1893 to 1896. Wages in the lumber camps and work of that kind came down to $18 a month. Of course, at that rate the people were fed. During this winter, wages came down to $20, and, in some cases, as low as $18. But there is one great difference: There never was a time during all the years the Conservative party was in power when men were out of work; they had to take comparatively low wages during some years, but they could get work; but this winter they have had to walk the streets and could not get work. I have never had as many men at my door asking

for employment as last winter. I am not a pessimist; naturally I am an optimist. And I have not used outside this House the facts I have stated. I have never said to one of these men that it was the party in power or the policy of the party in power that was responsible for the dearth of employment. I have never tried to create discontent with the government or with the country in which we are living and which we desire to see prosper. We on this side will not adopt the tactics of hon. gentlemen opposite when they were out of power. Up and down the side lines, and through the press and on the platform they decried the country, and tried to make the people believe that they were being robbed. If we had adopted tactics of that kind at any time within the last two or three years, we could have brought about a condition that would be appalling. But we think more of the country than we do of the government benches, and we will not follow the example of hon. gentlemen opposite with regard to this matter.

Now, I have said a word or two with regard to emigration from the country. Before I take up the matter of public works, I would like to refer briefly to the subject of immigration into Canada as to what we are getting in this country in place of the young men and women who are going to the United States. Perhaps I cannot illustrate this better than to read this item from the Otawa Free Press of April 13:—

> Galicians fought like demons upon the streets of Winnipeg while mad with whisky.
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> Wild orgy in connection with the celebration of the Galician Easter—The whole affair was a bestial exhibition—Police had hands full trying to arrest offenders.
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> Winnipeg, April 13.—Police court officials will have to take a rest to recover from the effects of the police docket yesterday. It was the aftermath of the Galician Easter celebration, and the names on the list looked as if the alphabet had been dumped into a big bag and each individual had grabbed a handful of letters to be arranged as best suited himself. And the mix-up in the names was no worse than the mix-up in the features of the owners. There were men with faces scratched and gashed, men with parts of their noses missing, men with pieces chewed out of their ears, men and women with bandages of all sorts and colours.
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> And the story told by the police who were on duty was lurid. The battle raged all over the foreign settlement, and in the later stages it was simply a case of gathering up the victims and stacking them where they would not suffer from exposure. A couple of constables would pick up a drunken man and start on a two-mile carry to the police station, but before they had gone a block they would sight a fight which looked as if murder was about due. The drunk would have to be dropped in the more pressing need, and by the time the fight was stopped there would be one or two more in sight. There were drunken and battered men in sheds, on the sidewalks and in the ditches. A woman threw a beer keg through a door, smashing it from its hinges. Another keg went through a window. A man stole a keg, was seen getting away with it, and was hammered over the head with a stick of wood till he joined the 'dead ones.'
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> From a point on Mangus avenue there were three fights in sight at one time, and the police had no time to make arrests for they could not be spared from the difficult task of keeping the gangs of sots from killing each other. The whole affair was bestial in the extreme. The fines yesterday ranged from $10 down. There are prisoners awaiting trial on more serious charges, and gangs of foreigners are besieging the stations, wanting to lay information against others who beat them during the carousal.

I think, Mr. Speaker, comment is unnecessary.

Now, I wish to say a word or two on the subject of what is done with the money that is extracted from the pockets of the people of Canada for the purposes of this government. I will take up only one phase of the question, and will deal very shortly even with that—the question of public works. To my mind, the whole system under which this is managed by the government is wrong. There seems to be no plan to guide the government, and so we have large expenditures made in places where they are not needed, while other places are denied expenditures which ought to be made in the public interest. It seems that everything in this regard has to be done through the Minister of Public Works, who is supposed not only to look after the erection of the buildings and other public works of this country but to have an intimate knowledge of the intricacies of every other department, enabling him to form an opinion as to whether a public work is necessary or not. In my opinion, no Minister of Public Works could fill such a place. I think that if the Minister of Public Works looks after the erection of Public Works and sees to it that the public money is properly expended, he is doing all that we ought to ask any man to do who fills that position. The head of every great spending department ought to primarily assume the responsibility for the expenditures made for that department. If it is a matter of post offices, then the Postmaster General ought to say where the post offices should be erected, and in the same way with the Minister of Militia, who has the facts at his finger ends, ought to assume the responsibility of deciding where buildings should be erected for his department. In the same way with regard to the Minister of Railways and Canals, the Minister of Marine and Fisheries and others. The Interior Department certainly ought to know whether an immigration building is needed at a certain point in the

west and whether a court house is needed at some other point better than the Minister of Public Works can possibly know. In that connection there is a little matter in the Post Office Department to be noted. The Minister of Finance (Mr. Fielding) in making his budget statement said that the Post Office Department paid its way. I want to say that, under a fair statement, of receipts and expenditures, the Post Office Department does not pay its way and never has paid its way. Large expenditures incurred by the people of Canada purely for the carrying on of the post office are not shown in the statement of the Post Office Department. We are putting up post office buildings here and there all over Canada. But, when the Postmaster General deals with the finances of his department, he leaves these buildings out of consideration—they find no place in his report. Prior to the erection of the post office, the Postal Department has been making an allowance to the postmaster or some other official to pay for the maintenance of the post office, but, as soon as a public building is erected for the use of the post office, the Postal Department is relieved of that charge which is assumed by the Department of Public Works. When a deputation comes asking for a post office, they ought to appear before the Postmaster General. Right in his own department he would have all the facts and figures as to the revenue and the needs of the office to guide him in arriving at a decision as to whether the circumstances warrant the erection of a building there or not. When we criticise the Minister of Public Works for erecting a post office here or there, he tells us that the people came down from there and told him that it was necessary. The result of the present management of affairs appears to be that during certain seasons, generally prior to an election, the Minister of Public Works undergoes a sort of softening process, he gets his heart and feelings in pliable condition. Somebody is sent out to the various constituencies where there are Liberal candidates to notify them of the fact. They organize a deputation and it comes down, and, while the minister is in that pliable mood, they are able to make an impression upon him which is indelible, and which he will hold when he is getting up his estimates for the next year. But when the discussion of the estimates is reached in this House and we try to press upon the minister the urgent need of public works here and there, his heart is as hard as the nether millstone or as the cement made over in Hull which we see advertised in the 'Citizen'; we cannot make any impression upon it. I have taken the trouble to go into this question to show the way public buildings of the Postal Department are erected. I take about fifty places in which post offices have been erected—the number is large enough to give a fair estimate. I find that the average cost of these post offices is over $30,000. This includes the towns and villages and leaves out of consideration the large cities.

But they erected public buildings in these places, and were paying the postmasters the average sum of $150 for light, heat, rent and looking after the office, all that was necessary to carry on the business. But in these places where we got a public building for $150 per annum, they have erected a post office that cost us $30,000, and the result has been that we have an average cost for maintenance of that building of $1,200, and at 4 per cent, the average interest on that investment, is another $1,200. That gives us a charge that we have to make up of $2,400, an annual charge for all time, making no provision for finally wiping out the debt we contracted in putting up the building. That is the position. What we got for $150 before, costs us $2,400. Now I think that if better quarters are occasionally needed, by giving a large sum in rent in these small places men could be found who would be willing to make a good postal building and put it at the disposal of the department, and there would not be, in many instances, any necessity for the erection of a public building at such a very large cost, for which there can be no necessity. I may say that I went over 25 of these small offices to see about what the average income of the office was, and I found that the average gross income of 25 of these offices was $1,628. Now these were considered, I suppose, works of urgent necessity. I have here the list, which hon. gentlemen can see if they wish. I have also a list of 25 places which were not considered of sufficient importance to warrant the erection of a building; they had not reached that stage of development that would warrant the government in putting up a new building, and yet the average gross revenue in these 25 places, three of them in towns in my own riding, was $7,225. But other places averaging a little over $1,600 were considered of sufficient importance to warrant the government in spending large sums of public money. Now I charge hon. gentlemen opposite with giving more attention to party expediency in these matters than to the public welfare, and so far as the expenditure of public money is concerned, they have left public benefit out of sight altogether. It is simply a matter of trying to win elections, and of trying to please their party friends; that is the reason they expend such large sums in places where the revenue is so small.

Now I wish to speak of some other items of expenditure. I want to take up an occurrence with which I am familiar, because

it transpired in the riding I represent, and it shows the manner in which the public moneys of this country are spent. We have a little village in my riding called Baysville, a little town that rests on the north-west bank of the Muskoka river, the south branch. About five years ago the government determined to put a little wharf there, and when the appropriation was voted, they started to build the wharf and spend that sum of money. A little later on, after I came into the House, they appropriated another small sum of money to complete that wharf. The contractor had started to go on when somebody, evidently from the department or under the authority of the Public Works Department, arrived on the scene and instructed him to go right across the river on the opposite side from the town, and expend the money there. So they started to build a wharf there, and the result was that we had two wharfs started, neither of them completed. Again, last year they determined to complete one of these wharfs, and a gentleman was instructed to go on again and to complete the wharf on the side where the town is situated. He started to work, but he was again stopped and sent across the river. He has completed a little wharf on the east side, and put a nice deck over it, and a gentleman who is a good party friend of this government has been appointed wharfinger. He has a little store just above this wharf, on the east side of the river, and he is the only man who can use that wharf, it is no benefit under heaven to anybody else. The government simply built that wharf for a party friend, and they have denied it to the people of the town where the wharf should be. They say to them, 'You will have to wait until some future time, the interest of our party friend is so paramount that we must look after him first.' Now in that town, which is not very large, there are two ordinary hotels, a large summer hotel, churches, stores, a post office, shoemakers' shops, and all that goes to make up a nice little village; while on the opposite side there is only one business man, and he is well looked after by this government. Now that is not an isolated instance, similar instances can be cited all over Canada where they have been looking after their party friends first, and the moneys of the people of Canada are being squandered in that way.

Now the riding I represent pays annually into the treasury of this Dominion, in customs revenue and taxes, something over $250,000. And when I come to this government and ask them to renew a little grant for the town of Gravenhurst, an item of $4,000 that was in last year, they cannot afford it. They take out of the riding $250,000, and they cannot give us back $4,000. Now, is that a condition of affairs that ought to prevail? Yet they have money to squander on that little wharf for a party friend; they have money for the Newmarket ditch, they have money away upon Lake Nipissing for a little place called Monetteville, where they dredge out a channel for one man who has a little sawmill, but of course he is a party friend. That is the way the money of this country is being spent, and we decidedly object to it. When hon. gentlemen opposite get up and tell us of the the great public works that cannot be stopped, I want them to stop looking after their party friends. They are squandering many, many thousands of the money of the people of Canada for no benefit whatever to the general public. To my mind it requires more than a mere statement that a work is for the general benefit of Canada to warrant us in making public expenditures of that kind.

I might go on in the same line, but I have already spoken longer than I intended. It has never been my habit to absorb the time of the House to the detriment of others, nor do I intend to do so to-night. I feel that any member of the House who confines himself to the subject can, in a reasonable time, say what he wants to say, and give all the members of the House an opportunity, at some time during the session, to express their views on public questions that come up for discussion. I feel that when public money is honestly expended, and expended on great public works that are of benefit to the public, we on this side of the House ought to give our assent, and we ought to assist the government in that matter. But that is entirely different from the wastefulness and extravagance that has prevailed all through the expenditures of this government. It is not confined to the items I have mentioned. We find Merwins all through the spending departments, we find hundreds of others who are feeding at the public crib, occupying the same position of middlemen, absorbing the wealth of the country which should be devoted to necessary public works. If the money that is being wasted every year could be put to some good use, we could carry on the business of this country without unduly increasing the public debt. But hon. gentlemen opposite will never be able to do a great deal in giving us public works as long as they continue the system which has prevailed during the past. I would urge upon them the necessity of cutting out their wastefulness, of cutting out the middlemen. Let us get an honest administration of public affairs and let us see that with every dollar extracted from the people we shall do something that will be of real benefit to them. I dissent from

the proposition that we should carry on great works, many of which will never be of any permanent benefit. I think that we should, as far as possible, pay as we go, and that we should not leave to posterity a great legacy of debt for works that will probably have tumbled into ruin before posterity arrives. The people who come after us will have their own problems to solve and their own burdens to bear. We will have pretty well cleaned out the timber resources and the minerals and will have taken the virgin elements out of the soil, so that it will be much harder then to till and to produce the wealth of grain that the people are producing so easily to-day. We will leave them problems that it will be hard for them to solve, and I think we ought not to unduly increase the public debt. We ought to see that every dollar we spend is spent in the interest of the public

Mr. D. D. McKENZIE (North Cape Breton). Mr. Speaker, at this stage of the debate I suppose it will be somewhat difficult to interest the House to any great degree in anything new that I may have to offer upon this subject. The hon. gentleman (Mr. Wright) who has just taken his seat, has gone over the ground pretty well from the standpoint of his party, and criticised the policy of the present administration in a modest and moderate way. Speaking for myself, I have no great fault to find with the manner in which he has discharged his duty to himself, and, as I suppose, he feels he is called upon to discharge his duty to his constituents and to his party. The keynote of the hon. gentleman's speech was the reckless expenditure of public moneys in the Dominion of Canada. If there be a reckless expenditure of public moneys that is a matter of which the public, whose money is being expended should take note. It is a matter to which their attention should be called and it will certainly be the duty of the people to take such steps as are necessary to prevent any reckless expenditure of money, if reckless expenditure there be. But, we are pleased to note, notwithstanding the description that my hon. friend has given of the people of the city of Winnipeg, that we have in Canada a highly intelligent class of people. We have a class of people that, I venture to say, are as intelligent, taking them man for man, as any other number of people in any part of the known world, if not more intelligent. After the opposition, which, I presume, was doing its duty, had sifted out to the very foundation anything that could be said to be wrong about the administration, the case has been once, twice, aye, three times submitted to that intelligent, well qualified jury, and every time they have brought in a verdict, that, as far as they could ascertain, and having had the evidence fully before them, they found no extravagance in the administration. They found that the government was capably and competently conducting the public affairs of the country, and that whatever money was expended was expended in the best interests of the people. That being the verdict of the people more than once, more than twice, I am not much disturbed by the speech made this afternoon by the hon. gentleman who has just taken his seat. The conclusion that a large majority of the people have come to is that there are no wasteful expenditures and that if there are expenditures they are in the best interests of the country. As my hon. friend the Minister of Finance (Mr. Fielding) said on a previous occasion, if we are to-day spending $100,000,000 in this country we are spending it on a hundred million dollar country. That is the difference between the expenditure that is being made to-day and the expenditure in the days when the friends of my hon. friend were in power. They were proportionately spending very much more money than we are spending to-day, spending it with very poor results and spending it in such a manner that when the administration of public affairs was submitted to that high and intelligent jury of whom I spoke a moment ago, the actions of the government were condemned and they lost the confidence of the people. There is a great difference between the two administrations. My hon. friend from Halton (Mr. Henderson), the other night, said that the party to which he had the honour to belong never lost the confidence of the people by reason of their tariff or fiscal policy. I agree with the hon. gentleman that they did not, but he must not forget, while he and his friends are charging this administration with extravagance and mismanagement, the real reason why his party were turned out of power. While the hon. gentleman said they were never put out of power by reason of their financial policy he neglected to tell us why they were put out of power. It is no new story to this country that they came into power in the early days of confederation and that they went out of power in 1873 or 1874. Why did they go out of power then? It is well known that they went out of power, by reason, not only of reckless expenditure and mismanagement of public affairs, not only by reason of expenditures that were wasteful and could not be defended, but by reason of dishonest expenditures and by reason of shockingly scandalous expenditures that the people could not stand for and they were hurled from power. That is the reason why they went out of power on that occasion and not by reason of any defect in their financial policy. They got back to power and why

did they go out of power again? Ask them and ask the records of this country. It was because some of the canker, some of the microbe, which we heard so much about from the hon. member for North Toronto (Mr. Foster) still remained. It seems that this microbe got into their constitution and the people's scourging in 1873 did not eliminate that microbe altogether. It broke forth again in 1894, 1895 and 1896, and the people were again obliged to scourge them from power. This time the people, having given them two opportunities of giving the country an honest administration of its affairs and having found that they were not capable of taking the lesson, again turned them out of power. It seems to me that the great public have made up their minds that never again will they give them an opportunity——

Some hon. MEMBERS. Oh, oh.

Mr. McKENZIE——of managing the affairs of this country.

Mr. ARMSTRONG. That is a joke.

Mr. McKENZIE. Let us see how they are getting along and what gains they are making. My hon. friend from Leeds is very fond of figures, of calculations, and of discussing the question of the finery of women, blouses, gloves and all such things as that. My hon. friend dearly loves to peruse the Auditor General's Report. I fail to find it very interesting reading myself but it seems that my hon. friend, the whip, finds it so interesting that he sleeps with it under his head at night. He went into figures and he gave us a dissertation on the rule of three; but just as we have dispensed with allowing the Tory party to manage the affairs of the country so we have dispensed in mathematical circles with that ancient system, and we now deal with such problems under a more unique and mathematically correct unitary method. After hearing the hon. gentleman the other evening I tried to figure out how long it would take by the rule of three, and calculating the proportionate gain of the Tory party since 1896, for them to get back into power. I was rather sorry to discover that 60 or 70 years would roll by before, on the basis of that calculation, the Conservative whip and his friends would resume their seats on the government benches. And, that long cycle of years rendering it impossible for any one in this House to ever see the day, I passed over the question as not being within the range of practical politics. The present government is doing first-class work, the country is well governed, there is no reckless expenditure notwithstanding some irresponsible statements which have been made by members of the opposition, Canada is being developed along proper lines and so long as the government continues to do as they have done there will be no desire in the minds of the people for a change. If it were true that there had been reckless expenditure it would be a serious matter, but let me ask how it is, that the members of the opposition have challenged so very few, of the appropriations which have been passed by this House. Even if all the votes they contested were deserving of censure, it will be found that a very small percentage indeed of the vast amount of money expended during the past 12 years has met with opposition from the Conservative benches. I may say that I ran two elections for the Dominion House, in both of which I was keenly contested by a very competent gentleman, a Conservative of the old school well versed in the ways and means and the theories and practices of the Conservative party; a gentleman well capable of putting up a campaign against me or against any other Liberal who might cross swords with him. But that gentleman, capable as he was, and capable as were his supporters in these campaigns, they could not put their finger on one single dollar of misappropriated money. It is a fact that to-day there is a lawsuit pending in the province of Nova Scotia taken by Mr. Morrison against my opponent because he charged Mr. Morrison with the misappropriation of $59.37 of money belonging to the province which he alleged had been expended improperly in the painting of a bridge in the northern part of the county. This will serve to show how our opponents were driven to their wits end for scandals against this government when they had to rake up such a small matter. It is a fact proven by my experience in this House that there are more claims for the expenditure of public money coming from the Conservatives than from the Liberals. I do not think there is a solitary Conservative member who, in Committee of Supply, has not stood up manfully and pointed out where in his county or in some county adjacent there was necessity for a further expenditure of money. That being so, how is it that these gentlemen criticise the government for its expenditures. I cannot see the logic of their contention, and I am quite sure that the Conservative members themselves do not see any logic in it either.

A few days ago, at the opening of this debate, the financial critic of the opposition made some statements to which I would like to refer. I am rather disinclined to mention the name of the hon. gentleman (Mr. Foster) because it seems to be insinuated that every new member wishes to climb to glory and fame by making some attack on that hon. gentleman. I disclaim any such intention at once. But, as the hon. gentleman is the chief financial critic of his party, and as—without disparity to any other hon. gentleman—he certainly made the ablest speech from

his side of the House, it is natural that those who follow him should be more apt to have something to say about him than about others of his friends. However, the hon. gentleman (Mr. Foster) at the end of his very clever speech proceeded ironically to show the Prime Minister why he should be proud of his Minister of Finance. Let me say to the House that we in Nova Scotia are proud of the Minister of Finance, and we are prouder still when we know that Canadians from the Atlantic to the Pacific are also proud of that hon. gentleman. I venture to say,—without reflecting in the slightest degree on the popularity of any other hon. gentleman in Canada,—that with the exception of the brilliant leader of the government there is not a man to-day in Canada who is better beloved by the whole people regardless of party politics than is the Hon. W. S. Fielding. We had a trial of him in Nova Scotia for 14 years as premier of that province and his high character and reputation live to-day in the memory of our people. He has now for 12 years occupied the distinguished position of Minister of Finance of the Dominion and we have reason to be proud that although millions and millions of dollars have passed through his hands in the administration of his department, he stands to-day the same pure-minded, clean-handed, good-hearted, and upright W. S. Fielding who 12 years ago fresh from his laurels as premier of Nova Scotia, took charge of the finances of the Dominion of Canada. No man can truthfully say one word against the character of that gentleman, character or reputation, private or public life of that gentleman, and why should not the Prime Minister of this country, and why should not the people of Canada, and why should not the people of Nova Scotia especially be proud of the Minister of Finance? We are all well satisfied with his administration and with the way in which he is handling the finances of this country. The hon. member for North Oxford (Mr. Nesbitt) a few days ago delivered a very admirable address in this House, in which he discussed very ably the financial side of the budget. He pointed out that even if some of the loans were not exactly such as he would like them to be, if the very best terms that were possible under the circumstances were obtained, no fault could be found with the Finance Minister. I approve entirely of the sensible and logical position of the hon. member. I do not profess to be a financier; I am a lawyer by profession, and I am willing to leave to other gentlemen who are experts in finance questions of this kind. Being satisfied of the honesty and ability of the Minister of Finance and of the honesty and ability of every minister who asks him for a vote of money, I discharge from my mind at once every criticism of the finances of the government. I am satisfied that the moneys are required by every department that asks for them, and I am satisfied that the Finance Minister will find the moneys on the most reasonable terms possible.

I have heard the criticism that this government has no policy. Indeed, the hon. gentleman who has just sat down (Mr. Wright) referred to this government as a sort of Melchizedek without beginning of days or end of time, without father or mother, something that could not by any possibility be defined. I cannot understand what justification the hon. gentleman has for such a description. Perhaps we sometimes get a little off our feet or lose our head in the effort to say something clever. I do not think the hon. gentleman has improved his speech by applying such a description to this government.

Mr. WRIGHT. I made no description of this government. I described their policy.

Mr. McKENZIE. What is a government but its policy? If its policy is bad, it must be a poor government. We admit, of course, that taking them man for man the government are very excellent Canadians; but I take the responsibility of saying that not only is the personnel of this government all right, but its policy and its administration are equally so.

Four years ago the opposition had a policy, and, after all, as is said about questions of title to land, you have to succeed upon the strength of your own title, not upon the weakness of the other man's. So I say to my Conservative friends that if ever they expect to attain power, they must get there by the strength of their own policy, and not by displaying the weaknesses which they may discover on our side. In 1904 they had a fairly sensible policy, so far as I could understand it, and I was put pretty hard against it in my own county. They were in favour of the public ownership of railways. That is a strong policy. I do not know how wise or how workable it is in this country, particularly from the financial point of view, but it was a plank in their platform, and they stood to it.

They also had a policy of high protection —adequate protection, as they called it, which no man living or dead could describe. No man on earth could tell you what adequate protection might mean. My hon. friend from South Cape Breton (Mr. Maddin) came pretty near to attempting a definition of it last night. I do not like to ask questions of a member who is speaking, or I would have asked him to define it, as I have been very anxious for four years to find some man who can do so. My hon. friend, with that jaunty way of his, referred to it as if it was very easy to define it. I was reminded of the attempt of Mr. Dooley to give a definition of Kruger's fran-

chise, of which he failed to give any intelligent definition. If my hon. friend from South Cape Breton had attempted to wade in the deep waters of adequate protection, I am sure that he would have found himself in the same boat as Mr. Dooley. My hon. friend the leader of the opposition is a clever lawyer, and definitions are not out of the line of lawyers. They are trained to understand language; but though he rather prides himself on the fatherhood of this phrase, when it comes to being its godfather and giving it a definition, like the old story of the man who could not read the letter he had writiten and sent it off saying there were better scholars in Ireland, the hon. gentleman left it to the world at large to provide the definition.

Besides adequate protection, the policy of hon. gentlemen opposite in 1904 included opposition to the Grand Trunk Pacific. They advocated opposition to the Grand Trunk Pacific. That was a stand to take worthy of a great party. They were wrong of course but they had the courage to put forward those three issues: Higher tariff, public ownership of railways and absolute and strenuous opposition to the policy of building the Grand Trunk Pacific. On those three issues they went to the country and were routed horse, foot and artillery. Hardly a man of them was left to tell the tale. But if high protection were a sound policy, if the public ownership of railways were a good policy, if opposition to the Grand Trunk Pacific were a wise policy, why did they abandon them? No political party has the right to abandon its policy simply because the people have turned it down. They should stand by their policy unitl they succeed in winning for it the approval and confidence of the people. The policy of high protection has been that of the Conservative party for a long time. Although they might abandon their theories regarding railway ownership and their opposition to the Grand Trunk Pacific, they could not very well abandon their policy of high protection. Why then did they do so? We find not a vestige of it to-day. I did not find a shadow of it in the last campaign in the province from which I come. When, shortly after the election of 1904, a commission was appointed to inquire into our trade relations with other countries, there was ample opportunity given to every man, who had views on the subject, to express them. What did we find? We found that after evidence was taken all over the country, and the tariff of 1907 was brought down, our hon. friends opposite took no action. If they were earnest in their policy of a high tariff, the time to bring forward a resolution to that effect was when the tariff of 1907 was being discussed. That was the time for them to put themselves on record..

At six o'clock House took recess.

Mr. D. D. McKENZIE.

After Recess.

House resumed at eight o'clock.

PRIVATE BILLS.

PATENT OF F. M. GRAY.

House in committee on Bill (No. 132) respecting certain letters patent of Franklin Montgomery Gray.—Mr. Rankin.

On section 1,

Mr. FISHER. This is a Bill which we were asked to let stand last night, in consequence of some words at the end of the second clause. I have made inquiry, and find that this Bill is quite in accord with some other Bills which have been passed, and that these words which were objected to last night are in three other Bills which have already been passed by the House this session. The delay between the time when the patent lapsed and the request for legislation, was only a few weeks, and it was due to the fact of the owner being away from the country.

Mr. MACDONELL. I quite concur in the remarks of the hon. minister. I think, if we are going at all to reinstate lost rights on the part of owners of patents because of oversights in paying the fees, this is certainly a case in which we may well do so.

Mr. FISHER. If we do it for any body we ought to do it here.

Mr. MACDONELL. This is a case in which the committee may properly exercise its discretion in passing the Bill.

Mr. LENNOX. The information that the minister gives us now is in line with the information that I thought we ought to have on all occasions, when I spoke on this case yesterday. I quite appreciate that the minister is necessarily a busy man, at the same time I feel we should have some information from the minister on every occasion when a Bill of this kind is before us.

Mr. FISHER. The words which were taken objection to last night seem to be entirely unnecessary; but they are in the Bill, and I do not think they can do any harm.

Bill reported, read the third time and passed.

WAYS AND MEANS—THE BUDGET.

Mr. McKENZIE. Mr. Speaker, when you left the Chair at six o'clock I was going over the different stages of the abandonment of the various planks of the Conservative party in the year 1904. I had stated what those planks were, and had stated that they comprised fairly respectable issues to be presented to the people of Canada. The three principle planks or issues which we had to deal with, and upon which the ver-

dict of the people was sought in 1904 were: First, the public ownership of public utilities, particularly of railways; second, a decision upon the tariff of the present administration, contending that it was away too low, and that a mandate should be given to the Conservative party to make it higher; third, their declared policy of opposition to the Grand Trunk Pacific Railway. Those three planks, as I say, made respectable issues, worthy of consideration by the people of this country.

There was a time when the great Conservative party of Canada claimed that they alone had the genius to rule, that they alone were anointed to rule this country, and they alone were inspired to give it a proper administration. But I am afraid, when they consider what has happened to these three planks, when the great Liberal-Conservative party of former days sit down calmly and quietly to consider the present prospects, and the evil times that have fallen upon them during the last twelve or fourteen years, they must come to the conclusion that the glory has departed from Israel, and that they are no longer the chosen race destined to administer this country. Especially I think must they conclude that they were hardly inspired when they adopted the policy of opposition to the Grand Trunk Pacific, because there is not a man in this House, so far as I can find who is willing to take the responsibility of standing up and declaring himself against the building of the Grand Trunk Pacific. Naturally they want to criticise and find fault with the government in connection with that work, but that is all done on side issues, because there is no one among them who will take the responsibility of standing up in his seat to oppose the policy of building that road. The other night I heard the hon. member for Souris (Mr. Schaffner) speaking in this House. Now there is no person who will accuse the hon. member for Souris of being partial towards this administration, I rather think that he is a strong opposition man. I sit as his neighbour in this House, and I have opportunities of knowing the pulsation of his heart sometimes, and I think he is as good an opposition man as there is on the left of the Speaker. But he was obliged to come down the other evening and say that he could not too strongly support the proposition of building, and rapidly building, this road; that the people of the west were longing to have it built, and that everybody so far as he knew was in favour of it. He scouted the idea of any one, any one at least possessing influence, having anything to say against the proposition of building that road, and building it as rapidly as possible. I think that the hon. member for Souris is a fair sample of the western men upon the question of the building of the Grand Trunk Pacific. But, I have further evidence in support of this contention. The hon. member for Regina (Mr. Martin) put this question very straight to the western men a few evenings ago and issued a challenge to any hon. members supporting the opposition, coming from the western country, who would dare to stand up in this House and oppose the building of this road and the giving of assistance to it as is now proposed. That being the case, I believe it will be impossible for the hon. leader of the opposition to obtain the support of the members of his party from the west unless he abandons that plank of his platform and withdraws all opposition to the building of the Grand Trunk Pacific. We must come to the conclusion that there was no particular inspiration or wisdom guiding the leader of the opposition when he made opposition to that road a plank in his platform and one of the great issues upon which he thought it was proper to go to the country in 1904. We must, therefore, conclude, with hon. members from the west, that they are wrong in that question and that they should never have taken that course but that they should have known beforehand that the policy of building the road was one that the people approved of.

The next plank in the hon. gentleman's platform is the public ownership of railways. I cannot understand, in view of the history of this subject in this country, how the leader of the opposition came to make that a plank in his platform in 1904. He could not hope, so early in his history as the leader of the Conservative party to have gained greater confidence in the minds of his own supporters at that stage than the people had in such men as Sir John Macdonald, Sir Charles Tupper and other leaders of the once great Conservative party who had put themselves on record as being unreservedly opposed to the doctrine of the public ownership of utilities such as railways, canals and telegraph lines, but particularly railways. That was the policy of Sir John Macdonald and he was backed up by the people upon it. That was the policy of Sir Charles Tupper and he had the confidence of the people in holding to that policy. I think it was ill-advised on the part of the leader of the opposition today to have made that a plank in his platform. Having discovered that he had made a mistake, I suppose that it was the part of wisdom to recede from that position as rapidly as possible and therefore the second plank in the platform has been hurled down the stream with the others. There is a question in connection with public ownership that perhaps did not receive the attention that it should have at the time. If our friends of the opposition wish to be economists, if they say that too much money is

being expended and too much money being borrowed I would like to ask you, Mr. Speaker, and the country to consider for a moment where would our financing be if the country had adopted this government-owned railway policy that the opposition presented to it in 1904. We would have to buy the property of the Canadian Pacific Railway. I want any sane man in this House to consider for a moment what the proposition would mean of providing enough money to purchase the Canadian Pacific Railway. They would not sell their railway without selling everything else they owned incidental to the railway. I want some more capable financier than I am to contemplate for a moment the task of providing the money that we would have to borrow in order to meet that obligation. That is only a small part of the money we would have to borrow before we could own all the railways. Our experience with government owned and operated railways is not of a character that would justify any wise leader in plunging this country into the policy of buying, owning and operating railways. I think it was a very unwise plank to put into the platform and that the leader of the opposition and his friends acted wisely and well in dropping it as fast as they could get away from it.

But, Sir, we are told by hon. gentlemen on the opposite side of the House that we must be candid, honest and straightforward. These are good lessons indeed and this is advice that we should be willing to follow. If these hon. gentlemen were practising their preaching in 1904 when they were telling the people of this country that they were looking for an opportunity of raising the tariff why did not they follow it up? As you left the Chair, Mr. Speaker, I was coming to this point. If high tariff is the remedy for all the ills that flesh is heir to, our friends of the opposition should insist upon that policy being adopted. They say that we are at sixes and sevens amongst ourselves upon the question of the tariff. I do not suppose that a large body of men who are supporting a government can be at one on any given question—I do not care what it is. I think it is a sign of intelligence that one hundred, or one hundred and fifty, or one hundred and seventy men, cannot agree exactly upon every given point. It would only show that we were not thinking at all, but we simply were machines who were doing as we were told because you cannot get intelligent men to agree exactly in all particulars of any given policy. It is not a sign of weakness that while upon the government side we stand firmly and strongly behind our leader, in cases where a man has a right to exercise his own judgment we are beyond and above any party. I think it is a healthy sign to show that we are capable of having differences of opinion and, if occasion requires, of expressing them. But what I wish to say to our hon. friends upon this point is that when the Fielding tariff of 1907 came before this House they had a most excellent opportunity for testing this question. That was a most excellent opportunity for them to move an amendment to the Bill for the raising of the tariff if it was too low and for the lowering of the tariff if it was too high. I was not here but the opportunity was open to our hon. friends, and I am told that when it came down to the crucial point of dividing the House upon this very important matter no division took place. What then are we to conclude? What is the country to conclude? We must conclude one of two things, either that the tariff is all right or that the opposition is all wrong. If the tariff was wrong then was the time to have put it right when it was going through the process of being made and when it was in the institution which was making it and in the only institution that had the power to make it. That was the time when the people of this country would say to the opposition: Put yourself on record as being in favour of a tariff which you consider to be proper for this country. But, they did not move; they did not do anything. I am not going to say that the opposition is no good. There are bright men among them and they would have discerned the weak points, if weak points there were and would have moved against them. Not having done so there is only one conclusion, and I think that the conclusion the country has reached is that the tariff as brought down by the Minister of Finance was as perfect, in view of the large scope that it had to cover and the many articles with which it had to deal, as any human institution could possibly be, and that it was the part of wisdom for our friends of the opposition not to touch it at all but to leave it as it was.

Further evidence that the tariff policy of the government is all right, lies in the fact that at the last general election no issue was raised against it, and the people of Canada endorsed that policy and returned to power the Prime Minister, the Finance Minister, and the other members of the government. It comes with poor grace from the members of the opposition to now raise the question in this House; when it was staring them in the face during the elections they failed to say a word about it. We hear our friends in the opposition repeat to-day the same old story: It is our tariff, you have made no changes in it, it is the old national policy. Well, if I were called upon to prove what was or what was not the national policy, I would be disposed to call the parent as the best evi-

dence of the identity of the child, and if I can cite Sir Charles Tupper as my witness that the fiscal policy of the Liberal party is not the old national policy, I think even our Conservative friends will admit that that is pretty good evidence. At all events, Sir Charles Tupper himself claims that he was the chief author of the national policy, and now that many of the older men who were associated with him in launching that policy have gone to their reward, the testimony of Sir Charles Tupper ought to be convincing. We know that he told us, that he was in it, he was under it, he was around it, he was about it, that in fact he was the whole push, but however we may doubt that no one will question but that he was amongst the chief authors of the national policy. Now, in 1897 Sir Charles Tupper was leading the opposition in this House, and I cannot conceive that the Minister of Finance (Mr. Fielding) with all his astuteness and all his cleverness could successfully run the blockade right in front of Sir Charles Tupper and pass a tariff Bill which was in reality the national policy without Sir Charles Tupper discovered it. At all events, when the Liberal fiscal policy was launched by the Hon. Mr. Fielding in 1897 Sir Charles Tupper had an opportunity of dissecting it, and here are his words:

The result is that this tariff goes into operation and the hon. gentleman knows that the industries of this country are already paralysed in consequence, while honourable members gloat over the destruction of Canadian industries. I was reading the wail, the sorrowful wail, of these industries in the Montreal 'Gazette,' where one manufacturer after another declared that those industries were ruined, that their mills must close, and that they saw staring them in the face a return to the deplorable state of things that existed when the hon. gentleman who last addressed the House was in charge of the fiscal policy of this country. I say that a deeper wrong was never inflicted upon Canada.

I feel that so far from rejoicing at it from a party standpoint, I deplore from the bottom of my heart the ruin that is going to be inflicted upon the best interests of Canada, and upon its great industries. Still, I unhesitatingly say that, from a party point of view, the hon. gentlemen are doing our work; they are showing the people of this country that no reliance can be placed upon the most solemn declarations that they make either in the House or out of it; they are showing the people of this country that, having obtained power, which was all they wished for, they are now prepared to abuse that power at the cost of sacrificing the industries of Canada.

With all due respect to the calibre of the men who to-day sit on the opposition benches, I do not believe there is a man amongst them so capable of pronouncing an opinion on what is or what is not the national policy as is Sir Charles Tupper, and we have his own declaration here that it is not the national policy that has been in force in Canada since the Fielding tariff was promulgated in 1897. Therefore, whatever success the country has achieved on account of the fiscal policy of the government is not due to the national policy but to the Fielding tariff. I leave it to my hon. friend from South Cape Breton (Mr. Maddin) and his friends to reconcile their declarations in this respect with the strong pronouncement of Sir Charles Tupper which I have quoted to the House. They have abandoned this high tariff policy because they could not agree upon it. It is a great thing for them to get men from such a prosperous province as Manitoba or from the great west to support the opposition. They felt that with a high tariff policy they could not expect to get support from that country, and the leader of the opposition simply looked over these three planks of his policy and called his friends together, and said to them: 'We must dissolve partnership and leave every man to do for himself.' That was the position of the party when they faced the electors in the last general election. Is it necessary to refer to the kind of issues that were presented to the people on that occasion? I am not going to go over them. I will simply ask my hon. friends to look at what so strong a Conservative paper as the Montreal 'Star' said about the 28th or 30th of October last:

Mr. WORTHINGTON. It is not a Conservative paper.

Mr. McKENZIE. The paper I refer to is the 'Montreal Herald and Weekly Star,' which is certainly an old-time Conservative paper, whose support in many respects has been of great help to the Conservative party. No doubt as an intellectual force it was a great stand-by. Its circulation is very large, and the views of the Conservative party found their way to many households through that medium. There were other ways in which that paper and its products, in the way of gifts of cash, were of material assistance to the Conservative party. There was another piece of machinery created for the purpose of circulating the moral influence of that paper, well known to the people of this country. These formed the machinery by which the honest cash of that paper, as no other would of course be received by it, was circulated throughout this country for the benefit of the Conservative party. But that paper, with all its love for that party, said on the 28th or 29th of October last, that there were no issues before the people to-day, that it was simply a campaign of slander. I am not going to go over the various scandals that were raised. I will merely say that the Conservative party abandoned every respectable issue that they had in 1904, and went to the country in this campaign of slander, and got licked out of

their boots. I want to know where they stand to-day. All their former policy is gone, their campaign of slander was no good, and they must have some new creation on which to go to the country again. I can imagine the hon. member for North Toronto making the same statement about it that he made about the Remedial Bill. He found that that was a poor vote-catcher, and I remember well his speech in the House: 'I have given it a trial, but while water runs and grass grows, I will never again put myself in the hands of any man as I have done with this thing.' I can imagine that after the severe castigation our friends received from the people of this country for dragging these scandals before them, they are saying, 'While water runs and grass grows, never again will we besmirch ourselves by going to the country in such filthy rags.' I hope that when they again face the people, they will face them with honest, straight business propositions.

When our hon. friends accuse us of having no policy, we reply that we have the same consistent policy that we had when the people entrusted us with the administration of this country some thirteen years ago. When they charge us with being a broken-up party and with having no policy, I ask them to take their own distances and courses and tell us exactly where they are. Are they back to the policy of 1904, or are they going to stand by the policy of slander on which they went to the country in the last election? I think it best always to go before the intelligent people of this country on good, square issues, on which the people are willing to judge the conduct of the two parties.

Hon. gentlemen opposite say that we are taking too much money from the people, taxing them too heavily. If we are, that is a serious matter. The statement which we put forth in the last campaign, and which I have heard nobody contradict, was that the average tariff of the Conservative party, while they were in power, was 18 per cent, while the average of the present tariff is 15 per cent. Now, if with a tariff of 15 per cent we get more money into the coffers of this country than the Conservative government got with a tariff of 18 per cent, I cannot understand how it can be truthfully said that we are taxing the people more than they did. A man who imports $100 worth of goods, would pay under the Conservative tariff $18 before he could take them out of the customs house, while under the Liberal tariff he would pay $15. The difference is, as has been explained many times, that more of those $100 came into the country under the Liberal tariff, that trade increased, and that out of the enormous volume of trade we got more money than they did. But it was entirely voluntary to the people. If they did not want to import the goods, there was no compulsion upon them. Therefore, this argument that we are taxing the people unduly is without the slightest foundation. If hon. gentlemen opposite find it difficult to understand the operation of the tariff, let them take the administration of the Post Office Department. We have lowered the postage on one class of letters from three cents to two cents, and on another class from five cents to two cents, and yet despite these reductions in taxation, nearly double the money is going into the treasury from the postal service than did when our hon. friends were in charge, and before the rates of postage were reduced. How do they account for that? Is it possible for them to make out the argument that because we reduced the postal rates more than 75 per cent in some cases and have collected a larger amount of revenue, we are taking more taxation out of the people than we did before? I shall now leave this question of more taxation and higher taxation, because the people had the opportunity to pass upon it and they came to the conclusion that the opposition were not justified in their criticism and re-elected the government of the day.

Before closing, I wish to deal with some questions which my hon. friend from south Cape Breton (Mr. Maddin) brought before the House last evening. He endeavoured to show that the Conservative party was the great party in favour of the labouring people, particularly in the province of Nova Scotia. Let me ask him what that party ever did for the labouring classes during the 18 years they were in office. Where is the Act on our statutes or where is the effort to better the conditions of the labour element during those 18 years, by legislation or otherwise, by the political friends of the hon. member for South Cape Breton (Mr. Maddin)? They were asked to do something for the labouring classes and positively refused. My hon. friend further went on to claim great credit for what his party had done in the local legislature. Well, I do not see how it could have been possible for them to do less than they did. Whatver position the miners in Nova Scotia hold to-day, they owe to the legislation introduced in the local House by the Finance Minister (Mr. Fielding), who was then leading that House, and which was continued by his successor, the Hon. Mr. G. H. Murray. My hon. friend from Cape Breton (Mr. Maddin) undertook a few days ago to make the prediction that a certain railway, to be built in Nova Scotia, would be held in abeyance until there was an election on. I wish I never had a harder task to perform than to defend the reputation and standing in Nova Scotia of the Minister of Finance (Mr. Fielding) and his successor Mr. G. H. Murray. We have had Mr. Murray leading the Liberal party in Nova Scotia during the last 12 years. Previous to the last election there were only four

men in opposition to him in that House and now there are but five. The leader of the opposition in Nova Scotia thought he was strong enough to measure swords with the hon. member for Pictou (Mr. Macdonald) but the people of that constituency turned him down. Then he had to come back to lead his party in the local House. But after he did go back, the people of Pictou county turned him down again under an avalanche of ballots and sent a young untried man to represent them in the local legislature. My hon. friend from South Cape Breton (Mr. Maddin) claims that Mr. Murray is afraid of the people and is holding back a certain railway until the next election so that he may make use of that railway to carry him to power again. The idea is ridiculous. Why should the intelligent people of Nova Scotia turn down Mr. Murray? Everything we have in Nova Scotia, from a political standpoint, we owe to the Liberal party, because we have had nothing but that party in power in the local House since confederation, with the exception of a short period from 1878 to 1882—a period entirely forgotten. And to-day there are but four men in opposition in the local legislature. That being the case my hon. friend from South Cape Breton was hard up for material when he tried to make a case against Premier Murray by talking about his administration with regard to our coal industry. Whatever we have in Nova Scotia in the way of coal development we owe entirely to the Fielding legislation, carried forward by Mr. Fielding's successor, Mr. Murray. During the 18 years the Conservatives were in power in this Dominion, we had but a poor development of coal industry. Whatever we have in Nova 600,000 to 800,000 tons during the whole course of the 18 years. But when Mr. Fielding and Mr. Murray put their shoulders to the wheel and introduced what is known as the Fielding legislation, when we got capital into the country and put our coal mining industry on the footing it enjoys to-day, that brought about the establishment of the steel works. There can be no question that the steel works in Cape Breton owes its establishment to the greater development of coal mining which was brought about by reason of the Fielding legislation. That legislation was bitterly fought by my hon. friend from South Cape Breton (Mr. Maddin) and his friends. The history in connection with that legislation is one they have no reason to be proud of. They fought it in the local House, and some Tory members from Nova Scotia forgot their responsibility, as members of this House, and broke away from every rule by going to the Governor General over the heads of the then Tory government sitting in this country and endeavouring to defeat this legislation for what purpose I do not know. But His Excellency had better sense than to listen to their argument. That legislation was allowed to pass and we have to-day, by reason of it, this great development in Nova Scotia in the coal and iron industries and the many other industries which have sprung up in that province.

The hon. member for South Cape Breton thought proper to criticise the railway policy of the government. He has thought it proper to quote at great length from a speech I made in the House some eight years ago. I am pleased that there was nothing in that speech from which an opponent of mine to-day could get any comfort. I was a supporter at that time of any policy that would better the position of the working classes in the county of Cape Breton, and I so expressed myself. Since I came to this House, I have followed the same policy and expressed the same view. My utterances of that time were read by the hon. member last night, and I have no reason to feel ashamed of anything I then said, nor do I find that I have departed in the slightest degree from the opinions which I then expressed. I ask permission to put on record the position I took in regard to the railways in Cape Breton. Though against my wishes, I shall be obliged to read to you the views I expressed upon the railway policy of the Tory party in the House of Assembly on February 22, 1904.

In view of these declarations by the leader of that party——

Declarations made by the leader of the opposition, then in the Assembly.

—it was amusing to listen to his hon. friend Mr. Tanner, in solemn tones and feigned honesty, asking the people of North Sydney and Sydney Mines to vote both governments out of power at once, because forsooth they were not proceeding sufficiently rapidly with the building of railways. Before his hon. friend who led the opposition in the House undertook to criticise the conduct of the Liberal party in respect to the procuring of railway facilities to Sydney Mines and North Sydney he should find out if his party during the eighteen years that they were in power at Ottawa did anything in the line of extending railway construction at Sydney Mines. The proper and natural time to look after the railway comforts of North Sydney and Sydney Mines was when the Cape Breton Railway was being located and built. But, the Tory government of that day and the Tory representatives entirely neglected the interests of those towns, and established a condition of affairs that was not easily remedied. It was perfectly clear that the Cape Breton section of the Intercolonial Railway below Georges river should have been built along the shore through the Little Bras d'Or district touching the towns of Sydney Mines and North Sydney and putting them on the main line, this would have settled the railway question in these towns and in the large and populous districts of Bras d'Or and Boular-

darie. But this grand opportunity was lost through Tory neglect, shortsightness and indifference. But to-day the leaders and candidates of that party had the effrontery to hold Liberal governments and Liberal members responsible for their own criminal political incapacity. There was no doubt Sydney Mines should and must be connected with the Intercolonial Railway at the earliest possible moment. A town of the size and importance of Sydney Mines within less than two miles of the Intercolonial Railway of Canada and not connected wih it was ridiculous and absurd. He had no doubt one of the first acts of the present popular and public spirited Minister of Railways would be to right this Tory wrong and give the important and rapidly growing town of Sydney Mines the privileges which were her rights.

Now, I thought it my duty to put on record the views I expressed more than four years ago, so that my hon. friend from South Cape Breton (Mr. Maddin), if he wishes to get comfort from the position I took at that time, will have an opportunity of seeing my words and presenting them to his friends as well as to hon. members of this House.

I do not think I need follow that position. I think that the hon. member for Pictou (Mr. E. M. Macdonald) has so fully answered the arguments put forward by the hon. member for South Cape Breton that it is quite unnecessary for me to follow them further. But, before I sit down, there are one or two things I wish to refer to, matters which I would rather not be obliged to refer to. A few evenings ago, the hon. member for Dauphin (Mr. Campbell) whatever his purpose may have been, undertook to represent in this House the leader of the government (Sir Wilfrid Laurier) as having made certain statements reflecting upon the standing and credibility of the Conservative party. At that time, although I very much dislike interrupting hon. members who are addressing the House. I took the responsibility of saying that the right hon. gentleman (Sir Wilfrid Laurier) never used the language ascribed to him. I am not attributing motives to the hon. member for Dauphin, but I cannot understand why he should undertake to misrepresent the Prime Minister unless it should be for some political purpose, making it appear that the Prime Minister had referred slightingly to the great Conservative party and those who compose that party. The hon. member represented the Prime Minister as having said:

> I am sorry to say that it is another evidence that we are not to trust Conservatives when they pledge themselves to us as members of this House or as a delegation.

It was thus held forth as an absolute truth that the right hon. Prime Minister of this country made that statement with reference to the Conservatives of the Dominion of Canada. Sir, if the Prime Minister had made a statement of that kind, it would be, coming from him, a very extraordinary statement. What he said is to be found at page 3258 of 'Hansard.' I should not feel that I was doing justice to the right hon. Prime Minister if I did not bring this matter to the notice of the House and the country, if I did not set side by side with the language used by the hon. member for Dauphin that actually used by the Prime Minister, so that the people will have an opportunity of judging for themselves how correctly the language of the Prime Minister was construed by the hon. member. What the Prime Minister said was as follows:

> Why, Sir, if there is any wasted money in this instance, it was at the instance of the taxpayers of this country. We had a delegation here of the Sound electors, the best men in the riding of North York. We had the mayor of the town of Newmarket, and the leading citizens of that town and its vicinity. They were not party men, not political friends of Sir William Mulock coming here to boost his election, but men who came in their capacity as citizens, laying aside all party differences, and asking us, in the interest of the town of Newmarket and the riding of North York, to undertake this work. I remember that delegation very well; it was one of nearly one hundred, certainly more than fifty. So large was it, at all events, that there was not room in the ordinary rooms of ministers to receive it. We had to get the use of the Railway Committee room for the purpose, and there man after man rose up and told us that this was not a party question, but that they asked us, in the name of the town of Newmarket and the riding of North York, to give them that improvement.
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> Now, is the Holland river to be improved? If a boat is to be taken from Lake Simcoe to Newmarket it cannot be taken any other way than the way contemplated by the present work. My hon. friend tells us now that all these representations made to us by men of his own political persuasion were ridiculous, and if I am now to take the word of Conservatives in the House of Commons, the Conservatives in the town of Newmarket and the riding of North York are not trustworthy and their representations are to be treated with contempt.

Now that is the speech made by the Prime Minister at the time. He simply said, as I have read, that if the Conservatives treated with contempt a statement made by their own friends, he could not so treat it. But that was turned around into a representation that the Prime Minister was speaking of the Conservatives of Newmarket, and that they and Conservatives generally were not to be treated with respect. I could not for a moment, feeling as I do towards the Prime Minister, and feeling further a sense of fairness to every man, allow such an insinuation to pass without putting the facts before the House.

Now the other day the hon. member for North Toronto asked if we were proud of our Minister of Finance. In the earlier por-

tion of my remarks I said that we certainly were, and I gave my reasons, and I intend to repeat them. We are proud of him, and we are prouder still of the great chieftain under whom he serves and whom we are all proud to follow. The hon. member for South Cape Breton (Mr. Maddin) said last night a great deal about personal leadership at the next election, and he suggested that the present Prime Minister would not be leading the Liberal forces in the next election. Of course we cannot tell what will happen under Providence, we cannot tell what may happen from one day to another; but we of the Liberal party are full of confidence and trust, in view of the stalwart strength of our great leader, that he will again lead us to victory in the next election, as he has done during the past twelve years. When I heard the hon. member for South Cape Breton speaking, I could not help but think of what happened to his own party some years ago; I remembered that there are various means taken of getting rid of a leader who is not satisfactory, there is a way by which the Conservatives got clear of a man that they didn't think was just the man they wanted, but I do not think we will follow their example, I do not think we will build any such nest, nor have any such animals in it as they had in a certain institution that they called a nest of traitors. We are not going to deal that way with our leader, we will stand with him, and every Liberal from Scaterie to Vancouver will be proud to stand by him when the next election comes around.

Now a great deal has been said by our hon. friends from British Columbia about the policy of excluding Asiatics. I hear them rending the air in this House, telling how determinedly they are in favour of the total exclusion of Asiatics, they want to control absolutely the immigration policy of this country. That is all very well. But in the next breath they say we must stand true to British institutions, we must remain a part and parcel of the British empire. Let me ask hon. gentlemen how, if they are going to stand true to British institutions, they can fulfil their obligations to the mother country by opposing the immigration of Asiatics. It is well known that the total exclusion of Asiatics means non-intercourse with Japan; total exclusion means refusing to have any further dealing with that country. Some of my hon. friends from British Columbia are laughing at this. I ask them, as constitutional lawyers, as great authorities on international law, whether they think we have power to pass a law excluding people of another nation entirely from putting their feet on Canadian soil. We have no such power. There is no such power in a colony. The passing of such a law, whether in regard to Japanese, or Chinese, or Americans, would be equivalent to a declaration of war against such country. Do we possess the power to declare war—for that is what it means? When my hon. friends talk so flippantly about passing a law absolutely excluding Japanese, they are talking about declaring war upon Japan—for that is what it means. Now I would advise my hon. friends who talk that way to consult their leader and get his opinion. He is a capable constitutional lawyer; let them ask him if it is within the prerogatives of this parliament to pass an act absolutely prohibiting an American from putting his foot on Canadian soil. I venture to think that the leader of the opposition will tell them that we can do nothing of the kind; we cannot do it in the case of America, we cannot do it in the case of Japan. Not having that power, the proper thing for us to do is to respect British Institutions, to respect the relations between Japan and Great Britain, and to be content with the restriction we have already placed upon what we consider undesirable immigration, and in this way we may obtain peace with honour with the great nations of the world. Let us continue in the paths of peaceful diplomacy, and not stir up a war, which would be the result of that unmentionable telegram if it was carried into effect.

Speaking of the leader of this government, I want to put on record testimony of a gentleman who is not a partisan of this government. I want to show what this gentleman thinks of the great leader whom we follow. The testimony is that of a man who is high in the councils of the Conservative party, a man who is at the head of a great newspaper, the Toronto News. I think it right to make this quotation for the benefit of my hon. friend from South Cape Breton, when he speaks of the possibility of a change in the leadership of our party.

Mr. BLAIN. When was that written?

Mr. McKENZIE. It is to be found at page 356 of the 'Life of Sir Wilfrid Laurier' by Mr. Willison, editor of the 'News.'

Mr. WALLACE. What date?

Mr. McKENZIE. Well, my hon. friend can go out into the library and get the book. I have not the date, but I suppose it is on the book written by Mr. Willison. It is doubtless in the library and if my hon. friend will know his way out and if he has the capacity to read it I assume that he will find it. They have such excellent public schools in Ontario that I presume my hon. friend can read and he can see this quotation for himself, which, I think is not an overdrawn description of the Liberal party. It is as follows:

Moderation is the keynote of all his career and the secret of all his achievements. He learned at the threshold of his public life that the statesman must often resist public clamour and stand impervious to momentary gusts of popular passion and that all enduring achievements must be based in the reason rather than in the emotions of the people.

An hon. MEMBER. Louder.

Mr. McKENZIE. I would expect from the length of the ears of my hon friend that he would hear me.

The disposition to preserve is an essential element in Sir Wilfrid Laurier's statesmanship as indeed it must be the dominant principle of all successful government in free countries. So in the field of constitutional reform he has striven for amendment within the constitution and has quietly but firmly antagonized all intemperate agitation for radical alteration of the terms of confederation. His is essentially a constructive mind and a serene temperament. He trusts in the future and reverences the past. He will always be slow to lay destructive hands upon hallowed institutions and reluctant to distrust the ancient landmarks. His administration has been eminently constructive and progressive. He labours with strenuous hand and abiding faith to unify and consolidate the various elements of the confederation to promote material development and estabilsh national self-confidence.

All his heart and all his creed and all his hope he puts in his inspiring message to the Acadians of Nova Scotia:

'As long as I live, as long as I have the power to labour in the service of my country, I shall repel the idea of changing the nature of its different elements. I want to take all the elements and build a nation that will be foremost among the great powers of the world.'

That, Sir, is a description of our great leader given by a man who was not partial to him and who has given not an overdrawn picture. We would not be ready to exchange a leader of that kind for another leader of our own party and much less for the leader of a party which is untried and out of power and which must have forgotten the lessons taught by whatever experiences it has had in the past. I have endeavoured to answer the charges that were made against the administration in so far as the small circle of the debate that I have endeavored to compass is concerned. I am satisfied that the country, financially and otherwise, is in a sound condition; I am satisfied that the administration stands to-day as high in the estimation and approval of the people as ever it did, and I am satisfied that the production of the budget and the presentation of accounts by the Minister of Finance are honest, straightforward and true, and that that hon. gentleman would not bring anything else to the notice of the people of this country. The criticism that we have heard about the bookkeeping does not hold good. It is the same bookkeeping as that which prevails in the great institutions of this country. It is not the same kind of bookkeeping that they have in the Canadian Pacific Railway, in the Grand Trunk Pacific, and in every other great institution in this or in neighbouring countries? Is not the cost of great public works charged to capital account? This is a criticism of which we heard nothing during the eighteen years that hon. gentlemen opposite were in power. We heard nothing of it during the twelve years during which the present government have been in power. It is a new criticism. It is a criticism that the people are not concerned about and one which will not alarm them. For these reasons and many others that could be mentioned I support the government as it is to-day handling the affairs of the country, and I support the Minister of Finance in the budget that he has brought before the House and the country.

Mr. G. H. BRADBURY (Selkirk). Mr. Speaker, I had not intended taking part in this discussion if it had not been for the fact that there has been so much elasticity allowed and so many new elements interjected into the debate. The fact that there have been some statements made by hon. gentlemen which deserve some consideration from some one coming from the province to which I belong is my justification for participating in the debate. Last evening there was a speech delivered by the hon. member for Humboldt (Mr. Neely) who, in his fiery eloquence, seemed, for a moment, to lose control of himself and who used language regarding some of the statesmen in the western country that I think was utterly uncalled for and that, in his sober moments he would not be guilty of. Speaking of the Attorney General of Manitoba he made the statement that that gentleman had prostituted the machinery of justice for the purpose of aiding the election of the representatives that came from that province. There was no statement ever made on the floor of this House more foreign to the real facts than that. There is no question that the Attorney General of Manitoba, knowing something of the record of the Liberal party and of the Liberal machine in that country, did, at the solicitation and request of the candidates, name provincial constables to man the polls and see that the Conservative party had the opportunity of having a fair and honest vote recorded. It became the duty of some of these provincial constables to arrest some of the heelers of the Liberal party, men who were caught red handed in trying to defraud the electors of the province and to deprive them of their votes. The hon. member for Humboldt (Mr. Neely) had a fling at the Attorney Gen-

eral of Manitoba, and on his own ipsi dixit without producing any proof, he stated that the Attorney General had prostituted his office, citing as evidence of that the fact that he been assailed on the streets of Winnipeg by an irresponsible person who might well pray to be saved from his friend. It was unfortunate that the hon. member (Mr. Neely) introduced that person into this discussion, because if there is a man in Manitoba who ought to regret his conduct it is that very man who assailed the Attorney General from behind his back. It was one of the most uncalled for and cowardly assaults that could be imagined, and the only excuse is that the offender was not responsible for what he was doing. He was brought before the police court and punished just as any common criminal would be punished for the offence. That surely is not a very enviable position for a prominent lawyer in Winnipeg to be placed in, and it would have been much better for him if the hon. member for Humboldt had not dragged the incident into this discussion.

The hon. gentleman (Mr. Neely) also stated that the electors of Saskatchewan were given an opportunity to vote as they saw fit and that in that province there were no padded lists such as there were in Manitoba. Mr. Speaker, I take this opportunity of stating that there never has been in the whole history of Manitoba, electoral lists as fair as are the present Manitoba lists. The charge that the lists were unfair was made on the floor of this parliament by no less a person than the right hon. the Prime Minister, and it was repeated in the city of Winnipeg by the hon. member for Brandon (Mr. Sifton). The leigslature was sitting at the time and a committee was appointed to inquire into the matter, and although the member for Brandon was subpœned he failed to appear before the committee to substantiate the charge he made in the Winnipeg 'Free Press'. However, the inquiry was held by the committee and it was no doubt attended by the Liberals of the province, and judge after judge was examined and every cne of them testified to the fact that so far as they knew the Manitoba electoral lists were absolutely fair.

Mr. W. H. SHARPE. Who had charge of the lists?

Mr. BRADBURY. The judges.

Mr. W. H. SHARPE. Complete charge?

Mr. BRADBURY. Yes, complete charge of the list after they had left the registration clerks. Compare the conditions in Manitoba with the conditions in Saskatchewan, where in Prince Albert two or three men left that city to hold polls in three distinct parts of the province, and only travelled a few miles into a little bluff where they opened the ballot boxes, made the lists on the ground, manufactured 130 odd votes, and were not even generous enough to record a single vote in favor of the Conservative candidate. These men came back to Prince Albert and their candidate was declared elected. The judges of that province, three new men, one of them Chief Justice Sifton, held that the law was such that they could not take notice of this dastardly act committed by these men, and they confirmed in his seat the Liberal candidate. But the facts were laid before the legislature and the Premier of Saskatchewan and his followers were shamed into declaring that election void and giving the seat to the Conservative candidate who honestly deserved it. Now, I had the honour of contesting a constituency in Manitoba, and I never during the whole campaign heard my opponent raise any objection to the electoral lists on which he was contesting the election. On one occasion he did say that electors had been left off the lists by the judges, but this had been through some clerical error and that was the sum and substance of this grievance. So far as the lists themselves were concerned he was forced to admit, and his supporters in the campaign were forced to admit, that they were absolutely fair in that constituency as they were all over the province. My hon. friend from Humboldt (Mr. Neely) deplored that a man who had not a seat in this House should have been attacked when he had no opportunity to defend himself, but in the same breath he assailed members of the Manitoba government and he charged the Premier of that province with having subsidized a railway into a sand pit for his own benefit. Well, Mr. Speaker, I want to give that statement as flat a denial as the rules of this House will permit, and in justice to the Hon. Mr. Roblin, a man whom we all admire and look upon as the greatest premier Manitoba ever had, I will place his statement on 'Hansard.: We in Manitoba realize that the government that has been given to the province since Mr. Roblin became premier, has been the best government the province of Manitoba has ever enjoyed. This matter came up in the dying days of the recent session of the Manitoba legislature and Mr. Roblin made the following statement as reported in the Winnipeg ' Telegram ' of March 11:

Premier Annihilates so called Sand Charges of the Opposition.

A frank, thorough and convincing explanation of the attack by the opposition on the Premier's business connections and the guaranteeing of certain lines of the Canadian Northern Railway was made by Hon. R. P. Roblin before the close of the legislature yesterday.

The following is the Premier's statement:

Premier's Statement.

Before the orders of the day are called, I desire on a question of privilege to occupy a few moments of time in which to make a reference or statement regarding a matter which was under discussion yesterday in this House, upon a motion made by the honourable member for Lansdown (Mr. Norris). I propose to do so for the reason that any one who may have been enough interested in the matter to read anything that has been published concerning it, may have the facts in the case.

When the matter was introduced yesterday I withdrew from the House out of respect to the rule and practice that when any member is directly censured by a resolution for any act of his, he shall withdraw until the matter has been discussed and dealt with. I would have preferred to have remained and made the statement at the time could I have done so without violating the rule to which I have referred.

History of Case.

In order to give a minute detail of my relation or connection with what is called the 'Eli Sand Company' and the 'Gunn Sand Company,' I shall be compelled to go back to the time when the province took over the Northern Pacific and in turn leased it to the Canadian Northern. Among the other things that were taken over as assets and properties under the lease was found a ballast pit at Eli, and a short branch thereto, located some mile and a half north of the main line, about thirty-five miles west of Winnipeg. No bonds were guaranteed on this line then or any time since.

The Canadian Northern found that the roadbed required ballast in order to keep it up to an efficient state and they undertook to secure from the Eli ballast pit the material for such work. They only operated for a short time until all the ballast that was fit for a roadbed was exhausted. The pit worked out into pure sand.

They then abandoned the pit as a source of supply for railway purposes and immediately began searching for another pit. They finally located one and bought it, at Birds Hill, which they are now using. They secured a charter from the legislature to build a line out in that district several miles beyond what is now their gravel pit. They completed the line to the pit; they partially constructed, I understand, several miles beyond, known as the Dundee line.

Necessary to Construct Line.

It was absolutely necessary in the public interest in order that they might have ballast to keep their roadbed in shape to handle passenger and freight trains that they have this pit. They came to the government and said that in view of our blanket mortgage they were compelled to ask us to guarantee the bonds that they might raise the money for the construction of that line.

Delegations had waited on the government from that district—that is, the district farther out than the gravel pit—for this extension. Knowing that it was necessary for them to have the ballast and that it was in the interest of the public for them to use it, the government guaranteed their bonds for $10,000 a mile. They have operated it continuously ever since as a ballast pit, having taken out thousands upon thousands of carloads of material for their yards in Winnipeg and for ballasting the line between here and Emerson, between here and Portage la Prairie, and between here and Carman.

Business Proposition.

I will now go back to the time when the Canadian Northern abandoned the Eli ballast pit, to show where the Eli Sand Company began. When the ballast was exhausted by striking pure sand, this fact came to the knowledge of myself and some other gentlemen, and as building sand was in good demand in the city, we thought it a good business proposition to secure the pit and bring the sand to Winnipeg for sale.

The land in question was owned by a private individual. I bought the land myself in trust for the other gentlemen and myself and held it until we had exhausted the sand in the pit, when the land was sold for the benefit of the parties who were originally interested. There was no written agreement between the gentlemen and myself but simply our verbal understanding of the operation.

Initial Point.

This statement gives you the initial point of the starting of the Eli Sand Company. While we were operating the Eli sand pit representations came to us from all over the province for the extension of the Canadian Northern system, as was our announced policy. You will remember that this was about 1903. Among the many who came to solicit the influence of the government were several large delegations from Gimli, and Icelandic River districts, from Stonewall town and from the country east and north of Shoal lake. So strongly did they press, headed by the members for Gimli and Rockwood, for an extension that the matter was taken up with the railway company. The company said that they would consider an extension from the point on the old Hudson Bay line in a northeasterly direction; but they would not go to Stonewall, and they further wanted the government to give an assurance that no other company would extend lines in that northern country, especially from Teulon north as well as from Winnipeg Beach north.

Of course, the government could give no such assurance; but we assured them that if they would construct we would guarantee their bonds and they could build out a reasonable distance that year and the local business would justify the extension even though the Canadian Pacific did extend their lines.

Agreed to Certain Distance.

They agreed to do this for a certain distance. When it became known that this line was probable, a gentleman who owned 240 acres of land along the projected line, and which was said to be a gravel, ballast, sand pit, met those who were associated in the Eli Company and asked if it were not possible to arrange a company to handle the material at that point. The result was a company was formed. I had a small interest in that company. I have it yet. The company owns the land at that place.

There was some sand and ballast taken out from that particular pit, but not in any great quantities. As it developed, there was no quantity there for commercial purposes.

Pressed for Extension.

The government guaranteed those bonds on that line and have been pressing the railway company for an extension ever since, supported and backed by the people who live in that district. Only a few days ago a large deputation, headed by the member for Rockwood, waited upon the government and presented a petition, signed by nearly five hundred names of residents from the present end of the track, praying for an extension. The matter is now still being considered by the company and I hope to succeed in getting the extension.

The line that is built handles freight only in carloads, is a great convenience to the people and absolutely satisfactory to the district.

Birds Hill Line.

I now come to deal with the sand shipped from Birds Hill—not the company which was incorporated to operate out on the Hudson Bay line. They had no pits with which to operate and in the location of the Birds Hill ballast pit it was discovered that there was a large deposit of sand, convenient to the line that ran to the ballast pit. Arrangements were made by which the company agreed to haul the sand that we might load to Winnipeg at the ordinary rates or charges for such service.

I was one of the gentlemen interested in the handling of sand from Birds Hill to Winnipeg until the end of the year 1907. I then withdraw, for the reason that I refused or declined to make any financial arrangements in order that the business might be continued ; and the remaining gentlemen who were interested, so far as I know, have continued the business down to the present.

Tariff an Ottawa Matter.

I further wish to state for the information of the House and the country that the tariff of charges are the regular ones, and are filed at Ottawa with the Railway Commission of Canada, open to the inspection of all who desire to examine them.

I have stated the facts exactly as they are and I am satisfied to leave the matter with the House and with the people of this country. I cannot hope to satisfy any one who wishes to make political or party capital out of the fact that I have used the Canadian Northern Railway as a transportation line for handling articles of trade that I was properly engaged in. Neither can I hope to satisfy the individual who will claim that I have no right, being a minister of the Crown, to engage in commercial pursuits.

Right to Trade.

I do not believe, however, that any good citizen will deny me the right to trade and conduct a commercial business where I receive no favours from any one in so far as the transportation of my commodities, whatever they may be, is concerned, over a line of railway that has been projected and aided in the public interest.

I submit this statement of facts as a full and complete justification for the course that I have taken, and therefore a complete and absolute answer to the criticisms that have been made upon my business relations in this connection, and repeat my regrets that the rule and practice of the House prevented me from being present when the matter was up for discussion.

I am handing this statement to each of the three papers, published in the city, for publication.

I do not think it is necessary for me to say a word more in this connection. The premier of Manitoba has been assailed in this House in a manner very ill-becoming a gentleman having a seat in this parliament, and especially a young man coming from the sister province. The only ground he had was dame rumour, and while he was so glib in criticising the action of another member for daring to allude to a gentleman who had not a seat in this House and consequently could not defend himself, it ill-became him to take advantage of his position to assail those who are not members of this House and consequently have not the opportunity to defend themselves.

I want to deal for a short time with another question, one of great importance to Manitoba, and that is the land question. I was rather amused when I heard the Minister of Finance, a few days ago, make the statement, in his speech on the budget, that the Liberal party stood for the policy of the land for the settler and not for the speculator. That statement was endorsed by the hon. the ex-Speaker (Mr. Sutherland). But what are the facts? These hon. gentlemen surely do not imagine that the country forgets some of the notorious land deals which have taken place under this government. Take for instance one of the first which occurred after this government came to power. They had been very glib all over the country, from the Atlantic to the Pacific, impressing upon the people that not one acre was given by them to a railway company, while the Conservative party had given away millions of acres for the construction of railways, but the Liberal party had secured railway construction without giving a subsidy of one acre. But what are the facts? In 1882 there was a charter granted for the Hudson Bay Railway. That charter carried a grant of 640 acres per mile, for the mileage in Manitoba, and 12,800 per mile for the mileage outside that province. When these gentlemen came into power that charter was in existence but had not been acted on and was dying a natural death; and if they had been sincere in their pledges, they would not have given one acre of land to that company and would have refused to extend the life of its charter. But they gave an extension of the charter on three or four different occasions, thus securing that land grant to the Canadian Northern, and they allowed the Canadian Northern to absorb the Hudson Bay Railway grant. That com-

pany built about 320 miles of railway in an almost opposite direction from that defined in the charter, and this government allowed the Canadian Northern to get for the road they had already built out towards the Dauphin country 6,400 acres per mile; and when they went west from Irwin to The Pas and built 97 miles of railway, they got about 1,200,000 acres of picked land out of the Saskatchewan district for the construction of that road.

Mr. MOLLOY. Was the land granted by the preceding government or by this government? Or did this government carry out the contract made by its predecessors in office.

Mr. BRADBURY. The land grant was voted for the Hudson Bay Railway in 1882. I do not think that hon. gentlemen opposite were in office then. But the Hudson Bay Railway Company did not take advantage of that land grant. The charter practically died on three or four different occasions, or would have died if it had not been renewed by hon. gentlemen opposite. Consequently they are directly responsible for the fact that that land, which was granted the Hudson Bay Railway Company, was absorbed by the Canadian Northern for the extension of their line in a direction different altogether from what was at first intended. Another feature was this. The Canadian Northern secured 12,800 acres per mile as soon as they left Manitoba. They built about 97 miles outside of that province, from Irwin to The Pas, and secured something like 1,241,600 acres of picked land in the Saskatchewan valley. If that land is worth what the people of the west say it is, about $6 an acre, we find that the Canadian Northern secured for that 97 miles over $7,000,000 worth of land, and they secured that from those gentlemen who claim that they are holding the lands for the settler and not for the speculators.

There is another notorious deal on which I wish to touch on for a moment or two. I refer to the Saskatchewan land deal. My hon. friend from Humboldt (Mr. Neely) dealt with that question last night in a very laboured manner, and in a way which showed either that he did not understand the subject or that he was not altogether frank with this House. The facts were simply these. This government allowed a few political friends to secure 250,000 acres of picked land in the Saskatchewan valley for $1 an acre. They had the privilege of picking these lands out of nearly a million acres, and within a very short time these gentlemen sold that land at from $6 to $10 an acre and pocketed about $1,760,000, which should have gone to the settlers. A gentleman who had the honour of occupying a seat on the government side of the House was one of those who secured that land at a dollar an acre and who shared in that enormous profit. And still we are told that the right hon. gentleman who leads the House and his government have been conserving the lands of the west for the settlers and not for the speculators. We remember the many land scandals ventilated in this House last session; we remember the grazing leases, covering some 372,000 acres of land alienated from the Crown for a period of twenty-one years with the right of purchase at about one-tenth of $1 an acre. This is the way these gentlemen have been conserving the land for the settler.

Another matter has been dinned into our ears every time an hon. member rose in his place on the other side to address the House on the land question. We have been told that the Conservative party gave to the Canadian Pacific Railway Company 25,000,000 acres of land that we practically gave the whole Northwest away for the construction of the Canadian Pacific Railway. When the contract for that railway was under discussion in this House, we did not find the leader of the opposition, the present leader of the government (Sir Wilfrid Laurier) and the men who sat around him giving to the government of that day any support in the carrying out of this great undertaking. They come before us to-day and tell us what they have done for the west. But, Sir, we who knew of the events of that time remember that the Canadian Pacific Railway was built in the face of the most unscrupulous opposition ever offered to any public undertaking, and that opposition came from men who occupy the treasury benches to-day. When this land grant was given to the Canadian Pacific Railway, what was land in the Northwest worth? I remember that when I went to that country myself in 1881 I went by way of the United States. Stopping off at St. Paul, I saw bills as large as the picture of her Majesty the Queen that hangs in this chamber posted up in the St. Paul station, giving the speeches of Sir Richard Cartwright and other leaders of the Liberal party on the subject of the Canadian Northwest. Immigrants who were going through were taken by the American officials and shown the opinions expressed by these men of our great west. 'There,' they said, 'you can see that these men say that this country to which you are going is only fit for Indians and buffalo.' And in this way they induced these people to settle in North Dakota or South Dakota. To-day, these speakers on behalf of the Liberal party blame the Conservatives for aiding the construction of the Canadian Pacific with this grant of land. But what is the history of the Liberal party in relation to the land grant for that road? On the defeat of the Conservative party in 1873, Hon. Alexander Mackenzie came into office. He and Hon. Edward Blake, one of the greatest Liberals, I suppose, this country has ever produced, but he had no faith in the

great west, had no faith in the construction of the Canadian Pacific Railway. But I suppose they felt they were forced to go a certain distance in that direction on account of the compact entered into by Sir John A. Macdonald in bringing into confederation the province of British Columbia. Their scheme was not to construct the Canadian Pacific Railway as we have it to-day; they started off with the idea that they would build from the head of Thunder Bay westward. I have here the statutes, and they show that Mr. Mackenzie and his government at that time provided that the road should be built in four sections, and that 20,000 acres of land and $10.000 in cash per mile should be given toward it. This applied to every branch line as well as to the main line. When you figure it out you learn the startling fact—which our Liberal friends do not know or they would not be so prone to throw this land grant into the teeth of the Conservative party—that the Liberals of that day were willing to give, not 25,000,000 acres of land, but 50,000,000 acres and $25,000,000 in cash for the construction of the road. There is no one who has lived in the western country for a number of years and seen the steady progress made there that ever thinks of blaming the Conservative party for building that road under the conditions accepted at that time. What would the great west be to-day if the Canadian Pacific Railway had not been constructed? Where would the hon. member for Humboldt (Mr. Neely) be? He would not be living in Humboldt, And my hon. friend from Red Deer (Mr. Michael Clark) would not be here to-day. That hon. gentleman has only been in this country seven years, yet he lectures this House on the policy we are following in this country, and though he does not come out squarely as a free trader, gives us a speech along those lines. I do not intend to refer particularly to what the hon. gentleman has said, but I may say that he is in very bad company for a free trader when he supports the right hon. Prime Minister (Sir Wilfrid Laurier) and his ministers. We have to-day the national policy as firmly as it ever was fixed in this country, and we are thankful to know that the Liberal party, when they came into power in 1896, had not the courage of their convictions and dared not put in practice the policy that they had enunciated all over this country for eighteen years. And that very fact largely accounts for the great prosperity Canada has enjoyed during the last ten or twelve years of the regime of these hon. gentlemen.

Now, I wish to refer to a matter in which I am directly interested in connection with this land question. While listening to the speeches of hon. gentlemen claiming that they believed in a policy that keeps the land for the settler and not for the speculator, I was forced to recognize the fact that they preach one doctrine in this House and practice something altogether different in the western country. About a year ago we had, adjacent to my own town, an Indian reservation. This covered about 50,000 acres of the best available lands in the province of Manitoba. There was supposed to be an agitation for the surrender of that reserve and the removal of the Indians, but just where that agitation came from I have failed to find out. I have lived in the town of Selkirk off and on, for the last twenty-eight years, and there has been no agitation along these lines there. But something had to be done for the boys and the government had to give them a chance to get in on a land deal. So the surrender of that great reserve was decided upon, and a commission was sent down to Selkirk to arrange that surrender. The present Chief Justice Howell, of the city of Winnipeg came down to Selkirk to arrange with the chief and council. When they came there the chief and council would have nothing to do with them, refused to meet them, or to discuss the surrender of the reserve. But these men were determined that the reserve should be surrendered and thrown open, that a few of their friends might reap the benefit. So an arrangement was made by two or three citizens of the town who were approached, and the Indian chief and council were got together. There was some deal arranged with the chief and council to this effect: These men were to be bribed, were to be bought, to betray the rest of their band, and they were promised five times as much land as the ordinary Indian got as an inducement to secure the consent of the band to a surrender. I am told on good authority—I do not make the statement because I have not got the proof—I am told, however, on the best authority that the Indian chief and council were promised $200 cash in addition, 5 times as much land as the other members of the band were to get, for inducing the rest of the band to agree to this surrender. Now what occurred? These men agreed that every soul, every man, woman and child on that reserve, should receive 16 acres of land; this, Mr. Speaker, was given as an inducement to these men to agree to surrender. In all, it amounted to something like 25,000 acres of land. This was the first experience these Indians ever had in possessing anything that they could transfer or sell. They were always regarded as incompetent, and I confess I thought myself that they were incompetent to hold land or transfer it. But the parties who were arranging this deal no doubt had this matter all studied out before the arrangement was made.

Now then, these men suddenly found themselves possessed of 16 acres of choice

land in this settlement and they were immediately besieged by a few men who wanted to pick up those allotments. Last session, I think it was, a question was asked on the floor of the House whether any protection could be given to a purchaser from the Indians of one of these 16-acre lots, and the answer given by the Minister of the Interior was, if I remember right that the Indians had nothing to sell until the patent issued, and that the Interior Department would not protect anybody who purchased this land. Now, Sir, the ordinary man on the street took it for granted that this land could not be placed on the market until these patents were issued. But there were a few political friends who were on the inside. There was one gentleman who made a trip to the city of Ottawa and got thoroughly posted, and he came back and started in to buy. He and his friends got from the Indians some kind of a quit claim deed, I do not know exactly what it was, but they got something anyway that held, and they bought these lands from these Indians at the very best bargain could they make. Now, every one in this House knows how incompetent the Indian is, how improvident he is, how little able he is to protect himself against a keen speculator. The government, I understand, had supplied the Indians with a solicitor to look after their interests in the surrender; and they had an Indian agent there who was supposed to protect the rights of the wards of the government; but the result has been that both the solicitor and the Indian agent worked hand in hand with the speculator, and the Indian was practically beat out of his land. That land which was worth $15 or $20 an acre, fell into the hands of a few of these men at a figure averaging something like $3 per acre.

Mr. Speaker, it is very difficult for me to make this transaction as plain to the House as I would like. But if you can imagine 25,000 acres of land divided up into 16-acre lots; no man knew where his lot was going to be situated. They formed what they called the Northern Land Company, every one of them being political friends of the government. I venture to say from my place in this House that there was not 100 acres out of that 25,000 acres of land that passed into the hands of a Conservative. There was not a Conservative in the town of Selkirk dared to invest $1, because he had no protection. He felt that he was at the mercy of the Indian agent and of the Indian Department; there was no guarantee that he could get his patent, or that he would be protected. It was arranged in such a way that no man but Liberals could buy these lands, and Liberals did buy them. Now what happened with the balance of this land? There was something like 25,000 acres of land left after these men had picked this 25,000 out of the 50,000, because when they had the right to locate this land they had the right to pick. They went round and located this land in blocks, in some places of 100, or 1,000 acres, just as they could manage to buy it. The balance of this 25,000 acres was put up to auction, and some of the men who secured this picked land for about $3 an acre, when they were bidding against each other for the remnants of that reserve, much of it very inferior land in comparison to what they had bought for $3 an acre, they had to pay three times as much at auction as they had paid for the picked land on that reserve which he had bought from the poor unprotected Indian. Now, this will give you some idea of the seriousness of the hon. gentlemen opposite when they proclaim the doctrine of the land for the settlers and not for the speculators. Every acre of that land has fallen into the hands of speculators.

Now, Mr. Speaker, I want to point out to the Minister of the Interior, whom I see in his seat, what might have been done with that land. We have on the shores of Lake Winnipeg, west of the lake and north of Teulon, 3,000 or 4,000 settlers, Ruthenians, Polanders and Germans, as fine a people as ever went into that province. This government placed these men on lands utterly unfit for human beings to live on. In the spring of the year they have to wade in water up to their waists to get out to a settlement. Last year the local government undertook to drain some of that district, and spent a sum of money to help them, for all of which they received, not the thanks of the Liberal party or press of Manitoba, but the severest and most unfair criticism for that expenditure. If the Minister of the Interior and the government had been anxious to secure the land for the settlers, they could have taken that 50,000 acres of the finest land in the province, surveyed it into 100 acre lots, and sold it on 25 or 30 years purchase to these people, and we would have had one of the finest settlements in the province of Manitoba at Selkirk, and the land would have passed into the hands of settlers and not into the hands of speculators. But that is not the policy of the present government. The Liberal party or the Liberal heelers of that district, because, unfortunately, we have a number of them around Selkirk, would have had no opportunity of making the rake-off they have made out of that land. You cannot buy an acre of the land of St. Peter's reserve which was bought for $3 last year at less than $10 to $20 from the men who hold it at the present time. I intend placing on record a letter which I have from an Indian chief. This may be the last opportunity I will have, and I want the

House to become aware of just how the Indians feel about this matter. I know that the Indians have complained bitterly to the minister and the Indian Department about the treatment they have received. They are the wards of the government. We, who have gone into that country and have had occasion to mix with that class of people, know that these Indians had one of the finest reserves in the province and they deserved better treatment than they have received. The letter is as follows:

Selkirk, February 25, 1909.

G. H. Bradbury, M.P.,
Ottawa.

Dear sir,—We, the chief and council of the St. Peter's band, beg leave to make a statement how we were used in regard to the sale of our lands.

The government had given these Indians a new reserve on Lake Winnipeg and they had been out apparently visiting this reserve.

After coming back from the lake, Mr. E. Rayner came to the chief councillors and asked us to give him part of our land for security and so he would help us through till the patents came. He asked us, how much we would want per acre. I told him not less than $15 an acre. So he said all right, and when the patents came he would complete the bargain. So we went on getting the goods from the store until we received a letter from Frank Pedley saying that the Indian Department would not recognize any bargain made by the white people. Then Mr. Rayner said to us that he would not give us anything more until our patents came; so we did not get anything after that. On the——

The date is left out, but I think it is on the 26th October.

—Mr. William Frank came to Selkirk and wished to meet the chief and council. So we came up to Selkirk, met Mr. Frank and he told us that he wanted to buy lands from the Indians. The chief and the rest of the councillors did not say anything to him. I spoke to him and asked him what authority he had to buy land or who permitted him, for the Indian Department had sent a letter to us by Frank Pedley saying that he would not recognize any bargain made by a man for buying land. He said that he would buy anyway and take the risk.

It was not much of a risk in this case.

The rest of the chief and council were against me saying this to Mr. Frank. But, he went on buying land and he asked us to be at Selkirk while buying from the Indians, to be witness to this bargain or deeds, he, promising to help us as much as he could. Afterwards he promised to give us $2 per day. So it went on in this way. We helped him as much as we could and about the month of July, 1908, he told us that he would take all the lands that we had given to Mr. Rayner and would pay what he had given us. He said that he would not pay us $2 per day, but that he would search the best land near Selkirk, that would be worth $25 per acre, and that we would get all we needed. He said: I will hire two rigs from Mr. George Dickenson's livery stables and will drive around to search for the good land. We drove around west from Selkirk and not very far from the asylum he took locations for the chief, and councillors Williams and Harper, and none for W. H. Prince, councillor, but he said that he would look for land for me at East Selkirk. So he did start next day and we found good land at East Selkirk. He located there for $25 per acre and then he asked me if I could work for him while he was at Selkirk, promising that he would give me $50 per month. I consented and I went on working for him. He paid me all right for two months and after that he did not give me anything, but still I was working for him. And he did not give us much money, he got rather awkward himself to us, so we talked to him one day that he ought to treat us better, because we want to live. We don't want to work for nothing. Then he got rather mad, so he said to us, the chief and councillors, he got mad with me and said to me: 'Be careful what you say to me or else I will take off your coat of office as chief and councillor, for you are drinking.' Then I said to him: 'Who learnt us to drink? for you gave drink sometimes in the morning.' He did not say anything more. We after that, asked him to make a proper settlement about our land he took but as he would say that he would treat us right, not to be afraid of him, he went on like that all along till this month, February, I asked him to settle with me for my land. Before Councillor Williams, he said to me 'I overpaid you; there is nothing coming to you.' I asked him how that could be. He said 'I am only allowing you $6 per acre for your land. I said to him 'I am not such a fool to give you my land for $6 per acre when I can easily get $15 per acre.' And I said to him 'I will try and do something to make you pay what you promised for my land.' He promised to give the chief and councillors if they would help him to the end buying land $100 each as present and promised to give $25 per acre for all the land we, the chief and councillors, received in settlement, but after securing our land and patents only allowed us $6 per acre. This is the way the speculators are aided and allowed to rob the poor Indian.

WILLIAM PRINCE,
Chief.

W. H. PRINCE,
JAS. WILLIAMS,
Councillors.

This gives you an idea of how these speculators have handled the Indians and how little the government have interfered to protect them. The point I want to make is that these Indians were the wards of the government, that it was the duty of the Indian agent to see that these men got justice instead of which the Indian agent and the solicitor who was appointed and paid by this government to take care of the interests of these Indians were in collusion with the speculators, and the Indians in that case were beaten out of their just rights. Now, I have taken up all the time

I intend to in this debate. I just want to say that I do not honestly think that the government have any right to claim that they have in any way preserved the lands of the Northwest for the settler. In every case where there was an opportunity to hand the land out to their friends and to speculators it has been done. When we look at the manner in which they have dealt with our great fishing interests in that country, when we think of these great fishing rights that they gave to two or three men, when we remember that a lawyer in Montreal secured Athabaska lake, or 10,700 square miles of water teeming with beautiful fish and the whole of the Nelson river down to Hudson bay for $10, when we remember the McNee lease which gave that gentleman nearly 300 square miles of James bay for $10 a year, and when we remember the Mackenzie lease which handed over Lesser Slave lake for $10 a year we can easily see that these gentlemen have not been guided by a desire to protect the settlers in any one case. I congratulate the hon. Minister of Marine and Fisheries (Mr. Brodeur) for having had the courage, in face of the opposition and political influence that was brought to bear, to cancel these leases. I believe that he is being pressed at the present time for a lease of Lac du Bonnet, and if he yields he will put himself in the same position that his predecessor was in when he granted the leases that I have been referring to.

Mr. JOHN PATRICK MOLLOY (Provencher). Mr. Speaker, I would not have taken part in this debate were it not that certain statements have been made by hon. gentlemen opposite regarding events in the province of Manitoba which I think it my duty to correct. I have the greatest respect for the hon. gentlemen on the Conservative benches who come from the province of Manitoba, and I think that we Manitobans should all have a friendly feeling for each other, but, when Conservative members from the province of Manitoba make statements which are not founded on fact I will have to be excused if I express my dissent. The hon. member for Lisgar (Mr. Sharpe) stated, evidently without any knowledge whatever on his part, that he had come to the conclusion that the Minister of Finance was a great joker, and I might return that compliment by saying that in my opinion the hon. gentleman (Mr. Sharpe) is the greatest joker who has yet spoken in this debate. Among other things he talked about Bill Miner. Do you know Mr. Speaker, what I think of Bill Miner and the Conservative party: I believe that the Conservatives are jealous of Bill Miner because while Bill Miner got into a hole he got out of it, and the Conservative party have got into a hole from which they are not able to extricate themselves. In my opinion Bill Miner is a cleverer man than all the Conservative party put together. We were given to understand that the hon. member for New Westminster (Mr. Taylor) was going to make a charge in regard to the escape of Bill Miner, but he failed to do so up to the present because perhaps he knows that some people who have been making charges in connection with the escape of Bill Miner are in an unenviable position. Take the case of ex-Warden Bourke who was brought into the courts of the country and who had to make an apology and undertake to pay the costs in connection with the suit. The gentleman who compelled ex-Warden Bourke to make that apology and pay the costs also brought a case against the paper owned by the hon. member for New Westminster.

Mr. J. D. TAYLOR. That statement is altogether untrue.

Some hon. MEMBERS. Order.

Mr. DEPUTY SPEAKER. A point of order has been raised and I will hear it stated before giving a decision. Who raises the point of order?

Mr. FIELDING. I raise the point of order that the hon. gentleman (Mr. J. D. Taylor) has said that what an hon. gentleman on this side of the House has stated is absolutely untrue. That is not parliamentary and cannot be upheld.

Mr. DEPUTY SPEAKER. Does the hon gentleman from New Westminster wish to speak to that point of order?

Mr. J. D. TAYLOR. Speaking to the point of order I wish to refute what the hon. gentleman (Mr. Molloy) stated——

Mr. FIELDING. That is not the question.

Mr. J. D. TAYLOR. I have the floor, and I am speaking to the point of order, I wish to say that what the hon. gentleman (Mr. Molloy) has stated as reflecting on me, and mentioning my name in connection with his statement, is not true.

Mr. DEPUTY SPEAKER. The question now before the Chair is as to whether the point raised is a point of order, and the hon. gentleman (Mr. J. D. Taylor) must not enter into further detail but must speak to the point of order.

Mr. J. D. TAYLOR. Speaking to the point of order I wish to ask your ruling whether it is proper when a member of this House makes a statement, no doubt unintentionally, which is not true, the hon. member against whom that statement is directed is permitted to say that it is not true. If I am not within the rule of order and you so rule Mr. Speaker, I will of course unreservedly withdraw it.

Mr. DEPUTY SPEAKER. It appears to me that the member for New Westminster is privileged to say that the statement made by the hon. member for Provencher (Mr. Molloy) is not correct. The word 'untrue' is not desirable language to use in parliament, but as the hon. gentleman (Mr. J. D. Taylor) is denying what he is in a position to deny without attributing falsehood to another hon. member, I am not prepared to rule it out of order.

Mr. MOLLOY. I do not think the hon. member (Mr. J. D. Taylor) will deny that ex-Warden Bourke did apologize to Mr. McIntyre and that he agreed to pay the costs in conection with the suit. Now, I did not intend to cast any reflection on the hon. member for New Westminster, but what I intended to say was that the press reports stated that Mr. McIntyre who got this apology from ex-Warden Bourke had entered an action against the paper that I understand is owned and controlled by the hon. member for New Westminster. If that statement is not correct I am quite willing that the hon. gentleman (Mr. J. D. Taylor) should state whether or not Mr. McIntyre has entered a suit against his paper.

Mr. J. D. TAYLOR. That is an assertion which I have already stated to the House is not true.

Mr. NEELY. What part of the statement is not true?

An hon. MEMBER. What have you got to say about it anyway?

Mr. J. D. TAYLOR. I do not think that hon. gentlemen opposite have the privilege of cross examining me on this occasion.

Mr. MOLLOY. I take it for granted an action has been entered against the 'Columbian' owned by the hon. member for New Westminster.

Mr. J. D. TAYLOR. No.

Mr. MOLLOY. The hon. gentleman would like to be enlightened on that.

Mr. J. D. TAYLOR. I state again that the hon. gentleman is not correct in saying that any action has been entered against the 'Columbian.' If he will permit me I think I can give him information which may save him from further confusion. I wish to state for the information of the House that the matter as to which Mr. Bourke apologized to Mr. McIntyre is altogether foreign to anything which I have ever mentioned in this House; it is altogether foreign to any issue that has been brought before the House, and it simply arose from Mr. Bourke's supplying the name 'McIntyre' to Miner's statement, when all that the convict said was that his lawyer had done so and so. That matter I have never referred to either in the House or out of the House; I have said nothing at all in reference to Mr. McIntyre.

Mr. MOLLOY. If the hon. gentleman (Mr. Taylor) is satisfied with that explanation it will satisfy us and we have no complaint to make. The hon. gentleman from Lisgar (Mr. Sharpe) quoted from the 'Free Press' a statement made by the Hon. Clifford Sifton and commenting on it he said:

> When the last election was over the right hon. Prime Minister (Sir Wilfrid Laurier) asked the hon. member for Brandon the reason why the elections had gone against him in the province of Manitoba, and the hon. member for Brandon made practically the same reply to the Prime Minister. The Prime Minister repeated that same statement or pretty nearly the same statement, on the 22nd of January last in this House. I claim that if the statement made by the Prime Minister on the floor of this House on the 22nd January last is true, and if the statement made by the hon. member for Brandon in this interview with the Winnipeg 'Free Press' is true, I, for one, have no right to a seat in this House. If those statements are false, as I claim they are absolutely false, then the hon. member for Brandon has no right to a seat in this House.

I would like to know what reason or justification the hon. member for Lisgar has for pronouncing on the right of the hon. Clifford Sifton to a seat in this House when he has been duly returned by the electors of the constituency of Brandon. He went on to say:

> I do not intend to dicuss the merits and demerits of the Manitoba voters' lists at the present time, more than to say that the electoral lists for the province of Manitoba are the fairest lists that are compiled in Canada to-day.

I do not intend to discuss the merits and demerits of the Manitoba lists as they exist to-day, but I will say that they are the most unfair lists compiled in the Dominion of Canada to-day. At the proper time I will discuss the Manitoba lists as no man who ever sat in this House could discuss them, because I can discuss them from actual experience of the doings of the political machine in that province. No man ever sat in this House in the same position as I am in. I am here to-day because I was beaten out of the seat I won from the Attorney General of the province of Manitoba by the returning officer and an unfair list in the constituency of Morris. The hon. gentleman says that the judges have complete charge of the list. I say that is not correct. I am not privileged to say that it is untrue.

Mr. W. H. SHARPE. May I ask the hon. gentleman a question? Can a voter be put on the Manitoba voters' list without the

sanction of one of the judges of the province of Manitoba, or can a name be taken off the list without the sanction of one of the judges of the province of Manitoba?

Mr. MOLLOY. I am surprised at the ignorance of the law regarding the making of the lists in the province of Manitoba exhibited by the hon. member for Lisgar. He has asked me the very question that I have been fishing for if I was fishing for a question. I will explain to him how that is done, and that is one of the reasons I am here to-day. In the constituency of Morris, on the list made in 1906 there were three men put on by John W. Parker, a good Tory politician. The gentleman is dead now, and where he is at the present time I do not know, and I care less. The law as it applies to a Liberal is simply personal registration. I had to apply personally; my supporters had to apply personally. They had, for instance, to swear that they had lived for a year in the province and three months in the constituency, that they were 21 years of age, a British subject by birth or naturalization, and so on. John W. Parker applied to the registration clerk to put on the names of three men. One of them did not live in the county at the time, and he wrote out a form saying: 'Take notice that I, John W. Parker, apply that So, and So, and So, the names of the three men, be added to the electoral list of the county of Morris in the province of Manitoba. The law is that in opposing the addition of a name to the list, you give notice to the judge by a registered letter that you appeal against the addition of that name to the list. What is the result? The constituency of Morris is made of three municipalities, and this happened in that portion of the constituency which belonged to the county of Macdonald. The Liberals in that constituency were not taking any particular interest in the matter, and therefore nobody appealed against the addition of those three names. The judge held the court of revision in the town of Morris, and we appeaied and absolutely satisfied him that the three names had not a right to be on the list; but he said: 'I am absolutely helpless, because there is no appeal before me against them by registered letter or otherwise.'

Mr. STAPLES. Is there not provision in the Manitoba Election Law whereby persons can be put on the list by another person when the persons who should be on the list are unavoidably absent?

Mr. MOLLOY. That is all right if he is a Conservative, but otherwise not.

Mr. STAPLES. Has not a Liberal the right to make application for a person who is unavoidably absent but who has the qualification to go on the list?

Mr. MOLLOY. If you follow the letter of the law, and if the registration clerks are fair and square and manly, and will give to a Liberal what they give to a Conservative you should be able to do it.

Some hon. MEMBERS. Hear, hear.

Mr. MOLLOY. The boot is on the wrong foot. If they will do it; but the registration clerks will not do it in the province of Manitoba. I challenge the hon. member to name one instance where a Liberal, in that portion of my county where a Liberal applied, succeeded in getting a Liberal on the list.

Mr. STAPLES. I want to ask the hon. member the names of those three persons.

Mr. MOLLOY. I will have to name them from memory, and I will not say I am absolutely correct. You told me the other day that you knew their names.

Mr. DEPUTY SPEAKER. Order. The hon. gentleman must address the Chair.

Mr. MOLLOY. The name of one, I think, is a Mr. Macdonald, and another was Mr. Pedley. The other I do not remember, although I have met him. No doubt the hon. member for Macdonald (Mr. Staples) has met him because he is an out and out partisan Tory. And very proud he was of getting on the list without having been put to the same expense and trouble as his Liberal neighbours. But there was one of those three, manly enough, straightforward enough, over and above board enough, and frank enough, who, when the matter was explained to him in which his name was added to the list—Tory though he was—call him Tory or Conservative, or that choice name Liberal-Conservative—he refused to vote for the Attorney General on the 7th of March, 1907. But there were two added, and the election was a tie, and he got the benefit of those two who were added by John W. Parker.

Mr. STAPLES. I wish to correct the hon. gentleman. He knows that under the law John W. Parker could not possibly add those names to the list. Therefore he should not accuse a man who is not here to defend himself.

Mr. MOLLOY. Under the law, if it was meted out to Liberals, as it should be, as well as to Conservatives, perhaps he could not, but he was in snooks with the Tory registration clerk. Let me tell the hon. member for Macdonald (Mr. Staples) that the same John W. Parker, with the registration clerk, put on a man not later than last year who was in charge of an elevator nine miles from the seat of registration. Will the hon. gentleman deny that? And I will give him the name of the registration clerk—Mr. Conrad Dausie, of

Jean Baptiste, Manitoba. He came to me and begged for mercy and asked me not to put him to trouble and expense. He said he acted as he did because the man could not afford to lose his time. Therefore he travelled nine miles from the registration booth and put on that man, who had charge of an elevator at a place or near a place called Stanford, nine miles away. If the hon. member for Macdonald (Mr. Staples) will give an instance in his county, where a registration clerk consented to drive nine miles out of his way to put on a Liberal, I will give $100 to any hospital in the city of Ottawa or of Manitoba. There is a straight challenge and I am always as good as my word. I will give it to a hospital in the constituency represented by my hon. friend from Lisgar (Mr. Sharpe).

Mr. BRADBURY. Will the hon. gentleman allow me? The statement he made a moment ago was that two or three names had been added on illegally. The challenge issued by the Premier of Manitoba to the commission granted by the House was to prove there was one added on or left off illegally. Why was not that accepted? Why did not the hon. member for Brandon or somewhere else face that commission?

Mr. MOLLOY. What the Liberals asked in the local legislature was this: They asked that a commission be granted, and they made seven distinct charges, and they wanted to go back to 1903, when personal registration was first introduced in Manitoba, and the Roblin government refused that.

Mr. W. H. SHARPE. Why did they want to go back to 1903?

Mr. MOLLOY. Does the hon. gentleman mean to tell me that the Attorney General does not know the three cases I have mentioned? Why, he has been dreaming about them ever since. They have helped to keep him alive politically, and the hon. member for Selkirk knows that. He knows the facts just as well as the Attorney General for Manitoba. They are not so indelibly stamped on his memory perhaps as on mine, but he has seen them published from time to time, and he knows that my opponent holds his seat by virtue of the vote of the returning officer of Manitoba—the smallest majority of any minister in the Dominion. The hon. member for Lisgar (Mr. Sharpe) goes on to say:

> I was elected in the constituency of Manitoba by 105 of a majority. If the government will appoint a royal commission to inquire into the lists in that constituency, and if they can find 106 Conservatives improperly put on that list. or 106 Reformers improperly left off, I will resign my seat.

Mr. W. H. SHARPE. Read it all.

Mr. MOLLOY. I intend to read it all, but was giving it in junks on the instalment plan:

> If they can find 106 Conservatives improperly put on that list or 106 Liberals improperly left off, I will resign my seat provided the hon. member for Brandon will agree to resign his, if his statements, are not true, as I claim they are not.

Some hon. MEMBERS. Hear, hear.

Mr. MOLLOY. The hon. member for Lisgar must think we are pretty dense. He says: 'I will resign if so and so will.' But he knows full well that he cannot resign. There are just two ways in which he can avoid the election petition—by appointment to the Senate or death. We will take mighty good care that he will not get in the Senate for a long time to come, and I hope, as he is a fairly good fellow, that he will not die and avoid the petition in that way.

Mr. W. H. SHARPE. I am just as free to resign my seat as the hon. member for Brandon (Mr. Sifton) is free to resign his.

Mr. MOLLOY. The hon. member for Brandon did not say anything about resigning his seat. He has never been defeated He has had 25 years of parliamentary experience in this House and in the local legislature. He has been thirteen or fourteen years in this House, and when the hon. member for Lisgar (Mr. Sharpe) is a member of this House as long as my hon. friend, the ex-Minister of the Interior (Mr. Sifton), he will have something to boast about. I would advise my hon. friend from Lisgar to keep in mind the old maxim, that a bird in the hand is worth two in the bush. If he should resign before the term of this parliament expires and face his electors in the county of Lisgar, he may not come back. Strange things happen in elections, and I would advise him to stick just as fast to his seat as he possibly can. He tried to get elected in 1904 but failed, but the lists perhaps did not then help him out as we believe they did the last time, which is the reason he is here now. So that I will close here, so far as that idle boast is concerned.

Mr. W. H. SHARPE. It is no idle boast at all.

Mr. MOLLOY. He knew he could not resign, and if he did resign he has every reason to believe he would not get back. If he will face the election petition, which I believe he will have to do, perhaps he will be very glad to resign. How would he like that? There is quite a difference in doing a thing voluntarily and being compelled to do it; and the hon. member for Lisgar had better sit as close to his seat as he possibly can and just as long as he can, and we will take chances on his coming back on the next appeal to the people of Manitoba.

Now, I think I have disposed of the state-

ment that the judges make the list. There is one point in connection with the list on which I will barely touch. If the registration clerk is fair and honourable, no man gets on the list except the man who applies personally and takes his oath; and if that list is brought before the judge and revised by the judge, the judge is absolutely helpless unless somebody takes interest enough to appeal against a name. Names are appealed against by different people in different constituencies, and they are often upheld by the judge who declares that they have the right to be on, and I think in the majority of cases they have the right to be on. We have every confidence in the judges of Manitoba. But the fact that the list can be stuffed was sworn to by Judge Ryan of Portage la Prairie, an appointee of the Canadian government in this investigation which went back only to the list of 1908 and which the government would not carry back to 1903. Judge Ryan, who is one of the ablest and most reputable men in Manitoba, said that the list could be stuffed. He did not pretend to have knowledge of it being done, but I say it has been done and I say that men from the province of Manitoba in this House believe—or, at least, they have good reason to believe—that it has been done.

Mr. STAPLES. Read what Judge Ryan said on that point.

Mr. MOLLOY. You read it. The hon. gentleman asks: Will this government appoint a Royal Commission? I will send him back to his political chum the hon. member for Lisgar of the province of Manitoba to ask them to grant the commission that is practically demanded by the people of Manitoba to determine whether the lists in Manitoba are stuffed, and whether the system of appeal on the lists is fair and square. And let them go back to the year 1903, and we will undertake to prove, as I have said before, not only that the list was unfair, but that it was the most unjust list in the Dominion of Canada. That is the reason the members for Manitoba sitting on the other side of the House are so much in love with that system—because it had a good deal to do with them getting to this House in the election of October 26, 1908.

Something was said here the other night—and I think the statement was challenged—as to the prostitution of justice in the province of Manitoba. Justice is being prostituted in certain cases for political effect. And I am making the statement that it has been done in my own county; and I make the statement also that I believe these cases are known to hon. members from the province of Manitoba. I will mention one,—the case of Dominion City. The party there was sentenced by the magistrate appointed by the Attorney General's department of the province of Manitoba to a term in the common gaol. The party was taken to Winnipeg, but great political influence was brought to bear—at least the local member for that county thought so,—and it is a matter of history that that party was back in Dominion City the same day and before the constable who had taken the one convicted to Winnipeg. That cannot and will not be denied by any man from the province of Manitoba.

Mr. STAPLES. What was the name of the person?

Mr. MOLLOY. Krivel. Then, take the Lac du Bonnet liquor case. The house of a man there was, to use the common expression, 'pulled,' and he was fined for running what is commonly known as a 'blind pig.' But the party thus fined was an active political worker, and this was during the election of 1904. The magistrate received a telegram signed 'Colin H. Campbell,' 'Do nothing in the Lac du Bonnet case until you hear from me,' or words to that effect. And nothing has been done from that day to this. If my memory serves me well, there have been 40 odd political cases since the present Attorney General took office—40 odd charges including arrests. And I will ask the hon. member for Macdonald (Mr. Staples) or any other hon. member from the province of Manitoba, to name a case where a man was charged with a political offence and was ever brought to trial by the Attorney General's Department. The last is the celebrated Ingram case in Brandon. This man had acted as returning officer in the last Dominion election. Was he brought to trial? No. He was arrested, not prosecuted but persecuted, for political effect, and they tried to make a deal with the Liberal party, and according to the statement of Ingram they failed to make the deal and did not carry on the case. They dare not carry on this case and they know it.

Mr. SCHAFFNER. Tell the House what Ingram did.

Mr. MOLLOY. I will tell what he did, and I will tell everything he did. I have already told what action the department took to punish the crime.

Mr. SCHAFFNER. Tell about the prosecution.

Mr. MOLLOY. There was no prosecution and he knows it. So far as the remarks of the hon. member for Dauphin (Mr. Campbell) are concerned, that hon. member is a personal friend of mine. It is not necessary for me to deal with any statements he made. My hon. friend from Humboldt (Mr. Neely) handled the 'Tall Pine' from Dauphin to a finish the other night. It will be quite a while before the hon. member for Dauphin will make

an insinuation, much more a charge, while he is a member of this House.

Mr. STAPLES. He made a charge.

Mr. MOLLOY. He did not. He hinted at what he thought had been told by a another man who, he said, occupied a seat in this House, but he did not make a charge. And no man sitting to your left, Mr. Speaker, has dared, since 1896, to make a charge against any hon. member of this government, present or past.

So far as the remarks relating to the Grand Trunk Pacific are concerned, I am sure that I never heard of any Conservative in Manitoba opposing the building of that road. Though they spoke of it as an enormous cost to the people, they were afraid to say—at least they did not say—that they were opposed to the building of the road. They did not care apparently what it cost so long as they could convince the people that they were in sympathy with the building of the road and that the road would be built. And I think that in that they took proper ground. I think that their constituents, whether they ever return them to this House again or not, will appreciate their action in relation to the Transcontinental. There are few men west of the lakes, whether Liberal or Conservative, who will oppose the building of the Transcontinental. Liberals would not be here if they opposed it, and some Conservatives who are here would never have had seats in this House had they dared to oppose, even in the most feeble way, the building of this road.

As regards the remarks of the hon. member for Dauphin (Mr. Campbell) regarding the tariff question, I am sorry for him. He is the only one, however, west of the lake who bears the name of Conservative, who dared to get up in his place in this House and say he was a protectionist. He said it out and out, and in a manly way, and I give the member for Dauphin credit for that. But I must say this, that I believe he has made a mistake, and the proof of that will appear when he appeals to his constituents again. But that of course is his own business. I am glad from a party point of view that he made the statement, because I believe it will be his undoing. Personally I am sorry for him. The hon. member for Macdonald (Mr. Staples) did not state that he was a protectionist, not yet; nor did the hon. member for Souris (Mr. Schaffner) state that he was a protectionist, although he did move a resolution asking this government to reduce the tariff on implements from 17½ to 10 per cent. But the people of Manitoba have a pretty good idea of the stand the Conservative party takes on the tariff. I am free to state the stand I take on the tariff, regardless of who is in power, regardless of the fact that I am a supporter of the Liberal government. I say here that I would not support an increase in the tariff. It is wrong from a western point of view. I believe the consumer pays the duty, and I believe the consumer west of the lakes has a greater need of a reduction in the tariff than he has of an increase in the tariff, so far as the necessaries of life are concerned. Therefore I will not support any increase in the tariff, I do not care whether a Liberal or a Conservative government is in power.

Mr. SCHAFFNER. To what extent would you vote for a reduction of the tariff?

Mr. MOLLOY. Lower than you would. The hon. member for Selkirk (Mr. Bradbury) threw a number of bouquets to the Liberal government for Manitoba, and I do not blame him. I do not blame any Conservative member from the province of Manitoba who will stand up and support, so far as they dare, and as long as they dare, the party that holds sway in the province of Manitoba, for they have been a great help to the Conservative party in the Dominion in the past. They may be a great help to it in the future, but we do not think so, for we believe they will not be there. The hon. member for Selkirk says the present premier of Manitoba is the best they have ever had, but I take issue with him. The best Conservative premier that Manitoba ever had was the honoured, the late lamented John Norquay, honest, great-hearted John Norquay. He was a good man, he meant well; but the other fellows, all they meant was to win, and they generally did it, and I give them a certain amount of credit for it. The hon. member for Selkirk, in praising the party that holds sway in Manitoba, did not tell us anything about the number of cheques that were proven before the Public Accounts Committee of Manitoba to have been paid in his constituency a few days prior to the last Dominion election. If my information is correct, there were 141 cheques for various amounts, signed on the 21st and the 22nd day of October. They were paid in some cases, if my information is correct, at the very polling booths on the 26th October, and the man that paid them took the train back to Winnipeg on the 27th day of October, and his name was Szablowski.

Mr. BRADBURY. I do not wish to interrupt the hon. gentleman in his romancing, but I just want to tell him that he is entirely wrong. I did tell the House that the government had done work in the constituency of Selkirk, I told the House that they had received unfair criticism for trying to drain a district in which the government had put people, a district that was not fit to live in. Now the hon. gentleman says that cheques were paid out at the polling booths on the 26th October. I say his statement is absolutely incorrect.

Mr. MOLLOY. I said if my information was correct. But I will challenge the hon. gentleman to this statement: Is it a fact or is it not that cheques were issued by the provincial government and paid in that constituency between the 20th and 26th October, for public works?

Mr. BRADBURY. The hon. gentleman asks me a question. I want to be honest and frank, I will tell him that I could not answer that question because I do not know.

Mr. MOLLOY. It is sometimes a good thing not to know. There are many things, particularly if your election is contested, that it is better not to know. But there are many things that happen in an election that the other people find out later on.

Some hon. MEMBERS. Order.

Mr. MOLLOY. I am not charging my good friend from Selkirk with having done anything, far from it, I have great respect for him. I think he did pretty well, but I think he got a lot of help, according to the public accounts investigation held in the last session of the local legislature. Those who had any experience in elections know that 141 cheques of various amounts are likely to be a great factor in an election. Supposing they were paid out in the county of Provencher, they would be a big factor. In that case it would go to my opponent, and in that case there was a certain amount went to my opponent, but it didn't help him very much. The hon. gentleman spoke of the harm that a certain gentleman in Winnipeg did himself. Well, the opinion of the magistrate was that it was not a great offence, because he was only fined the small sum of $20, and there were many men in Manitoba who told me personally that they would be quite willing to pay $50 to do the same job. The hon. members for Manitoba have heard the same thing, no doubt they would willingly have paid $50. As regards the statement that has been made concerning the list in Saskatchewan, I have not heard any complaint made except in the Prince Albert election for the local House, where I believe the facts would rather go to show that the candidate opposing the Scott government was unfairly dealt with in the northern polls. The Liberal legislature, however, gave that gentleman his seat without his having to fight for it. Now my hon. friend from Selkirk resented something that was said about the premier of Manitoba by the hon. member for Humboldt (Mr. Neely). All I can say is that during the last session of the legislature, Mr. Ross, the member for Springfield in the local House, used words to this effect : 'Grant me a committee of investigation, and I will charge that the premier of Manitoba has used his position for his personal enrichment, and if I do not prove that charge, I am not fit to keep my seat in this House.' Will any member from the province of Manitoba deny that those words were used, or words to that effect? I have no quarrel with the premier of Manitoba. He is a political opponent. He will remain that and I will remain what I am, but I simply state what a duly elected and respected member of the legislature of Manitoba said to the premier of that province. What happened? Was there a committee of investigation granted? Not at all.

Mr. BRADBUHY. What was the committee of investigation asked for?

Mr. MOLLOY. The House prorogued next day and it has stood that way ever since.

Mr. BRADBURY. What was the committee of investigation asked for? What was the occasion of it?

Mr. MOLLOY. It was asked for in reference to a statement you made——

Mr. SPEAKER. It is irregular to speak in that way.

Mr. MOLLOY. I beg your pardon, Mr. Speaker. It was that the premier of the province of Manitoba was a party in a sand pit which he was using for his personal enrichment and further the member for Springfield, at the nomination in the county represented by the hon. member for Selkirk, stated two weeks ago, that he still stood by the charges made against the premier of Manitoba, that he still would prove that he was a partner in a deal known as the Eli sand pit deal.

Mr. BRADBURY. I thought I had made it very plain and frank in my statement. I said that the premier stated that he was a partner in the Eli Sand Company, that he held stock in it, that he had a small interest and that he went into it as a part of his legitimate business.

Mr. MOLLOY. Did he grant a committee of investigation?

Mr. BRADBURY. What for?

Mr. MOLLOY. To inquire whether he used his position for his personal enrichment as the premier of Manitoba. The fact remains that this railway refused to carry the produce of the farmers along its line, but consented to do so about a week before the House prorogued. Now, I may be wrong, but I do not think so. I will let my statement go as being correct. As far as the Department of Justice being prostituted in the interest of the Conservative party is concerned, if I may be permitted to do so I will file a statement.

Mr. LENNOX. I rise to a point of order. I let the hon. gentleman go on with this kind of thing before, but I understand that you cannot attack a judge or use offensive language towards any of the courts in Canada.

Mr. SPEAKER. I have not heard any reference to a judge yet.

Mr. LENNOX. The hon. gentleman speaks of the prostitution of justice.

Mr. SPEAKER. I understand him to speak of the Department of Justice.

Mr. LENNOX. Justice can only be administered by the judges.

Mr. SPEAKER. The Department of Justice was referred to.

Mr. LENNOX. Justice is administered by a judge.

Some hon. MEMBERS. No, no.

Mr. MOLLOY. I state in addition to what I say now that there is no charge against any judge in any part of Canada, let alone the province of Manitoba, but the Liberals charge that the Department of the Attorney General of Manitoba was prostituted for political ends. When I was interrupted by the hon. member for South Simcoe I was proposing to read a statement by Mr. Ingram, who was made to suffer for his affiliation with the Liberal party. If I may simply give the title of the article and then allow it to be put on 'Hansard' I will be willing to do so; otherwise I will be compelled to take the time of the House while I read it.

Some hon. MEMBERS. Read it.

Mr. MOLLOY. It is headed:

Begun in Revenge and continued for Party Advantage.

This is a statement made by Mr. J. Herbert Ingram who was the returning officer in Brandon in the last Dominion election.

Brandon, Man., April 21.—The abject abandonment by the Roblin government on the eve of trial of the prosecution of J. Herbert Ingram, returning officer for Brandon at the last Dominion elections, who since the Dominion elections has been lying under the charge of 'fraudulently altering the voters' list' appears to have been a clear case of funk.

The hon. member asked me to state what he actually did, and I propose to state the facts in connection with this affair.

The Conservative machine here, has for some time appreciated their unhappy position in connection with this prosecution; and when brought face to face with the necessity of going on with the case and proving their charge they wilted. The case was fixed for trial Friday before Judge Ryan who was coming from Portage la Prairie to take it. Mr. Ingram and his solicitors had no intimation that the Crown did not intend to go on with the case until yesterday, when Messrs. Philp and Kilgour, barristers, who were acting for Mr. Ingram received the following letter from J. P. Curran, the law partner by the way of Hon. G. R. Coldwell:

Mr. Coldwell is the Minister of Education in the Roblin government. The letter is as follows:

Brandon, Man., April 20, 1909.

Messrs. Philp & Kilgour,
Barristers, &c.,
City.

Dear Sir:

Re the King vs. Ingram.

I have received instructions from Daly, Crichton and McClure——

Mr. Daly was the gentleman who opposed the hon. member for Brandon (Mr. Sifton) in the Dominion election.

—who represent the Crown in this matter, to attend for them and enter a stay of proceedings in this case.

I telephoned Mr. Darrach as to the indictment and he informs me that no indictment has been lodged with him. He thinks an indictment should be drawn and that the stay of proceedings should be inscribed upon it. I hardly know what course to take under the circumstances but you are at liberty to treat this letter as a stay of proceedings or evidence of the Crown's intention to enter a stay of proceedings upon any indictment that might be found or presented in accordance with the information and commitment.

You are at liberty to notify the judge of the contents of this letter and to intimate that so far as the Crown is concerned there will be no necessity for his attendance at the court house on Friday next to deal with this case.

If you require anything further you might let me know and I will do my best to adjust matters so that the case may be finally disposed of as before stated.

Yours faithfully,
J. P. CURRAN.

That is the partner of the man who was instrumental in having Mr. Ingram arrested and who was Minister of Education in the Manitoba government. Here is Mr. Ingram's statement and hon. gentlemen opposite can make any statement that they see fit and that they believe is correct in rebuttal of what Mr. Ingram says:

To a representative of the 'Free Press' who interviewed him, Mr. Ingram made a statement of the case, which is given below. It is the most interesting expose yet made of the manner in which the Conservative machine uses its power of arrest and prosecution as a political weapon and asset.

'I was arrested,' said Mr. Ingram, 'on the evening of the 26th of October, charged with adding the name of William Nicholls to the voters' list in polling division No. 3 in the city of Brandon and with scoring out the name of Dan. Hugh MacCullough from the same list. In the first place the names on the Dominion lists should be exactly the

same as on the provincial list; the duty of the county court judges in preparing the lists for the Dominion elections is confined to the allocation of names. However, it is necessary that the judges should make copies of the provincial lists with the names thereon properly allocated to the proper constituencies and these written lists are thereupon sent to the King's Printer who prints them for use in the election.

I would ask my hon. friends from Manitoba to pay particular attention to this:

'About a week prior to the date of the election Judge Cumberland, of Brandon, came to see me and stated that either through his error or through the error of the King's Printer, he did not know which, the name of William Nicholls was left off the list in polling division No. 3 in the constituency of Brandon. He stated that he would like me to add that name to the list if I, as returning officer, had the power to add it. I replied to the judge that the provisions of the Dominion Election Act did not seem to impose upon the returning officer the duty to make any changes in the list, and that I was not disposed to make any changes in the list in view of the fact that such conduct was open to criticism on the part of either of the political parties.

Judge Approached by Conservatives.

'Judge Cumberland in reply stated that so far as the Conservative party was concerned there would surely be no complaint; that his excuse for coming to me in regard to the matter at all was that Mr. Bronsdon, who was the chairman of Mr. Daly's executive committee, had been to see him and requested him to arrange with me to make the changes which were subsequently made in the list, that is to add the name of William Nicholls which was evidently left off in error and to score out the name of Dan. Hugh MacCullough which was repeated on the list. I told the judge that I would think it over and see him again about it.

I submit that that was an absolutely fair proposition. The judge, according to Mr. Ingram, stated that perhaps through error he had left off the name of Mr. Nicholls or perhaps the printer had left off the name of Mr. Nicholls and that through error the name of Mr. MacCullough appeared twice. The position was a fair and manly one that the name of Mr. MacCullough which appeared twice should be stricken off and that the name of Mr. Nicholls who was entitled to vote should be placed on the list regardless of the party to which he belonged.

'After a lapse of two or three days I happened to meet the judge when he again asked me what I had decided to do about changing the list. I told the judge that the decision I had come to was this: I would wait until the day of the election and if William Nicholls was absent from the city and did not apply to me personally to be placed on the list I would let the list stand as it was, but that if Mr. Nicholls came to me on the day of the election and personally applied to be placed on the list, I stated that I would take him to the booth and in the presence of all the officials of the political parties and in the presence of the deputy returning officer, I would make the change.

'Judge Cumberland was satisfied with my decision in the matter and on the day of the election Nicholls met me on the street and complained that his name was not on the list and asked me to put him on. Whereupon I told him that if he would call at polling division No. 3 an hour or so afterwards that he would be able to vote, as I would, in the meantime, go to the polling booth and make the changes necessary to enable him to vote. According to my arrangement with Nicholls I called at the booth and made the change after explaining to the deputy returning officer and to the persons engaged by the political parties present why I proposed to do so. Some objection was made to my changing the list. However I made the change and subsequently Mr. Nicholls called at the booth and voted. I did not know then, nor do I know now which candidate Nicholls supported or what are his political leanings.

'I might say that before telling the judge that I would make this change in the voters' list I had looked up the law on the subject and I was satisfied that unless the change in the voters' list was made maliciously or with corrupt motive that such an act could not amount to a crime. I was abundantly satisfied in my own mind in the present case, at all events, that such an act could not be a crime as it was done in the interest of justice to both political parties and to Nicholls. Certainly the striking out of a repeater from a voters' list could not be considered a crime.

'Shortly after I made the change in the voters' list on election day, I was at Aagaard's café in the city getting a lunch, when I met Mr. Coldwell, Mr. Daly, Mr. W. A. Macdonald and Dr. Macdonald, the foremost men in the Conservative party in Brandon, and they made light of the incident and joked me about it considerably until I came away from the café, when the Hon. Mr. Coldwell said that if I behaved myself during the afternoon that they would let me go, meaning by that, I dare say, that unless some greater political offence were committed there would be no notice taken of the change I made in the list. This speech was made in a joke.

Shortly after I left the café I was called upon to sign, as returning officer, a warrant for the arrest of Brownlee, the license inspector, for interfering with a Dominion officer in the discharge of his duty. This warrant was issued and Brownlee was arrested, being held in restraint until the close of polling. Shortly after Mr. Brownlee's arrest I ran into Mr. Coldwell on the street. He asked me if I had caused the arrest of Brownlee and I stated that I had. He expressed his disapproval of it in violent language, and I told him that I did not value his opinion on a subject of that kind. He immediately turned round and said, 'I will fix you for this,' and struck out for the Conservative committee rooms where I am informed by Lawrence Armstrong, the man who laid the information against me, that Mr. Coldwell made him swear out an information against me. As I stated above, I was arrested and held under

arrest until I had arranged for bonds in the sum of $4,000 to appear the following morning for my preliminary hearing. The case was adjourned for a week and on the following Monday I appeared. A second adjournment was asked for to which my solicitor objected.

Mr. Curran, acting for the Crown on that occasion, called me into the office of the chief of police and asked me what proposition I had to make. I said I did not understand him. He said, 'Well, you are tied up with a criminal case, what proposition are you prepared to make to get out?' I said I did not understand what he was driving at, and he said it was easy enough for me to make a proposition that would save me from further prosecution. He remarked that Sifton's return had not yet been made. I told Mr. Curran that I had no proposition to make and he then said: 'We will adjourn the case for another week and in the meantime we will see what can be done.' Before the case came up again I had occasion to see Mr. Curran on other business in his own office, when he informed me that had it not been for the arrest of Brownlee in all possibility, I would never have been arrested. He said he was still hoping to receive a proposition from me. About this time I was endeavouring to make the count of the ballots in order to make my returns to the department at Ottawa, and Mr. Curran had caused a search warrant to be issued and placed in the hands of a constable who appeared on the 6th of November, the date upon which I undertook to make the count of the ballots and this constable demanded the voters' list out of the ballot box for polling division No. 3. I refused to allow him to have the box or the contents of it and adjourned the count for a week. When I undertook the second time to count the ballots I had a proper force of policemen to prevent any interruption of the proceedings and effected the count of the ballots.

When my case was again called before Magistrate James evidence was taken. The only witness was Robert Purdon who acted as deputy returning officer for polling division No. 3. He deposed that I had entered the booth on the day of the election; that I had explained why I wished to make a change in the voters' list and that I did make the change in the list. He swore also that he was satisfied that I made the change from no improper motive, with no intention of committing crime; that he had known me for many years and that he knew that I would not do anything improper, if I knew that it was improper. However, on the strength of this evidence Magistrate James committed me for trial.

Shortly before the Virden election came off I met Mr. G. R. Coldwell at the Canadian Pacific Railway depot. He was waiting for a train and I had to see him in regard to the sale of the Brandon Trust Company charter in which I had an interest in common with Mr. Coldwell, and several others. I had received an offer for this charter and discussed with him the acceptance of this offer. After I had concluded my conversation in regard to the charter, Mr. Coldwell asked me what I was doing about my case. I replied that I had done nothing; that there was nothing I could do; that the matter was in the hands of the Attorney General and that I did not see that there was anything for me to do but wait for my trial. 'Do you mean to run the risk of a trial?' he asked. I said, 'Yes,' as I had no option in the matter.

Mr. Coldwell then said, 'Well, you have the whole matter in your own hands and you can go to trial or not, just as you see fit.' He further said, 'What I want you to do is to take the matter up with Mr. Sifton and induce him to effect a withdrawal of the petition filed against Alex. Haggart in the city of Winnipeg? He stated that an offer had been made to the Conservative party in Winnipeg to withdraw all the petitions filed against the Conservatives except Alex. Haggart on condition that the Conservative party withdraw the petition against Mr. Sifton. This, he said, was not good enough. He was prepared to undertake to secure the withdrawal of all the petitions filed against the Liberal candidates and the withdrawal of all the criminal prosecutions against Liberals charged with bribery and corruption in return for the withdrawal of all the petitions against the Conservative candidates, including Mr. Haggart, of Winnipeg.

'I told Mr. Coldwell that that was a matter which I could not arrange if I wanted to. He replied that I could arrange it if I liked; that I had the whole thing in the palm of my hand and he knew that. I stated that there were too many prominent Conservatives who were involved in the corruption which resulted in Mr. Haggart's election and that I was of the opinion that nothing would dispose of that petition excepting a trial before a judge. At all events as far as I was concerned I would have nothing to do with it. He said, 'Well if you feel that way about it you had better go to trial on your own case, but it is a serious matter and I would not like to see you go over the road for it.' I said I would take my chances on it.

'Some time afterwards a meeting of the provincial directors of the Brandon Trust Company was called in his office and I attended there and after the meeting Mr. Coldwell asked me if I had seen Mr. Sifton when I was in Ottawa. I replied that I had. He then said, 'Did you discuss election matters with him?' and I said, 'Yes, in a general way.' He then wanted to know if I had made any arrangement for the withdrawal of the Winnipeg petition. He said, 'Do you mean to say that you are going to trial on your own case.' I said, yes, I could not prevent it, and I did not feel disposed to prevent it any way.

'Mr. Coldwell then asked me if I had considered another phase of the matter. He wanted to know if I had considered the liability of my arrest being brought to the attention of the Law Society of Manitoba. I said that I had not thought of that. He said that there was a likelihood of it being brought before the Benchers of the Law Society and I would run a chance of being struck off the rolls as a solicitor and attorney. I said that I did not think the Benchers would consider the matter until a conviction had been entered against me and that I believed the Benchers were reasonable men and I did not think any notice would be taken of my case until it reached the stage where conviction had been obtained against me. Mr. Coldwell stated that it would not be necessary to wait that long and that that would likely be the

next move unless I was prepared to act. I said I would have to scrap it out with the Benchers.

Mr. Coldwell then said, 'Then you are prepared to go to trial?' I said, 'I am.' He said, 'Well, we will go right after you as hard as we can and you will take the consequences,' and I said I was willing to abide by the decision of the judge. This was the last conversation I had with Mr. Coldwell until about a week ago when he called me over the phone and said he would be in Brandon the following Friday and would see me.

'These facts I am prepared to verify on oath at any time. The prosecution has terminated in a farce but it seems to me that the public are entitled to know the facts of the case and be able to judge whether the Conservative leaders in the city of Brandon were justified in instituting criminal proceedings against me in this matter. I am entitled, I believe, to the judgment of the public inasmuch as by the present action of the same leaders I am barred from the decision of a judge on the bench.'

If we say, for arguments's sake, that every word of that statement is incorrect, that Mr. Ingram made a false statement, the fact still remains that he was arrested by an officer of the Manitoba government, that his case was adjourned from week to week, and that it was terminated by the Attorney General's Department asking for a stay of proceedings, leaving that charge hanging over Mr. Ingram undecided. They had not the backbone to bring that man to trial, and now try to impute to him motives that are not correct. I say it is a scandal and a crime, whether committed under a Conservative or a Liberal government, not to give a British subject a hearing. If he is guilty, punish him; if he is innocent, let the courts of the land hear and acquit him I make the statement that Mr. Ingram is not afraid of his accusers, but in my opinion the Department of Justice in the province of Manitoba are afraid to take action against him as they have been afraid to take action against every man they have arrested for political purposes during their term of power in Manitoba.

Mr. SCHAFFNER. The hon. gentleman said I might make a statement, and I simply want to state that the hon. Mr. Coldwell has absolutely denied these statements made by Mr. Ingram.

Mr. NEELY. Would the hon. gentleman tell us why the charge was not proceeded with?

Mr. R. S. LAKE (Qu'Appelle). Mr. Speaker, the hon. member for Provencher (Mr. Molloy) has spent almost the whole of the hour and twenty minutes that he has been speaking in an attack upon the government of the province of Manitoba, the members of which are not here to defend themselves. Anyway, I do not think that this House is the proper place to make such an attack, and I do not propose to follow him in that discussion. I desire to make my remarks as brief as possible, for I feel that it is the wish of every member of this House that this somewhat long drawn out debate should soon close. The hon. member who has just spoken began his speech by defending the Minister of Finance against a charge of joking which he said had been preferred against him by a member on this side of the House. I must confess that I myself thought the situation bordered somewhat on the burlesque when I heard the Minister of Finance make some of the statements he made in his budget speech. He began by congratulating this House on the fact that he could show a surplus this year of a million and a quarter dollars, and then went on to tell us that he had to increase the debt of the country by some $46,000,000. Now it is always perfectly easy to show a surplus if you borrow sufficient money; and the absurdity of the statement made by the Minister of Finance was enhanced by the fact that, after telling us that he had a surplus, and that he expected a much larger one next year, he went on to say that the situation was a very serious one and called for one of two courses, either that he should increase the taxation of the country or that he should reduce the expenditure. That is to say, we have the statement by the Minister of Finance that having surpluses is a very serious situation calling for either increased taxation or reduced expenditure.

I would like to suggest to him, whether it is not time to cease splitting hairs and drawing fine distinctions as to what expenditures should be charged to capital and what to ordinary expense account. Let him make his statement next year fairly and squarely as to how the country stands, so that the people of the country will fairly understand what the situation is. He can explain afterwards why he has been called on to add to the debt of the country. The hon. minister makes his surplus by charging some items to capital account which in my opinion certainly should not be so charged. He charged to capital account the bounties amounting to upwards of $2,250,000 this year. This was an entirely new departure on his part from the practice under his predecessors. Then he charged to capital account the expenditures on the armaments of the militia. That is a service which will have to go on year after year, as rifles and guns wear out, and new ones will have to be constantly purchased. Then, repairs and betterments of railways and canals are many of them charged to capital account. These are expenditures which under any business corporation would be charged to ordinary current ac-

count. Then, we have a charge to capital account which seems to me to be the most absurd of all, the charge for the survey of our Dominion lands, amounting to nearly $1,000,000, while the money we receive on account of these lands is put into the ordinary revenue of the country and is expended in the ordinary expenditure of the country. That amount is nearly $2,000,000, according to the last statement. The net result of the year's finances is that the country is to be saddled, practically forever, with a charge of upwards of $1,000,000 a year as interest on the increase of debt which the government has incurred during the last financial year. Let me point out that the government pledged themselves only a short time ago to take the proceeds of some of the sales of these Dominion lands for the purpose of building the Hudson Bay Railway. But if their present course be continued, we shall find probably in the very near future that the government themselves will make the excuse that they cannot go on building the Hudson Bay Railway because they have not the funds to do so. I would like to remind the hon. gentleman that the government is positively pledged to the building of this railway at once. In speaking at Niagara, the right hon. the Prime Minister just on the eve of the elections, pledged himself in the most earnest manner to the building of the Hudson Bay Railway. Not to-morrow, he said. but to-day. We will immediately proceed, he said, to build the railway as soon as we receive the plans of the surveyors. That was a pledge given the people. But how is the government carrying it out? The Minister of Railways (Mr. Graham) explained the other day, how the government was carrying it out. He said:

> There is no intention of abandoning the work, but it is in the same position as other large works and at present we do not feel like proceeding with them. I am taking $65,000—that is the whole sum taken in the estimates this year—part of which will serve to learn the best routes and the best harbours, but of course not to proceed with the actual construction.

Well, Mr. Speaker, the people of Canada have the right to consider that, when a pledge is made by the Prime Minister, it should be carried out. It is very much to the discredit of the country that such a pledge should be abandoned, and abandoned almost immediately after it had been given. I am wondering what the Liberal members from the Northwest are doing in this connection. The Liberal slogan throughout the elections which took place in Saskatchewan, and I believe in the other Northwest provinces, was the immediate building of the Hudson Bay Railway, and many Liberal members owe a large proportion of the votes they received to the opinion of the people that the Prime Minister's word was his bond and that that railway would be built. But to-day we find these same Liberal members sitting silent, raising no protest when told that the work is to be abandoned for the present. And strange to say we find them also quite prepared to endorse the most lavish and extravagant expenditure on other works, on which the money spent is simply wasted. Take for instance the Aylesworth canal, the expenditure on which was supported by every Liberal member from the Northwest, with the one exception of my hon. friend from Red Deer (Mr. Clark). I would like to suggest to my hon. friend, if he were here, that he only did part of his duty when he refrained from voting in favour of that expenditure. His duty, as an honest and fearless representative of the people, was to have stood up and voted against that expenditure when it was before the House, if he believed it to be an improper expenditure.

But the main reason why I am addressing the House this evening is because I wish to register the most vigorous protest of which I am capable against the attitude which this government has assumed towards the defence of this country. This is a question which is exercising the people, from one end of Canada to the other. Everybody is thinking and talking about it. The people are beginning to realize some of their responsibility as self-respecting citizens of a self-respecting country and are prepared to take definite steps towards undertaking that supreme duty of citizens, the defence of their country should it ever be subject to attack or to foreign aggression. And yet in the face of all this feeling which is being aroused throughout the country and the excellent sentiment prevailing everywhere, we find the government actually cutting down the expenditure of its land defences. It has reduced the expenditure on the militia by nearly a million dollars—a measure which will result in preventing many of our citizens, who are anxious to render themselves fit to perform their duty to the state, from undergoing their annual training this year. And in spite of the fact that this House has unanimously passed a resolution declaring that it is the duty of the Canadian people to provide some measure of self-defence from a naval point of view, they have neglected to put anything in the estimates for this purpose; and I gather from the statement of the Finance Minister himself that he does not propose to take any adequate sum to fulfil this duty, but is postponing it for yet another year. I would like to protest against that in the most earnest way. I believe that it is the undoubted duty of a country to do something for its own protection, and I believe the Canadian people are prepared to perform that duty. I know at any rate that I can speak for the

whole of the west with regard to that matter, and I think for the whole of Canada. We are prepared to do something to carry out our duty for the protection of our harbours, coasts and narrow seas, and this is the time when the government should make provision for that purpose. I have heard that there are some people miserable enough to suggest that we can hide ourselves behind the skirts of the United States, should an attack ever be made upon us by a European power. Let me suggest to those people, who would endeavour to hide behind those skirts, that they would do so in vain unless they were prepared to pay the price, and that price would surely be annexation, and the payment of our share of the cost of their army and navy. It was stated by Mr. Carnegie the other day that the expenditure of the United States on its naval and militry defence and pension fund amounted this last year to $470,000,000. It is a very simple sum in arithmetic to find out what the proportionate expense on the people of this country would be if we were to ask the people of the United States to defend us. The expenditure of one-quarter or one-third of the sum which we would have to contribute under such conditions would, if expended at present upon our own naval defence, be considered by the British government and people generally as a very considerable effort towards the performance of our duties in this respect. The government will be absolutely failing in its duty if it does not make some provision to enable a self-respecting people to do what their manhood calls upon them to do.

Now, there is one other matter that I wish to refer to, and I speak of it because I am anxious not to be obliged to address the House at length on a later occasion. That matter is the transportation question in the Northwest. During the debate that took place a short time ago regarding the Grand Trunk Pacific Railway, a challenge was issued to me personally as well as to other members of this House that I would not vote against the grant of a sum of money for the completion of the Grand Trunk Pacific. My position in regard to the transportation question is, as it has always been, that there is great need for the extension of our transportation system throughout the Northwest. The hon. member who made the challenge had been studying the history of that country. He quoted from the proceedings of the Assembly of the Northwest Territories a resolution passed in that assembly calling for additional transportation facilities. In that same volume and that same year, but in the preceding session of the House, he must have noticed if he was looking through the volume that I had moved a resolution to much the same effect, I being thus the first to call for an increase in the transportation facilities. When he saw that, why should he rise in this House and suggest that I was opposed to the extension of transportation facilities throughout that country? I am, as I have always been, anxious to see the facilities for the shipment of products of the west increased for the benefit of the people of that portion of the Dominion. But I am most strongly opposed to the gross extravagance which has characterized the building of the Grand Trunk Pacific. If you tell the people of that country what the Grand Trunk Pacific directors state the road has cost, they laugh at the suggestion that this road will afford competition in freight rates. They know that the extraordinary cost of the railway will make the fixed charges so high that the railway will not act as a competitor of the railways already in that country, but that the tendency will be to actually increase the freight rates charged at the present time. Further, it was supposed that in the building of the Grand Trunk Pacific new territory would be opened up and that the railway would go into parts of the country where railway facilities were not already provided. I denounce in the strongest way the building of that railway for a distance of 350 miles parallel to and within anywhere from a few yards to five miles from existing railways. The hon. member for Regina (Mr. W. M. Martin) made the statement to the House that the settlers in that country are, on an average, ten miles from railway facilities. Yet we find this government placing an enormous burden on this country to build this Transcontinental Railway which is running its line for 350 miles or more at no greater distance than five miles from existing lines, leaving many people who are at the present moment suffering from the lack of transportation facilities out in the cold.

I do not propose to extend the remarks I have made. I had intended to mention a number of other questions which have been brought up during the progress of this debate, questions of great interest to the people of the Northwest. For instance, there is the car shortage which annually costs the people of that country an enormous amount of money. There are questions in connection with the provision of better elevator facilities than we have at the present time. There is the question of that iniquitous exemption from taxation which is enjoyed by the Canadian Pacific Railway Company. The members of this House know perfectly well that when the Autonomy legislation was introduced here the government deliberately placed in that legislation a clause which imposed this exemption from taxation upon the people of that country for all time to come so long as that clause remains in our constitution. That was done, I say, deliberately. I be-

lieve that the clause is ultra vires of this parliament. At any rate, that is a question which, I am quite certain, will be decided when the opposition in the province of Saskatchewan or the province of Alberta are in a position to take the matter before the final court of appeal of the empire. At the time the Prime Minister (Sir Wilfrid Laurier) was speaking in reference to the exemption from taxation, he virtually made the promise to the members of this House, especially to the members from the Northwest, that he would take the question up in the near future and see if he could not come to some arrangement with the Canadian Pacific Railway Company by which this exemption from taxation could be done away with. But, though he has been reminded of that promise in this House on more than one occasion, he still fails to take the first step to carry it into effect. We find that he has granted favours to the Canadian Pacific Railway off-hand without endeavouring to get any quid pro quo from them. Yet here is a matter on which he might, if he chose, enter into negotiations with them and in return for favours granted by the people of this country arrange with them to relieve the people of the Northwest from the burden that rests on their shoulders by reason of this exemption.

The hour is late, and I know it is the wish of hon. members of this House that the debate should not be prolonged, and I therefore reserve any further remarks that I may have to make for another occasion.

Mr. ALEXANDER W. CHISHOLM (Inverness). Mr. Speaker, in rising to address this House for the first time, I can give you one assurance and that is that I will not detain you very long. I had not intended, during the present session, to take any part in the debates of this House, for the simple reason that I never had any experience in Parliamentary procedure. However, there are certain matters relating to my own constituency that have been mentioned, and if I did not refer to them I should consider myself recreant to my duty as a representative of that constituency. Yesterday the hon. member for South Cape Breton (Mr. Maddin) took occasion to stray from a discussion of the budget, and to refer to the conditions of the coal industry in the county of Inverness, and also to the condition of railway facilities. I think if my hon. friend had consulted the interest of his party he would have let that county alone, because if there is one county in all Canada that has benefited permanently from the policy adopted by this government, it is the county of Inverness. When I compare the conditions that prevailed in that county previous to 1896 with the state of things to-day, I am proud to be a supporter of this government. As regards the condition of the working man in the county of Inverness previous to 1896, I think my hon. friend was also ill advised in making the references he did. I well remember the conditions in 1896, and the difficulties the labouring men had to contend with in order to get employment. Indeed in order to earn a dollar they had to go to the neighbouring republic, and their chief difficulty was to get the means of transportation to that country. As a result of the hard times then prevailing, there was an exodus from that county which we will never forget. In fact labouring men left that county in such large numbers—and I make this statement knowing that it will go back to the county—that at certain seasons of the year you might travel for six hours and you would not probably meet a dozen young men in that time. Take the condition of the farmers previous to 1896, they could not get sale for the products of their labour, they became discouraged to such an extent that numbers of them left the county. Take the coal miners in the county of Inverness, and these are the people that my hon. friend from South Cape Breton paid particular attention to. Previous to 1896 there were no miners in the county, notwithstanding the fact that it is one of the richest mineral counties in the province of Nova Scotia. But what are the present conditions? Our labouring men need not leave the county, or the province, if they want employment. They can get the best wages paid in any county of the province. The farmers get the best price for their products probably of any place east of Montreal. The mining industries of the county of Inverness previous to 1896 were an unknown quantity; notwithstanding the fact that we had large coal areas, they remained undeveloped. My hon. friend referred to the fact that Mr. George H. Murray and other gentlemen associated with him got a charter to build a railway from the southern end of the county to Cheticamp. Although these gentlemen, good business men, had that charter for a long time, and notwithstanding the fact that every effort was made to interest capital in the undertaking they were unable to do so until 1898. At that time McKenzie & Mann took over this charter and built a railway from the Strait of Canso to the town of Inverness. They also have a charter extending from the town of Inverness to Cheticamp. My hon. friend from Cape Breton tried to leave the impression that it would be impossible for any other company to build a road in that county because Mackenzie & Mann have built a road as far as the town of Inverness, and hold a charter to Cheticamp. Let me tell my hon. friend that another company are now preparing to build a road from a point on the Strait of Canso known as Cariboo to the collieries of Ste. Rose. I

have strong faith that this concern will build that road in the very near future; indeed, I am in possession of facts which lead me to believe that they are going forthwith to build that road. What is more, let he tell my hon. friend that Messrs. Mackenzie & Mann—I have this form one of the leading officials of that company not later than yesterday—are going to extend the road from Inverness to Ste. Rose also, with the purpose of developing the coal mines at Ste. Rose. These conditions are very satisfactory to the people of Inverness, but they were unknown previous to 1896. The coal industry is the most important in our province. It will be surprising to you, Mr. Speaker, to learn that previous to 1896 not one ton of coal was exported from my county. scarcely one ton of coal was sold or mined in the county of Inverness previous to 1896. But in 1908 there were 335,943 tons of coal exported. Surely this is a great development, and it ought to be satisfactory even to my hon. friend from Cape Breton who has taken such a great interest in the county I have the honour to represent. Surely this is a convincing proof of the progress that had taken place in that county during the last 12 years.

My hon. friend has also taken occasion to refer to the conduct of the municipal council of Inverness. Although I am a young member of this House, I have had sufficient experience in public life to know that it ill becomes a young member, and still more an older member, to bring municipal politics into the House of Commons. I am sorry that my hon. friend from South Cape Breton is not present, because I would like him to hear these remarks. I think he ought to hesitate to refer to the affairs of the municipal council of Inverness in this House of Commons. I think that council knows how to discharge its duties just as well as my hon. friend knows how to discharge his duties, and when he chose to cast reflections upon the municipal council in my constituency, I must characterize his conduct as puerile and childish. The municipal council, in the discharge of their duty, saw fit to extend the time for the completion of that road from end to end, and in doing so I am sure they were consulting the wishes of the taxpayers of that county. It is, I know, very irksome to the ears of the hon. members to hear me make reference in this House to matters appertaining to the municipality of Inverness, but I must do so in reply to the remarks made by the hon. member for South Cape Breton (Mr. Maddin). I have great faith in the industries of that county of Inverness. I look upon that county as destined to be one of the finest counties in Canada in the near future. We have great mineral resources and they are now being developed quite rapidly. We have the finest farming county in Nova Scotia, we have great fishing resources there also, and I am sure that we will only have to wait a little while to satisfy our friend from South Cape Breton that Inverness will be capable of looking out for itself. I would ask your indulgence for a moment or two while I refer to another matter in reference to railways, because this is a subject that I wish particularly to bring to the attention of the House. A commission has been appointed by this government to look over branch lines of railways and to report upon such lines as might, in the opinion of the commission, be profitably taken over by the government as branch lines of the Intercolonial Railway. I do not know the terms of the instructions received by the commission when they went on their mission but I do think it possible that they were asked to visit and inspect the most important lines of railways in Nova Scotia and New Brunswick. I am sorry to think that they have failed to inspect and report on the railway to Inverness county. It may be said that the railway is not for sale. This commission has no evidence but that it could be purchased. I must say that had that commission gone over the line they would have found that it is to-day one of the best paying roads in Nova Scotia. That commission have failed to visit this road and also the Dominion Atlantic. The hon. member for Hants county (Mr. Black) has given the reason why they did not visit the Dominion Atlantic. I cannot give the reason why they did not visit the Inverness county road. The people of Inverness are anxious to see the Intercolonial take over the line for various reasons which I do not propose to submit to the House to-night, because I think it would be imposing too much upon its patience. But, I am sorry that the commission did not visit the road so as to be able to submit to the government the various conditions which, I claim, would make this a very paying road as a branch of the Intercolonial Railway. I am satisfied that the day is not far distant when the Intercolonial Railway will put forth an effort to purchase this road. The road extends from a point on the strait of Canso to Inverness and it passes through one of the best farming sections in Nova Scotia. It passes through three important villages and it carries the product of three coal mines. All these conditions being considered, I am sure it would be a splendid thing for the government to take over this line and I believe that it would be a good thing for the county of Inverness that the government should do so.

There is another matter which I also desire to refer to. I am glad that my hon. friend the Minister of Railways and Canals (Mr. Graham) is in his seat to-night. I re-

fer to the fact that, notwithstanding that the Inverness and Richmond road has been built and operated for the last eight years and forms a junction with the Intercolonial Railway, there has never been a station at that junction, I am sure the older members of this House must have a vivid recollection of this matter being brought to their attention by my predecessor the late Dr. Maclennan. I do not know that I can add very much to the remarks of my late lamented predecessor, but I do say that, in my opinion, the conditions obtaining there could not be duplicated in any place in Canada. Here is the Inverness and Richmond road carrying passengers to this junction. These passengers are left there and have to remain until the arrival of the eastern or western bound train. They have to suffer the inclemency of the weather. They have to stand out there in the drenching rains of spring and fall and in the snow storms of winter. These are conditions that I do not think any people of this country would put up with, and I think that the people of Inverness should be the last who should be called upon to suffer these inconveniences in view of the fact that they put their hands into their own pockets and spent $2,000 a mile to get that road built. I do not know that it will help the case one particle to discuss it any further, but if it is my privilege to come back here next session, as I hope it will be, unless I am called away, I trust I will not be called upon to bring this matter before the government again. We are not looking for a mansion, we are satisfied with a humble building, something that will shelter the travelling public. I am sure that if the people of Inverness believed that this station was not going to be built they would build it themselves. That is all I am going to say on that point and in fact that is all I purpose saying to-night further than that there are a very many things that I would like to bring to the attention of the House in reference to the county of Inverness, but at this very late hour, and as this is my first attempt, and the House has been so indulgent and kind to me, I shall not impose myself further upon its patience.

Mr. J. F. STEWART (West Hamilton). Mr. Speaker, it is not my intention to take up much of the time of this House, at this late hour, in the debate on the budget, when it has been so thoroughly discussed by honourable members on both sides of this House, so much so that not much is left to be said, and, being a manufacturer myself, and representing a manufacturing constiutency, as I do, one of the largest in the Dominion, I desire to point out that the stove and the granite manufacturers of this country are not properly protected. The government, in framing the tariff, always keep one thing before them, that is, to keep the tariff just high enough to admit foreign goods into this country,—the more goods come in the more money the government gets,—and allow the manufacturers of this country to take care of themselves. That is not the policy that will develop this country. The stove manufacturers in this country have invested about $6,000,000 and one and a quarter millions of this amount is invested in Hamilton, and during the last two years, the factories have only run seven months out of the twelve. The other five months the men walk the streets looking for work, while our retail stores and shops were selling American stoves at such prices as our manufacturers could not afford to sell for, and, since the panic in the United States, their manufacturers have been rushing stoves into this country at such prices as would leave no margin for our manufacturers. During the early part of last year, no less than four hundred car loads were shipped into this country and the Northwest, valued at half a million dollars. Now, all these stoves could and should be manufactured here, if properly protected, and when you take into account that the manufacturers of this country have to import from the United States several articles that go to make us stoves, and pay duty, it reduces the duty from 25 per cent to 14½ per cent.

Another reason for more protection, is, large stove manufacturers in the United States are centered at or near Chicago and one firm employs about seven thousand hands, nearly as many as all Canada, and, from Chicago to Winnipeg the freight is 50c. per hundred pounds, while from Hamilton, the rate is one dollar per hundred. The American manufacturers have eighty million people to sell to, while we have only seven million. American manufacturers make fifty stoves to our manufacturers' one. American firms have another advantage. They can give a man one pattern to work on day in and day out, and he becomes an expert at that work. Our manufacturers, on account of the small number of stoves made here, are forced to give one man several parts to work on, and he must be a good mechanic and all round man commanding good wages. American manufacturers give their best men surface parts, and unskilled labour the inside parts. Our manufacturers cannot do this, on account of the small number manufactured, and all stove manufacturers in this country suffer in some way.

Now, Mr. Speaker, I know for a fact, that stove manufacturers in Hamilton, for the last two years, have paid no dividends, or earned any profits. The American firms have nothing to lose by sending into this country stoves at cost, but may gain in

two points. First, they succeed in putting our manufacturers out of business and getting this field for trade, and, at the same time keep their men in employment.

Some time ago, Jones, of Binghampton, was selling hay scales in this country at $48 per set. Our manufacurers' price was $125. I remember, I asked the manager, at one time, how he explained that their firms were able to sell these scales at such a low price. He replied that they made up the list that they expected to sell in their own country, they shipped the surplus to foreign countries, and made some profit on their own scales, on account of the large number manufactured.

Now, Mr. Speaker, if the government would add 10 per cent to the present tariff, it would enable our manufacturers in Ontario, to trade successfully. Now, it may be said that this would raise the price of stoves, which I do not admit, but, for argument's sake, I will admit that it would raise the price, say one dollar to one and a quarter per stove. A man only requires to buy a stove once in fifteen or twenty years, and surely this could not be considered a burden, and a Canadian that would object to pay our manufacturer a dollar more for a stove than an American, is not loyal enough to live in this country. and had better go to the United States.

Now, Mr. Speaker, a word about the granite trade of this country. We have, in this country, about one thousand persons in the monument trade, and this number has not changed in the least for ten or twelve years Out of this number, about twenty-five are manufacturing granite monuments, the remainder are buying monuments finished and ready to set up, from the old country, and the United States, and, while we have, in Canada, all the granite this country will ever require, just as nature left it in beds all over this country, and this government has not seen fit to make an effort to have our quarries opened up and developed, the Americans have their quarries opened up in the United States, and are doing a successful trade. While, in Canada, we have a few opened up in the lower provinces, which can only furnish four or five different shades of colour, we are forced to go to the United States for our rough granite, and, in doing that, we are forced to pay a duty, and, after the granite is manufactured into monuments, and we desire to ship them into the United States, we are forced to pay some 50 to 65 per cent duty, in addition to the 15 per cent paid on the rough stuff coming in, making in all 80 per cent, while old country granite comes in here at 30 per cent, and the American monuments at 35 per cent, while our manufacturers are forced to pay 80 per cent to compete with them.

Now, some member may say, why not open up our quarries? The reason is that it will cost from $40,000 to $45,000 to open up and equip a quarry. No man will spend that amount of money and only have twenty to twenty-five customers to sell to, but, if our men were all in the manufacturing, then there would be a good market in this country to sell to, and their quarries would then pay. Now, Sir, when you take into account the fact that the old country manufacturers make their monuments at the quarries, and have saved the freight on the rough stuff, and at the same time, procure their labour at less than half the price paid in Canada, and can send the monuments to this country at the same freight as I would have to pay to ship one here one hundred or one hundred and twenty-five miles.

Now, Mr. Speaker, there is a firm in New York, Townsend & Townsend, who sell largely in this country, and have their monuments shipped to Montreal, and have the customs cleared at that port of entry, and send on to their destination, and pay, I suppose, the local rate of freight. I am at a loss to know why any firm will have its goods cleared at Montreal port of entry, and pay local rate of freight, instead of through freight to its destination, unless there is some good reason not seen on the surface. If I buy a carload of granite from the United States, the duty and freight amount to more than the cost of the rough granite, while I have to compete with a firm that has no freight to pay on rough granite, and gets its labour at less than half what I do.

Now, some member may say that he cannot see why we canot manufacture monuments here as cheaply as in other countries. Well, the answer is avery easy one. In the United States, they use a machine that is called a surface machine, and that machine can surface about one hundred and fifty feet a day, at a cost of about $12, and it will cost us here to do the work by hand, at least, $60. Now, you may say, why not use those machines. The answer is, I could not use one one day a month. as I have not the market here to sell my goods to.

Now, in conclusion, to give you a better idea of the effect it would have on this ccuntry if all monuments were manufactured in Canada, in Hamilton, there are eight firms in the monument business, and I am the only manufacturer, and I pay out, in wages alone, about $10,000 a year. The other seven pay out, perhaps $15,000 a year, in all $25,000. This amount would be kept in this country instead of being sent out to foreign countries, and handed out for labour. Now, Sir, if $50.000 can be kept in this country, for our labourers in so small a section as the city of Hamilton, in place of sending it to foreign countries to be paid out, believe me, it is a positive proof

that this country is loosing heavily by the present tariff.

I want to say, before sitting down, moreover, as to the quality of granite in this country, I had the pleasure of exhibiting a piece of granite from Gananoque quarry, at the Pan-American Buffalo Exposition, amongst one hundred and sixty different kinds there, on exhibition, and I am glad to be able to say that I succeeded in capturing the Bronze Medal, as having the best quality of granite on exhibit.

Motion agreed to, and House went into Committee of Ways and Means.

Mr. FIELDING. As hon. gentlemen have expressed a desire that we should not proceed with the resolutions to-night, I beg to move that the committee rise, report progress and ask leave to sit again.

Motion agreed to, and progress reported.

Mr. FIELDING moved the adjournment of the House.

Mr. MONK. Will the hon. gentleman say what the programme is for to-morrow?

Mr. FIELDING. The motion will be made to resume the Committee of Ways and Means for the purpose of proceeding with the resolutions, and if there be sufficient time at a later stage, I think the intention is to take up the Grand Trunk Loan Bill.

Motion agreed to, and House adjourned at 12.40 a.m. Wednesday.

HOUSE OF COMMONS.

WEDNESDAY, April 28, 1909.

The SPEAKER took the Chair at Two o'clock.

CANADA LIFE INSURANCE COMPANY.

Mr. PARDEE moved:

That Bill (No. 56) respecting the Canada Life Assurance Company be placed on the orders of the day for Committee of the whole, on Monday next.

Mr. HENDERSON. I scarcely understand the purport of this motion and perhaps the hon. gentleman ought to explain it. Does he intend to move on Monday that it be again referred to the Committee on Banking and Commerce? That to my mind is the proper course to take, as the House cannot deal with this Bill until it has been again dealt with by the Committee on Banking and Commerce. If the hon. gentleman's intention is simply to bring the matter before the House his motion is quite in order, but it would seem to me that the proper motion now would be that Bill (No. 56) be referred to the Standing Committee on Banking and Commerce, in order that it may be dealt with there and subsequently by the House. The Canada Life Insurance Company has had this Bill readvertised, and I should say it is the duty of the House to give the general public the advantage of that advertising and allow them an opportunity of appearing before the Committee on Banking and Commerce to state their objections to or approval of the Bill before it is considered by the House. The hon. gentleman says it is not his intention to move on Monday that it be referred to the Committee on Banking and Commerce. Then I certainly think that his motion is not the proper one, as the general public, the policy-holders, who may have objections to the Bill, should have an opportunity of appearing before the Banking and Commerce Committee and stating their objections, if they have any, to this measure.

Sir WILFRID LAURIER. This is only a notice of motion. I express no opinion at this moment as to the course which ought to be taken when the Bill comes up on Monday.

Mr. HENDERSON. Then I understand it is still open to refer the Bill to the Standing Committee on Banking and Commerce.

Sir WILFRID LAURIER. Oh, no, I express no opinion on that. This is simply a notice of motion to be moved on Monday; I express no opinion at all on it.

Mr. HENDERSON. I understand that this is only a motion to put it on the Order Paper.

Mr. SPEAKER. I understand that this motion is unnecessary, that the Bill will appear on the Order Paper.

Mr. HENDERSON. It is on the Order Paper, and it may be dealt with on Monday.

QUESTIONS.

SESSIONAL CLERKS—EDWARD S. CARTER.

Mr. DANIEL asked:

1. Is one Edward S. Carter employed as sessional clerk or in any other capacity by the government or House of Commons?
2. If so, what remuneration does he receive, and what are his duties?
3. Has he been paid, or is he to be paid, for the time he has been absent from Ottawa?
4. Is His Honour the Speaker aware that the said Edward S. Carter has been recently

spending a great deal of time in St. John, N.B., in connection with the civic election recently held there?

Right Hon. Sir WILFRID LAURIER (Prime Minister):

1. Mr. Carter has been temporarily employed in typewriting and secretarial work in the House of Commons during the present session.

2. He receives when employed $4 per diem and his duties are to perform such work as may be directed, principally secretarial work and typewriting.

3. He has not been paid, nor is to be paid, for any time during which he has been absent from Ottawa.

4. The Speaker is informed that Mr. Carter was absent during and a few days after the Easter vacation. Mr. Carter states that he took no part in the election referred to and was in St. John only three days during his absence.

ALEX. MUIR MEMORIAL.

Mr. MACDONELL asked:

Has the government been requested to aid the Alexander Muir Memorial Fund? If so, is it the intention of the government to place something in the estimates this year for such purpose?

Hon. W. S. FIELDING (Minister of Finance). A request of that nature has been received and the matter is under consideration.

TRANSCONTINENTAL RAILWAY—J. AYLEN.

Mr. LENNOX asked:

1. Was J. Aylen at one time employed as a district engineer on the Transcontinental Railway, or in any capacity?

2. Is Mr. Aylen still engaged on this railway as district engineer or otherwise?

3. If his services have been dispensed with, for what cause?

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals):

1. John Aylen was assistant district engineer of District 'D' from February, 1905, until October, 1907, acting district engineer from October, 1907, until September, 1908, and assistant for the remainder of 1908.

2. No.

3. Voluntarily resigned, December, 1908.

MARKET GARDEN PRODUCE.

Mr. WALLACE asked:

What was the total imports of market garden produce for 1900, 1901, 1902, 1903, 1904, 1905, 1906, 1907 and 1908, and what was the amount of duty collected on them?

Hon. WILLIAM PATERSON (Minister of Customs):

A statement is submitted herewith.

QUANTITY AND VALUE AND DUTY COLLECTED ON THE FOLLOWING ARTICLES, MARKET AND GARDEN PRODUCE.

Fiscal years.	Melons.			Potatoes.			Tomatoes, Fresh.			Vegetables, Fresh or Dry Salted, N.O.P.	
	Number.	Value.	Duty.	Bushels.	Value.	Duty.	Bushels.	Value.	Duty.	Value.	Duty.
		$	$ cts.		$	$ cts.		$	$ cts.	$	$ cts.
1900	212,989	10,370	2,592 40	101,468	68,753	15,220 57	14,583	26,161	5,529 63	194,245	48,531 78
1901	156,413	9,604	2,401 00	136,171	88,501	20,425 68	21,787	37,507	8,007 43	211,795	52,448 05
1902	189,394	12,247	3,061 75	81,197	87,259	12,179 55	19,343	53,906	9,259 20	182,293	45,489 51
1903	262,281	16,331	4,082 75	407,487	228,848	61,114 80	31,786	69,014	13,258 60	210,983	52,726 29
1904	271,219	21,486	5,371 50	77,520	78,219	11,623 05	51,291	103,591	20,617 30	340,254	85,080 92
1905	511,820	29,256	7,314 00	513,927	228,367	77,082 70	46,810	103,560	19,718 00	415,900	103,927 70
1906	505,689	35,087	8,771 75	223,639	123,643	33,475 86	51,454	116,586	21,949 40	352,699	88,270 06
1907 (9 months)	532,758	37,901	9,462 60	94,504	70,956	14,652 85	33,140	58,070	12,756 74	224,577	60,733 61
1908	435,246	47,122	13,058 23	245,042	192,566	49,003 92	49,335	128,771	38,631 30	541,171	162,281 85

PRIVATE BILLS.

Mr. McCRANEY moved:

That the following Bills from the Senate be placed on the Order Paper amongst private Bills for second reading on Friday next.

Bill (No. 157) for the relief of John Dennison Smith.

Bill (No. 158) respecting the Bank of Winnipeg.

Bill (No. 160) to incorporate the Canadian Red Cross Society.

Bill (No. 161) to incorporate the Equity Fire Insurance Company.

Motion agreed to.

WAYS AND MEANS.

On the motion of the Hon. Mr. Fielding the House went into Committee on Ways and Means.

	Preferential British Tariff.	Intermediate Tariff.	General Tariff.
135b. Raw sugar as described in tariff item 135, when imported to be refined in Canada by Canadian sugar refiners, to the extent of twice the quantity of sugar refined during the calendar years 1909, 1910, and 1911, by such refiners from sugar produced from Canadian beet root, and an equal quantity of sugar to that refined during the calendar years 1912 and 1913 by such refiners from sugar produced in Canada from Canadian beet root—the whole under regulations by the Minister of Customs.			
Per one hundred pounds testing not more than seventy-five degrees by the polariscope...	31½ cts.	31½ cts.	31½ cts.
And per one hundred pounds for each additional degree over seventy-five degrees..	1 ct.	1 ct.	1 ct.
Provided that sugar imported under this item shall not be subject to special duty.			
This item to expire December 31, 1914.			

Mr. HENDERSON. I understand this is the same resolution we have now in the tariff, the only difference being that the time is extended.

Mr. FIELDING. I would have to qualify that slightly. As respects the three years the resolution is the same; as respects the two succeeding years the resolution is modified.

Mr. PATERSON

Mr. R. L. BORDEN. What is the purpose of the provision that sugar imported under this item shall not be subject to special duty.

Mr. FIELDING. Special duty is what is commonly called the dumping duty, and this does not come within the class of matters as to which the dumping duty was deemed expedient.

Mr. R. L. BORDEN. Has it any application to the surtax?

Mr. FIELDING. None whatever; the surtax is not touched in any form by this amendment.

Resolution agreed to.

135c. Raw sugar as described in tariff item 135, when imported to be refined in Canada by any sugar refining company not engaged in refining sugar from the product of Canadian beet root, to the extent of one-fifth of the weight of sugar refined from raw sugar by such refining company in Canada during the calendar year in which such raw sugar is imported—under regulations by the Minister of Customs.			
Per one hundred pounds testing not more than seventy-five degrees by the polariscope..	31½ cts.	31½ cts.	31½ cts.
And per one hundred pounds for each additional degree over seventy-five degrees..	1 ct.	1 ct.	1 ct.
Provided that sugar imported under this item shall not be subject to special duty.			

Mr. FOSTER. Will the minister explain what advantage this clause gives over the present law?

Mr. FIELDING. In the event of a shortage of the West India sugar, which shortage is alleged for various causes, the refineries would be at liberty to import this small proportion of foreign sugar at the preferential duty. They would get no advantage in respect to the rate of duty, unless we assume that they would necessarily be obliged to import foreign sugar and pay a higher duty. If they should be obliged to do that we think they would be placed at a disadvantage.

Mr. HENDERSON. I understood from the minister a few days ago that the shortage is not the whole matter complained of. The complaint was that the West India planters enhance the price of their sugar on account of the double duty and compel the Canadian refiners to pay a higher price

than they ought to pay and that the British refiners pay. Would this amendment of the tariff apply only in the case of a shortage, or could the refiners make their purchases under this clause of the tariff even if there was no shortage?

Mr. FIELDING. Yes. The percentage we allow is comparatively small and they would have the right to import that percentage unconditionally.

Mr. AMES. I understand that although the matter is in dispute as to the existence of such a combine, whether it be found that a combine does exist or does not exist this law goes into effect just the same.

Mr. FIELDING. Yes. If it were absolutely certain and beyond debate that there was a combine and that it was likely to continue I think we should probably be obliged to apply a more drastic remedy. To the extent of this limited importation they are permitted to import the sugar at the preferential rate unconditionally.

Mr. AMES. If it should be discovered there was no combine the law would be on the statute books just the same?

Mr. FIELDING. Then it would be a proper matter for consideration at another session.

Mr. AMES. I understand that the West Indian sugar exporters deny that there is any such combine.

Mr. FIELDING. That is correct.

Mr. AMES. And they consider that we have given them cause for a grievance against us; and the remarks made by the minister in the House the other day are regarded by the West Indian exporters as detrimental to them and to the general entente cordiale which should exist between British colonies and which we hope will lead in the future to a large interchange of products. Is there not a commission sitting or about to sit of which the hon. Minister of Finance is or is about to become a member, that will determine the truth or falsity of these allegations as to a combine?

Mr. FIELDING. The commission to which my hon. friend alludes was mentioned by me in the budget speech. It is proposed by the imperial authorities to appoint a royal commission for the purpose of inquiring into trade relations between Canada and the West Indies; and the Colonial Secretary, Lord Crewe, was good enough to express a wish that I should take a place on that commission. That has not yet been officially determined. At all events, Canada will be represented on the commission. The purpose of the commission is not particularly to inquire into this point which has come up, but into the question of trade generally, though I have no doubt that incidentally this matter will be investigated. Since the introduction of these resolutions, I am aware that it is contended by the exporters from the West Indies that no such combine exists. It is, however, an established fact that a very considerable quantity of foreign sugar was imported last year, I think by the Montreal refiners, on which they paid the higher rate of duty, for the reason, as they alleged, that they could not obtain the West Indian sugar.

Mr. AMES. Has the minister taken into consideration the fact that the trial and conviction and penalizing of the West Indian exporters just on the eve of a gathering in which different parts of the British empire propose to discuss how they may increase their friendly exchange of trade, may have a prejudicial effect in the way of their making a bargain with one another?

Mr. FIELDING. No doubt those connected with the exporting of West India sugar would rather prefer that this item should not be in the tariff; but still they have not much reason to complain. We have been granting them this preference for a good many years, and we have not received anything in return. While we do not complain of that, they have no reason to complain if it suits us to withdraw some small portion of the concession that we have given to them in the past. I do not think that our friends in the West Indies have any reason to say that this is evidence of any unfriendliness on our part towards them.

Mr. AMES. The minister, then, regards this rather as a precaution taken than as a penalty inflicted?

Mr. FIELDING. Yes. If it were a penalty, I think we would have to make the privilege to the refiners very much larger. If a combine exists, this will rather cause the West Indian exporters, I think, to consider seriously whether or not it is wise for them to adopt that policy, while if it be found that there is no combine, I do not think they can suffer very much from having this small portion of foreign sugar imported at the preferential rate.

Mr. FOSTER. Would the Finance Minister say whether or not there has been any negotiations or correspondence between the Canadian government and the United States government with reference to an interchange of logs, pulp and lumber between the two countries? This has formed the subject of a great deal of discussion in the United States, and it is one of the items variously placed in the tariff now being discussed in the United States congress. Can the Finance Minister give us any information with reference to that?

Mr. FIELDING. I would not like to speak too positively lest some of my colleagues may have received something; but subject to that qualification, I would say that there has been no correspondence with the United States authorities.

Mr. FOSTER. Has the government or any responsible member of it given reason for supposing that if the United States made a proposition for an interchange on that line, it would be favourably considered by the Canadian government?

Mr. FIELDING. I am not aware of anything of the kind, and would think it exceedingly improbable that anything of the kind occurred. There has been no correspondence on the subject, the Prime Minister reminds me.

Resolution reported, read the first and the second time and agreed to.

Mr. FIELDING moved for leave to introduce Bill (No. 162) to amend the Customs Tariff, 1907. He said: This Bill simply confirms the resolution which has just been adopted, with the customary clause that it shall come into force on the morning after the day on which the budget speech was made, that is, the 21st day of April.

Motion agreed to, Bill read the first and the second time, and House went into committee thereon.

Mr. R. L. BORDEN. I would like to ask whether or not the government has taken into consideration its attitude respecting the matter alluded to by the hon. member for North Toronto (Mr. Foster), and whether or not it is prepared to make any announcement on the subject during the present session?

Mr. FIELDING. We have not had that under consideration with the view of taking any immediate action. There are yet so many uncertainties in connection with the American tariff that it would not be wise to base any action on it at present. After it has become law, there may be aspects of it which will demand the attention of this government; but we do not think that, in the present state of the Bill in Congress, it would be wise to take any action at present or found any future action on it.

Bill reported, read the second and third time and passed.

GRAND TRUNK PACIFIC LOAN.

Mr. FIELDING moved second reading of Bill (No. 128) to authorize a loan to the Grand Trunk Pacific.

Mr. R. L. BORDEN. Before the Bill passes, I would like to address a few observations to the House respecting the position of this matter as it stands, having regard to the debate which has already taken place on the resolution. A good many things have happened since the 30th of July, 1903, when the right hon. the Prime Minister delivered, on the first reading of the Bill, a very lengthy address covering about forty columns of 'Hansard,' without doing us the courtesy of sending us an advance copy of the Bill, but contenting himself with presenting to us, at the conclusion of the speech, a copy of the Bill which, of course, we had no opportunity of examining or considering at that stage before replying to that speech. The right hon. gentleman indulged on that occasion in a great many predictions—predictions with regard to the outcome of the enterprise and predictions with regard to its cost; and it is said that this particular enterprise is to be regarded as his special political monument. Well, I have only to say that if any monument should be erected in this connection, I would suggest that it ought to be in duplicate—one containing the predictions as to cost, should be erected at Moncton; and the other, giving the actual cost, at Prince Rupert, so that no one could see the two except at very considerable intervals of distance and time.

When one comes to consider five years later that we were solemnly told in the first place that this government possessed mountains of information, the most absolute and accurate information that could be desired —I presume that is what that term was intended to express—not only with regard to the merits of the enterprise when once completed, but with regard to the cost of that enterprise, one is amazed at the discrepancy between the predictions based on this absolute information and the results which have obtained thus far. When we contrast the solemn statement made to the House upon those mountains of information, upon the reputation and knowledge of the Prime Minister of Canada, that the mountain section would cost $18,000,000—when we contrast that with the latest report of the officer of this government, charged with the supervision of the western division, who informed the House and country that the same mountain division, instead of costing $18,000,000, will cost $67,000,000, we are reminded of the works of a celebrated German thinker and writer: 'Nothing is so terrible as ignorance in action.'

Now, Mr. Speaker, the project of constructing a transcontinental railway across this country is a very great enterprise, and I thoroughly understand that the people of Canada ought not to be backward in dealing with the great problem of transportation, whether in the east or west of Canada, or whether covering Canada from the Atlantic to the Pacific. But there are some people in this country who seem to take it for granted that any great railway corporation entering upon an enterprise of this

kind has an absolute vested right to all the assistance that the resources of this country can give. I do not so regard the situation. It may be very much in the interest of the people of this country, as sometimes it has been in their interest in the past, that public assistance should be given to great schemes of transportation. That was done in the case of the Canadian Pacific Railway. It has been done in the case of the Canadian Northern. And last, but not least, it has been done in connection with the enterprise we are now discussing. But it is not too late, it seems to me, to emphasize once more the importance of the statement made to the House by the Prime Minister, in 1903, and again in 1904, namely, that the Grand Trunk Railway Company were in this enterprise and were of it and formed the whole thing ; and the proposal which confronts the people of Canada to-day is that the same Grand Trunk Railway Company being in this enterprise and of it and forming the whole thing, are asking the people of Canada to hand back to them $7,000,000, which they have invested in it. Well, it may even be in the interests of the country to do this, although it is a rather stiff propositon, considering what was promised and declared to us in 1903-4 —it may be in the interests of the country to do that rather than allow this work to stop, and the credit, not only of this company, but of Canada as a whole, to be thereby affected; but I desire, before the Bill is read the second time, to point out that not only is the Grand Trunk Pacific in difficulties over this enterprise, but that, looking a little ahead into the future and having regard to the terms of this bargain, we can very readily foretell that the government itself will be in difficulties over it before long. One of my objects in speaking on the second reading of this Bill, before it goes to committee, is to point out what I deem some of these difficulties to be, and to inquire from the government whether or not they have had these under consideration and whether or not they propose, or have proposed, to arrive at any understanding or agreement with the Grand Trunk Railway Company for the purpose of preventing certain unfortunate consequences to this country that, it seems to me, are very likely to occur.

I have already emphasized the probable cost of this road. Roughly speaking, from the best information I can gather from the utterances of hon. gentlemen on the treasury benches themselves, the entire road will cost in the vicinity of $300,000,000. The eastern division will cost at least $180,000,000, and probably $190,000,000, all of which must be paid out of the revenues of Canada. The western division will cost —if my estimates are correct—and I have based them on information afforded by the government itself, between $110,000,000 and $120,000,000. And if you look for a moment at the details of the expenditure, you will find about this result. The government provides in cash, in respect of interest on the mountain section—interest paid by the people of this country without any recourse—$13,413,750; the government provides in guarantees and bonds for both the prairie and mountain sections $66,658,000; then there is the loan now proposed of $10,000,000. If you sum these up, you will find the total to be $90,101,750, and you will find also that the Grand Trunk Railway will guarantee bonds, according to the information brought down by the government, to the extent of about $28,750,000.

Now, it must be obvious to any person, that the only real security we have for this loan and these guarantees will be the success of the enterprise. If the enterprise is not successful, we have no real security; if the enterprise is successful we shall have good security. So far as I am concerned, I have no hesitation in saying that it is my sincere hope that the enterprise will ultimately be successful. But in the meantime, if there be any risk—and no one can say, in a great enterprise of this kind there is not some risk at least—we are assuming about nine-tenths of that risk and the Grand Trunk Railway about one-tenth. Now, the road, it is needless to remind hon. gentlemen on both sides, is being built out of moneys derived from two sources. The greater part of the money for the building of the road was provided by the people of Canada, or upon their credit, and the remainder by the influence and financial support of the Grand Trunk Railway Company. If you consider this as one great railway enterprise, one Transcontinental Railway extending from Moncton in New Brusnwick to Prince Rupert in British Columbia, the country is financing this enterprise to the extent of nine-tenths and the Grand Trunk Railway Company is financing it to the extent of one-tenth. Now what advantage and what benefit do the people of this country as represented by the government receive on the one hand and what does the Grand Trunk Railway on the other hand, receive from the enterprise? I am not speaking for the moment of the benefit that may accrue to the people of this country from having a great line of transportation extending from the Atlantic to the Pacific. I do not overlook that, nor do I desire to minimize it. But, looking at the direct financial advantage and results which can be derived from this railway enterprise, you will observe that the Grand Trunk Railway, in return for the financial support and backing which it is giving to this enterprise, is receiving—nay, has

already received—common stock of this company to the amount of $25,000,000, common stock handed over otherwise for a mere nominal consideration. You do not find the people of Canada, who have given their financial support to this enterprise to the extent of nine-tenths of the money necessary for the building of the whole line, in this regard at least you do not find them receiving a single dollar of profit from this enterprise—not a single dollar is Canada to receive of the great future profits which will accrue from the operation of this road if it proves successful, as we all hope it may, not only in the distant but in the immediate future. Now, is there any particular reason why a result of that kind should accrue from this proposition? Has the Grand Trunk Pacific Railway corporation, or any other corporation in Canada any vested right to government assistance for the purpose of building a road through the very best portion of Canada so that, although it receives such splendid, such enormous financial support as that just being given by the people of this country to the enterprise of the Grand Trunk Pacific Railway, they shall receive $25,000,000 of common stock, and the people of Canada represented by this government shall receive absolutely no return or compensation of that kind?

Mr. Speaker, we did make an argument in 1904 and we proposed a resolution in that respect from which I, for one, do not recede to-day. I think that if our proposition had been accepted by the government it would have resulted in very much greater benefit to the people of this country than any which is likely to accrue to them from the proposition as carried out. We said in 1904 that as the people of Canada were providing nine-tenths of the financial support necessary to construct this great transcontinental railway there was every reason for believing that the wise course would be to go one step further and provide ten-tenths instead of nine-tenths and thus own the road from the Atlantic to the Pacific as a great national highway in every sense of the term. I, for one, have never been able to appreciate the arguments of the government in that regard. I should not dignify what was said in opposition to that proposal by the name of argument, because, speaking in all sincerity from my place in this House, I have never heard anything from the other side in opposition to the proposal which deserved the name of argument. If you are pledging your credit or handing over your money for the construction of a great public utility what especially is the object in handing that public utility over to a railway corporation? I am distinguishing sharply, just now, between government ownership and government operation. I am bound to admit that government operation of the Intercolonial has not been very successful, and I do not think we have had, in the past ten years especially, any such object lessons from the operation of the Intercolonial as would suggest that we should move forward along that line until we have demonstrated—as I believe we can demonstrate—that the Intercolonial Railway or any other state-owned railway in Canada can be operated as economically and efficiently as any corporation-owned road in this country or any other. We have not done so up to the present time. My hon. friend the Minister of Railways and Canals proposes to take some steps which he believes may result in important advances and benefits, and I sincerely hope and trust that his expectation may be fully realized.

But reverting for a moment to the argument on the point I have just suggested, why should you hand over a great public utility that we have paid for? Why should the government, in 1904, have desired to do that? Is it in the interest of the people of this country that we should hand over all our forests to a private corporation, formed for speculative purposes or for operating purposes? Is it desirable that we should hand over all our water-powers? Is it desirable that we should hand over all our mines and minerals? Is not the true course, the wise policy rather that which is being pursued by the provincial government of Ontario, when it retains its forest wealth and its mineral wealth under such conditions that royalties, bonuses and rentals should be received proportionate to the increasing value of that public domain, as it does increase in value year after year? So it does not seem to me the height of wisdom, to say the least, that the government of this country should have pledged the country's credit, as they did pledge that credit in 1903 and 1904, to almost the whole extent necessary to build this great transcontinental railway, merely for the purpose of handing it over to a private corporation, and so that such private corporation shall enjoy all the fruits, advantages and benefits which may result from the increasing value of that road, when the great west of Canada has a population of 10,000,000, 15,000,000 or perhaps 25,000,000 people. Well, that contract has been made, we cannot undo it now except with the consent of the Grand Trunk Pacific Railway Company and the Grand Trunk Railway Company; and I presume it would be rather too much to expect that either one or the other of those companies would be willing to consent to a proposal of that kind.

But it does not seem to me to be too late, when we come to some other considerations, for the government to have regard to the true interest of the people. There are $20,000,000 of preferred stock of the Grand

Trunk Pacific Company still. If we are to finance this road to the further extent of $10,000,000, would it be absolutely out of the question that we should say to the Grand Trunk Pacific Railway Company, 'Very good, hand us over $10,000,000 of that preference stock, and we will be very glad indeed to assist this enterprise, because we thoroughly realize the misfortune which would be entailed, not only upon the company but upon the people of this country, if any stoppage should occur in that work.' Let us look at it for a moment. The Grand Trunk Company finances the road to the extent of one-tenth of its total cost, receiving $25,000,000 of common stock. The people of this country finance this road to the extent of nine-tenths of its total cost, to the extent of $275,000,000. Would it be too audacious, would it be trenching too much upon the rights and privileges of railway promoters in this country, if the government of Canada should at this juncture say, 'You are receiving $25,000,000 of common stock for financing this road to the extent of one-tenth of its cost; give us $10,000,000 of preference stock for financing this road to the extent of the remaining nine-tenths of the total cost. Has the government made any proposal of that kind to the Grand Trunk Railway Company? If not, are they absolutely oblivious of what the true interests of the people are?

My hon. friend has spoken during this session of the land grant to the Canadian Pacific Railway Company. Does he doubt that the men who were at the back of the Canadian Pacific Railway Company at that time, would have taken 75 cents per acre for that land, and been glad to get it in those days? I have it on the best information that they would have been ready and willing to compound their land grant of 25,000,000 acres at 75 cents on the dollar. Why was the land valueless at that time? Because of its inaccessibility. What makes that land valuable at the present time? The building of the Canadian Pacific Railway, founded mainly upon the faith, hope, courage, and foresight of the great statesmen of those days, who realized what the splendid future of that great western country was going to be.

Then it seems to me that there are some other considerations the government might very well have had in mind. I will not allude to all of them just now, because it would be better perhaps that some of those subjects should be adverted to in committee. My hon. friend the Minister of Finance considers this is a banking transaction. If it is to be regarded as a banking transaction, and if we are to take the ground that a government, in conducting a banking transaction with a great railway enterprise of this kind, should make no profit, at least the government ought to keep the people whole; we ought not surely to loan money to the Grand Trunk Pacific at a lower rate of interest than that which we have to pay.

But there is another matter, and I alluded to it in a question which I addressed to my hon. friend the Minister of Railways a day or two ago. I would like to know whether the government has taken into consideration what its position will be with respect to the line from Quebec to Moncton before the completion of the Quebec bridge. In the first place I would like to ask my hon. friend the Minister of Railways and Canals whether he is prepared to set any date upon which that bridge is likely to be completed?

Mr. GRAHAM. In reply to my hon. friend, it is impossible to do that until the board have fully completed their plans and have reported them. We have not interfered with them in any way, as we want to put upon them the full responsibility of getting a complete set of plans for the bridge, the building and permanency of which will be absolutely assured. I hope the time will come when we can give that information, but at the present moment I am not able to do so.

Mr. R. L. BORDEN. Could not the hon. gentleman state an approximate date?

Mr. GRAHAM. No.

Mr. R. L. BORDEN. Then I am without any information from the government. But I have been informed by an authority for which I have some respect, that the very earliest date at which that bridge can be completed would be 1915 or 1916. I am informed further—and the Minister of Railways will correct me if I am wrong, because it is a matter of which I have no personal knowledge—I am informed further that the line from Quebec to Moncton will be completed in 1910; so there you will have a period of five or six years at least during which the line from Moncton to Quebec will be upon the hands of the government. The estimates already brought down show that that road will cost about $29,000,000. I am informed on authority for which I have a good deal of regard, that that road will probably cost well up to $35,000,000 before it is completed. But I am not going to argue on that assumption. I will assume that the road will cost $30,000,000. I would ask the Minister of Railways and Canals (Mr. Graham) or the Prime Minister whether they have at present any idea as to what they would do with the road during that period?

Mr. GRAHAM. My hon. friend can clearly understand that the conditions which have arisen were entirely and wholly unexpected, that they have to be treated

as unexpected conditions and cannot very well be criticised from the standpoint of a premeditated arrangement of the government or the country. Conditions having arisen which are wholly unexpected, the government have under consideration the establishment, if it be possible, of a ferry across the river at that point. My hon. friend smiles. Possibly from a practical standpoint he has a right to smile, as he understands some of the difficulties that would ensue.

Mr. R. L. BORDEN. I was not smiling.

Mr. GRAHAM. I would not at all complain if he did smile.

Mr. R. L. BORDEN. I thoroughly realize that the government did not anticipate the fall of the Quebec bridge. I do not want my hon. friend to imagine that I do not appreciate the fact that this situation is entirely unexpected. The fact that it is unexpected has left the government face to face with a certain condition, and I think the House ought to be made acquainted with the proposals of the government in this connection, because, while the Grand Trunk Pacific Company is in difficulties with respect to the financing of the prairie section, this government is also in difficulties with respect to the operation of that road for five or six years between Quebec and Moncton. Therefore, when one party to the contract, being in a certain difficulty, comes to the other party to the contract, also in a very considerable difficulty, it might have been regarded as a matter of reasonable prudence that both difficulties should have been considered at the same time and that some arrangement should have been made with the Grand Trunk Pacific Company to lift the government out of the difficulty occasioned by the fall of the Quebec bridge. Has the Minister of Railways and Canals made any estimate of what percentage the interest and depreciation upon the line from Quebec to Moncton will amount to per annum?

Mr. GRAHAM. I have not.

Mr. R. L. BORDEN. I am unable to get any information from my hon. friends opposite, but I have endeavoured to obtain some information from outside, and I am informed, upon authority for which I have a good deal of respect, that the interest and depreciation upon that road during those five years will amount to at least 7 per cent per annum, in other words $2,100,000 per annum, or, if you estimate a period of five years, $10,500,000. This country has great resources, but still a condition which involves an amount of that kind during a period of five years might, it seems to me, invite the attention even of my right hon. friend who claims that his soul is turned to higher things than considerations of this kind.

Mr. GRAHAM.

Then I would like to ask the Minister of Railways and Canals, and I am giving him this notice now in order that we may discuss the matter in committee upon the most ample notice, whether or not he imagines that that line from Winnipeg to Moncton, with a ferry across the St. Lawrence river, can be operated as a through line, for the transportation of wheat for example? I have no knowledge upon that subject except that which comes to me from persons who, as I think, are qualified to judge, and they entertain a very great doubt upon the subject, in fact they are rather inclined to laugh at the idea. Would the minister propose to operate his ferry there during the winter? Has he undertaken to consider the expense of that? Does he remember the language to which we listened from a certain hon. gentleman in this House put up by the government in the debates of 1903 and 1904 as their great authority upon this subject? Does he remember that Mr. Charlton, the gentleman to whom I refer, spoke of trains a mile long, hauled over grades not exceeding four-tenths of one per cent, trains which, according to his estimation, would be able to haul grain from Winnipeg to Quebec in competition with water carriage? Does he imagine that these trains a mile long, going over grades of that kind from Winnipeg to Quebec, can be transported across the St. Lawrence in winter and go on to Moncton, and that all this can be done upon a profitable basis according to the view placed before the people of Canada in some of the glowing speeches of hon. gentlemen opposite in 1903 and 1904?

Then there is another consideration. What about the local traffic on the line from Quebec to Moncton? Has my hon. friend the Minister of Railways and Canals (Mr. Graham) any information which would indicate that the local traffic upon that line can be of any appreciable value considering the enormous cost of the road between those two points? If he has any information of that kind I can only say it is entirely dissimilar to any information I have been able to collect from authorities to whom I have applied for information on this subject.

Another consideration in connection with the line from Quebec to Moncton concerns the operation of the road not only before but after the Quebec bridge shall have been built. I gave the government credit, when I spoke on this subject during the present session, for a saving of 29 miles in distance between Quebec and Moncton as compared with the Intercolonial Railway. That was on the government's statement and I am bound to assume that it is a correct statement; if there is any variation from it later on, it will be a matter for criticism. In the debate of 1903, the government claimed that the Intercolonial Rail-

way was wholly unsuitable for transcontinental traffic on account of its excessive grades. Mr. Charlton, who was put up to reply to the criticism of the late Mr. Blair, elaborated this point very fully, as may be seen by any gentleman who will refer to page 8481 of 'Hansard' of 1903. That gentleman then said:

What are the grades on the Intercolonial Railway? There are 62½ feet grades, and 50 foot grades to the mile. No road can claim to be a first-class road with grades more than one-half per cent or 26 feet to the mile. In the construction of this short line——

Because at that time you will remember the Prime Minister estimated that there would be a saving of at least 120 miles in the distance between Quebec and Moncton.

—in the construction of this short line and in the construction of the line from Quebec to Winnipeg it should be an absolute condition that the road should be first-class in point of grades, in point of construction and in point of weight of rails. The object of the building of a short line from Chaudière Junction to Moncton is to correct the costly mistake that the country made when the Intercolonial Railway was constructed.... Why should we shorten, straighten and improve the Intercolonial Railway? It is simply because we have set out with the purpose of securing trade for our own seaports, and if we are to secure that trade we must have the best obtainable conditions with regard to our lines of transportation. We must not have to go away around by the sea 120 miles further than a short line would take us. We must not have grades 62½ feet to the mile, but we must reduce the distance, reduce the grades, improve the efficiency of the road and secure the necessary conditions so far as it is possible to do so in order to get the trade. That, we aim to get.

Now, I understand that the government has obtained this advantage of 29 miles in distance by the adoption of what are called pusher grades. In that connection it is not out of place that I should give to the House what information I have as to the grades of both the Intercolonial Railway and the National Transcontinental Railway between Quebec and Moncton. The Intercolonial Railway follows the St. Lawrence for some two hundred miles east of Quebec to St. Flavie and while it is true it has grades of one per cent at a few points in this distance a large proportion of the two hundred miles is comparatively level road.

From St. Flavie on the St. Lawrence it crosses the summit between the Quebec and New Brunswick waters at an elevation of 751 feet above sea level or 485 feet above St. Flavie and 25 miles in distance therefrom. For the next 150 miles to Gloucester Junction the line follows the Metapedia lake, the Metapedia river and the Bay Chaleur and the grades are exceedingly favourable.

For the next 117 miles to Moncton the line runs nearly at right angles to the river and consequently the grades are not so favourable. There is one summit of 500 feet between Bathurst and Newcastle and three others of about 300 feet each between Newcastle and Moncton.

The National Transcontinental Railway begins to rise directly after leaving Quebec and steadily climbs for about 105 miles to a summit of between 1,400 and 1,500 feet above sea level and then drops 1,000 feet, in the next one hundred and ten miles to Edmundston on the St. John river in New Brunswick, to within 470 feet of sea level.

Then it rises and falls and passes over some considerable summits for about 100 miles when it reaches the Tobique river at an elevation of about 500 feet above sea level. From that point it rises almost continuously to an elevation of about 1,400 feet above sea level at the head waters of the Miramichi river, a distance of 116 miles F. Then it falls about 1,300 feet in 100 miles to an elevation of 100 feet above sea level at the crossing of the Salmon river at Chipman.

From Chipman to Moncton, 56 miles, there are no high summits to cross and altogether the grades on this section are favourable.

In the net result, so far as the National Transcontinental Railway is concerned, there are at least two pusher grades upon that road as I am informed; one against western traffic and one against eastern traffic. One of these is in New Brunswick, it is about 12 mile slong, it is against western traffic, it rises southerly from the Tobique river to the head waters of the Miramichi, the rate of rise being 1 1-10th per cent or 59 feet in the mile, or in all 708 feet. The other pusher grade to which I allude is in the province of Quebec and is with the western traffic and against the eastern traffic. It occurs in getting down from the Quebec summit to the St. John waters; it is of about the same length as the other and the grade is about the same, namely,1 1-10th per cent. I do not know whether these grades have been adopted, but I am placing this information before the Minister of Railways in order that he may correct me if I am wrong and that he may place an exact statement of the position in that regard before the House and before the country. I observe by reference to the National Transcontinental Railway Commissioners' Report for 1907, pages 5 and 6, that there is some comparison of cost between the three surveyed lines between Grand Falls and Chatham, and I assume the one which has been adopted is the central pusher grade which is alluded to in that report. Now, if the comparative merits of the Transcontinental Railway and the Intercolonial Railway between Quebec

and Moncton are estimated on the basis which is adopted in the report of the Transcontinental Commissioners for 1907, there are people in this country who have some knowledge of the subject and who are very much of the opinion that the Intercolonial Railway will have the greater advantage of the two roads. What I desire the Minister of Railways to do is to place before parliament during the committee stage on this Bill such full and complete information as to distances, grades, curvatures, and otherwise both on the Intercolonial Railway and on the National Transcontinental Railway between Quebec and Moncton as would enable an expert to make a correct estimate of the cost of haulage over each road. I think that is a fair and reasonable request, and indeed I do not think that I should be obliged to make it, because I would have thought that if the National Transcontinental Railway possesses that abundant merit which the government claim for it in respect to the section between Quebec and Moncton, during the very first days of the present session we should have had exactly such a statement as I now ask to be placed upon the table of the House. And more than that, we should have had expert opinion submitted which would indicate to the people of Canada what advantage they are to receive from the exxpenditure of $30,000,000 of public money upon the line between Quebec and Moncton. I have already asked the Minister of Railways for his estimate as to deterioration and interest on the line between Quebec and Moncton; I have asked for his views as to the local traffic on that line between Quebec and Moncton; I have asked as to the date of the completion of the Quebec bridge.

I now revert to the question which I dwelt upon a moment ago, and that is as to whether or not the government have made any proposal to the Grand Trunk Pacific Railway Company with respect to the operation of the Quebec-Moncton line during the five or six years before the completion of the Quebec bridge. If you look at the statute and contract of 1904 you will find by section 3, that the Grand Trunk Pacific Railway company is entitled to obtain a lease of any portion of the road which may have been completed in advance of the whole line. I do not find that the Grand Trunk Pacific Company is bound to take a lease of any such portion of the road. I find they are entitled to do it; they have an option there as they have under nearly every one of the provisions of this contract. Thus they are not bound to take it, and therefore the Grand Trunk Pacific Company if they see fit can absolutely decline the operation of that road until the Quebec bridge is completed. That is the contract as I understand it. If hon. gentlemen on the other side of the House have a different appreciation of the meaning and effect of that contract, and if they will pledge themselves to this House that the Grand Trunk Pacific Company concurs in any view different from that which I have just now expressed, then of course the question which I am raising goes by the board to a certain extent and has not the importance I am now placing upon it. But as I understand it, the Grand Trunk Pacific Company will not be bound to operate that road until the completion of the Quebec bridge, they being only bound to operate the line as a through line from Winnipeg to Moncton. It would appear that they are not bound to operate it with that link left out. In the very last report of the chief engineer of the Transcontinental Railway, Mr. Lumsden says 'The Quebec bridge is an essential link in the line from Winnipeg to Moncton.' Mark the words 'essential link.' Suppose you take one and a half miles or two miles out of this line anywhere between Moncton and Winnipeg; is the Grand Trunk Pacific bound to operate the two ends of the road or are they only bound to operate the line as a whole. Could they not similarly set up the contention, and will they not set it up, that if you take out of that line one and one-tenth miles at Quebec they cannot operate it as a through line from Winnipeg to Moncton, and in that way may there not be five or six years during which time they will not be obliged to take over this line but leave it upon the hands of the government. Either this is a difficulty or it is not a difficulty; it seems to me to be a difficulty. If it is a difficulty, it is a very serious difficulty which confronts the government of this country. Again I ask, whether or not under the conditions which have been disclosed to the House by my hon. friend the Minister of Finance in introducing this measure, the government have been so occupied with the difficulties of the Grand Trunk Pacific Railway Company that they have absolutely forgotten their own difficulties, and have paid not the slightest attention to the point I am now discussing.

There are just one or two other matters upon which I would like to ask for information from the government, and I give them notice now, so that we may be supplied with it at the earliest possible moment after reaching the committee stage. How is it that the Grand Trunk Pacific Railway Company has been enabled to provide the money for the building of its branch from Port Arthur to its main line without any assistance from the government, and must needs come to the government for assist-

ance upon the prairie section? We all realize that the branch from Port Arthur to the main line of the National Transcontinental Railway is a very important line to the company. We recall the provisions of the contract under which, so far as the disposition of these branch lines is concerned, the result, roughly speaking, is this, that the Grand Trunk Pacific Company can keep what they desire, and compel this country to take the rest. I have no idea that they will ever ask the government of this country to take over the branch from Port Arthur to the main line. That is regarded by people who can speak with authority on the subject, as a key to the operation of the whole Transcontinental Railway system, and it seems rather peculiar that the funds should have fallen short so far as the prairie section is concerned, and that the funds should have been so abundant so far as the branch from Port Arthur to the main line is concerned.

Then, I would like a little more definite reply to the question which has already been proposed across the floor of this House, whether or not the government is prepared to state, in connection with this loan, that it will be the last application for assistance to be made to the people of this country by the Grand Trunk Pacific Railway Company, or whether we are to expect a succession of applications for assistance, especially when the construction of the mountain section is begun in earnest. I think the government could not have been so remiss in its duty as not to have put that question fairly and frankly to these gentlemen when they came forward with their application. It is to be presumed that there was some answer, and parliament, while engaged in the consideration of this additional assistance to the amount of $10,000,000, is surely entitled to know what that answer was, and whether this is the last as well as the first application, or whether we are to expect a series of applications covering the whole amount of assistance that will be required in the construction of the mountain section.

As I have said, the country has embarked on this project, it has been ratified by the people of this country as well as by parliament in 1904, and I agree that the work must not stop. If this loan is absolutely necessary, it must be made, in order that the work shall not stop; but in investigating the terms on which that loan shall be made, the interests of the people of this country ought to be considered in respect of the matters which I have brought to the attention of the House, and ought to be conserved and safeguarded to the fullest possible extent.

Hon. G. P. GRAHAM (Minister of Railways). Mr. Speaker, my hon. friend who has just resumed his seat has maintained his reputation very well for giving the government a large order by way of inquiry. We will endeavour to satisfy his appetite in this respect as far as it is at all possible. It seems to be a difficult one to satisfy, as he comes up hungry on every occasion.

Mr. FOSTER. Get your menu card ready.

Mr. GRAHAM. I thought our menu card was pretty comprehensive on previous occasions. However, the hon. gentleman is entitled to all the information we can possibly get. The hon. gentleman asks if there will be any other request from the Grand Trunk Pacific for aid. For myself I am not prepared to say; I would not like to accept the responsibility of what any person might do in the future. But this much my hon. friend ought to consider. He says that this enterprise must not stop, and that if it be necessary to make this loan of $10,000,000, it must be made. Suppose the Grand Trunk Pacific Company said to the government and to this House to-day, 'This is the last time of asking, as well as the first;' and suppose that in a few years they forgot or ignored that and asked us for further aid, would not my hon. friend be in exactly the same position that he is in to-day? Would he not have to say: 'Well, the work has commenced, we are partners in the work to a large extent, we may not like to do it, and you promised that you would not ask us; but if it be necessary to complete the work, we must do it.' That is practically the situation we might be in. Therefore I would not like to express an opinion one way or the other. The conditions have to be taken as they arise; and while we are in hopes that the Grand Trunk Pacific, the great project in which we are all so much interested, will now go on to completion successfully, it would be more than human, it would be approaching the prophetic attributes of a higher power to say what might be in the mind of a railway man a few years hence. My hon. friend remarked that the branch from Superior junction to Fort William had not received any government aid. So far as a guarantee is concerned, that is true. I think it has received a subsidy from this House, and to that extent my hon. friend's information would be incorrect.

Mr. R. L. BORDEN. I was speaking of applications to the government for assistance.

Mr. GRAHAM. Perhaps I misunderstood my hon. friend's meaning. What he said was that that branch had not received any assistance from the government.

Mr. LENNOX. Had not made any application at the present time for assistance.

Mr. GRAHAM. That is a different matter. Well, we understand the hon. gentleman's meaning now. I want to make it clear to the House, what they understand without an explanation, that few railways of that extent are constructed without coming to the government for aid, and they generally get it.

Mr. R. L. BORDEN. How much did you grant it?

Mr. GRAHAM. The usual government subsidy, and they got something from the Ontario government as well. With reference to the pusher grades east of Quebec, the only object of having good gradients, as I understand it, is for the benefit of transportation. If a condition arises in a particular part of a railway where the use of a pusher grade may be adopted without interfering with transportation, and so as to reduce the cost of the railway, probably it would be right to adopt it. But this much must be borne in mind, that through the long summer months a good deal of the shipment of grain from the west will probably take place through Quebec, and the pusher grade interferes with the transportation only of a very heavy load. The ordinary train does not need to have a pusher to take it over the grade, but it is in developing the transportation problem to the extent of hauling a very large train that a pusher grade is used. I may be asked what a pusher grade means. It simply means a grade where a second engine is used to help to push the train over the summit. East of Quebec there is one pusher grade against east bound traffic and a similar grade against west bound traffic. It is immaterial what are the various meanderings of the railway from this point to another point, from the summit to the depth, except so far as it affects the grade. And notwithstanding the very interesting description of the line, read by my hon. friend, and the various heights it has to climb, it resolves itself into the fact that there are two pusher grades, one against eastbound traffic and the other against westbound traffic. The other facts dwelt on by my hon. friend would simply mean it was an expensive line to build to get rid of the grades. The more uneven the country, the more hills there are to cross, the more mountains to climb and the more valleys to get over, if the grade is to be got rid of, the greater the expenditure in the building and it is true that the expense of building a line in the east is considerable. In district A at the Tobique river there is a pusher grade against the eastbound traffic, for 12·65 miles. That saves in the length of the line 17·2 miles and in the cost of construction approximately nearly $2,000,000.

Mr. R. L. BORDEN. What is the grade there?

Mr. LENNOX.

Mr. GRAHAM. I think my hon. friend described it properly.

Mr. R. L. BORDEN. One and one-tenth?

Mr. GRAHAM. I think that is right. In district B near the New Brunswick boundary, there is one against the westbound traffic, 10·7 miles long, said to save a distance of about 18 miles, and a saving in expense of over a million dollars.

Mr. AMES. What would be the total length of the road between Quebec and Moncton provided the pusher grades were eliminated and the grade was what was originally expected?

Mr. GRAHAM. There might not be any difference in length if they went to the expense of getting over the pusher grade by cuttings or fillings at that particular point.

Mr. AMES. I understand that the elimination of these two pusher grades would add 35 miles to the length.

Mr. GRAHAM. If you got rid of the pusher grade by making a circuit, by going around the acclivity and adding to the length, that might happen.

Mr. AMES. That would make the road six miles longer than the Intercolonial Railway, would it not?

Mr. GRAHAM. We may go on figuring out if this should be the case, and if the other is the case, the following will be the result; but I have not admitted my hon. friend's starting point. If you went round another hill or two, you would make the road considerably longer.

Mr. R. L. BORDEN. Was the grade I mentioned correct?

Mr. GRAHAM. I think so. The only question is whether to accept the two pusher grades, considering the traffic from Quebec to Moncton, with the saving that would involve, or remove them. The engineer reports that it is better in those instances to have the pusher grades and save the money.

Mr. NORTHRUP. Are there any pusher grades on the Intercolonial Railway?

Mr. GRAHAM. There would be if we had the very large trains these are intended to haul, when they have the western traffic of the Grand Trunk Pacific. There are three very steep grades, as my hon. friend has remarked, on the Intercolonial Railway. There is one at the Bedford grade, 1·80, at Folleigh, 1·22, at Metis, 1·29. These might be called pusher grades.

Mr. JOHN HAGGART. That is in both directions.

Mr. GRAHAM. Yes.

Mr. JOHN HAGGART. How many west and how many east?

Mr. GRAHAM. I could not tell that at the moment.

Mr. LENNOX. Has the minister any actual report from the engineers that they could have avoided those pusher grades in any way except by lengthening the line some 35 miles?

Mr. GRAHAM. I have not got them at hand.

Mr. LENNOX. Has the hon. minister any such report?

Mr. GRAHAM. That would be a report from Mr. Lumsden, and my hon. friend, the leader of the opposition, has the three reports to which the hon. gentleman refers. Now, we come to the Quebec bridge. It is easy enough, under present conditions, to raise all kinds of criticisms as to the effect of the destruction of the Quebec bridge. But this House is supposed to be composed of practical men, who are not following shadows. No doubt, the collapse of the bridge was a great calamity and we have to face the results. There is no escape from the situation by raising all kinds of possible objections and pointing out the result of the calamity. We admit at once that it was a calamity, and the inconvenience it will cause, and the difficulties which have arisen, are not to be minimized. I do not quite agree with my hon. friend, although I will not say, speaking from memory, that he is altogether wrong, when he says that the Grand Trunk Pacific will not be compelled to operate the eastern section without the Quebec bridge. The question of the Quebec bridge being a link in the railway is indisputable, so far as the operation of the railway is concerned, but it does not follow that it is a part of the railway itself. The bridge was undertaken before the railway project was outlined, and there would have been a Quebec bridge had there never been a transcontinental railway. But for practical purposes, and for the operation of the line, the bridge is an integral part of the railway.

Mr. JOHN HAGGART. Under the contract with the Grand Trunk Pacific, are you obliged to build the Quebec bridge?

Mr. GRAHAM. I would not put it as strongly as that, but that is the understanding.

Mr. JOHN HAGGART. Is it in the contract?

Mr. GRAHAM. Possibly it is. But the Quebec bridge was to be constructed without any Grand Trunk Pacific contract and was undertaken before that railway was thought of. Consequently that does not add to the cost of the Grand Trunk Pacific. The Quebec bridge would have been built had there been no contract with the Grand Trunk Pacific. My hon. friend may be sure the government has not at all overlooked the difficulties arising on account of the absence of the Quebec bridge. Not only will that bridge be finished as rapidly as possible, but the difficulties which are arising and which will continue to arise, owing to its not being completed as early as was anticipated, are not being overlooked by the government. Coming to the question of the Grand Trunk Pacific, my hon. friend has outlined that project at great length, and he made one statement, which I think is perhaps the keystone of the whole situation. He said that the government or the country is a partner with the railway company in this great project. My hon. friend makes it a greater partner than, I think, he is entitled to make it, when he names its proportions of holdings as nine-tenths, or ninety per cent. But that is immaterial; the foundation of the request for the loan and the granting of it by this government is that the Dominion of Canada is a partner with the Grand Trunk Pacific Railway Company in the carrying out of this great project. It is our project as well as theirs, and the interests of Canada and the Canadian people are paramount even to the interest of the railway company in the completion of this line.

Now, this leads me to one or two questions that have arisen. My hon. friend will pardon me if I go back for a moment. The question has been discussed in this House, and has been referred to mildly to-day of the necessity of this road. My hon. friend agrees that there was a necessity for the construction of this line. Let me look for a moment at the remarks made by the Prime Minister in 1903 when he was introducing this measure, and see if there is any part of these remarks which should be retracted by the Prime Minister or by any member of the government or of this House on his behalf. He said that a railway was a national as well as a commercial necessity.

Mr. FOSTER. 'A railway.'

Mr. GRAHAM. 'A railway.' And my hon. friend (Mr. Foster) will remember that by 'a railway' he meant, not a line from North Bay westward, but a line from the eastern part of Canada to the western part of Canada all the way on Canadian soil. No person will say to-day, looking at it from a national standpoint, that Canada was not justified and is not now justified in pushing this project to completion as rapidly as possible. Our position as a country is something of which we should be proud. Some hon. members, properly, grew eloquent over the defences of Canada, the necessity for being prepared to defend Canada against intruders who would

attempt to molest her trade, or interfere with her freedom and happiness, or drag her from the position she holds in the British empire. Sir, taking it from that standpoint, one of the first things necessary was a line of railway on Canadian soil over which troops could be carried without interference.

Mr. GEORGE TAYLOR. We had that already.

Mr. GRAHAM. Will my hon. friend (Mr. George Taylor) tell me where?

Mr. GEORGE TAYLOR. The Intercolonial from the sea-board to Montreal and the Canadian Pacific from Montreal to the Pacific coast.

Mr. GRAHAM. That is two lines of railway. My hon. friend is partially correct, but very much wrong.

Mr. LENNOX. And practically all right.

Mr. GRAHAM. As I said before, and my hon. friend cannot contradict it, we had not a great line of railway from eastern Canada to western Canada over which Canadian and British troops could be carried from one ocean to another without passing over foreign soil. This is looking at the question from the national standpoint. But, after all, that is only minor, to my mind. From the commercial standpoint it was necessary to have another through line. This House and this country may think I am altogether too optimistic, but I believe when this line is completed it will be taxed to its utmost capacity with the carrying trade of Canada and the carrying trade from the Orient to Europe. I believe that before many years are over we shall have to look for greater transportation facilities in order to accommodate the increasing trade of this great country. Sir, the words of the Prime Minister are not to be taken back, they stand to-day not only true but fortified by the events that have taken place since they were spoken in 1903. Let me point out one or two things showing the necessity for this road from a commercial standpoint, and as showing the prospects for its success as a transcontinental line. The annual output of coal in the west now is about 4,000,000 tons. A good authority estimates —and I think he is within the mark—that thirty years hence there will be at least 50,000,000 tons of coal to be transported in the west. In the valley of the Saskatchewan, there are about 200,000,000 acres of land, and in the valley of the Mackenzie about 55,000,000 acres. Thirty years ago there were no wheat fields in that vicinity, and scarcely a hamlet in the valley of the Saskatchewan or the valley of the Mackenzie. Let hon. members think of the west as it is to-day and of the west as it was thirty years ago, and then prophesy, if they can, what, a few years hence, this great and growing west will be, if we do our duty and give the people we are bringing in there proper facilities for getting their products to market. These plains produce to-day, it is no extravagant estimate to say, 100,000,000 bushels of grain yearly.

Now, let me point out the bearing of that as showing the great part that Canada is to play, as I believe, in feeding the nations of the world. The world's population, it is estimated, doubles in fifty years, and the present population of the world is 1,700,000,000 people. We may believe that, in the next fifty years, there will be added to the world's population at least 900,000,000 people. But, while the world's population is increasing, man cannot add one acre to the land on the face of the earth. We may discover other wheat fields, we may open up territory that is now lying waste and make it productive in years to come, but the fact remains that poor humanity cannot create one acre of land. So, while the consumption and the demand go on increasing, the land for the production of food remains what it is to-day. Now, Sir, to-day half the population of the world never see any flour of wheat. It is estimated that there are fully 100,000,000 white people who never get enough flour to eat. The demand for this flour among these people is continually growing, and there is this demand to be allowed for as the demand arising out of the increase of population in this and other countries. To-day, the prospects are, Canada will be the main wheat field of the world. Should there be any pessimism in the outlook in the minds of people who are to-day and will be in the future the proprietors of those fields which must feed the people of the world? As the west develops and these millions of acres become productive, Canada will be, to a large extent, the world's granary. I point this out to impress on the minds of the people of Canada that in our conduct of public affairs, in our dealings with just such questions as this, we must ever keep in mind not the present only, but the great future and the development of the mighty heritage Providence has given us. For, with all our criticism of one another, this stands true, that the Canadian people to-day have one of the most productive countries in the world. Should we hesitate? Should we not have courage in carrying out this great undertaking that the people of Canada have twice said should be carried out? We may disagree on details, as men of common sense will always disagree. I appeal to western representatives as well as eastern: Should we not approach such questions as

these with the larger outlook of what Canada is to be in the future? I believe that I will live, if I reach the ordinary span of life, to see Canada, and the west particularly, developed to such an extent that we who now look back fifteen or twenty years and think the development has been great, will be astonished at the increase that will have taken place in the next few years.

Sir, we talk about wheat. Fifteen years ago we sold our wheat for 50 cents, to-day wheat is worth $1.20. Some person may say: That is only the result of a panic, or a corner. I believe that wheat will continue to move upward. It may have its reverses through adverse circumstances; owing to the fact that the wheat producing area is limited, and the consumption is ever increasing, millions of bushels more will be required every year. Sir, I believe that the world, and Canada, has seen the last of cheap wheat, that the price will continue to advance, and I believe that in a few years hence we will be discussing wheat from a $1.50 standpoint rather than $1 standpoint. With this end in view, it seems to be our duty to the people whom we induced to come in and develop our country, to allow them to get their products to the markets of the world in the speediest possible way, at the lowest price, and in the best possible condition. But some one will say: 'Has the bringing of this railway into the Northwest helped any?' I believe that the projected line has already made a marked improvement in the condition of the western people so far as transportation facilities are concerned. I had intended to place on the table of the House a railway map of 1905 and a railway map of 1909, to let hon. gentlemen see just the number of homesteads that have been taken up in that country since the Grand Trunk Pacific project was introduced into this House. But you say: 'The other railways did that.' Certainly. I wanted also to point out the number of branch lines shown on the map, belonging tc other railway companies that were not there when the Grand Trunk Pacific project was first introduced. You ask me what has that to do with the Grand Trunk Pacific? It has this to do, and every practical man knows, every man from the west, and every man who has been in the Railway Committee of this House, will bear me out in saying that the fact that the Grand Trunk Pacific was to go through certain portions of the west induced other great companies to extend their branch lines in every possible direction in order to compete with the Grand Trunk Pacific. If the Grand Trunk Pacific never carried a pound of freight from the west to the east or from the east to the west, the launching of that project has been to a large extent justified by the improved facilities that other lines have given to the people on account of the proposed construction of the Grand Trunk Pacific. But you ask me: 'Have not the people come in along the line of the Grand Trunk Pacific?' Let me point out a thing or two in that connection. In a carefully prepared statement of Mr. R. E. Young, superintendent of railway lands for the Department of the Interior, he estimates that 15,389 homesteads have been taken up in a belt of 12 miles on either side of the Grand Trunk Pacific, 15,389 homesteads on a strip of land 24 miles wide, 12 on either side of the railway, or on a belt of land 8 miles less on each side than were exempted from taxation under the old contract with the Canadian Pacific Railway Company.

Mr. AMES. Since how long?

Mr. GRAHAM. Since the projection of the Grand Trunk Pacific. My hon. friend should know that people go ahead of the line, when they once discover in what direction it will run. As a direct result of the Grand Trunk Pacific, to say nothing of the branch lines, to say nothing of the general influx that has been taking place in other parts of that country, since the projection of this line, on 12 miles on each side of the railway 15,389 homesteads have been taken up, equal to 2,461,928 acres. If I had time to go into the details, I might figure out what the cultivation of 2,461,928 acres means to the people of the west, if no more were taken up.

Mr. AMES. You might also figure out how large a porportion of these homesteads are within a nearer distance of another parallel line of railway.

Mr. GRAHAM. My hon. friend will remember that this parallel line of railway was there before, but the people were not; and he will remember the fact that they went there because they are to have the Grand Trunk Pacific competition, which they otherwise would not have had. Now, Sir, we have also prepared a statement of the population, and I trust the House will not weary with me if I give it, because it has a bearing on the advisability of seeing that this project is put through with all necessary speed. In 1906, Manitoba had 365,688; in 1908, 462,569. In 1906, Saskatchewan had 257,763; in 1908, 335,721. In 1906, Alberta had 185,413; in 1908, 265,820. This shows an increase of over 25 per cent. Sir, with the population of the west increasing so rapidly, this government could not hesitate, if the proposition of the Grand Trunk Pacific were less favourable than it is, and the people of this country would not allow us to hesitate, in seeing to it that nothing is left undone to give proper

facilities to this ever increasing population.

Now, I think I have shown fairly well that the words of my right hon. friend, the leader of the government, in introducing this project into the House have been more than justified by the influx of people into the west. A great deal has been said about the cost of the line, and that seems to be the chief complaint made against this project. We even find our friends from the west complaining that we are building lines that are too poorly constructed, that will not carry the traffic they have, the bridges of which are not strong enough, the rails of which are not heavy enough, the ballast of which is not well enough placed, the curvature and grades of which are not of the proper kind. Sir, that is not the criticism that we hear of the Grand Trunk Pacific. The only criticism we hear of this Grand Trunk Pacific line from railway men is that we are building it of too high a standard, that it would be better to build it of a lower standard and improve it as the years went by. That is one method of building railways, but I think I will be able to show that that would be poor economy. I think the best economy is to build a line that will be able to carry its full freight, at the proper price, the first day a train is run over it, rather than to carry small trains and be obliged to improve the road year after year, robbing it of its income, as well as its capital expenditure, and getting, perhaps, after 20 years, as good a road as we now mean to make it on the first day it is run. Now the question of cost comes in.

I need not again traverse in detail the statement made time and again as to the increased cost of material and wages, the higher standard of the road and the benefits to be derived. I know my hon. friend will say: Yes, the road is of a very high standard, but the people of Canada were told in 1903 that it was to be of the standard of the line of the Grand Trunk Railway between Montreal and Toronto. Sir, the standard of the Transcontinental line is a higher standard than the standard of the Grand Trunk Railway between Montreal and Toronto. The grades are less and in every respect the standard is as high and in some respects higher than that of the Grand Trunk between those two cities at the time this contract was made. Some people will say: 'Yes, but they have laid steel rails of 100 pounds to the yard and double tracked the line between Toronto and Montreal.' But there were no steel rails of 100 pounds to the yard at the time the contract was made and the specification in the contract as to the standard referred to conditions then existing. Any man who has travelled from Montreal to Toronto on the Grand Trunk line knows that it is one of the best lines on the continent, and will agree that this is a very high standard, but as far as grades are concerned, it is not as high as the Transcontinental line between Moncton and Winnipeg or even Moncton and the eastern side of the Rocky mountains.

Mr. R. L. BORDEN. I would not answer the hon. gentleman in the way he suggests, because I have quoted already the language of the Minister of Finance in 1903 or 1904 when he said he was estimating on a four-tenth per cent grade. He will find that language at page 3687 of this year's 'Hansard.'

Mr. GRAHAM. The contract, I think, will bear out my statement that the standard was to be the standard of the Grand Trunk Railway between Montreal and Toronto.

Mr. R. L. BORDEN. That is quite so, but I was speaking of the estimates.

Mr. GRAHAM. A good deal has been said about the estimates. Mr. Schreiber's estimate was made in 1903 before the contract was made. Whatever difference of opinion there may be, there is no doubt that Mr. Schreiber had not in his mind the high standard which the country has exacted in making the contract with the Grand Trunk Pacific, but rather had in mind a road like the Intercolonial Railway with its gradients and lighter rail, of 65 pounds instead of 80 pounds. But there are other factors which tend to increase the cost. Labourers' wages, which were $1.25 to $1.50 per day at that time have increased to $2.25. Ties, which were 25 cents and 28 cents, have increased to 50 and 60 cents. Timber and lumber for use in culverts, trestles, &c., has increased from 30 and 32 cents to 38 cents and 40 cents. Steel rails have increased in price from $25 or $28 a ton in 1903 to $35 or $36 in 1908 and a duty has been added since then of some $7 per ton. Then the rails used, instead of being 65 pounds are 80 pounds to the yard, a difference of 23 tons to the mile. These facts account for a portion at least of the increase in the cost of the road.

I do not wish to go further with this comparison but to simply point out that the cost of all kinds of material and labour has increased and that the road is of a higher standard than was anticipated by Mr. Schreiber. Further than that, I make the statement without any fear of contradiction that for a transcontinental line or one approaching a transcontinental line the standard of the Grand Trunk Pacific is the highest on the continent of America. Of the mountain section about 100 miles is under construction and a good deal of dif-

ference of opinion exists as to its cost. I have an opinion by a gentleman who I think has a fairly good knowledge of the conditions, that he believes that the mountain section, with the exception of one or two points, will not average a higher cost than the cost of the Lake Superior pertion of the eastern section. He believes the construction is not any heavier in the greater part of the mountain section than it is in portions of the eastern section being built by the government. The suggestion that it would cost $100,000 per mile is altogether out of reason.

Mr. J. HAGGART. The minister must see that in order to understand that, we must have an idea as to what the eastern section would cost.

Mr. GRAHAM. My hon. friend will find that information in returns I have brought down as to the different sections. I have the contract price according to sections.

But, speaking of the advanced cost, is this the only line, is this the only project in which the cost has greatly exceeded the estimate? I need not refer to large undertakings, I need only refer any hon. gentleman who has built a house to his own experience. If he looks up his accounts he will find that the house has cost him a good deal more than he estimated. I wish to make one other comparison. We have heard the Panama canal quoted as a sample of what could be done and the economies that could be effected by the appointment of a good commission. In speaking of the cost of building the Transcontinental Railway by a commission, the question of the personnel of such a commission would naturally come under review. I wish to point out that in the criticisms of the Transcontinental Commission I have not yet found anything which would lead me to believe that this commission have not performed and are not performing their work in an able and conscientious manner. When the American government undertook the construction of the Panama canal, they selected certain commissioners who were said to be very efficient. But these commissioners remained only a short time, they were not allowed to complete the canal, and were replaced by other men. The men who replaced them were again replaced by other men so that a comparison of the selection of commissions on the Panama canal and on the Transcontiental Railway does not reflect discredit on the Transcontinental Commission. The commission now entrusted with the construction of the Panama canal is composed of military engineers on the staff of the United States War Department, with the addition of one or two other men, and it is now directly under government control. Being members of the military staff the present Panama Canal Commission are not so open to criticism and fault-finding and tale-bearing, if I might use that expression, they are under more thorough discipline both as to work and talk than they otherwise would be.

As to the cost of the Panama canal, may I point out that with all the care that was exercised by the first commission, the second commission and lastly the government commission, the original estimate will be greatly exceeded. The first estimate for the Panama canal was $140,000,000. The sum did not include the purchase price of $50,000,000 nor the cost of sanitation and civil government of the canal zone, $27,000,000. By putting all this in—which for argument sake might be compared if omitted to omitting the Quebec bridge from the Canadian project—by putting all this in we have $217,000,000. But the board of experts with Mr. Taft reported in February, 1909, that the cost would be not $217,000,000, but $360,000,000, or an increase of $143,000,000. And Colonel Boutelle, chief engineer, before the House committee on appropriations placed the estimate not at $360,000,000 but at $375,000,000, and if we take the interest during construction as is taken in the case of the Grand Trunk Pacific, we will find that the Panama canal project which has been cited as an example, of economy and good management was at first estimated to cost $217,000,000, and that the present estimate when it is not merely completed, is $400,000,000 or nearly twice as much as the original estimate. I will cite some other instances to show to the country that all this talk about increased cost over the estimate is not peculiar to the National Transcontinental Railway alone but is common to every project private or public in this or any other country. The New York Erie barge canal was estimated in 1899 to cost $61,536,788, but two years afterwards the board of experts estimated the cost at $94,000,000, a difference of $32,764,484 or an increase between 1899 and 1901 of something over 50 per cent. But in 1903, two years later again, the state engineer revised that estimate and raised it from $94,000,000 to $100,562,993, and in chapter 147 of the laws of New York you will find an act authorizing them to borrow $100,000,000 for this canal which originally was estimated to cost $61,000,000. And, if we include the interest as is done in the case of the National Transcontinental Railway it is safe to say that the Erie barge canal which was estimated to cost $61,000,000 will exactly cost $125,000,000, or more than 100 per cent extra.

Mr. R. L. BORDEN. You must estimate the interest in both cases.

Mr. LENNOX. That should be a warning against your predictions.

Mr. GRAHAM. It should be a warning against any hon. gentleman citing the Panama canal as an example.

Mr. ARMSTRONG. Surely the Minister of Railways does not pretend to say that the engineering work on the Transcontinental Railway can be compared in difficulty with the engineering work on the Panama canal.

Mr. GRAHAM. The hon. gentleman will understand that the engineers of the Panama canal were engaged as experts to give the people of the country an estimate of what it would cost including all the engineering difficulties. Let me point out further that taking the details day in and day out, the difficulty of estimating a line through the Rock mountains and from one end of Canada to the other is approximately as great as estimating the cost of the Panama canal, and I think you will find some competent engineers who will say it is more difficult to estimate the cost of the Transcontinental Railway. Now, Sir, I want to make this statement which may be considered a strong statement, and I want it to be considered strong; I say that not only will we have the highest standard transcontinental line on this continent, but we will have a line that will cost no more than any line similarly situated under like circumstances which has been built anywhere during the last 15 years. Let me cite as an example the cost of one or two other lines of railway. The Chicago, Milwaukee and St. Paul Company are building a line from Evarts, South Dakota, to Seattle, Washington, 1,500 miles long. They started that line about the same time as the Transcontinental Railway and the maximum grade is 52 feet to the mile as compared with 21 feet on the National Transcontinental Railway. It is estimated that road will cost over $60,000 per mile on the authority of the 'Financial Chronicle,' and a large portion of that road is through territory, I am informed by engineers, comparatively speaking on a par with the prairie section of the Grand Trunk Pacific.

Mr. AMES. What will their prairie section cost?

Mr. GRAHAM. If I were to make the statement as strong as my informant makes it, I would say that it is nearly all prairie section, but I would not like to say that.

Mr. AMES. Surely it has to pass through the Rocky mountains to reach Seattle.

Mr. FOSTER. It can't get there any other way.

Mr. AMES. It is certainly not all prairie.

Mr. GRAHAM. I certainly admit that it will have to run through the Rocky mountains.

Mr. BURRELL. Between what points did you say the line ran?

Mr. GRAHAM. From Evarts, South Dakota, to Seattle.

Mr. BURRELL. You will not find much prairie section there.

Mr. GRAHAM. My statement is on the authority of engineers who say they have been over that territory. At all events the cost of that road is $60,000 per mile as given by the 'Financial Chronicle' which is considered to be an absolute authority.

Mr. HUGHES. Do not the Rocky mountains intervene between these two points?

Mr. GRAHAM. Most assuredly they do. Nature has not removed the mountains, and I do not attempt to make a prairie section over the mountain portion. The Western Pacific is building a line from Salt Lake City, Utah, to San Francisco, California, 929 miles, and although the maximum grade is 52 feet to the mile as against our 21 feet, that road will cost over $70,000 per mile.

Mr. AMES. All in the mountains.

Mr. GRAHAM. Not all in the mountains.

Mr. AMES. With a cut-off across Salt lake.

Mr. GRAHAM. Approximately speaking my hon. friend may say that a large portion of that line is in the Rocky mountains but it is not all in the mountains.

Mr. AMES. What about the cut-off?

Mr. GRAHAM. I have simply given a statement as to the cost of that line on the authority of a financial paper that is a standard authority. My object in referring to this is to show that these railroads have cost much more than the estimate. But, take the new Canadian Pacific Railway from Sudbury to Toronto and you will find a similar condition. It was estimated that line would cost about $30,000 per mile, and I want to read an extract from the annual report of the Canadian Pacific Railway in 1907 to its shareholders, which no doubt will be taken as an authority by hon. gentlemen opposite:

> In 1894 you authorized your directors to proceed with the construction of a railway from a point in the vicinity of Sudbury to Kleinburgh on the Ontario division in order to provide entirely under your own control a line between Toronto and the main line, and to meet the cost you empowered your directors to issue and dispose of consolidated debenture stock of the company to such amount as they might deem expedient but not exceeding in the aggregate $30,000 per

mile of the railway to be constructed. Owing to the difficult character of the country and the increased cost of labour and material the expense involved in the construction of this line exceeded the original estimate, and therefore you will be asked to authorize the issue and sale of such further amount of 4 per cent consolidated debenture stock as your directors may deem necessary to complete the work, but not exceeding $10,000 per mile of the miles constructed.

From this it will be seen that although this was a short line, under the eye of everybody, with a large portion of it running through a settled portion of the country, and although the estimate was made by the engineering staff of the Canadian Pacific Railway than which there is no more competent staff in the country, yet in the case of that short line they discovered in a year or two that they had made a mistake of 33⅓ per cent in the estimate of the cost of construction. Now, I want to point out one or two other things.

My hon. friend has said that the Grand Trunk is really the Grand Trunk Pacific. I am not going to argue that with my hon. friend, because these two companies are in the position of many other companies in this country, that the same men are in two companies with interests largely identical, but assets and liabilities distinct and separate. Many men in this House are in the same position themselves, and they would not care to have the assets and liabilities of one company attached to those of the other. I might call my hon. friend's attention to the fact that two of the largest companies in Canada in that position have had one of the largest law-suits ever known in this country; I refer to the Dominion Coal Company and the Dominion Iron and Steel Company. Though the same persons are largely interested in both companies, they found it necessary to go to law in order to have the rights of the two companies determined.

Referring to the amount of stock in the Grand Trunk Pacific owned by the Grand Trunk Railway Company of Canada, I think it would be only fair to read a short statement made by Mr. Wainwright, and add to that the statement made by the Minister of Finance in the House the other day, and let these two be recorded together. Mr. Wainwright says:

At confederation the Grand Trunk owed the provinces of Upper and Lower Canada a principal sum of $15,142,000 with accrued interest to the amount of $10,465,000, making the total indebtedness $25,607,000. The debt was taken over by the Dominion in 1867, but since then has not been carried as an asset. It originated in an advance of provincial debentures by the government of Upper and Lower Canada to the following portions of the Grand Trunk between 1854 and 1861:—

St. Lawrence and Atlantic division.	$ 2,275,000
Quebec and Richmond division.. ..	1,217,000
Grand Trunk elsewhere..	11,650,000
Total..	$15,142,000

These debentures bore 6 per cent interest. They were issued as a first lien on the road but by subsequent legislation were put behind other liens ; and as the net earnings of the company have never met all the prior charges, no part of the interest on the debentures has ever been payable to the government. The old Northern and the old Great Western roads likewise received loans; but the circumstances surrounding the construction of the Grand Trunk were so unique that its loan would cut a very different figure in a court of morals.

The original prospectus of the Grand Trunk, promising the holders of ordinary stock a dividend of 11½ per cent per annum after the stated interest on the bonds had been paid, were issued with the quasi-official endorsation of the government of old Canada. The ordinary stock amounts in round figures to $110,000,000. But the British holders have never received a dollar in dividends from that day to this.

The statement of the Minister of Finance, in answer to the hon. member for Leeds, was as follows:

INDEBTEDNESS OF GRAND TRUNK RAILWAY TO DOMINION GOVERNMENT.

Mr. GEORGE TAYLOR asked:

1. In what amount, if any, is the Grand Trunk Railway Company indebted to the Dominion of Canada?

2. How much is owing for principal and interest, respectively, upon the said indebtedness?

3. How many years' interest is due?

4. On what date was interest last paid?

Hon. W. S. FIELDING (Minister of Finance):

This deals with a very old and complicated account. It might be more convenient to put it as a motion for return, but as I thought the hon. gentleman (Mr. George Taylor) might regard it as having a bearing on proposals of this ssesion, I have brought down the answer:

1, 2, 3 and 4. In the year 1862, five years prior to confederation, a reorganization of the Grand Trunk Railway of Canada was effected under chapter 56 of the Statutes of Canada of that year.

Provincial debentures of the provinces of Canada to the amount of $15,142,633.34 had been issued, prior to the passing of this Act, in aid of the company. These debentures carried interest at the rate of six per cent per annum.

By section 19, of the chapter referred to, the province of Canada consented to allow its claim for interest due and accruing in respect of these debentures to be postponed to the payment of certain charges which were made prior by the statute. The section provided that after the payment of the working expenses of the railway the balance of earnings was to be appropriated and applied in payment:—(a) of interest on

equipment mortgage bonds; (b) of interest on first preferential bonds and the dividend due on first preference stock; (c) of interest due on second preferential bonds and the dividend due on second preference stock; (d) of dividend due on third preference stock; (e) of dividend due on fourth preference stock; (f) of dividend of 3 per cent per annum for ten years on the ordinary stock of the company and thereafter at the rate of 5 per cent per annum; (g) of further dividend on one per cent per annum on the third preference stock; (h) of further dividend of one per cent per annum on the fourth preference stock; (all the above were given priority over the government claim for interest); and then: (i) in payment of the interest for the time being due and accruing, subsequent to the 1st January, 1862, on the provincial debentures issued in aid of the company, before the passing of the Act, at the rate of 6 per cent per annum.

The interest on the provincial debentures referred to amounted, at the time of confederation, to $10,457,458.01. Amounts, represented by these province of Canada debentures, $15,142,633.34 and this interest of $10,457,458.01 were, at confederation, taken over by the Dominion from the province of Canada, and have since then carried in the balance sheet without change under the heading 'Railway Accounts,' but these amounts have not been included in the statement of assets of the Dominion.

As the net earnings of the company never met all the prior charges, as provided by the Act, no part of this interest has ever been payable.

There was also carried in the province of Canada accounts and taken over at confederation a special interest claim of $7,302.18, which has been continued in the balance sheet. This special interest claim arose from an adjusted balance of various accounts made between the province of Canada and the Grand Trunk Railway Company which balance was confirmed by an order in council of the 18th October, 1866.

Besides the above, the province of Canada was, at the time of confederation, the holder of fourth preference stock of the company, (converted, by section 11, chapter 18, Act of 1873, into third preference stock), of the par value of $121,739.65. Dividends have been paid to the Dominion on this stock on several occasions as follows:

During year	1881	$ 608 70
"	1883	1,643 48
"	1884	1,978 26
"	1902	1,217 40
"	1903	2,434 80
"	1905	2,434 80
"	1906	3,652 20
"	1907	3,652 20

This fourth preference stock was accepted by the province of Canada in payment of a certain part of the accounts adjusted by the order in council referred to.

Coming now to the loan, which is the subject of the Bill before the House, the whole question is this—not what has the Transcontinental Commission done between Moncton and Winnipeg, not what has the government done, not whether the Quebec bridge has fallen down, not whether the gradients of the eastern section of the Grand Trunk Pacific are pusher grades or four-tenths of one per cent or six-tenths of one per cent, not whether the ferry will be run at Quebec, not whether there will be local traffic on the Transcontinental east of Quebec. The question before the House and the country is: Under the conditions existing, is it in the interest of the people of Canada to grant a loan of $10,000,000 to the Grand Trunk Pacific Company? I say most unhesitatingly it is. My hon. friend says we ought to ask them for $10,000,000 of preference bonds. I say we are not presenting the Grand Trunk Pacific Company with anything. We are allowing them to issue bonds, which we will take as security, guaranteed by the Grand Trunk Railway Company of Canada, and we will hold those bonds, as the Minister of Finance has remarked, merely as security for the payment of this loan; and if on the issue of these bonds they were put on the market and sold, all the liability the government has and all the risk it is taking is the difference between what they would sell at and their par value. We are not giving the company a loan without security; we are not taking security on a piece of railway either; but we are taking security which is guaranteed by the Grand Trunk Railway Company of Canada, which, if it is getting so much as hon. gentlemen say, if it is being placed in such a position of affluence and wealth as they represent, is gilt edge security for this loan. It should be remembered too that the stock which my hon. friend proposes as security would only be valuable after the bonds held by the government are provided for. The government, as I have said, is a partner in this great undertaking, and no matter what the conditions might be, the Dominion of Canada could not allow the Grand Trunk Pacific project to fail. It has undertaken it, and what Canada has undertaken Canada is prepared to carry out, whether this government or hon. gentlemen opposite are in power. As they deemed it wise when in power to come to the aid of the Canadian Pacific Railway, although they had aided it bountifully in the first place, so I believe they will not take the position that it would be wise on the part of the Dominion of Canada at the present moment to refuse to grant the request of the Grand Trunk Pacific Company, for in granting that request we are making secure the carrying out of a project in which the hon. leader of the opposition himself said we have nine-tenths interest while they have one-tenth.

Mr. R. L. BORDEN. If we are partners, why don't we get some of the stock?

Mr. GRAHAM. My hon. friend forgets the principle upon which aid has been

given to railways in the Dominion of Canada. Did we get any stock in the Canadian Pacific Railway?

Mr. NORTHRUP. We were not partners.

Mr. GRAHAM. Yes, we are partners, speaking broadly. Why was the Canadian Pacific Railway aided if it was not in the interest of the people?

Mr. NORTHRUP. Who said anything about interest of the people? My hon. friend must not put in my lips words which I did not utter. I said not a word about interest of the people. I said we were not partners with the Canadian Pacific Railway Company.

Mr. GRAHAM. If the country was not a partner with the Canadian Pacific Railway Company in the benefits it was receiving from the railway, then the people of Canada gave the Canadian Pacific Railway Company benefits for which it got no return.

Mr. NORTHRUP. Does the minister believe that?

Mr. GRAHAM. I do not believe it, but my hon. friend tries to get around it by a play on words. He has great ability, I know, in the use of language; but I do not propose to let him get away with a play on words. The people of Canada are partners in every railway that helps the development of the country; if they are not, they have no right to aid railways. Do we aid railways for the amount of stock we are going to get in them? No. We give them money, municipalities give them bonuses, provincial governments give them subsidies—and sometimes land grants, as in Ontario during the last few weeks—provincial governments guarantee their bonds, Dominion governments guarantee their bonds. This government gave the Canadian Pacific Railway 25,000,000 acres of land, a large stretch of line already constructed and $25,000,000 of money; and if that does not make the country a partner with the company, then nothing at all can make a partnership so far as the development of Canada is concerned. When I speak of a partnership, I do not mean a partnership which provides that the government must get stock for stock and share for share, but a partnership in this respect, that our interests run parallel with those of the railways in the development of the country, and in order to get that development and to benefit ourselves we grant aid in different ways to the construction of railways, and thus in the broad sense become partners with them, are responsible to the people of Canada and the British empire for the development of this part of the empire. We give a certain amount of aid.

Mr. NORTHRUP. Who are the 'we'?

Mr. GRAHAM. My hon. friend is one of them. We are the people of Canada.

Mr. NORTHRUP. But my hon. friend says: We are responsible to the people of Canada; and then he says we are the people of Canada.

Mr. GRAHAM. If my hon. friend disputes that he is one of the 'we,' I will excuse him.

Mr. NORTHRUP. I hope I am. But I want my hon. friend to explain what he means when he says: We are responsible to the people and we are the people.

Mr. GRAHAM. Well, I will give another example that perhaps is a better one. I will take my hon. friend the leader of the opposition and say that he is representing the other 'we.' We, the representatives of the people in this House, are responsible to the people of Canada for the development of this country.

Mr. NORTHRUP. Certainly, but I do not see anything about partnership in that.

Mr. GRAHAM. I am not going to get away any further from the point, even though it may displease my hon. friend to find that he is unable to draw me any from the question under discussion.

Mr. NORTHRUP. You could not.

Mr. GRAHAM. Not from what is really a good example. I do not think any one has misunderstood me. In speaking of partnership, I mean distinctly, and I have said it in this House before, that you cannot disassociate the interests of the transportation companies from the interests of the people. We aid them in order to benefit ourselves. We aid the transportation companies and become, practically speaking, partners in the construction of railways and canals and in all those things which procure for the people the benefit of transportation facilities, and in which we have invested the public money.

Mr. SPROULE. In a sense, we own part of this road, and the company owns the other part.

Mr. GRAHAM. We do own 1,800 miles of this road, and we do not own a mile of the Canadian Pacific Railway. We have an interest in the development of transportation, and although we do not get a return in cash for the aid we give, if we do not get value otherwise, then the policy of this country in aiding the building of railways has been a lamentable failure. Every mile of railway that we add to our transportation facilities adds that much to the facilities of getting our goods to market and enables our people to get higher prices for their products, and the return we are to get from the construction of this line, as in the case of the others, is not the amount

of stock we are to procure or the money to go into the exchequer, but the benefit that will go into the pockets of the people from the improvements of their transportation facilities.

Mr. R. L. BORDEN. Will my hon. friend allow me? The idea originally expressed by Mr. Hays, the president of the Grand Trunk Railway, was to this effect, that we were partners of the Grand Trunk Railway, and as both the Grand Trunk Railway and the country were supporting the enterprise and might in that sense be regarded as partners, both and not one partner alone, should be entitled to some share of the profit, the direct profit.

Mr. GRAHAM. I was not dealing with the partnership from that standpoint but we aid all railways, the only difference being that in this project that aid is given in a different form. But in the one form or the other, we are in partnership with this road as with all railway lines, although as my hon. friend from Grey (Mr. Sproule) says there is another way in which we are partners in it, and that is they are to operate both portions of the road, including 1,804 miles which the government has built and owns.

At the present stage of the project, should we lend this $10,000,000? Looking to the past, the people, through their representatives in this House, entered into the project of building the Grand Trunk Pacific. The method of doing that was fully discussed. It was fully discussed on the hustings in 1904 and in 1908, and on both occasions the people said they wanted the Grand Trunk Pacific constructed. I know that conditions have arisen largely since the undertaking that did not exist when the project was started. No one needs figures to show that the cost of the road is considerably greater than was expected. It was thought that the cost of the prairie section would be $17,000 to $18,000 per mile and it has been found to cost $32,000 to $33,000 per mile. The mountain section will cost considerably higher than was anticipated. It was considered that the $13,000 per mile guaranteed on the prairie section would be practically three-quarters of the cost of construction. The contract provides a guarantee of three-quarters the cost of construction, not exceeding $13,000 per mile, which would imply that the three-quarters might be a little less. But conditions have changed and the cost has been much greater. The Grand Trunk Pacific then come to us and ask for a loan and offer security. We think that the security is good. We merely act as other bankers would. We take their bonds and place them in the treasury until they can be sold to advantage. If they were sold by the Dominion to-day our risk would be the difference between the par value and the price they would realize, which would be a very small amount. You ask how we arrive at the $10,000,000? Well, we arrive at it as follows.

On the prairie section, the proceeds of the government guaranteed bonds on $13,000 per mile, amount to $10,335,482.91:

'A' bonds guaranteed by the Grand Trunk Railway..	$ 9,601,926 30
Balance due on proceeds of 3 per cent government guaranteed bonds..	1,572,517 08
Construction equipment..	1,000,000 00
Total..	$22,509,926 29
Government proposed loan.. ..	10,000,000 00
Total..	$32,509,926 29

Now, Mr. Schreiber's estimate, including interest to January, 1910, is $33,007,449. And the estimates of the Grand Trunk Pacific, including the same interest, is $32,198,351.30. This sum of $10,000,000 then, for which the government is becoming the banker of the Grand Trunk Pacific, will place them in a position to proceed with the construction of that portion of the road with all possible speed. It is in the interest of the country that no delay should take place. Although a large portion of the prairie section is constructed and running, it is necessary that the entire portion should be completed as rapidly as possible. It is also necessary that the Grand Trunk Pacific should make provision as rapidly as possible, not only that its line across the prairie over the productive section where there will be paying traffic, should be completed, but also for the extension of branch lines, not only for the benefit of the people by providing them with railway facilities, but in order that the Grand Trunk Pacific may get feeders which will bring it the traffic it needs for its through trains.

Sir, I appeal to the hon. members of the opposition, I appeal to the House, I appeal to the Dominion of Canada at large, on this question of giving this loan to the Grand Trunk Pacific. I believe that it is in the interest of the country; I believe that the country is safe in giving it. As I have already said our national interest and the success of our transportation system are bound up in the success of this undertaking. And I believe, Mr. Speaker, that members of this House on both sides will support the proposition of the Minister of Finance to give this $10,000,000 as a loan to the Grand Trunk Pacific Railway Company.

Mr. SPROULE. If the minister can conveniently do so, I wish he would answer a question. What proportion of the prairie section is now built, and how much will it require to complete it?

Mr. GRAHAM. The road is constructed from Winnipeg to a point near Edmonton. When I say 'constructed,' I would not like to be understood as meaning that it is entirely perfected. It is constructed so that they have been operating as a construction company, and I may say, as a matter of encouragement, that the net recepits for which they have been given credit in our statement amount to $29,000.

Mr. SPROULE. The answer of the minister does not cover what I wanted to know. What percentage of the work is done?—three-quarters, two-thirds?

Sir WILFRID LAURIER. The road is completed to Battle River, and it is expected to run to Edmonton in June.

Mr. SPROULE. What expenditure will be required in order to finish the prairie section? I think the minister ought to be able to tell us this. We are asked to give them $10,000,000. But of that $7,000,000 is to be paid back to the Grand Trunk, leaving $3,000,000. Will that amount finish the prairie section?

Mr. GRAHAM. I will be able to give my hon. friend details in committee. I have made a statement in a general way on that subject.

Mr. SPROULE. I understood the minister to say that we had already spent $23,000,000 and that the estimate of the engineers was that it would take $33,000,000 for the entire work. That means that $10,000,000 more is required. But of the $10,000,000 now proposed to be given them, $7,000,000 is to go to the Grand Trunk Railway, leaving only $3,000,000, apparently, to finish work that will cost $10,000,000. Would it not apear that the company will again be in trouble very soon? If our object is to hurry on the completion of the road, have we any assurance that the assistance we are giving will bring about its completion?

Mr. GRAHAM. My hon. friend (Mr. Sproule) is wrong about my statement. I said that over $1,500,000 was due them on the proceeds on the three per cent bonds.

Mr. ARMSTRONG. Do the government intend to exact from the Grand Trunk Pacific the same rate of interest that they will be compelled to pay on the bonds when they are purchased on the market?

Mr. FIELDING. I have discussed that. There is a possibility that we may have to pay a shade higher rate, but there is also a possibility that we may get the money at a lower rate. That is not a point on which we can answer definitely.

Mr. JOHN HAGGART. (South Lanark). I do not intend to discuss very fully the question at present before the House. There is a good deal of information which will be needed for the purpose of a full discussion, and that information, I suppose, will be given us in committee. The question before the House is a very simple one. The government come down with a proposal to give $10,000,000 to assist the Grand Trunk Pacific Railway Company to finish the prairie section which they contracted with this government in 1904 to build. In order to understand the matter fully, it would be necessary to consider the whole position in relation to the railway. It was only a few short years ago that the government came to this House with a proposal to build a transcontinental railway from the Atlantic to the Pacific with modern grades, through our own territory. They told us what the road would cost. I stated at the time that the cost would be largely in excess of the government's estimate. My friend the leader of the government (Sir Wilfrid Laurier) stated—and so did the Finance Minister (Mr. Fielding)—that the total cost to the country would be $13,000,000 or less. We laughed at the idea. We have now an acknowledgment that this road from Moncton to Winnipeg will cost in the neighbourhood of $180,000,000, by the time you get not only the road but the Quebec bridge and terminals required for operation of the railway all paid for. A very pertinent question was put by the leader of the opposition (Mr. R. L. Borden) to the Minister of Railways (Mr. Graham) as to the gradients on the road between Levis and Moncton, and as to the need for building this road. I remember stating, when the question was before the House, that a better line could not be found between Moncton and Levis than that over which the Intercolonial was built. The line they propose to take had been surveyed by the Intercolonial engineers, but it was not accepted. We find now that they have got a line barely 29 miles shorter than the Intercolonial between Levis and Moncton. And the gradients are the same, because there are two pusher grades, one of 1 and one of 1-10th, on this new line, and there are only three on the Intercolonial. And the cost of this new line is over $30,000,000. If one-tenth of the money had been expended in bettering the grades on the Intercolonial, we should have had a better line than either and the country would have saved $27,000,000. But what is $27,000,000 to these gentlemen? The object of this road from Moncton to Winnipeg, they say, is to bring the western grain to our maritime province ports. But is there any one in this country foolish enough to believe that a single bushel of grain—well, perhaps, a few bushels, but any considerable proportion of the crop—will come from Winnipeg to St. John or Halifax over the Grand

Trunk Pacific Railway? However, we are in for it. The Minister of Railways boldly says that we are partners in the road that is now under construction. We are obliged to come to the assistance of the company. We have already pledged ourselves for eight-tenths of the amount to build the road, and now we are asked to supply the remainder. And, after all, we have no interest in the road. True, the road comes to us after a certain number of years of working, but if there is any profit in the undertaking, that profit goes to the Grand Trunk Railway Company.

Mr. GEORGE TAYLOR. We are partners but without profits.

Mr. JOHN HAGGART. Yes, as my hon. friend (Mr. George Taylor) says, we are partners, but without profits.

Mr. NORTHRUP. The other party takes the profits, and we take the losses.

Mr. LENNOX. And they want us to be silent partners.

Mr. JOHN HAGGART. The Minister of Railways justifies his course by saying that we are partners in this railway. He says we are partners, not only in this undertaking, but in every railway we have built in Canada. When I was Minister of Railways, we assisted railways to the extent of $3,200 per mile; we gave this assistance to such railways as were not able to be constructed without it. That was the price put upon the rails. The company had to grade the road, build the bridges, and do everything else, and they virtually owned it. The view taken by the government at that time was that whatever amount we expended on railways, we got it back indirectly in customs taxes, and other benefits which accrued to the country within two or three years after the money was spent. Now admitting the premises of the Minister of Railways, what are we called upon to give this $10,000,000 for? The Minister of Railways says that it is necessary to help them on the prairie section. There is no necessity for anything of the kind. According to the statements of the Grand Trunk Pacific people themselves, they only require a couple of million dollars to help finance them to build that section of the road.

Now, I want the Minister of Railways to tell us why we are called upon to return to the Grand Trunk Railway Company $7,100,000 which they alleged they expended on the road. Where did the Grand Trunk Railway Company get the $7,100,000 to loan on the prairie section? That information should be given; the people are entitled to it, this House is entitled to the details of that $7,100,000. I do not believe the Grand Trunk ever advanced $7,100,000, they never had this sum in their possession to advance. If they had it in their possession, they would be committing a fraud by ad-advancing it, without the consent of the stock-holders, to such an undertaking as this. And yet, on the meagre information brought down by the Minister of Finance, he asks us for $10,000,000, of which $7,100,000 is to recoup the Grand Trunk Railway Company for an advance. We ought to have detailed information in regard to that, we have not a bit of information. Can the Minister of Railways give us a detailed statement of what that $7,100,000 consists of, or is he unable to give us the details because he does not know them? It may be explainable, but it is not explainable on the statement the Minister of Finance has brought down to this House. He says that the amount advanced to the Grand Trunk Pacific was $7,094,000. I am curious to know where the Grand Trunk got the $7,094,000; and if they had it, how they could loan it to the Grand Trunk Pacific. If it is for the purpose of purchasing bonds which have been issued by the Grand Trunk Pacific, we have no right to return it, because if we return it we are making a present of $7,094,000 to the Grand Trunk Railway. Is that not so, Mr. Finance Minister?

Mr. FIELDING. We do not propose to pay one dollar to the Grand Trunk Railway Company in the way my hon. friend suggests. As a matter of fact, the Grand Trunk Railway Company have put that amount of money into the enterprise. As to where they got it, and their authority for it, that is for them to consider. We will only pay out of this $10,000,000 the money certified by our engineers as having gone into the work. As a matter of fact, we will not pay it to the Grand Trunk Railway Company, we will pay it in the usual way to the Grand Trunk Pacific. As to their arrangements between themselves, and the Grand Trunk Company and their bankers, we are not concerned to meddle in that, so long as we pay the money out on the certificates of our engineers that the money has gone into the work.

Mr. JOHN HAGGART. The Grand Trunk Pacific borrowed that $7,094,000 from the Grand Trunk, the minister says. It is a most extraordinary transaction, I do not understand it. This company is coming here to borrow $10,000,000, a company that is in the position of the Grand Trunk Company, having a couple of million of preference securities. They have been paid interest for a number of years. I cannot understand how they arrange to borrow $7,094,000. However, with the assurance of

the Minister of Finance that the government will see that the $7,000,000 has been laid out on the work——

Mr. FIELDING. We will see that this $10,000,000 is laid out on the work.

Mr. JOHN HAGGART. I do not know in what form it has been laid out on the work. It may have been laid out for the purchase of rolling stock.

Mr. FIELDING. No, this is not for rolling stock, this is for the work of construction.

Mr. JOHN HAGGART. It has gone into the actual construction work of constructing the road?

Mr. FIELDING. Sure.

Mr. JOHN HAGGART. Some time ago when the Bill came before the House, the government assured us that the prairie section would not cost over $17,000 a mile, and the maximum amount to be paid was $13,000 per mile, leaving us to believe that it would cost less than that. Now the estimate is in the neighbourhood of $33,000 per mile, or more than double the original estimate. Engineers make mistakes, the Minister of Finance says, the price of labour has gone up, there has been a duty on steel rails. Every one who knows the condition of the country now and the condition in 1904, is aware that there is no jurisdiction for the statement of the Minister of Finance that the increased expenditure is due to an increase in the cost of material. He could easily find out what railroads cost on the prairie, he has only to write to the directors of the Northern Railway. He quoted the report of Sir Thomas Shaughnessy to his directorate as to the cost of that road north of Toronto. He could just as easily have ascertained what the cost of the prairie section was likely to be, which is similar. The Grand Trunk Pacific are building a road from Winnipeg to Edmonton, a road of similar character to this, that will not cost in excess of $25,000 per mile. Yet we are called upon to pay $32,000 per mile. What is the position? We were to have a first security on the prairie and on mountain sections for the money advanced, but by the legislation of last year we were placed pari passu with parties who had mortgages second to ours on these two sections. We have now no preferential claim, we cannot take over that road and work it by a receiver or in any other way except in the interest of the other bondholders who rank pari passu with us, and after putting the bondholders of the road in that position we are to advance them $10,000,000. The Minister of Railways says: Oh look at the glorious prospect in the Northwest, 200,000,000 acres of land to be opened up on the Saskatchewan river and I do not know how many more on the Mackenzie river; think, he says, of the prospect of that immense country that empire that will yet furnish the world with food stuffs within a time which we may expect to see. You would think that all these things would strike investors in an undertaking of this kind and render it more easy for the railway company to raise money. The strongest possible reason which the government could urge for not advancing $10,000,000 to this railway company is that they are building a road through a magnificent section of the country. We pay eight-tenths of the cost of the road and interest for a number of years upon it. Why is it not possible, with such grand prospects, before them for the company to raise the $10,000,000? One would think that the government in advancing this money would take all the securities which the company have to offer. The leader of the opposition (Mr. R. L. Borden) asks the government why they do not get possession of the stock of the company. That might not be of very great benefit after all but we have a right to it. We have also a right to a claim or lien such as the Grand Trunk Railway possesses upon that road from Port Arthur to Winnipeg, which is the key to the situation, but that is left out of our security altogether, we have no claim upon it. What would a road leading from Winnipeg or Edmonton down to this section of the country be without a branch to Lake Superior? It would be a useless undertaking. The hon. gentleman pictures to himself immense trains of grain crossing over this Grand Trunk Pacific from the fertile prairies to the maritime provinces. Does he or any man in this section of the country think that any large quantity of grain will pass the head of Lake Superior by rail? The grain will naturally seek the channel of cheapest transportation, and that is the water route to the sea-coast. The construction of the road to Quebec and Moncton does not promise to be profitable. I hope sincerely that the development in that section of the country from the discovery of minerals, timber and good lands may be such that it will have a bright future, but I do not believe in the manner in which that road is being constructed. The same system of construction should be adopted as is pursued in the case of other roads built through sections of the country which do not at the time of construction furnish sufficient products to afford a profitable traffic. The road should be built as the Canadian Pacific Railway was built, and all other roads in the United States and then as the country developed and traffic increased the road should be improved. But this gentleman says that all these immense crops from the Northwest can be transported to the maritime provinces on a four-

tenths per cent grade from the mountains to the Atlantic, and that this through traffic will pay the cost of the road. But the cost of the road is not simply the interest we have to pay; we have to consider the danger that the road may be thrown on our hands in the future, especially that portion of it from Winnipeg to Moncton so that we will lose not only the interest on its construction but also the immense sum annually which our experience in the government operation of railroads leads us to expect will be lost in its operation.

I observe that the Grand Trunk say they want only $9,400,000 but the chief engineer of our railways says that $10,000,000 and some odd thousands will be required to finish it. That is a difference of only about a million dollars. This money apparently is needed to recoup the bankers of the Grand Trunk Railway Company for money which they advanced to the Grand Trunk for the building of this road. I do not think we are called upon to complete the section of the road with the amount of money and bonds remaining unsold. According to the statement of the Grand Trunk people themselves it will require about $2,000,000 to finish the western section. There will shortly be available $1,400,000 of rolling stock and construction rolling stock which can be transferred over from the prairie section to the mountain section as $1,000,000 worth has already been transferred, and the prairie section will get credit for that so that we will have at the most $1,000,000 to provide for. This then is a loan not to assist the Grand Trunk Pacific to construct their road but to recoup the Grand Trunk Railway for money advanced by them to the Grand Trunk Pacific Railway Company in a manner which the Finance Minister says he does not quite understand, they borrowed the money from some bank in order to put it into the undertaking. I shall reserve further criticism until we reach the committee stage and have more detailed information.

Mr. F. D. MONK. I do not wish to take up the time of the House, but I wish to enter my dissent against this transaction as strongly as I possibly can. Those who were in the House will recall that when the Grand Trunk Pacific scheme was first brought to the notice of the House and of the public there was a universal agreement among the members that further railway accommodation across the continent was necessary. Attempts have been made to show that the Conservative opposition of the day were opposed to the building of a national transcontinental railway, but every one who has followed the debates knows that we were agreed as to the necessity of another transcontinental line, although we absolutely differed from the government as to the method of supplying it.

Under ordinary circumstances it is possible that I for my part would approve of this loan, but under the circumstances in which it presents itself to us I must emphatically enter my dissent. I remember declaring in this House that the scheme submitted by the government was not the scheme suggested by the Grand Trunk Railway Company at all, and the Minister of Finance will remember that at the end of the lengthy debate on the National Transcontinental Railway Bill he was obliged to produce before the House a document setting forth what the Grand Trunk Company had proposed. The Grand Trunk Railway had a net work of railways in Ontario and Quebec with extensions into the United States, but it lacked an entry into the rich territory of the Northwest, and it proposed to extend to the Pacific ocean so as to provide western connections for its eastern system. Had the plans submitted by the Grand Trunk originally been carried out it would have cost us comparatively little money, and to-day we would easily be able to meet the demands of the company, instead of having to provide for the fearful expenditure which now faces us. Instead of adopting the proposal of the Grand Trunk the government decided to construct this serpentine, circuitous, extraordinary railroad which is going to saddle the country with an expenditure of over $150,000,000. It was plain to everybody at the time, that the project of the government could not be carried out except at enormous expense. The Prime Minister who has a great many admirable qualities but who is neither a railroad builder nor a financier, told us with pathos that the project would cost us $13,000,000 and he added with a wave of the hand that it was only the surplus of one year, and this government glories in its surpluses.

Mr. FOSTER. However it gets them.

Mr. MONK. However it gets them, and no matter what may be the opinion of political economists as to the surpluses. We on this side argued that the road would cost us over $100,000,000, and the Minister of Railways has to admit that it must cost us $113,000,000. I think we are fairly safe in saying now that the country will have spent over $160,000,000 on the National Transcontinental Railway by the time we have it completed. It was stated when the project was launched in this parliament that this railway would develop the northern parts of Ontario and Quebec, and during the elections which followed, the Conservatives were attacked in Quebec because we had denounced this absurd scheme and declared that it threatened to ruin the country. We were told that we were antagonistic to this railway because we had a hatred of the province

of Quebec and were opposed to its development. I remember arguing at the time in the House that the two older provinces of Ontario and Quebec were certainly entitled to railway development, and that if we had the money there were other expenditures that might better be made. I said that what we required in my native province was the development of colonization lines which beginning at the valley of the St. Lawrence would extend north and south into these portions of the province which had no railway. I said that in Quebec we required colonization roads which would open up that province and bring the traffic down to the St. Lawrence which is the natural outlet for our trade. I presented motions to that effect but these motions were voted down. Can anything more ridiculous be imagined than the construction of a rival road to the Intercolonial Railway between Quebec and Moncton? Is there a man in Canada outside of this House, who does not point out at once this radical objection which vitiates this part of the scheme? We all know that in the territory between Quebec and Moncton there are companies incorporated to build railways which if they were properly assisted would infinitely better develop that district of the province of Quebec than does that section of the Transcontinental Railway. But, instead of encouraging by money grants and otherwise the construction of these railways which would be feeders to the Intercolonial Railway, we are building a rival road, 29 miles shorter between Quebec and Moncton and paralleling for a considerable distance the present government owned road. Well, we prophesied in 1903 that this scheme would not stand, and we are prophesying to-day that the proposal now before us is but the first of a series which will impose further obligations upon the country. The fact will remain that when this line is finally built the country will have paid for it but will not own it, a thing which is contrary to the principles I hold in reference to such public utilities. In the following year, I think,—I am speaking from memory—the National Transcontinental was placed by an enactment of this legislature in this situation. We are told that we are going to lease it, that we have a good tenant for the road, and therefore that although we are expending these hundreds of millions upon its construction, we are sure to recover the interest out of the rental which the road will yield. Where is our tenant, and what certainty have we that we shall ever collect one dollar of that rental, under the second step which we made in the evolution of this very unfortunate scheme which we have not seen the end of by any means. As I understand it, we are in this position. The Grand Trunk Company will become the user of that road when we shall have expended 180 millions upon it. If the Grand Trunk, under its exploitation, cannot pay the rental, what becomes of our tenant? He is absolved from any obligation to pay the rent to this extent. that if the Grand Trunk Railway cannot pay it, the only recourse the country has under that statutory enactment is to place the whole concern in the hands of a receiver, who will distribute what money he can make out of it in certain indicated ways.

When I hear that this railroad is going to become a great grain-carrying road to our sea-board, I entertain very serious doubts. In the first place, as between rail carriage and water carriage, there never will be any competition possible, because water carriage will always be cheaper, and in winter I cannot conjure up, whatever effort of imagination I may make, the idea that any considerable portion of the grain of the west is going to be carried over that road to the Atlantic. There is nothing to prevent the Grand Trunk from realizing the idea which it had in the very inception of this enterprise, and which I regret very much was not carried out, after traversing the plains of the west, and coming into Ontario, to connect with its own system; and does anybody think that with the branch lines that will tap the Transcontinental, in the province of Ontario and the province of Quebec, the Grand Trunk will bring any grain it may carry, not to its own network of railways and over its usual route, but through this vast wilderness of the north and down to the lower provinces? I do not believe it. Neither will the Canadian Northern nor the Canadian Pacific. Their interests are all to bring the grain to their own systems of railway and their own ports, and they will do it; and this will never be a grain-carrying road. Under these circumstances, it is proper for one who at that time foresaw what is happening to-day, to recall the attitude taken at the time, and to base on that attitude a protest against this loan. Because in an enterprise of this magnitude, where there has been such an entire difference as to the method of carrying it out—I say the method advisedly, because our hon. friends opposite are always asserting that we are against the completion of new and improved means of communication between the east and the west—I say it is proper for one who was opposed to that method at that time, to say that he does not believe in this loan. This loan is a consequence of what was done then, and I as one who was opposed to the scheme at that time, am opposed to the consequences of that scheme. Now, the loan itself does not commend itself to me on account of the circumstances and

conditions that surround it. If we now have to break up the contract that was made solemnly a few years ago, why are we not given the very best conditions? My hon. friend the Minister of Finance, when he first presented this project, told us that he placed very small reliance upon the mortgage security. I entirely concur in that view. I have very little reliance on a fourth mortgage. I would place more, as my hon. friend did at the time he made the announcement, upon the hope that the road will pay, and that our personal recourse against the road will become good. But can we not get anything better? Here is a company that has in its treasury $20,000,000 of common stock. Who owns it? The shareholders of this company. The stock is held in trust by three of them, and it is better than a fourth mortgage. Everybody admits that. No man will rise in this House to deny it. Why can that not be given to us as a security, as it could if the company wished it? Why are we not given preference stock? There is no possible difficulty about that stock, as it is in the company's treasury. Then, there is a company composed, I think, of men who are interested in this enterprise, and formed for the purpose of purchasing town sites along the line of this railway, which of course will become daily more valuable as the line is constructed. That would be good security for our loan. That company is going to enrich these fortunate men. They are going to become millionaires by the construction of this railway and by the re-sale of these town sites along the line of a road which, as the hon. leader of the opposition has said, we are financing almost entirely with our own money. There are three kinds of securities that are infinitely better than the one mentioned in this Bill.

Are we now getting the very best security since we are asked to depart from the terms of the original contract. That is the second reason why I wish to enter my dissent to this transaction. At present we have urgently needed public works, the construction of which should not be delayed. We have to provide increased accommodations for our friends in the west. That was the original plan of Mr. Hays when he came here to ask government assistance in order to place the vast net work of the Grand Trunk Railway system in contact with that rich region. We have to increase our canal facilities. Since we have thrown into the waste paper basket the report of the Transportation Commission, with all its practical suggestions, our American neighbours have awakened to the necessity of increasing their facilities for water transport; and while we are neglecting our plain duty they are building and deepening canals to tap our trade. Not only was the report of that commission unanimous in recommending the immediate construction of the Georgian Bay canal, but when the president, Mr. Reford, got the information that our American neighbours were taking action he wrote an additional letter which was published, saying that we had not a moment to loose in building the Georgian Bay canal, if we wished to keep control of the great traffic of the west. At the present moment, we ought to start that canal at the Montreal end. If we do not, the cost we will have to pay when we ultimately build it will be increased fourfold. We should at any rate begin at that end and the other, and the intervening space might be kept in abeyance for a time, since we have no money. Our ocean ports ought to be made free. We have American rivals in that respect who will otherwise take the traffic from us. They are increasing their facilities in Boston, New York and Baltimore. In some of their ports they are actually bonusing the traffic while we are increasing the burdens on our own. The Transportation Commission reported that certain of our ports should be made free to enable us to properly carry out the immense traffic we have with Europe, but we have not taken one step to give effect to that recommendation. Instead we have taken upon our shoulders this National Transcontinental Railway, which must for many years to come absorb all our resources. That was the scheme we condemned at the time and I condemn it now. Experience has justified what we said at the time, and I wish to enter my protest against this transaction under the circumstances.

Mr. W. B. NANTEL (Terrebonne). (Translation.) Mr. Speaker, I am bound, like my chieftain for the province of Quebec, to protest against the proposition which is now laid down before us. I was against that project of railway from the very beginning, and in 1904 I have fought indeed against that project of railway because it was untimely and not enough elaborate.

I consider to-day that we must accept the accomplished fact, that we are too much involved, that we cannot turn back and that we cannot frustrate the endeavours made nor the expenditure incurred. But in another point of view, it does not follow that we are bound to approve of every thing which has been made.

The Conservative party has never been against the construction of railways; it has been on the contrary, always identified with all these undertakings in our country. It has built the Canadian Pacific Railway —the first transcontinental—and that line was built, I can say it, in spite of the persisting hostilities of the Liberal party as a whole.

I am speaking for myself but I am satisfied that the Conservative party, as a party, will not try to kill that enterprise and will not fall into the exaggerations of the Liberal party from 1880 to 1884.

However the conservative party is entitled to see through this matter, and as a matter of fact we are only beginning to get an insight into it.

When we are told that the people have approved in 1904, and ratified in 1908 this undertaking on the part of the government I fail to see on what grounds such a statement is made. In 1904, the people endorsed the building of a railway which, according to the right hon. gentleman himself was to cost about thirteen millions or thereabouts. They endorsed the building of a railway, which according to the Minister of Finance—a man who should have been well posted on the matter—was to cost $11,512,325.

What do we see now? That same undertaking is to cost two or three hundred millions, at any rate over two hundred millions; which goes to show that the people had not been supplied with sufficient information in 1904. I find some further evidence on that point in the columns of the Witness, a paper generally well informed and whose loyalty to the liberal party is well known. The quotation is as follows:

The following is a brief summary of the principal facts to date; Expended on National Transcontinental Railway from Moncton to Winnipeg, $50,000,000; required to complete it, $66,000,000; required to build prairie section of Grank Trunk Pacific, $32,000,000; required to build mountain section of Grand Trunk Pacific, $68,000,000; total probable cost from coast to coast, $250,000,000; original estimated cost, $100,000,000; length of line east of Winnipeg, 1,752 miles; under construction, out of 3,556 miles, 2,000 miles. It will be seen from these figures that very much remains to be done, and that the original figures are very far astray indeed. If there were any chance of similar disparity between the estimated cost of building the Georgian Bay canal and the actual cost, the country would be likely to hesitate very long indeed before embarking on that enterprise.

Mr. O. E. TALBOT (Bellechasse). What about the remarks that your honourable chief (Mr. Borden) made a few days ago about the construction of the Georgian Bay canal?

Mr. NANTEL. Allow me to get to the end of this quotation.

It is interesting in this connection to note that the Canadian Pacific Railway, with over twelve thousand miles of railway, with big fleets on two oceans and the great lakes, with a chain of big hotels across the continent, enormous workshops and a rolling stock unsurpassed in the world for size and quality, only has an issued capital stock of $150,000,000, preference stock $48,800,000, debenture stock $115,650,000, and mortgage bonds of $39,620,000, or a total indebtedness of about $350,000,000.

Compare this with the Grand Trunk Pacific's 3,556 miles and its debt of $250,000,000, and the conclusion will soon be reached that if all this money were only honestly expended there is every reason why the Grand Trunk Pacific should be the 'finest and most substantial' railway on the continent. The Canadian Pacific Railway, however, runs no risk of losing its well won laurels.

So the 'Witness,' a faithful organ of the Liberal party, has criticised this undertaking, and that shows that the people had not been sufficiently enlightened at its outset in 1903.

It is contended that the people have approved of this undertaking. The people in this country are sometimes consulted in odd fashion; that is they are consulted after the matter has gone through, and not at all before it is decided and the contracts awarded. The people are fooled, and later on the government boasts of having obtained their approval. As I have already said, there are two ways of consulting the people, before or after deciding. It seems to me it would be more manly and fairer on the part of the government to consult the people before taking their decision, instead of waiting until that decision has been taken. For instance, in the case of that undertaking, which was launched towards the end of the parliament of 1900, it would have been a very easy matter indeed to submit it to the electorate at the election of 1904, previous to starting the work.

In connection with the increase of the salaries of the ministers and members of parliament the proposal was brought forward immediately after the general election of 1904, although the people had not had the least inkling of it in the course of the elections. It seems as though the people had approved that measure, but in that case again they accepted a state of things already in existence.

In regard to this important proposal for the granting of an amount of $10,000,000 to the Grand Trunk Pacific Company, it would have been an easy matter to submit it to the people at the last general elections. But nothing of the sort has been done. It would have been necessary to enlighten the people, to acquaint them with the facts and circumstances; but it was thought preferable to leave them under the false impression of 1904.

Mr. J. A. C. ETHIER. (Translation). Will the hon. member allow me to ask him a question? Does he accept, as concerns himself, the increase of the members' sessional indemnity which has been voted?

Is he willing or not that it should be maintained?

Mr. NANTEL. (Translation). In answer to that question, I may say that, had I been here I would have voted against that proposal, not so much because I considered it unfair in itself, but on account of its being sprung by surprise on the people. I am not called upon to discuss that question just now; I have referred to it by the way and not with any idea of criticism. It seems to me that in connection with questions of such importance, it would be advisable to consult the people. The manner of consulting the people which the government have adopted is not the ideal one to my mind. It is in accordance neither with the spirit nor with the letter of the constitution. It is an arbitrary and anti-liberal mode of procedure; it is neither generous nor frank, and surely it is not manly.

That sovereign people in whose presence, during the elections, politicians are so apt to take a cringing attitude, is deserving of more consideration.

As will have been noticed, the extra expenditure on this undertaking will be enormous. As stated by the 'Witness' that road will entail on the Dominion an expenditure, not of thirteen millions, not of a hundred millions, but rather of $250,000,000 or possibly $280,000,000. This government is going to supply all the funds for this undertaking from Moncton to Prince Rupert, from ocean to ocean, for all sections east and west, and the prairie and mountain sub-sections, including the Quebec bridge, and these amounts will be returned when there are funds available.

With whom are we dealing? Is it with the Grand Trunk Pacific, or with the Grand Trunk Company of Canada, or with a third company which has made its appearance under the name of the Grand Trunk Town Site and Development Company; or lastly, is it with the fourth company, the "Grand Trunk Pacific Branch Line Company"? All these companies are apparently amalgamated; the directors are the same in every case, they constitute in reality a single moral person; and I say that parliament should under the circumstances show great caution in granting them favours. They are endeavouring to secure privileges, while avoiding all risks. These companies are much more anxious to make money out of us than to endure the welfare of the country.

The hon. Minister of Railways stated a minute ago how important it was from our point of view to have an entirely Canadian line of railway, over an all-Canadin route. Now, do all these companies which seem so anxious to provide us with an all-Canadian Transcontinental Railway, have as stock holders and directors Canadian citizens, or at any rate foreigners intending to become citizens of Canada. Are they not rather strangers, Americans, anxious to make money at our expense, without even going to the length of getting naturalized?

When I heard the Minister of Railways and his friends booming the West, I remember what the Liberals had to say in this connection in 1880 and 1884. It is important, I think, to recall the past, for fear certain incidents in the history of our country should be too soon consigned to oblivion. It was not usual then to boom the West, to speak of it as destined to become the world's great storehouse. I shall quote presently some of the sayings of these gentlemen in that connection, when the Canadian Pacific Railway was applying to parliament for help towards the completion of their undertaking.

However, as regards this proposed second transcontinental, it was launched prematurely, with inexplicable haste, in the full blast of a session, when parliament was drawing to an end, and against all expectations. It should be no matter for surprise if in the end the expenditure is found to be enormous. Arrangements were taken as if the matter had been of very little importance, without going to the pains of getting precise information in regard to the physical features of the country through which the railway was to be built, nor as regards the expenditure, and the cost of the road in stead of amounting to $13,000 per mile or $30,000 per mile, reaches $35,000 and even $80,000 per mile.

That is not surprising; it was bound to happen, and the best evidence of it I find in a speech of the right hon. Prime Minister, delivered on July 30th, 1903. He said:

> I do not expect even the most fastidious of our critics will ask us that we should have had an exploration across the prairies. They are satisfied that we have enough information now to deal with this question so far as the prairies are concerned. But I shall be asked: What about the Rocky mountains? My answer in regard to the Rocky mountains is that we have mountains of information. We have mountains of books, pamphlets and reports—books, pamphlets and reports from traders, from explorers, from engineers.

And he mentioned Samuel de Champlain, Robert Cavelier de la Salle, La Verendyre, Alexander Mackenzie, Captain Butler and many others who at that early date, in their travels on land and sea, had not the least idea of making surveys or specifications and estimates for railways. No wonder that with such data, the government should have been out in their calculations.

At six o'clock the House adjourned.

HOUSE OF COMMONS.

THURSDAY, April 29, 1909.

The SPEAKER took the Chair at Three o'clock.

QUESTIONS.

CANAL FROM LAKE WILCOX TO NEWMARKET.

Mr. WALLACE—by Mr. Blain—asked:

1. Is it the intention of the government to construct a canal from Lake Wilcox, Whitchurch township, York county, to the town of Newmarket?
2. Was the survey made of this route as a feeder of the Newmarket canal? If so, what did it cost?
3. What was the probable cost of building such a canal from Lake Wilcox to Newmarket?

Hon. G. P. GRAHAM (Minister of Railways and Canals):

1. Such a project has not been considered by the government.
2. No survey was made for a canal; but a line was run for a conduit which might if necessary carry water from a reservoir to the canal.
3. Such a canal was not contemplated.

CUSTOMS COLLECTOR AT BATHURST.

Mr. CROCKET—by Mr. Geo. Taylor—asked:

Has the Department of Customs granted the collector at Bathurst, New Brunswick, any leave of absence from duty since November 1 last?

Hon. WM. PATERSON (Minister of Customs). No.

BOWLING ALLEY IN WOODSTOCK, NEW BRUNSWICK, ARMOURY.

Mr. CROCKET—by Mr. Geo. Taylor—asked:

1. Is the Department of Militia and Defence aware that the superintendent of the armoury at Woodstock, New Brunswick, is said to have built and is operating a public bowling alley in said armoury?
2. If so, is this not a violation of the regulations relating to armouries?

Hon. Sir FREDERICK BORDEN (Minister of Militia and Defence):

1 and 2. The officer commanding Military District No. 8 reports that he gave permission for the use by the officers, non-commissioned officers and men of the militia at Woodstock, of the west wing of the Woodstock armoury as a temporary bowling alley.

From the report it does not appear to be a public alley, as the rules do not allow of any one bowling except members of the militia or friends introduced by them.

MINIMUM TARIFF UNDER FRENCH TREATY.

Mr. SAM SHARPE—by Mr. George Taylor—asked:

1. What is the minimum tariff, in Canadian currency, under the Franco-Canadian Treaty on the following products of the farm exported to France, and what is the maximum French tariff on the same articles, viz.: horses, cattle, mutton, pork, wheat, barley, rye, maize and buckwheat?
2. On what any ten staple products of the farm, produced in considerable quantities will Canadians enjoy the benefit of the minimum tariff on goods exported to France, as distinguished from the maximum tariff; and what is the amount of such minimum tariff in Canadian currency?

Hon. W. S. FIELDING (Minister of Finance). The information is covered by a paper submitted to this House at the last session, a copy of which I will have sent to the hon. gentleman.

LETTER CARRIER SYSTEMS IN CITIES.

Mr. FOSTER asked:

1. What cities in Canada are equipped with letter carrier systems?
2. Are the letter carriers in all these cities organized on the same basis as to duties, classes and salaries?
3. In how many of these cities is the appointment of clerks in the post offices made by the government, and in what cities are they made and paid by the postmasters?
4. What is the amount received by each of these latter postmasters, and what number of clerks does each employ?

Hon. R. LEMIEUX (Postmaster General):

1. Montreal, Toronto, Quebec, Ottawa, Hamilton, St. John, Halifax, London, Winnipeg, Kingston, Victoria, Brantford, Edmonton, Calgary, Stratford, Berlin, St. Hyacinthe, Three Rivers, Peterboro, Sherbrooke, Guelph, Charlottetown, Brandon, Windsor, St. Catharines, Sarnia, Fort William, Port Arthur, Moncton, St. Thomas and Chatham.
2. Yes.
3. In all of the offices named above the clerks are appointed by the department with the exception of Stratford, Sarnia, Chatham and Moncton.

4. Stratford	$6,581 02
Sarnia	6,298 39
Chatham	7,992 32
Moncton	7,659 48

In consideration of the above allowances the postmasters are required to engage whatever assistance may be necessary to properly perform the post office work. No record is kept in the department of the number of clerks employed at such offices. The matter of also placing these offices on

a semi-staff basis, that is, that appointments to clerkships shall be made by the department, is now under consideration.

BUSINESS OF THE HOUSE.—MORNING SITTINGS.

Sir WILFRID LAURIER moved:

That from this date to the end of the session, the rule of the House concerning the closing of the sitting on Wednesdays at six o'clock, p.m., shall not apply; that from Monday, the 3rd of May next, and until the end of the session, the House shall meet on that day and on every subsequent sitting day at eleven o'clock in the morning; and that in addition to the usual intermission at six o'clock, p.m., there shall be also an intermission every day, including Wednesdays, from one to three o'clock, p.m.

Motion agreed to.

GRAND TRUNK PACIFIC LOAN.

House resumed adjourned debate on the proposed motion of Mr. Fielding, for the second reading of Bill (No. 128) to authorize a loan to the Grand Trunk Pacific Railway Company.

Mr. W. B. NANTEL (Terrebonne). (Translation.) Mr. Speaker, when the House adjourned last night, I had just quoted from a speech where the right hon. gentleman spoke of piles and mountains of information he had in the shape of books, pamphlets and reports from commercial people, surveyors and engineers about the projected railway. Now, with all due regard for books written by travellers, traders or engineers out on hunting or exploration trips, who often make the description of a country as a matter of literary essay, I think it would have been better to have the report of a railway engineer on official duty before engaging the country in such an important undertaking. Had we had such a report before running the risks of the construction of a new transcontinental railway from Moncton to Port Rupert, through the wild regions of North America, the Rockies and the Laurentian mountains, if we had been patient enough to wait for a report made by serious engineers, I think the mistakes in calculation we know now would have been avoided. We would have been brought nearer to reality, even taking into account the higher grade of the proposed line of railway, the augmented price of materials and labour, together with the constructor's appetite. Again, if there had been competent engineers, the Quebec bridge would not be now lying at the bottom of the St. Lawrence. For my part, I think the construction of the first transcontinental railway was by far more necessary than that of the second one. It was one of the conditions of the entering of British Columbia into confederation. The west had to be opened to settlement; there was no time to be lost, and each hour delay involved a double loss, as was shown by the event.

This work had been completed for years. Since 1870, the different governments had often attempted to give the contract. The first contract was even entered into, but it was not carried on. So that the plan was laid out, matured and even antiquated. In 1880, when it was proposed to complete the contract and to hand over the railway to the company which had constructed it, my right hon. friend (Sir Wilfrid Laurier), who was the first lientenant of the leader of the opposition, and every oppositionist member at that time stated that the government was in too great a hurry, that information was needed and that moreover there was no lack of communications with the west. Among others, the right hon, the First Minister, said in an ironical and satirical tone :

The government say—it was the government led by Sir John Macdonald—'accept the contract it is the best we could get.' Is that the language of a free government, of the executive power of a free country? What has seized the government of this country that they have been compelled to accept this contract from the syndicate? Who in the world compelled the government to negotiate with the syndicate? What great calamity has befallen this country that the government should be compelled to surrender unconditionally to the syndicate? If there had been a war and we had been defeated and the government forced to accept from the victor such terms as suited him to enforce, and if the government came here to have the treaty ratified, would their language have been different to that used in order to induce their supporters to accept the contract? When in the year 1871, at the termination of the disastrous war with Prussia, the provisional government of France met the newly elected national assembly and presented to it the treaty concluded with Germany by which France ceded to that country two of its best provinces, some of the members protested against the clauses of that treaty. And what was the language of the French government in reply? It was exactly the same as used to-day by our administration: 'Accept the terms, they are the best we could get.'

In 1884, the company having spent large sums, having exhausted their resources, and having shown by a detailed statement, sworn to by reliable auditors of the expenses incurred to date, and of the money required to complete the work, and being anxious to carry on their contract, which was nearing completion, before the delay elapsed, in spite of the unjust war waged against them by rival companies and jealous capitalists, and offering as a guarantee, not only a section of their road, but their whole road, all their holdings without any reservation, to secure a loan of $30,000,000, the government to remit the money only on progress estimates, their proposal was bit-

terly attached by the right hon. the first minister, his leader at that time, the hon. Edward Blake, and their friends. The right hon. gentleman said :

But am I again to repeat what is in the knowledge of everybody, that the Northwest Territories are tapped by the railway system of the continent and that there is communication with it by the lakes, and, therefore, not one more settler would go into that country if the road were opened through its whole length.

And, further:

I would say to the company let your motto be *festina lente;* take your time but build your road, and it will be for your advantage and the advantage of the people as well.

At that time no one praised the western plains as they are now praised; no one had found out that the west was the granary of Europe and of the whole world. However, that granary had been discovered as early as 1870 by the leaders of the Conservative party, Sir John Macdonald, Sir George Etienne Cartier and Sir Charles Tupper. Yesterday, we heard gentlemen on the opposite side of the House extolling that western granary. Great was my surprise when I heard them. It is the reason why I recall those past events which we are prone to forget.

Now, what did happen in 1903? What a change ! What a transformation ! O ! 'quantum mutatus ab illo,' would the Latin poet say.

During a session, the plan of a second transcontinental line is laid out and explained to parliament by the First Minister. It must be approved, and that without delay. There is no more thought of those Prussians who imposed terms so severe upon the French in 1871. It was not Hobson's choice; you had to take it. There was no time to be lost, if it were not too late. Trade was seeking another channel. Our country was in the clutches of the Americans. It was necessary to relieve the situation without waiting any longer.

There was a lack of reports from engineers but it did not matter; the writings and pamphlets of tourists and traders would be used instead! Is it, Mr. Speaker, that we are to be deprived hereafter of the means of communiaction afforded by the great lakes? Then, the Canadian Pacific Railway is built and fully operated, but all that goes for nothing. There is need of another transcontinental line, and they must have it now. The late Hon. Mr. Blair is shocked and resigns as the Minister of Railways. To him the whole mystery—for he believed there was a mystery—was that the Hon. Senator Cox would not wait any longer. That was the most grievous insult on the part of an ex-member of the cabinet to his former leader and colleague. But it was all to no avail. Everything was settled and patched up in less than no time and the deed was executed.

Mr. Blair was right when he said that the railway could cost $139,000,000, but no body would believe him. The leader of the government had stated that it would cost $13,000,000. His Minister of Finance, going him one better, had mentioned the sum of $11,512,325, so as to have the people believe that he had figured it very closely, since he had found these $325 instead of a round sum. The people gave credit to that information and Mr. Blair kept silent. Was it on account of his outspoken language or on account of his silence that he was royally rewarded by his apointment as chairman of the Railway Commission at a salary of $10,000 a year ? Everybody was pleased. In 1904, the people sanctioned an expenditure of $13,000,000; in 1908, they gave the same verdict, but now they are called upon to face an expenditure ranging between $250,000,000 and $280,000,000.

Neither Mr. Blair nor anybody else had the slightest idea that the work would cost $280,000,000, or that in 1909, before having completed the prairie section, the sister companies would ask the government for $10,000,000, threatening to stop work in case of a refusal.

Some say it is a loan. Do you know, Mr. Speaker, what those gentlemen thought of such loans when they were in opposition ? In 1884 when the Canadian Pacific was asking the government for a loan of $30,000,000, in order to complete the railway, the right hon. the first minister expressed his fears that the loan would be converted into a gift and borrowing the language of the Scriptures he said that he would as soon believe that the waters would flow back from the sea to the lakes as that one cent of that money will ever come back from the Pacific Railway exchequer to the Dominion exchequer. And the Hon. Mr. Blake, the leader of the opposition at that time, spoke of the clause stipulating that if the company did not refund the money, the government would ' ipso facto ' become proprietor of the railway and he added:

We had other companies which did not lose their roads under similar circumstances. We have had the Grand Trunk, to which we made advances on a first lien, a very first lien, a splendid first lien, and where is that lien now? It is away down among the dead men. I believe it is seen in the Public Accounts and in our balances, but it is visible nowhere else. So it might be here. It is impossible not to recognize the lesson and the story of the past, when looking at the present and trying to forecast the future. Should default be made, you are not going to sacrifice the interests of those shareholders. The past tells what the future will be.

That statesman, that distinguished leader

of the Liberal party is undoubtedly surprised that the Canadian Pacific Company has so well repaid their indebtedness to the Canadian government and that, on the other hand, his language did not cause the Grand Trunk Railway Company to pay off their mortgages.

That sum of $10,000,000 together with what the Grand Trunk Company of Canada owed us before is a heavy burden upon our people, already overloaded, as the right hon. the first minister used to say. And Mr. Speaker, $7,094,000 of that loan of $10,000,000 will fall into the exchequer of the Grand Trunk Railway Company of Canada, our debtor to the extent of $25,600,000, according to the Minister of Railways and Canals.

The hon. Minister was asked whether the G. T. P. Company would again ask parliament for other sums of money and the hon. gentleman answered that he could not tell, although it was quite possible.

As for myself, I am free to see that this request of the company shall be granted though the sureties that are offered are worth nothing, as we have it from the mouth of the hon. Minister of Finance himself in his speech of the 30th of March last. Our guarantee only affects the prairie section which is under construction and only amounts to a fourth mortgage. A second and perhaps a third similar request will soon follow. They shall all be granted and the mortgages—in the terse style of the hon. Mr. Blake—will be away down among the dead men.

How powerful are the railway companies in this country of ours. They are in full control of everything, 'de facto,' if not 'de jure.' The more I look into the matter, the more I am confirmed in my belief, and the speeches delivered in 1884 by the then members of the opposition are of a nature to satisfy me entirely as to the correctness of my assumption. I am unable to resist the temptation of quoting some of their fine oratory. That debate was also in connection with a loan of thirty millions to the Canadian Pacific Railway. What were the grounds for granting that loan? No other grounds can be shown, stated the right hon. gentleman to-day leader of the government:

> That the government are to-day controlled by a power mightier than they. They are like the wizard of old, who, through his incantations, gave life to a monster which made him its slave and in the end destroyed him. The governments are in the hands of a company which it must obey, just as the servant in the Scripture, to whom his master said: 'Go, and he goeth; come, and he cometh.'

Then Sir Richard Cartwright on the same occasion put the following query to the hon. member for Richmond and Wolfe (Mr. Ives):

> 'Does the hon. member suppose that the Canadian Pacific Railway Company has no paid advocate in this House? Does he suppose that no member is interested in favouring the Canadian Pacific Railway? Does he imagine that the company has no friends in the House and in the cabinet?

Mr. Speaker, when men of the standing of the Right Hon. the Prime Minister and Sir Richard Cartwright, men of exceptional intelligence and wisdom, veterans in parliament, experienced speakers possessing the art of expressing all they wish to convey and of conveying nothing more than what they really wish to say, express themselves in such a manner before the House, it is not surprising that we, the new members of the House, should feel serious misgivings when we see all the Grand Trunk Companies besieging parliament for new favours.

Do not these speeches, Mr. Speaker, in the light of the facts before us concerning the difference of $775,0000 as between the $27,031,453 submitted by the company as chargeable to future construction on the 31st December, 1908, and that of $26,256,455 really approved, in the light of that other item of $162,000, of which so much has been said but no explanation yet given, and which the Grand Trunk Company of Canada holds against the Grand Trunk Pacific Company of Canada—are we not justified, I say, to apply to the Grand Trunk Pacific and to the present government what was said in 1884 of the government of that time.

If at one time the Pacific ruled, to-day the Grand Trunk Pacific commands. The position is the same, only the name has changed. That is the least that can be said. It is a painful, but logical, conclusion which cannot be denied.

When governments make advances to railway companies under such circumstances, they should, it seems to me, insist upon the transfer to the country of an amount equal to such advances in paid up privileged and common stock of the company, and so become to all intents and purposes shareholders of the company until such advances have been refunded in full. That would be a good, practical security, besides giving the government means of controlling the companies. In the present case, the government should require bonds from the company and the latter could not refuse; if the bonds are in the hands of the Grand Trunk Railway Company, that company could not refuse. For my part, I consider such security better than any mortgage, to which I attach little importance.

Mr. O. E. TALBOT (Bellechasse). (Translation.) Would the hon. member allow me to put a question? What are the bonds of any company worth if they are not paid up in full?

Mr. NANTEL. (Translation.) There would be no risk in accepting such bonds, and for my part I would not hesitate to accept them. They are a much better security than the mortgages of which Mr. Blake spoke, and which are gone the way of last year's snows.

If we had acted in that way towards the Grand Trunk Railway of Canada, is it not probable that we would have recovered the sum of $25,000,000 still due and which, as Hon. Mr. Blake said, is to be found nowhere except in the public accounts? To me the thing appears clear.

Mr. TALBOT (Translation). You are easily satisfied.

Mr. NANTEL (Translation). Perhaps I may not require as much as you do. The Grand Trunk Railway Company of Canada never paid these mortgages because the net profits of the company never covered its first bonds. And those bonds were never covered on account of enormous promotion costs and lobbying costs and of other expenses of a more or less legitimate nature which the company was obliged to defray at every step, because excessive salaries and perquisites were paid to managers and administrators, to princes of finance, to lawyers and to those friends whom Sir Richard Cartwright mentioned in 1884, and who seem to have been everywhere even within the precincts of parliament and in the cabinet.

History repeats itself ; that is the reason why the privileged bonds and other stock of such a company are better security than mortgages.

The Hon. the Minister of Railways and Canals told us yesterday the country was in partnership with the company for the construction of this railway. If such be the case, Canada must be the sleeping partner providing the funds without any hope of sharing in the profits. But are we in partnership with the Grand Trunk Pacific, the Grand Trunk Company of Canada or any other company springing from the original Grand Trunk Company? I mentioned yesterday two of those new creations. It appears that I had forgotten a third, the Grand Trunk Construction Company. We may perhaps be in partnership with them as long as it is necessary to disburse money but when the day of reckoning comes we will find only the Grand Trunk Pacific Company, the probable inheritor of all the debts. Town lots, hotels and parks will belong to some other of those companies, branch lines to a third, and still another will crop up at all points with privileged claims for works and construction. The Grand Trunk Pacific will hold all the indebtedness. I would prefer having to deal with one single company, the Grand Trunk Company of Canada. That company should come forward alone and openly to take charge of the whole construction and incur the full responsibility of the advances now sought for. They should take charge of the whole road, of branch as well as trunk lines, and hold in their own name city lots and all other assets; such a proceeding would be more reassuring for this House and for the government. For my part, Mr. Speaker, if I were in the place of the government of Canada, before granting this loan of ten millions to the Grand Trunk Pacific, I would require, besides the conditions I have just mentioned, bonds and a settlement of old accounts on the part of the Grand Trunk Company. I would liquidate the old claim. Yes, Mr. Speaker, that is what I would do, and that is, no doubt, what the government will do, unless they have fallen under the influence of that old magician of which the right hon. Premier spoke in 1880 and 1884, whose life, says the story, was constantly threatened by the claws and teeth of the strange progeny he had begot, as it turned out, to his own undoing.

This railway, Mr. Speaker, is a hastily conceived idea of the present administration. One might suppose that it was suggested to the hon. gentlemen now holding power by the magician of the story or by some mischievous imp for the purpose of placing them in contradiction with their past, of giving us a further proof of the weakness of human nature and of showing us how the finest political intellects must of necessity contradict themselves several times in the course of their career, especially when having long remained in the cold shades of the opposition they are at length called upon to bask in the golden rays of power.

The other evening I heard with pleasure the statement made by the hon. member for Lambton West (Mr. Pardee), that the great Canadian statesman, Sir John Macdonald, had been unwisely opposed at the time to the construction of the first transcontinental. Yes, Mr. Speaker, that patriot was unwisely and injudiciously opposed in a great national undertaking, and the wonder is that he was able to accomplish his task in spite of the opposition he met with. Everyone will admit that the construction of the first transcontinental was a more difficult and especially a more necessary undertaking than the present and that the prosperity we have since enjoyed, and of which our opponents are wont to boast, is is great part due to that railway. Those words of the member for Lambton West are an act of justice, of tardy justice towards the memory of a great man; I thank the hon. member for them and I congratulate him, the more so that it must have

cost him an effort to say that which implied a censure against his leaders.

In spite of my criticisms and certain expressions, perhaps rather harsh, that I have borrowed from opponents for the purposes of debate, I accept, I repeat it, the accomplished fact and I am ready to second all legitimate and advantageous measures calculated to carry the work to a successful termination. But while accepting the situation, let us act like business men and like freemen, not like the vanquished of 1870, of whom the right hon. premier spoke in 1880.

First of all, if all these companies are not in a position to build the road, should we not be immediately advised of the true situation. Then, if the government is obliged to advance all the money, would it not be preferable to pay to the companies the value of the work they have done and take up the road as state property, with a view of disposing of it as soon as possible in favour of the company which may be in the best position to work it and especially to pay for it.

In conclusion, Mr. Speaker, if to secure the success of that colossal enterprise to which the country is now bound, it is necessary for us to grant this loan and to become the bankers of the companies, let us at all events stipulate that they will pay interest at a rate at least as high as that which the government itself is obliged to pay. The interest on the loan to the companies is fixed at 4 per cent, but the government may have to pay more than that; why not stipulate, therefore, that the companies shall pay whatever interest the government may be obliged to pay on loans?

Would it not also be advisable to make an attempt tending towards the settlement of the old claim of $25,000,000 due to the country by the Grand Trunk Company of Canada? If the claim must be lost, let us make the sacrifice at once and hear no more about it. If on the contrary, the claim is of any value, should we not attempt to have it paid? When favours are asked conditions may be imposed. The Grand Trunk Company of Canada owes us $25,000,000 and wishes to borrow $10,000,000 more.

Is it not time that we should say to them: We will give you this money, but at the same time we shall settle this old claim which dates away back before confederation. In one word, let us compel them to give us as security a certain amount of shares in the capital stock of the company, either common or preferred stock; let us become shareholders of the company. It is, according to me, the best security, a far better security than those mortgages in which Mr. Blake no more than I had any confidence whatever.

Mr. NANTEL.

Mr. TALBOT. What are those shares bringing to-day?

Mr. NANTEL. I must confess they are bringing very little just now, but before long they will be worth double their present value.

Mr. TALBOT. Mortgages will have to be paid first.

Mr. NANTEL. No doubt mortgages will have to be paid first, but the stock will always have a market value, and the government can always dispose of them to some advantage, while a mortgage like that which is held by the government against the Grand Trunk Railway is valueless, inasmuch as the government lacks the manliness to compel them to pay.

To conclude, I say that I am bound to accept the fait accompli, and that we must make the best possible arrangements with the company in order to ensure the proper carrying out of this huge project wherein is pledged the good name of the nation.

Mr. ALEXANDER McCALL (Norfolk). Mr. Speaker, in rising to make a few remarks on the question before the House, I need scarcely ask that the courtesy always extended to new members will be extended to me. I am glad to observe a spirit of fairness prevailing on both sides. In discussing this question, I cannot hope to touch upon more than a few phases of it, for it is too great a question for me to discuss in its entirety. But representing, as I do, one of the first organized counties in this Dominion, a county whose people have for more than a hundred years contributed to its taxes and to the cost of every public work, I wish to give voice to their sentiments on this question. Being a thrifty people, who have suffered hardships for the good of this nation, who in their early days gave of their strength to the nation's defence and to making the country habitable and fit to enjoy life in, they may justly feel some alarm at a proposition that means doubling their liabilities, and I would be unfaithful to them, if I failed to say something on the question before the House this afternoon.

The hon. Minister of Railways and Canals spoke of the Grand Trunk Pacific Railway as a partnership. That idea is a good one. In reality, there are three parties to the partnership, the Grand Trunk Pacific Railway Company, the administration of the day, and the people of this country. In a business partnership it is a fundamental principle that all parties must be absolutely fair with each other. One must not take advantage of or be untrue to another, or else the partnership fails. Applying this thought to the proposed resolution, I think I can safely say that the people of Canada, the third party in the partnership, have not

been treated fairly by the second party, the government of the day. Is there a gentleman in this House who will say seriously that if the people of this country had believed that they were facing a $300,000,000 proposition, or a $250,000,000 proposition, or even a $200,000,000 proposition, they would have ratified it four years ago? I will not take up the time of this House in discussing the promises made by the ministers as to the cost of the work to the country, whether it was $13,000,000 or $14,000,000, or which it was; but I say that a proposition which simply doubles the liabilities of this country, which increases the net debt of the country from $250,000,000 to $500,000,000, which places our liabilities at half a billion dollars, is not one that will receive the approval of the people of this country when placed before them in that bald, plain way. Therefore, I say that the third party in this partnership, the people of Canada, have been grossly deceived by the second party, the government, in the interest of the first party, the railway company, who did nothing but drive a very hard bargain with the government and now not only hold them to that bargain, but come and ask for this loan of $10,000,000, and the Minister of Railways and Canals would not say that this was the last call that he expected them to make. Instead of that, he rather intimated that there would be another call, and perhaps others after that. Clearly that is a breach of faith towards the third party in this transaction. To me and to others on this side of the House the Minister of Railways and Canals seems to have treated this important question in a spirit of levity. He spoke in a jocular way of the increased cost of the undertaking as a matter of course, referring to the Panama canal, the Erie canal and other canals whose cost outran the estimates of the engineers. But it is to be noted that the Panama canal will one day carry the ships of every nation, whose flags float the seas, and if it is to cost $400,000,000, the cost is to be borne by eighty million people, twelve times our population; and yet the sum to be expended on that one work is not much larger than the sum we are called upon to expend on this scheme. I am not discussing that proposition by way of comparison with this; but the point I wish to make is that if the cost of the work turns out to be anywhere from 50 per cent to 200 per cent more than the estimate of the engineers, then in estimating the cost of a work of this kind, after the engineers have done their worst, so to speak, the government should say to the people of Canada: 'While our engineers have estimated this work to cost $100,000,000, we will be frank with you and will say that it will cost $200,000,000;' you are going to pledge our future earnings and those of our children to this stupendous scheme, and we should know the liability we are to share. Need I ask this House if that information was given to the people of this country, so that they could vote no to the proposition if they chose? No, the reverse was the case.

Much was said by the Minister of Railways and Canals about the quality of the railway. Well, we ought to get the best railway in the country or on the continent, but I do not believe that the plans and estimates provide for this. Every one who knows anything about railway construction knows that the first consideration is a good tie. If you have a good tie, you can do with an indifferent rail and roadbed. An American standard tie is a tie 8 feet 6 inches long, 7 inches thick, 8 inches wide. The Pennsylvania, one of the great trunk lines in the United States uses a tie of those denominations, made of southern pitch pine or white oak. Bear in mind that that is the standard tie used by all the eastern trunk lines in the United States. But just consider the ties which are being laid on the National Transcontinental Railway—8 feet long, 6 inches thick, and 7 inches wide, and made of the cheapest timber known, namely, jack pine and tamarack. The roadbed and the rail may be sufficient, but that tie is not one which can stand any heavy traffic. The hon. Minister of Railways (Mr. Graham) speaks about the high standard of the road. Well, time will tell whether we get a freight standard road or not. In fact, it is a railway still on paper, and it will require actual observation when completed to see whether the minister's promises are made good or not.

I am not going to discuss the price. The great question is whether we are getting value for it. In dealing with the cost of this road, from the standpoint of our national resources, I propose to offer a few words; and I would ask hon. gentlemen to bear with me if I should appear careless and drop a million or two when dealing with the millions of this country. In handling hundreds of millions, one might easily drop an odd million or so, but our liabilities will not fail to turn up in good order. They will all be in their place when the time for payment comes and will have to be met by the tax payers. Before this country began to pay out money on account of the Transcontinental, our public debt was about $258,000,000. This sum represents all the debt of all the provinces at their entry into the confederation and all of the debts of the Dominion to the time of the announcement of the Grand Trunk Pacific. Taking the most moderate estimate—and I have not heard the Minister of Railways attempt this session to say just what sum of money is necessary to complete the work—this entire road, the eastern section, the prairie and the mountain sections and the government guarantee, will require $250,000,000.

That is a moderate estimate of our liabilities which must be paid within the next four or five years, making $500,000,000 in all. Admitting that to be the case, ought we not all to feel anxious that the country should keep its expenditures within its capacity to bear the burden? But that expenditure is not all we are committed to. There are other schemes which are bound to become national liabilities. For instance, the Hudson Bay Railway and the Georgian Bay canal. In connection with the latter scheme, the right hon. the Prime Minister last year said it was one which was near to his heart; and when the right hon. gentleman says that a scheme is near his heart and puts his hand there, that is good for a million. I hope we shall not have too many such schemes.

It is true that some people from a county right near the city of Toronto, came over here and asked for a sum of about a million, and it is said that there were a number of Tories in that delegation and that through their influence a sum was granted for the proposed expenditure. Let me say to the Prime Minister that if he knew the Tories of North York as some of us do, he would not give them a quarter of a million. He must not be too credulous on such occasions because when Tories come in company with Liberals, it is a sure sign that they are after the public treasury.

As I have said, other expenditures will be necessary, and we ought not to tie ourselves up to one large outlay, but must leave something to meet other requirements. Great questions are coming up and great obligations which will need money, and in this one matter of the National Transcontinental scheme, we have been altogether too generous. This scheme ought not to have been brought up at the time it was. We should have waited until the public demand was more insistent, and then, in estimating the cost of the road, we should have figures to submit to the country, based on the full knowledge of the extent of the burden we were assuming.

The question comes right here : What are you going to do about it ? That is the question we are facing to-day. Not only have we to meet the original obligation, but we are asked to pay another $10,000,000. Is there any guarantee that we may not be asked for still another $10,000,000 and still another until the entire cost of this transcontinental railway will be on the debt side of the ledger. You will find that the whole cost of the road will be our investment, and that in return we will assume 100 per cent of the risk and have none of the profits, whereas the Grand Trunk Railway will get all the profits, if there be any, and not have invested a cent in the undertaking. Would it not be possible at this stage to reconsider this scheme? Would it not be possible to ask for an extension of the time of the New Brunswick section? It is patent to every one that the New Brunswick section must compete with our own Intercolonial Railway and thereby render that railway of less value. Why should not the construction of the eastern portion of the road from Winnipeg to Moncton be delayed? The western section and the outlet to Lake Superior could be pushed rapidly so as to give that country an outlet to the lake. The traffic of that country is largely during the season of navigation. This might not only enable them to finance this scheme but it would look better to the country, and the feeling of the people that they have been deceived would gradually disappear. There is no question, this proposed loan will be made ; whether it meet with the approval of members on this side or not, it will be voted. I am glad to hear the expressions from hon. members on this side that they assume responsibility for this work and declare that it must eventually be pushed through to completion. I admit that I share in the belief expressed by hon. gentlemen opposite that that western country is a country of great promise, one that will need further outlets than those already provided.

I urge again upon the government due consideration for those who have really made the wealth of this country. We are the sons of the pioneers who came here in the latter part of the seventeenth century and in the early part of the eighteenth century, and, not only bore the burden of the defence of this country, but built it up, establishing and maintaining law and order, living thrifty lives and laying the foundations of our national wealth. The savings of our people in the government savings banks and in the chartered banks of our country help to finance these great schemes that we discuss in this parliament. There were periods in the lives of these pioneers when the failure of a harvest or the coming of illness into the home made their lives a tragedy. They faced destitution and want at times. Some regard should be paid to the sentiments of people of that class. If we succeed, it will be upon their thrift and energy. In a question of this kind, involving such a large sum of money, a scheme that means the doubling of our national obligations ought not to be entered upon. The people ought to be treated at all times by the ministers who have charge of the public expenditure in a serious spirit, and in an earnest way, so that their expressions may command respect among the people. I hope that parliament will consider this question, perhaps I should say more ser-

iously than it has, but in the light of our ability to bear the enormous burden of this Grand Trunk Pacific scheme. Whatever may be the result, even should our worst fears be realized, we can depend upon the Canadian people to meet the responsibility with the high courage characteristic of the nation to which we belong.

Mr. MARTIN BURRELL (Yale-Cariboo). I do not wish to unnecessarily delay the House in going into committee on the proposed Bill, but I do desire to make a few general observations before the matter is specifically dealt with by way of amendment in committee. And I may add that my justification for so doing must be the fact that I have gone through two long and wearisome campaigns with the Grand Trunk Pacific matter, affording a great deal of ammunition in those campaigns. I followed very carefully the different speeches made in this Grand Trunk Pacific debate since the Finance Minister introduced the resolution. While concurring, as members of both sides of the House do, that it is desirable that this work should finish speedily and efficiently, I wish to utter my protest against the methods adopted and the statements made by the government, and also against the extraordinarily favourable position in which this company has been placed in contradistinction to the position occupied by the people of Canada. I notice that the general line of argument adopted by the government has been designed to show that we, as members of the Conservative party, are opposed to the construction of this road. Probably the wish is father to the thought when these arguments are adduced. Secondly, they attempt to say that they are doing what we did as a Conservative party in connection with the construction of the Canadian Pacific Railway. And, thirdly, we have been treated to a great many elaborate and very misleading statements indeed as to the supposed wholesale and sweeping endorsation of the government's policy by the people. Let me refer for half a moment to the first line of argument that the supporters of the government have been taking during this whole debate. Coupled with and reinforcing the argument that we are opposed to the construction of the road have been some magniloquent speeches as to the greatness of this country, given to the House 'ore rotundo' and implying how small is the faith of members on this side in the country in which our lot is cast. It is a rather singular attitude for the Liberal party to take. I have no desire to dwell upon this point, because these pyrotechnic utterances are not intended to deceive anybody. I suppose we all have our party balloons to inflate, and duly inflate them. But I would point out that it is comparatively easy to display faith when somebody else has blazed the way and, by noble foresight and high endeavour, has laid the foundations on which we of the later generation can happily and safely build. Hon. members on the other side need not distress themselves as to the faith in our country of a party whose leader, in the teeth of most appalling difficulties, consummated the policy of opening up the vast hinterland which was literally terra incognita in those days, and made it possible for the people of my own province of British Columbia to unite their fortunes with those of the people of Eastern Canada. The The name of Sir John Macdonald will ever stand out as that of a man having faith and faith accompanied with great works. The party which took so large a part in laying deep and broad the foundation of this nation which has coupled the east and the west, which established a trade policy which has now lasted for thirty years, will not be found lacking at this particular time in the most whole-hearted efforts in advancing the interests of the country and heightening its prosperity. But in doing so it by no means follows that we have to endorse every phase and every detail of the great scheme now under consideration, and which in so many of its details and phases is so regardless and careless of the rights and true interests of the people of Canada.

The second line of argument addressed to the House by hon. gentlemen opposite was a comparison with the Canadian Pacific Railway. I do not wish to deal at length with that. I would say, however, that the comparison is a most unfortunate one for those who make it. It has been pointed out in this House that the Liberal party themselves, between 1873 and 1878, made as large or larger offers of land grants and money to the Canadian Pacific than the Conservative party made. The attitude of our friends opposite is somewhat changed in recent years. I notice that last session the Finance Minister (Mr. Fielding) so far from taking the attitude which our friends the enemy delighted to take in years gone by, stated that we had liberally assisted and aided the Canadian Pacific Railway, and that it was not for him to say, and he would not say, that we had aided and assisted them too liberally. Then I need only point out also that in regard to this loan the difference is so vital and so marked that it is remarkable that the argument is used at all, and the comparison made. In that admirable speech that was delivered by my hon. friend from North Grey (Mr. Middlebro) on this subject some time ago, he showed the fundamental difference that existed between this loan to the Grand Trunk Pacific and the loan to the Canadian Pacific Railway some years ago, of $30,000,000. He pointed

out that the Canadian Pacific Railway people pledged their land, their railway, their equipment, their branch lines, the whole institution, lock, stock and barrel, and repaid the whole thing within two years. For that reason, I say, it is astonishing that a comparison of this kind is made by our friends opposite, and one cannot but think that if it is made, it cannot be made in good faith.

Now this loan only accentuates the free and easy way in which the government has been dealing with this House on behalf of a company which was in a sense a partner of the government. I listened attentively yesterday to the speech of the Minister of Railways and Canals. We on our side of the House, I think many of us, always listen with a good deal of pleasure to that hon. gentleman. He is so good natured that he compels a certain amount of acceptance, although we have to dissent from a good many of his arguments. I must say that his speech yesterday certainly stamps him as the Harold Skimpole of the government side. He has the same dazzling way of dealing with figures, he also has that magnificent disregard of responsibility that characterized the gentleman I have referred to. Like Harold Skimpole, I think the Minister exhibits also the same easy disdain of such gross and material things as days of reckoning, and discharge of liability. The Minister of Railways yesterday laboured the idea of partnership. I think his words were that he did not believe that we should get stock for the accommodation we were giving the company, that it was rather a sordid idea, and that we must finance this railway because we have to carry it through at all costs, because we were in partnership. That is true, but after all the Canadian people, one party in partnership will be called upon in future time to pay very high rates on the enormous cost of construction to a company which had apparently never assumed any serious obligations, and who will reap all the profits. Last session the attitude of the Minister of Railways was slightly different. He figured it out on that occasion that the total liability, that is the actual cash we should have to pay would be $38,263,976 for the benefits we receive from this through line from Moncton to the Pacific coast. He added that if:

> Instead of taking this out of revenue we borrowed it at 3 per cent,—I find that for the great benefit we will receive this country will have to pay annually the sum of $1,144,919.28.

Before finishing his speech he also added:

> I believe the Grand Trunk Pacific Company will never call on the Dominion of Canada to pay one cent of the guarantee of the bonds, nor one cent of the 3 per cent interest on the cost of the railway.

The fact that instead of borrowing at 3 per cent, we have had, as my hon. friend from St. Antoine pointed out the other day, to pay something like 4½ per cent, for the last big loan, and something like $450,000 in commission, besides brokerage charges, and the fact that the Grand Trunk Pacific are now coming to us for another loan of $10,000,000, I presume, won't disturb the Minister of Railways at all as he apparently regards this whole thing in an extremely light and jovial spirit. He introduced a new line of argument yesterday, he had to face facts to some extent, and he attempted to draw a parallel with other great lines of railways and with undertakings in other countries. For instance he tried to draw a parallel between it and the Erie canal, an unfortunate illustration, as that undertaking was permeated through and through with the most gigantic graft. Then he dealt with the Panama canal. He seems rather prone to draw his illustrations from canals. The other day he defended the Newmarket canal, and now he is treating us to arguments which remind us, not only of Harold Skimpole's methods, but of Mark Twain's humour, so that it is hard for us to take him seriously. The Minister of Railways also stated as a justification for this loan, that the matter had been discussed on the hustings in 1904 and 1908, this question had been discussed in all its bearings, the voice of the people had been asked, and they had given it ample endorsation.

Now, I would like to consider that argument for a moment. In 1903 we had a speech from the Throne, which, as speeches from the Throne are usually supposed to do, should have outlined broadly the policy of the government for that session. There was no allusion made to this project at all. There was, as I remember, only a reference to the fact that the needs of transportation were considerable, and a commission was to be appointed to go into that question. But nothing was done, or little was done. But to the astonishment, not only of the House but of the country, the right hon. gentleman who leads the fortunes of the Liberal party, about five months after the House met, divulged a plan which embraced, to all intents and purposes, the present Grand Trunk Pacific Railway scheme from ocean to ocean. Now in spite of the right hon. gentleman having shelved that commission, in spite of any defence he might have offered for that scheme, yet he was entitled to credit for originating a great idea and disclosing the scheme, although it was only a scheme in embryo. But if he had later on submitted it in skeleton to the House and country to see with what sympathy it would be received, no word of criticism could have been offered;

if it had been endorsed by the people of the country no one would have said anything deprecating the project. But what actually happened? Nothing of the sort. Without any mandate from the people at all for a scheme of so gigantic a character, we find the right hon. gentleman was closeted with one of the most astute railway magnates on this continent, for a long time, and that, desirous of the kudos which should perhaps rightly attach to the formation of any large scheme, he allowed himself to be outwitted in every part of the game, and we had the scheme forced through parliament, the government refusing to wait either for advice or for the people's opinion. One of the ministers, Mr. Blair, said that he urged him to wait, and that if he didn't wait it must be because there was an absence of any really good and substantial argument to sustain the case. We know that Mr. Blair, the only gentleman who was thoroughly conversant with railway affairs in the government at that time, was villified on that side of the House. Later on he was promoted or rewarded by a very high post, because the government usually find that it is the better way of silencing opponents. Now when that agreement was finally signed, sealed and delivered, and supposed to be lived up to, hon. gentlemen will remember what happened. Sir Charles Rivers Wilson, president of the railway company, in speaking to his shareholders after the close of that session, told them that he had succeeded in driving the government into adopting a position more favourable to the company, that is, in amending the contract. I do not think there is any doubt that from that day to this the Grand Trunk and the Grand Trunk Pacific have insistently and persistently driven the government of this country. The government called another session of parliament for the purpose of considering the ratification of the altered or amended contract. We all know the great differences between the original and the amended contract. I am not going into that matter in detail except to point out one or two of these differences. We contended that the original contract was unfair to the people of Canada, but we were assured by the government that it was a fair contract and that at all events it was finally settled. Yet, we find, amongst a great many other serious alterations, alterations of a vital character that, whereas, before the people had undertaken to guarantee three-quarters of the bonds of the mountain section of this road up to a limit of $30,000 a mile, afterwards that was amended by striking out the words '$30,000 a mile', and we undertake now to guarantee three-quarters of the cost of the mountain section to an unlimited amount. At the commencement of the session in which this change was made the mover of the address stated that while this was an important amendment the road might cost $30,000 a mile or it might cost less. When the prairie section is costing about $35,000 a mile it is a bold man who would estimate the cost of the mountain section, although I understand that the government, or the railway company, have put it somewhere about $80,000 per mile. Then, in paragraphs 31, 32 and 33 of the old contract there was at least some provision made for securing the people if the company fell down. There was some right of foreclosure. If the government felt called upon to pay the interest on the bonds after a specified time there was some little security offered. We find in the amended contract that it is amended in such a way that practically all the security is done away with. In paragraph 6 we find these words:

> Notwithstanding anything in the said contract contained, the government shall not exercise any rights in respect of possession, foreclosure or sale, by reason of non-payment of interest by the company under the thirty-first, thirty-second or thirty-third paragraphs of the said contract, or under all or any of them, unless and until there shall be such default to the extent in the whole of a sum equal to five years of such interest, as the company is not relieved from payment of or permitted to defer or capitalize by the provisions of the said paragraphs.

We find that the limited right that we had in the shape of a foreclosure, the little security we had in the first contract, was so interfered with by the amended contract that every safeguard is done away with and is reduced to so shadowy a point that it is impossible to see anything except that if the undertaking should prove unprofitable the government are at liberty to take it over and then they may hand it back when the affairs of the company have become more prosperous. There are other important differences which I shall not touch upon. It was not enough that this amended contract was bad but, by the aid of the government supporters, it was put through parliament immediately before an appeal to the country was made. That may have been a good party move, I do not say it was not, but to say that the result was the voice of the country in even a partial way is to say something which is absolutely untrue. When our friends say that they have been sustained and that they have the confidence of the people, I would like to ask them what sort of an endorsation it was. They had the people tied hand and foot to a contract of this sort before the appeal was made. What was the character of the whole campaign?

We were told throughout the length and breadth of this country the one horrible thing that was presented to the people by Conservatives was the repudiation of a contract solemnly entered into by the government. That word 'repudiation' would have such an ugly sound that no true Canadian would dream of supporting a man who would put forth a policy of that kind. The people were told that every Conservative candidate was opposed to the construction of the road, and that if the Conservative party were put in control the scheme would be destroyed. This repudiation phrase was worked to a finish throughout my own province and not only that but gentlemen supporting the Liberal government in British Columbia laid enormous stress upon the question of speedy construction. My hon. friend the Minister of Inland Revenue (Mr. Templeman) who, I am sorry to see, is not in his place, particularly made great efforts in that direction. He assured the people of the Pacific coast, that, although there was nothing in the contract to that effect, he had Mr. Hay's assurance that the road would be commenced at once. They so persuaded the people of British Columbia that construction was going on at once that, in their desire for the early construction of the road, and in their natural deprecation of anything that savoured of repudiation, it is perhaps small wonder that the whole of that province went Liberal at that time. If, however, they had known what the facts were, if they had known that not a sod was to be turned in British Columbia for four years it is natural to assume that we would have seen a different state of things. There is an old saying that once bitten twice shy. The same appeal was made last fall, the same arguments were advanced, but, although British Columbia wanted to see that road built and although the people there still have faith not only in the road but in the country, the result was that while there was a Liberal majority in 1904 of 2,872, there was a Conservative majority of 4,091 in 1908. In the first contract which was put before the people of the country we were assured, as the right hon. gentleman who formulated the scheme also assured us, that there was a tremendous haste for the thing to go through. There was a clause which dealt with the time and which placed the completion of the road in the year 1908. In paragraph 10 of the contract we have this:

> The work of locating and constructing the said western division shall be commenced forthwith after the ratification of this agreement by the parliament of Canada, and shall proceed with the utmost dispatch and shall be completed within five years from the first day of December, 1903, unless prevented by the act of God, the King's enemies, internal disturbances, epidemics, floods or other causes beyond the control of the company.

This, as we know, was altered in this amended contract to 1911 and the word 'strikes' was also put in after these other contingencies which were mentioned. I might point out that the hon. Minister of Railways and Canals (Mr. Graham) made a good deal of the unforeseen and tremendous difficulties that they had met with and what had resulted in bringing about the present position of affairs. I do not know that the King's enemies, or any act of God, or floods or strikes, have greatly interfered with the operations of the company. I might illustrate that point by a very short allusion. Some time ago a case was brought up by a certain farmer against a man to whom he had leased his land. One of the stipulations of the lease was that the land was to be left in as good a state as when the tenant had taken it, as to the seeding down to wheat and so on, unless the act of God interfered. It seems that the tenant did not leave it in as good a state, and when the case came up for trial one of the points to be decided was whether the act of God had anything to do with it or whether it was due to the man's own fault, and the jury brought in a verdict that there had been damage and that the fault was partly that of the defendant and partly God's. I take it that the present government, who are so ready to ignore the existence of a kind providence when things are going smoothly, will always contend, when things are not going smoothly, that it is the act of God. The haste which was so necessary in 1903 and which led the government to allow the company only until 1908 to finish their construction was forgotten, and the time extended to January, 1911. I do not think that any sane man believes that 1911 will see anything like the completion of the road. The government brag that they have been endorsed by the people, but that endorsation is of no value under the circumstances. In the olden times, when the country was supposed to be afflicted with witches, a test, known to every one acquainted with history, was employed to determine whether a woman was a witch or not. The woman suspected had her right thumb tied to her left big toe and her left thumb tied to her right big toe, and, thus bound, she was thrown into a pond. If she sank she was not a witch and was unfortunately drowned. If she did not sink she was a witch and was unfortunately burned. That is like the test that was applied to public opinion in this case. The government tell us the country has endorsed them, that the people have voluntarily approved of their

course. First, they tied the country hand and foot and then they issued a repudiation argument, and when the people endorsed them in reference to these things the government said: This is a full endorsation of the whole scheme. The same methods were employed to some extent in 1908. Last fall we again had the frantic appeal that we should again put my right hon. friend (Sir Wilfrid Laurier) in to finish his work. I do not say that in a sense it was not perhaps good party politics of my hon. friend to lie low and say nothing about this loan, but I question the honesty of that procedure. When we know that Mr. Hays' letter asking for this loan was dated only November 16, I think we are absolutely justified in believing that this was a compact, if not signed, sealed and delivered, at least thoroughly understood between the right hon. gentleman and the Grand Trunk Pacific; and although it is true that the Minister of Finance (Mr. Fielding) was too astute to acknowledge that there was such a compact, he was also too honest to deny that there was a compact.

The right hon. gentleman cannot be allowed to congratulate either himself or his party on a scheme of this kind. I do not believe he has shown the great and prudent statesmanship he might have shown in connection with this whole matter, but rather that he has woefully failed to rise to a real sense of his duty to the people of Canada. In this I do not say that I am voicing the opinions of hon. gentlemen opposite or even all of my friends on this side, but I say from my own point of view that at that time Canada was at the parting of the ways, and while some people do not share my views, I say that, having evolved a great scheme for a transcontinental railway from ocean to ocean which included the principle of government ownership in the eastern section, the right hon. gentleman displayed a grievous lack of foresight in not applying that principle to the whole road, adopting it from ocean to ocean. In 1904 I campaigned for five long months on this ground, and on the programme of the hon. the leader of the opposition (Mr. R. L. Borden) of government ownership from ocean to ocean being infinitely preferable to the bargain the government have made, and from the extreme north to the extreme south of the immense riding which I have the honour to represent I obtained an enthusiastic response. More than that, had my election come on on the same day as other elections I would have won out hands down on that very appeal for government ownership. Hon. gentlemen here know that what I might call almost a scurvy trick, at all events a shady trick was played in deferring the election, yet in spite of that and in spite of the fact that the government had been sustained all through the country, I was defeated by so small a majority that a change of one vote in each polling place would have elected me. Therefore when my right hon. friend and the Minister of Railways, the Minister of Finance and other gentlemen on the other side of the House talk of optimism and of faith in our country, I would like to see them extend their optimism and faith a little further. There is at this moment no subject which is so agitating the public mind and which is of such importance in the development of democratic government in this country as the great question of public franchises, and I say that it is a true patriotism which not only looks out for to-day but studies the needs of the country for years to come. Those who embrace Socialism in many cases are driven to it from the multiplication of millionaires whose wealth comes from the unearned increment and the sweat and toil of others to which they have not contributed. We have great abuses in our industrial system to-day and I do not say that these abuses would be solved by the appropriation of the wealth of individuals by the State. I do not believe that any State has the right to kill private initiative. There must be room for private enterprise and a man is entitled to what he justly earns, but I would point out that we are having daily forced home the necessity of the people of the country owning its great public franchises. Public ownership of this great Transcontinental Railway system need not necessarily mean government operation. It did not involve government operation as my right hon. friend knows in respect of the eastern section, although here again I say I have perhaps felt greater faith than some of my friends in government operation. I admit that it is practically impossible to have successful government operation of large industrial enterprises as long as our government operations are riddled by party politics, but it is a want of faith to say that successful government operation is impossible. We could eliminate partyism and employ in government work only men who are thoroughly trained and thoroughly capable of discharging the duties devolving upon them, not simply hack politicians, reaping their reward for party services. I say that the principle is fundamentally and eternally right, and to assert that the people of Canada are not capable of carrying out this principle in their national life is not to display courage and patriotism but something quite the reverse.

Speaking of the loan which is now before the House, the Minister of Finance (Mr. Fielding) and the Minister of Railways and Canals (Mr. Graham) have said that the Grand Trunk Pacific can sell their own bonds at about 90 cents on the dollar, and yesterday they said that therefore the margin of 10 per cent is practically all the money on which we are running any risk

or on which we could sustain any loss. Why should we saddle ourselves with more debts? Why should we pay out great sums in commissions and brokerage to save the pockets of the people who already owe the country $15,000,000 of capital to say nothing of interest? If either claim is true it would be almost better to pay the Grand Trunk Pacific people that ten per cent margin and have done with it. Why was not that proposition made, in order that we should at least know the limits of our obligations? We all know, it has been pointed out in unmistakable terms, that this loan practically means that we shall repay the Grand Trunk people $7,000,000 expended for the Grand Trunk Pacific. This company already owes us an immense amount and its chief men are in various ways making immense fortunes out of this work without advancing any money and without taking any risks. The Grand Trunk Railway, by guaranteeing one-quarter of the bonds, receive $25,000,000 worth of stock for which apparently they do not give one dollar's worth of cash or its equivalent. The contract of 1903 contained a clause practically compelling them, if they took that $25,000,000 worth of stock, to give cash or the equivalent of cash. On page 11203 of 'Hansard' of 1903 we have these questions:

Mr. BARKER. Will the hon. gentleman allow me to ask the minister a question? Will he tell us how the Grand Trunk Pacific is going to build branch lines and buy rolling stock by giving away their stock to the Grand Trunk Railway Company?

The MINISTER OF JUSTICE. They cannot give it away. They must get cash in exchange for it. The very face of the contract shows the untenable position which my hon. friends take.

Mr. BARKER. The hon. gentleman overlooks the fact that the contract says that the Grand Trunk Railway Company must get at once the whole $25,000,000. If they get the whole $25,000,000 at once, how is the Grand Trunk Pacific Railway going to use that to build the railway?

The MINISTER OF JUSTICE. My hon. friend supplies the obvious answer. The answer is because the Grand Trunk Railway will pay for it and give the money. My hon. friend supplies the answer to his whole argument.

At that time, then, these people, who were taking some little part in this project, were required for that $25,000,000 of the common stock to give its full equivalent, either in cash or in some other valuable form ; and yet in the cloudy and ambiguous amendments made since, they have been relieved of that obligation, and they get the $25,000,000 of common stock for no value except the guarantee of the bonds.

The reason I have so little sympathy for the Grand Trunk Pacific people is that they are making money out of this project in a variety of ways. Besides the assistance we are giving them, they are making money through their townsite company, in the marvellous way in which railway companies always make money out of the unearned increment. This has been well shown by the hon. member for North Grey (Mr. Middlebro), who said, at page 4188 of 'Hansard' :

We find that the Grand Trunk Pacific Railway Company hands over all its town sites to a separate company called the Grand Trunk Pacific Town Site and Development Company. I find that the directors of this company are C. M. Hays and friends. There are thirty thousand shares of stock in this Grand Trunk Pacific Town Site and Development Company. The directors, according to the return brought down by the Minister of Railways, are C. M. Hays, E. J. Chamberlin, William Wainwright, W. H. Biggar and E. H. Fitzhugh, all of them directors of the Grand Trunk Pacific also, each of whom owns two shares and has paid $200. That is to say, these five directors who have the management and control of the Grand Trunk Pacific Town Site and Development Company have only invested $1,000, in the institution, which controls and owns eighty-one town sites between Winnipeg and Edmonton. The acreage is 78,640 acres. There we have that acreage, composed chiefly of town sites made valuable by the construction of the Grand Trunk Pacific, which we are financing, and these gentlemen who have only invested $1,000 are controlling the whole company. In addition to that, they own a three-quarters interest in the whole town site of Prince Rupert.

That, Mr. Speaker, is the reason why we are relieved of any feeling of sympathy for these men, who in various ways are making an enormous amount of money out of the people of this country.

Mr. SPROULE. What did they pay for the townsites?

Mr. BURRELL. I have not the figures, but I know that they did not pay very much for those in British Columbia. For Prince Rupert, I think they paid something like $2.50 an acre; but we made a much better bargain than the Federal government, because we retained one-fourth for the people of British Columbia.

This company have been astute enough to see that the government and the people of Canada are kept off their most valuable asset, namely, the branch lines and the terminals. In the contract of 1903, we have this paragraph:

35a. A mortgage which shall be a first charge upon the railway, undertaking, equipment and property, tolls, rights and franchises of the company, including all equipment and property to be thereafter acquired by the company (but not including branch lines exceeding six miles in length or the revenue therefrom or the franchises in connection

therewith, or such additional rolling stock as may, with the assent of the government, be designated and marked by the company as constituting the equipment thereof, and not including ships or any municipal or provincial grants of land, by way of bonus or subsidy, to the said company for other than railway purposes) to secure the payment of the said issue of first mortgage bonds guaranteed by the government.

That is to say, they give us a security, but when they give it they take care to keep out of it all the good and tangible assets. Contrast that with the bargain made by the Conservative government with the Canadian Pacific Railway Company, which our friends opposite talk so much about. In that case the company threw in every branch line and every terminal they had, as security.

In the face of these facts my own feeling is—and I am voicing the feeling of a large number of the people of western Canada, that if this loan must go through, if the government have neglected, as I believe they have, the true interest of the country, these people should give some adequate security for the loan. It is not a case of an eye for an eye, of stock for stock, or anything of that sort. We Conservatives believe in giving help when it is necessary and there is just reason for giving it; but if we are to be the bankers of this institution, let us behave as bankers should. If we pledge our credit for them, let us hold that common stock as security until they have paid their debt. The hon. member for Jacques Cartier has rightly said that the needs of the great west are obvious to the government. We believe that it is the duty of the government to think twice before handing out in this lavish way the moneys of the people of this country without seeing that the just needs of the people are met. I will conclude by emphasizing the fact that we in the west believe in this road, we want to see it assisted where that assistance is necessary and justifiable, we want to see it extended in every reasonable and just way, but we hold that when that is done the rights and interests of the taxpayers of this country should be safeguarded. This is the position which I placed before the electors of my constituency, and which was endorsed by them in the strongest possible way, and I do not hesitate to place it before this House.

Mr. E. A. LANCASTER (Lincoln and Niagara). Mr. Speaker, I do not wish to repeat the arguments that have been made on this side of the House as to the improvident nature of this proposed loan—improvident from the point of view of the people of Canada—which I am afraid the government have overlooked; but I wish to emphasize one or two aspects of the question which have struck me. The bargain which was made by the government representing the people in 1903, and modified in the interest of the company in 1904, it has been said was approved of by the country in the general election following. But I wish to emphasize here a matter that he touched upon but did not go into quite as fully as he might have, probably because he was not in the House at the time. It was only two years after that second bargain, that the most profitable part of the undertaking was deliberately put in the name of another institution so that it would not be liable for the obligations which either the Grand Trunk Railway or the Grand Trunk Pacific had assumed in those two contracts that the people were supposed to have passed on in the elections of 1904. The Act to incorporate the Grand Trunk Pacific branch lines company came up in this House in 1906. I opposed it, and so did other hon. gentlemen, in the Railway Committee and in this House, but it was voted through by the government and its supporters, notwithstanding the fact that they practically made no reply to the objection that those branch lines, which were to be the main source of revenue and profit and I may say of solvency, in the case of these companies with which we had contracted, were being put in the name of another institution, thereby avoiding entirely the obligations which the people of Canada had against the Grand Trunk Pacific and the Grand Trunk Railway. After the two bargains had been made in 1904 and 1903, which my constituents and myself considered bad bargains for the country, the next serious thing done was the establishing of that company for the construction of branch lines, and thus relieving those branch lines, which are to be the great source of profit to the main line, from any liability for the obligations of the Grand Trunk Railway or the Grand Trunk Pacific. Following that concession, I was surprised to learn this session that the government proposed to advance the Grand Trunk Pacific $10,000,000 more. What was always the contention of the government? They said: 'If you will give these companies all they ask, they will certainly be able to give you profitable railway transportation for the people.' And they put through this most unbusinesslike and purely philanthropic legislation in order to remove all possible danger and doubt of these companies not being able to carry out their obligations. The intention then was that by this legislation regarding the construction of the branch lines, we would make it certain that these lines would be speedily built and the much desired transportation facilities afforded. But we find to-day that none of those lines have been built, and that nothing has been done ex-

cept that we have paid out a lot of money. We find that the Grand Trunk Railway has been getting all the benefit without giving any actual value in return, but simply acting as the endorsers of the Grand Trunk Pacific. We find that the Grand Trunk Railway has been allowed to get stock in the Grand Trunk Pacific in return for their mere endorsation, just as a broker would charge for lending his name to enable some one to raise a loan, without giving any actual value. The government have acted on the assumption that the whole benefit to this country, which this country need expect, consists in hurrying up the completion of all the transportation facilities required and supposed to be served by the construction of this railway. Having in view the great concessions which we gave in 1903 and 1904, no one expected that any attempt would be made to incorporate the branch lines under any other name than that of the Grand Trunk Pacific. Let me point out that every opportunity was given the government to protect the people by adding a condition in the Act incorporating the branch lines company, which would make these branch lines subject to the same obligations as the parent company. I urged that in the railway committee: and when the Bill came back from that committee, I had the temerity to move an amendment providing that that charter should not in any way impair the security or lien of this government, but that the Grand Trunk Pacific Branch lines should be held liable with regard to the branch lines in exactly the same way as it was in the original contract. The amendment was objected to by the government, and the Bill passed without that protective clause. On the third reading of the Bill, I felt it my duty to move the six month hoist, but that also was voted down, and the government passed the Bill regarding the branch lines without any protection to the people.

On this side we have always contended that if we are to provide practically nine-tenths of the cost of the railway, we might as well own the railway. If the people had believed in 1904 that that railway was going to cost what we then contended it would, and what time has proved it will cost, there is not the slightest doubt that the government would have been swept out of power. But the people said : 'We have the word of the Prime Minister that it will only cost $13,000,000.' Campaign literature of the government had on its front page in large letters the inscription: 'A new Transcontinental Railway for $13,000,000', and it also contained the statement of the Prime Minister, who had made the bargain and claimed to know all about it and whose Minister of Railways (Mr. Blair) had left this cabinet because he differed from them on that question, that the road would be built for $13,000,000. The people believed that we were entirely wrong, that we were unduly afraid, that we were the victims of our imaginations, and relied on the pledge of the Prime Minister, circulated in all his campaign literature, that they would get this Transcontinental Railway for $13,000,000. They had not then the slightest idea that these branch lines would be taken away from our security, that the security of the people would be impaired by the building of these branch lines by another company. Now, what do we find ? Either the Grand Trunk Pacific and the Grand Trunk Railway are not able to carry out their contract with the people or else they are able and are asking for $10,000,000 as a gift. One thing or other must be the case. If they cannot carry out their contract, if they cannot build the road with all the assistance given them, with all the legislation passed entirely in their interests and upon a basis which would not be dreamed of in any other business transaction—if they cannot, with all these advantages, build the railway, what ought we to do? We ought to let them default and then take over the railway ourselves and own it and operate it or lease it to somebody else.

It is contended that this railway policy of the government will be of great advantage to the country because the earnings of the railway will be great and the traffic enormous. Let me submit this point. We are here to make a bargain for the people, and I concede that we must not be mean in doing it or pessimistic or afraid of the future of our country. Now, the Grand Trunk Pacific either can carry out the contract without this $10,000,000 or they cannot. If they cannot, they are no railway builders, and we can find somebody else who will build that road on better terms. The Grand Trunk Pacific contended that in 1903 and 1904 that with the assistance then given them they could carry out the work. Were they deceiving us then? Were they not honest in making us believe that, with the assistance then given them and the additional assistance which they got in being allowed to build branch lines free from the obligations they had originally incurred, they could complete the road. If they were not, we ought not to lend them this $10,00,000. If they were then honest, they are not entitled to this loan, because they do not understand their business. Take the other alternative, if they can build this road without this $10,000,000, why not let them do it, or borrow the money somewhere else. Why should Canada give them this money and lead them to believe that all they have to do is to come to the government and say :

'We need the money and because you have already incurred such large, obligations, you must give us all we want more.'

Now, not to detain the House at too great length, in view of the fact that these matters are not answered seriously by any one upon the government side, in view of the condition in which this debate is at this moment—that, notwithstanding what was said in regard to the resolution by hon. members of the opposition, from our respected leader down, there is no answer to these propositions or suggestions as to the improvident nature of this loan, I am not prepared to vote (speaking for myself and my constituents) for the second reading of the Bill. For, as the Bill stands, there is no protection in it, and I am afraid that if I were to declare myself as voting for the second reading, it might be said by some that I had been willing to adopt the principle of the measure, and the principle is all wrong if it is to be judged by the arguments that have been used up to this time. If we have to throw more money into this deal, then it simply means that we have to pay for this whole road from Moncton to the Pacific. Under these circumstances, we ought not to grant the loan. As the effect of this is that we must pay for the road, it will be much better for the government to own it and either operate it or hand it over to the Grand Trunk Pacific or some other institution to operate it on rental. This would be much better than going on with this legislation that we now have before us.

Motion agreed to, and Bill read the second time, and House went into committee thereon.

On section 1,

Mr. R. L. BORDEN What is the estimate of the Minister of Finance as to the actual cost to the country by way of interest on the loan which will be necessary for the purpose of raising this money?

Mr. FIELDING. It is difficult to determine that to a fraction. Our last loan, as stated here, cost us a shade over four per cent. By the way, I notice that to-day an hon. gentleman not only quoted that at a shade over four per cent, but added various charges. Of course, four and a fraction covered the charges referred to. If this loan were placed on the market at this moment, we might have to pay four per cent, but I think the probability is that we can get it a shade less. I think the tendency of the money market is rather downard, and our next loan should be on somewhat better terms than the last.

Mr. AMES. When quoting four per cent, does the hon. minister mean the nominal percentage or the interest including expenses?

Mr. FIELDING. In quoting four and a fraction, that meant the unit rate. I think we ought to realize a shade better. That will depend on the condition of the market.

Mr. R. L. BORDEN. If it is a banking transaction, why should there be any doubt about it?

Mr. FIELDING. There is no doubt about the rate we are to charge.

Mr. R. L. BORDEN. I am aware of that. But there is certainly doubt as to whether that rate will indemnify the country. This is a banking transaction, and bankers usually get in deposits at a certain rate and lend them out at a higher rate. I am not disposed to press that argument unduly in this respect, but surely it is a fair proposition that the country ought to receive as much interest as it pays. If there is any doubt, as there seems to be—and the doubt entertained by others may be greater than that entertained by the Minister of Finance—I should think that some provision might be embodied in the Bill which would make that absolutely certain and which would thoroughly safeguard the country against any loss in respect of the interest on this loan.

Mr. FIELDING. That is hardly necessary. It is desirable there should be a fixed and definite rate on the loan, and that should be made, as nearly as may be, the rate that will guard against loss. I think it is just as likely that this rate will show a profit as that it will show a loss. We take that risk. I think that in the present tendency of the money market we are not likely to pay more than four, and the probability is as strongly in favour of our getting it at less.

Mr. AMES. As I understand it, the government will actually have to borrow the money before it will lend—the transaction of borrowing will have to be completed before lending commences?

Mr. FIELDING. As soon as the preliminaries are settled, we should begin to use money out of existing funds if any are available. But that we would later make good, so, practically the answer to the hon. gentleman's question would be 'Yes.' The government moneys all go into a general fund. If anything is taken from that general fund for this purpose, steps must be taken to replace it.

Mr. AMES. Is it not probable that the minister will not be acquainted with the effective rate of interest per unit prior to the time he will be called upon to pay out the first instalment?

Mr. FIELDING. Possibly not. If our finances generally were in condition to allow it, we would pay them the money the

moment they comply with the provisions of the Act. But, immediately, we should have to borrow it, and so the two transactions go together.

Mr. AMES. Has the minister taken any steps to float a new loan having this in view?

Mr. FIELDING. No formal steps have been taken, but we are watching the money market and intend to take the steps when the proper moment arrives.

Mr. AMES. The minister will watch his chance, and, when he sees the proper moment has arrived, will float a new loan?

Mr. FIELDING. We will watch the money market and will seize the most favourable moment for making the loan, as in the past.

Mr. MONK. If, before the loan is finally disposed of, there is some financing to be done, as there was in the case of the Quebec bridge, and we pay a higher rate than four per cent, is this going to be charged to the Grand Trunk Pacific? It is probable that the moment the statute is passed the money will be sought for by the construction company. It is not probable that we could get money at four per cent, but shall be obliged to pay more than that. Speaking, generally, would it not be better for this section to be so framed that the country would recoup itself, as bankers do, from the loan to the railway company the whole amount of interest that we are obliged to pay?

Mr. FIELDING. Then, we should have to associate with that the provision that, in the event of our borrowing the money on more favourable terms, we would give them back the difference.

Some hon. MEMBERS. Why ?

Mr. FIELDING. We have the suggestion of my hon. friend from Jacques Cartier (Mr. Monk) that we should charge exactly what it costs us.

Mr. MONK. I could understand that, for the purpose of negotiating a loan, the rate must be fixed by statute—at least, I conceive that that is possible. In connection with the question put by my hon. friend from St. Antoine, Montreal, (Mr. Ames), would it not be possible to ascertain what are the whole charges to which we are going to be subjected? What are the accidents of the loan, so to speak, so as to fix the rate we shall absolutely require?

Mr. FIELDING. I do not think it would be possible to ascertain definitely. If this legislation were completed immediately, and the Grand Trunk Pacific were to comply with the requirements of this statute respecting the mortgage and so forth, and if we had the money in hand, there is no reason why we should not give them that money instantly. But of course, we should have to include it in our borrowing powers, borrowing at the market rate. I think the situation is such as enables us to say that we are just as likely to borrow at a shade below four per cent, as we are to pay four per cent, or about.

Mr. AMES. There is no necessity for settling the rate of interest the moment the first advance is made to the company. The company want the money as soon as they can get it, and they have to pay the interest on it semi-annually. Consequently, the first interest payment will not be due until six months after the first instalment is advanced, and in the course of those six months the government can tell exactly what that money has cost to raise; consequently they could without difficulty bill the company at that rate, the rate it actually costs to get that money.

Mr. FIELDING. I think it would be more satisfactory to have a fixed rate, leaving no doubt whatever, and in fixing that rate we have estimated that we will be able to borrow money at four per cent. I have a decided opinion that we are quite as likely to borrow at a shade below four per cent as above; and therefore the company is taking as much risk as we are.

Mr. AMES. Judging from past experience, the company is likely to get the best of that gamble. I think we should protect ourselves.

Mr. LENNOX. From the minister's experience of loans, about how much will it cost to float this loan of $10,000,000?

Mr. FIELDING. We don't stop to consider what the expenses are, only to get the net result. When I say four per cent, I think that will cover all expenses. In fixing the cost of a loan we include all expenses. I am assuming it will cost four per cent, it may be a fraction above four per cent, but it is just as likely to be below, in which case the company takes the risk.

Mr. LENNOX. I think there was a return brought down some time ago which showed that it cost for floating loans somewhere between two and three per cent.

Mr. FIELDING. They are expressed in net rates in each case.

Mr. LENNOX. I think an answer was made in the House that it cost us two or three per cent to float certain loans.

Mr. FIELDING. Our loans cost us, as respecting the chief items exactly what they have been costing us for many years. But there is now a new item which adds ma

terially to the charge, that is, the item of underwriting, which is about 1¼ per cent. We think that while that has to appear as a part of the cost of the loan, we get a benefit in the better prices we obtain through that operation. Yet it has to appear as a part of the cost of the loan, just as in some past instances discounts would have to appear as a part of the cost of the loan. I have no doubt that if a comparison were made between these loans it would be shown that the cost of our loans, broadly expressed, is not greater than it has been in former years, except for this new condition which has arisen, that is, the item of underwriting, which must include brokerage in connection with the underwriting. The broker meets you at every door when you endeavour to place a loan, and the charge for the underwriting, and the brokerage in connection with the underwriting, amounts to 1¼ per cent. That is, in that sense, a new charge which did not exist in former years, because the conditions of the money market did not require it. But while we have to account for that as a charge, in reality it is not a burden to us, because we are satisfied we get a benefit for it in the better price which is fixed by the underwriters. For illustration, in our last loan we had to come to an agreement with the underwriters as to the price. Naturally we wanted the best price we could get, and naturally the underwriters would like the price to be as low as we would be willing to make it. So after careful discussion we agreed upon a price, and it turned out that that price was higher than the public in the money market was willing to pay, and when the loan was offered to the public, only 41 per cent of it was taken up at that price, because the ordinary public investor thought we had fixed our price too low. But the underwriters had to guarantee it to us. And so we got the benefit. Although this is a new charge, it is not a new burden to us, because we are satisfied we get the benefit of that in the higher price we are able to obtain.

Mr. LENNOX. The minister does not meet my point. I am not concerned to know whether we are better or worse off in borrowing than under a former government. The minister says that the underwriting and brokerage are a new item, and that it costs 1¼ per cent. Now, will the minister tell us what the former cost was before this new item was added?

Mr. FIELDING. I would have to turn to the contract we have with our financial agents. But I will at a later stage give the hon. gentleman the information. It is already on the table of the House, in a return.

Mr. LENNOX. The minister tells us that as a matter of fact his underwriting cost 1¼ per cent. Now would the other branch of the expense be equal to 1¼ per cent, less or more, speaking generally.

Mr. FIELDING. I think it is not as much as that, but I would not like to answer definitely. I would rather give an exact statement.

Mr. FOSTER. It would be decidedly less than 1¼ per cent.

Mr. LENNOX. Would it be as much as one per cent.

Mr. FIELDING. It would be materially less than 1¼ per cent.

Mr. LENNOX. Supposing we take it as ¾ per cent, for the purpose of my argument, that would represent in all 2 per cent that it would cost to float a loan. But the return brought down showed, I think, that there was a considerable expense in connection with the floating of these loans. But we have suffered a good many disappointments already in connection with this railway, and I do not feel any great confidence in the statement made this afternoon that this will be a net expense of 4 per cent, including the expense by way of floating the loan. If the minister has brushed that item aside as immaterial, even if it cost 2 per cent to float that loan, of course it would represent $200,000 upon this transaction, and if not included in that 4 per cent, it will mean a net loss to Canada of $175,000 or $200,000. I think the least the minister should do is to make perfectly sure that we at least should not be losing money by this transaction in the way of interest.

It is a very easy thing to arrange that whatever rate of interest we pay we shall at least be recouped for that amount. It is right enough to provide for the payment of four per cent, but there should be a supplementary provision that if it costs more the country will not be put to a loss. Every step in this transaction that we have taken since the day when the Prime Minister first made the announcement of this legislation has been a disappointment to the country. Every amendment made has been an amendment by which the Grand Trunk and the Grand Trunk Pacific have benefited and by which the country has suffered and has been put to loss. Therefore, it is very little to ask that it shall be made absolutely clear that if it costs us more than four per cent—and the position that Canada is now in as regards the money market does not make it unlikely that it will cost more than four per cent—we shall be recouped by the Grand Trunk Pacific.

Mr. FIELDING. I see the matter in a different light from my hon. friend both as regards the contract generally and as respects this transaction. When I state the probable rate of interest I am including the expenses of every kind. The rate will include what we will have to pay for brokerage, printing and the various incidental charges. What precise rate they may ask us we do not know, but we know as respects the past and there is no reason to suppose that it should be more in the future. If, a few months ago, when we went to the money markets, when the conditions were more severe than they are at the present moment, we were able to borrow money at a shade over four per cent, which is probably the net rate of our last loan, is it not reasonable to suppose that another loan, with an improving market, may probably be obtained at a cost of four per cent? But while I state that as a reasonable proposition, I also state frankly that we have thought it best that we should take a measure of risk on both sides, that we should fix a definite rate of interest in the expectation that we would be able to borrow the money at that rate and at perhaps a shade less. If it costs us a shade more we take that risk to the extent of what we pay in addition.

Mr. SPROULE. What risk will the company take?

Mr. FIELDING. If we borrow the money at three and a-half per cent and charge them four we may make a profit out of it.

Mr. J. D. REID. Why not make it a matter of certainty?

Mr. FIELDING. We think it desirable to make it a matter of certainty as to the rate which they shall pay, but not as to the rate at which we shall borrow the money at some time in the future. That is why we take the risk.

Mr. LENNOX. When the Minister of Finance says that it is reasonable to suppose that the condition of the money market will be less stringent he does not refer to the fact that the position of Canada as regards the borrowing of money is not likely to improve for a great many years to come. The fact that Canada is going so heavily into the borrowing business and so frequently, that the minister will have, in all probability to take a trip to England immediately this session is over, and that we will be constantly on the borrow for the next few years will probably far more than counteract any improvement in the money market. So, I think I might say, by way of prediction, against the experience of the minister in the borrowing of money, and he has had a great deal of experience in that respect, that it will not be found that we can effect better terms in the near future than we have done in the near past.

Mr. FIELDING. I will not predict. I think there is a fair chance of it, but we will get the best terms that we can get in the money market. That is all I promise to the committee.

Mr. FOSTER. I do not see why we should be discussing the question of a gamble and risk being taken either by one or the other. This company comes to us for a loan. We should fix the rate of interest. We are under no obligation to the company. We are stepping in where they should have remained. We are getting in under the burden that they should have shouldered and which, according to the first contract, they inevitably would have had to shoulder, which it was intended they should shoulder, and which the right hon. Prime Minister and three of his ministers declared they would shoulder. Now, we let the Grand Trunk out from having provided for a certain sum of money for the construction of the prairie section. We are repaying them that money. We are under no obligation to them. Why should it be a matter of risk between either party? The country should not risk anything. We should have a rate of interest which would make the country absolutely secure and we should charge them what we think would carry that amount. We should charge them such per cent as we pay for the loan, including all costs of charges. I would ask the minister whether he proposes to make a special ten year loan to cover this $10,000,000 which is to be repaid in ten years.

Mr. FIELDING. I would think not. I would like to have a free hand to do what is best, but I do not at present anticipate such a course.

Mr. FOSTER. Is this $10,000,000 that we are lending to the Grand Trunk Pacific to be expended yet upon the road or is it the purpose of the $10,000,000 loan to pay back to the Grand Trunk what they have already expended on the road?

Mr. FIELDING. We will pay it to the Grand Trunk Pacific upon the certificate of an engineer in the usual way. As a matter of fact, I understand that the Grand Trunk have advanced moneys which have gone into the road and in that way they will be recouped. We will only pay upon the evidence of an engineer in the usual form that this money represents work which has been done on the road.

Mr. FOSTER. My hon. friend knows, I suppose, as a matter of fact, that a very large proportion of the $10,000,000 has already been expended and payment made?

Mr. FIELDING. It has been advanced by the Grand Trunk.

Mr. FOSTER. And payment made.

Mr. FIELDING. Yes. But we have no certificate of it. We can only pay this money on the engineer's certificate that the work has been performed.

Mr. FOSTER. This money will not be paid for rolling stock or anything of that kind? It will be paid for the actual construction of the road bed?

Mr. FIELDING. Yes.

Mr. AMES. Will the loan for which this money will be paid out be made as to time according to this loan? Will you float a ten year loan in order to pay this?

Mr. FIELDING. I said to my hon. friend from North Toronto that while I desire to have a free hand to do whatever is best in view of the condition of the money market I do not at the present time contemplate a ten year loan. I would anticipate that the loan would be for a longer period.

Mr. AMES. If the minister makes a thirty or fifty year loan and agrees to pay the present high rate for fifty years in order that he may accommodate this company for ten years he may have to pay this increased rate of interest for many years after the loan to the company ceases.

Mr. FIELDING. My hon. friend puts in words to which I object. He says at this rate. We do not necessarily propose to pay this rate. The fact that we raise the money, if it be deemed expedient to raise it, as part of a loan extending over fifty years, would probably help us to get it at a better rate. If the market condition is such that a fifty year loan is expedient and if that would help us to get a lower rate then, we should be free to take advantage of that condition.

Mr. AMES. If we negotiated a thirty or a fifty year loan at three and four-fifths per cent in order that we might be able to accommodate these people for ten years we would be bound to pay three and four-fifths per cent for thirty or fifty years when probably before that time we will be able to get cheaper money.

Mr. FIELDING. That does not follow. I have no doubt that at the expiry of that 10 years, when the money is repaid, the government of Canada will find abundant uses for it and we will suffer no loss.

Mr. AMES. Would not the simplest manner be for the government to float a special ear-marked issue of $10,000,000 of bonds at the best rate they can get and to say to the company: 'Whatever the money costs us for the ten years you want it, you must pay us?' The government should simply act as their bankers in this particular case.

Mr. FIELDING. I do not think it would be wise to float a ten year loan unless the market conditions for the moment seemed to make that the proper course to take. I think it better to look at the market conditions and issue the loan in the manner and for the term and on the conditions that will give the best results. If it proves a satisfactory rate, we will be the gainers. I am strongly of the opinion that there is a greater probability of our getting the money a shade below four per cent than above it; but I will not prophesy, we will get the best rate we can.

Mr. LENNOX. I think the minister has nearly exhausted his power of prophesy on this railway.

Mr. FIELDING. Oh, no.

Mr. LENNOX. And I do not think he can complain if some one on this side should offer one casual remark on that line.

Mr. FIELDING. I do not complain.

Mr. LENNOX. This is an accommodation, it cannot be put on any better ground by the government, we are accommodation endorsers for this railway. The very easiest terms on which a neighbour accommodates his friend is that he shall not lose one cent, unless the person for whom he endorses becomes bankrupt. He may exact as a condition of endorsement a percentage for the accommodation, but at least he will insist on not losing on his advance. That is the position which we should be in in this matter. The government ought to make definite arrangements for four per cent with a supplementary condition that in no event shall this loan entail loss upon Canada. This loan should be kept distinct so that we could know in the end exactly where we come out on the transaction.

Mr. FIELDING. My hon. friend will know next session what it will cost us, as we will have to replace it by another loan.

Mr. LENNOX. We ought to know now what we are going to pay and it should be kept distinct. That, however, is not a sine qua non, the main point is that we should not lose by this loan. As was stated by the hon. member for North Toronto (Mr. Foster), we understand that the Grand Trunk Railway Company allege that they have loaned $7,000,000 of this money and it is alleged that that $7,000,000 has been put into the road. The minister says that he will ascertain definitely that that money has been put into the road. I take it that the minister will do that but supposing that that $7,000,000 has been put into the road, then there will be left only $3,000,000 available for new work. Does the minister know how much it will take to complete the prairie section? In other

words, will $3,000,000 of new money put into it complete the road?

Mr. FIELDING. At an earlier stage, in introducing the resolution, I gave in very full detail the figures which were designed to show that this $10,000,000 to be applied in the way described will finish the prairie section. We have, of course, only the reports of the engineers in that respect and I am beginning to give engineer's estimates with a word of qualification.

Mr. LENNOX. If that is the case it would appear that the prairie section is within $3,000,000 of being completed. Does the minister believe that?

Mr. FIELDING. That is the information I get from the engineers and I am bound to accept it in good faith.

Mr. JOHN HAGGART. I wish to be clear as to the application of the $10,000,000. From the statement brought down by the minister it seems that the $10,000,000 is to be used for the completion of the road and for the payment to the Grand Trunk Railway of seven million odd dollars which they allege they have advanced for the construction of the road. The minister sent officers of his department who have inquired into this expenditure and this advance by the Grand Trunk Railway, so he must now be in a position to state whether that $7,000,000 was actually advanced by the Grand Trunk and used in the construction of the road.

Mr. FIELDING. I do not see that we are very much concerned now with that $7,000,000, because we will not pay out one dollar of this $10,000,000 except upon the certificate of the engineer that that money is represented by work in the road. If, in the meantime, they have arranged with their bankers or the Grand Trunk Railway or any one else for that advance, I do not think we are much concerned. As to the $3,000,000 finishing the road, it is $3,000,000 in addition to other funds which are still available from the government guarantee. This amount, plus the other amount available from the government guarantee, we are advised will finish the prairie section.

Mr. JOHN HAGGART. The minister must concern himself as to whether the money is earned or not. His officers have examined the accounts and certified that this money has been expended upon the road. Surely we are entitled to the details of the expenditure of that $7,000,000? Grand Trunk Pacific say they want $9,500,000 to complete the prairie section. This is referred to the officer of the department and he says $10,500,000 is required. You split the difference at $10,000,000. What available assets have they? They have available assets of the bonds not yet sold and of construction material which is available to the amount of $1,500,000, and they want to return this alleged advance of $7,100,000. The officers of the department certify that this has gone into the construction of the road. In what form was this advance made?

Mr. FIELDING. We have nothing which earmarks that particular $7,000,000, and it does not strike me as of importance to us to so ear-mark it. What we want to have certified to us is that there is work to represent the money which they will claim from us. The Grand Trunk Pacific will file statements that they have done the work; we do not care where they get the money; it is not our concern. They claim they have done work representing a certain outlay. We will submit that to our engineers, who must certify to it; and if the work is there to represent it, I do not think we are concerned whether they got the money from the Grand Trunk Railway Company or from a bank. That is a matter of their own arrangement. The vital point with us is to see that the work is there, and then the money is paid out only on the certificate of our own engineer that the work has been done.

Mr. AMES. The government has already agreed to advance $13,000 per mile on the 916 miles of the prairie section, amounting to $11,908,000; and we now propose to advance $10,000,000 more, making a total of $23,900 per mile, or altogether $21,908,000. Do I understand that the government will see that vouchers for that total amount are checked and passed as being for perfectly legitimate expenditures, and that when they reach that point their responsibility as to checking these accounts ceases, and any additional expenditure will not be subjected to the same examination?

Mr. FIELDING. My hon. friend treats two funds as in a sense the same. One of these funds consists of the proceeds of the government guarantee, as to which the procedure is that the guaranteed bonds are issued and sold, and the proceeds deposited in a special account in the bank to the credit of the Minister of Finance, separate and apart from our ordinary government revenue. This may be deemed trust money for the purposes of the railway. Not a dollar of that money can be drawn out until the government engineer has certified the accounts sent in as being correct, and only when he certifies that the claim is a proper and legitimate one against that money is any of it drawn. So much with regard to the government guarantee. With respect to the other transaction, which represents a portion of the money guaranteed by the Grand Trunk Railway Company, inasmuch as they have

asked us for this loan, we have put it in the same position as our guarantee fund, and we say that this money must be drawn out only when the government engineer certifies that there is work to represent it.

Mr. AMES. The minister has not seen the point of my question. The governmen are supplying $22,000,000 for the prairie section, which we will say will cost $32,000,000. The Grand Trunk Pacific Company are then obtaining $10,000,000 apart from the government. Is the government going to see that there is a careful audit of the whole $32,000,000, or only of the accounts they present up to $22,000,000?

Mr. FIELDING. The audit covers the whole expenditure. Then it becomes a question of what proportion is chargeable on the guaranteed bonds and what proportion is provided by the Grand Trunk Company. But the audit of the Railway Department covers the total expenditure without any reservation.

Mr. AMES. Then do I understand that the government will satisfy themselves, in respect to all the indebtedness that stands against the road with respect to the first, second and third mortgages which are prior to our fourth mortgage, that every item which makes up those amounts has been carefully passed on by the government auditor, so that we may know that the government has taken the precaution to examine carefully every item of expenditure on the road, whether the government is to supply the money or not?

Mr. FIELDING. Yes, the audit of the Railway Department applies to the total outlay on construction.

Mr. AMES. With the minister's assurance, then, if next year we inquire how this $10,000,000 has been expended, we shall be permitted to travel in the same steps in which the auditor of the government has travelled, and examine the list of vouchers that make up the statements which the auditor has passed; so that what is now being done to satisfy the government that these expenditures are legitimate may be ratified by a committee of this House at the next session if it is so desired?

Mr. FIELDING. We are not changing the system in the slightest degree by this Bill. I am advised that the auditor of the Department of Railways does take into view all the expenditure on the road which are charged to construction account, and certifies that they are fair and proper and reasonable, and then a certain portion is charged to one fund, and a certain portion to the other. But all are subject to the audit of the department.

Mr. AMES. Then do I understand that a committee of this House will be permitted next session to travel in the same steps as the auditor and accountant of the Department of Railways in order to be assured that the whole of the $32,000,000 has been legitimately expended?

Mr. FIELDING. We are making no change whatever in the system or in the terms of the contract, whatever they are; but my impression is that the audit of the Department of Railways is as broad as my hon. friend suggests. If I find that I am mistaken, I will qualify my statement at a later stage of the discussion.

Mr. AMES. The hon. gentleman knows that we were permitted to examine as trust funds how the first portion of the $13,000 per mile was expended. Do I understand that this $10,000,000 being in the same position, we shall be entitled to check over the amounts which are paid out as part of this advance?

Mr. FIELDING. The contract is not varied in the slightest degree by this Bill. The moneys can only be drawn after government audit, and in the manner I have described. But I will read in 'Hansard' what my hon. friend has said and will discuss the matter with the auditor of the Railway Department, and if my answers have been too comprehensive, I will modify them.

Mr. AMES. This Bill is practically an amendment of the contract.

Mr. FIELDING. No.

Mr. AMES. It is to all intents and purposes, for it is putting the company in a better position.

Mr. FIELDING. No. We agree voluntarily to help them by way of a loan, but it is not an amendment to the contract. An amendment to the contract would have to be mutual.

Mr. AMES. At this time if we desire we can lay stipulations on the company, and if this matter is not clear, we can easily make it clear in this Bill.

Progress reported.

At Six o'clock House took recess.

After Recess.

AGRICULTURAL FERTILIZERS.

House went again into committee on Bill (No. 110) respecting agricultural fertilizers.

Hon. WM. TEMPLEMAN (Minister of Inland Revenue). I move the reconsideration of section 6. My object is to move an amendment by adding sub-section:

(e) The materials from which the fertilizers were made.

Mr. J. A. CURRIE. What is the object of this?

Mr. TEMPLEMAN. To give further information to the department. They already have to give the guaranteed analysis, and this is added.

Amendment agreed to.

Section 10 reconsidered:

Mr. TEMPLEMAN. This section provides that the purchaser of a registered fertilizer may send it to the department and have an analysis made on paying a fee of $5. It is suggested that this is too high a charge in case of farmers and others desiring an analysis, and I propose to reduce it to $1.

Amendment agreed to.

Section 15 reconsidered:

Mr. TEMPLEMAN. This provides for penalties. It says:

Every person who sells or offers or exposes for sale any fertilizer in respect of which the provisions of this Act have not been complied with——

And so on. I propose to strike out the word 'person' and insert the words 'manufacturer or agent.'

Mr. SAMUEL SHARPE. Would that include the storekeeper?

Mr. TEMPLEMAN. No, I am bringing in another amendment to include the vendor. This applies to the party who gets the license to manufacture and guarantee the analysis.

Amendment agreed to.

Section 17 reconsidered:

Mr. TEMPLEMAN. I propose an amendment that will cover the point raised by the hon. member (Mr. Sharpe). It has been pointed out in the discussion that after a fertilizer is placed on the market with guaranteed analysis, some vendor might tamper with it by mixing with it inferior substances, thereby reducng its fertilizing value. I propose, after the word 'fertilizer' in the third line, to add the words:

—and every person who lowers the fertilizing value of a registered fertilizer by mixing any other substance therewith after said fertilizer has been placed upon the market by the manufacturer or agent.

Amendment agreed to.

Mr. TEMPLEMAN. I propose to add to this Bill the section, No. 21, as follows:

This Act shall come into force on the first day of January, nineteen hundred and ten.

Mr. TEMPLEMAN.

This will give the manufacturers time to conform to the Act. The season for fertilizers for this year is over.

Mr. J. A. CURRIE. A great deal of fertilizer is used in the fall of the year. Better make it 1st October.

Mr. TEMPLEMAN. So far as the convenience of the department is concerned, 1st October would do as well as January 1, 1910. It might suit the trade better to begin with the year. It does not make much difference to the department.

Mr. J. A. CURRIE. But it makes a difference to the public, because a good deal of fertilizer is used in the fall in the Niagara district and elsewhere. It will be no more difficult for the manufacturers, but it will give the department control of the material sold for the fall season.

Mr. TEMPLEMAN. I move that it be made October 1, 1909.

Bill reported, read the third time, and passed.

COMMERCIAL FEEDING STUFFS.

Bill (No. 127) respecting commercial feeding stuffs—Mr. Templeman—read the second time, and House went into committee thereon.

Hon. WM. TEMPLEMAN (Minister of Inland Revenue). This Bill is practically the same in all its details as the Bill which we have just passed, with the single exception that this is for commercial feeding stuffs, and the other was for fertilizers. The language is exactly the same except in those two words.

On section 2,

Mr. SPROULE. I have a letter handed to me by a party who is manufacturing one of these articles which he seems to think or has been informed, this Bill would include. I will read it, the letter is from the Beaver Manufacturing Company of Galt:

Your favour of the 15th inst. with inclosure of a copy of Bill (No. 127) is received, and we thank you for your prompt attention. The government bulletins already published and distributed throughout the country have very seriously affected our trade. Analyses are regularly published which lead the farmer to believe that herbageum is composed of wheat refuse and one or two other very low priced materials.

Herbageum is an article which cannot, I think, fairly be called a food, it seems to be more like a medicine.

The theory upon which we have worked, and upon which we have built up a trade is a matter which we cannot get the agricultural colleges to consider at all. They and the government insist on classing us as a stock

food, and when they analyse they look for food value. Now we do not and never have claimed that there is any food value in Herbageum. Our whole claim is that one quarter of an ounce fed twice daily will enable farm stock to thoroughly assimilate and digest the ordinary feeding stocks, and in this way obtain from these ordinary feeding stocks the maximum amount of food value. This being our claim, why should our product be tested for protein and fat?

They regard it rather as a tonic and a medicine, a stimulant tonic.

That Herbageum does the work claimed for it is amply vouched for by many of the most successful farmers, among them being such men as D. C. Flatt, John Orr, Telfer Bros., John Brown, Wm. Stewart and Walter McMonagle. These men have an international reputation as successful feeders and breeders, and they are staunch believers in and continual users of Herbageum. In face of such evidence, why should Herbageum be called a food, and condemned because it does not contain protein and fat in paying quantities? If it were pure protein and fat it would be a feeding stuff and not a condiment, and it would be utterly useless for the purpose for which it is manufactured and for which the stock men buy it.

In view of all this we submit:

1. In May, 1887, Herbageum was registered with the Department of Agriculture at Ottawa (No. 13, folio No. 2889).
2. Herbageum was registered as a 'condiment for animals.'
3. We have never called Herbageum a food.
4. We have never claimed any food value for Herbageum.
5. We claim that we should have special classification as a 'condiment for animals' and,
6. That therefore we should not come under the proposed 'Act respecting commercial feeding stuffs.'

Now it seems to me that the allegations put forth in this letter are pretty correct. You can hardly regard a thing as food that you feed to an animal only in teaspoonful doses. I do not know anything about the stuff, but I should think it was more of a tonic. It is a compound of herbs and certain preparations of wheat. Perhaps it might appropriately be called an aromatic tonic.

Mr. TEMPLEMAN. If it is a medicine it would not come under the Act. If it possesses nutritive as well as medicinal qualities it would. But if the contention of the correspondent is correct, and it is purely medicinal and not food, it would not come under the Act.

Mr. SPROULE. He does not claim it to be a medicine, but a tonic. I assume it is called a food because it contains preparations made from wheat which contain the protein and other elements of food. It is something in its effect like pepper, salt ginger, mustard. These are condiments, they stimulate the stomach and make it secrete more gastric juice, and digest the food better.

Mr. TEMPLEMAN. Then it would not come under this section at all.

Mr. SPROULE. What would you put that under?

Mr. TEMPLEMAN. It would not come under any Act. It has to possess nutritive properties to be a feed as well as a medicine before it can come under this Act. If the statement of the correspondent is correct that this is purely a medicine and not a food it would not come under the Act.

Mr. SPROULE. I did not say that he claimed it to be a medicine. I said that it could more properly be classed as a medicine. He called it a condiment.

Mr. TEMPLEMAN. And the manufacturer says that it is a food?

Mr. SPROULE. No, he says it is a condiment.

Mr. TEMPLEMAN. It would have to remain for investigation to find out whether it was a food under the Act or not. If it is a condiment or a medicine purely and simply it would not come under the Act, but if it is medicinal as well as nutritive it would come under the Act and very properly so because that is the object of the Act.

On section 4,

Name of foreign manufacturer's agent or representative in Canada to be filed with minister.

Mr. TEMPLEMAN moved:

That the section be amended by inserting after the word 'person,' in the 30th line, the word 'resident,' and after the word 'Canada,' in the 31st line, the words 'and acceptable to the minister.'

He said the point was raised in discussing the other Act that probably the agent might be an irresponsible person. I want to put that in as a safeguard.

Section as amended agreed to.

On section 7,

Registration number, how fixed; statement required.

Mr. TEMPLEMAN moved:

That the word 'importer' in the 19th line be expunged.

He said: The word 'importer' appears and as the importer is not dealt with in the Act but simply the manufacturer or agent, I desire to expunge it.

Section as amended agreed to.

On section 9,

Annual license to sell; fee; period of validity.

Mr. TEMPLEMAN moved:

That the section be amended by inserting after the word 'obtained,' in the 2nd line, the words 'by the manufacturer or agent.'

Mr. DANIEL. Does this section mean that no one can sell any of these foods except he has a license, or has the license only to be taken out by the manufacturer?

Mr. TEMPLEMAN. The object of the Act is that the manufacturer shall take out one license himself, and that no commercial food stuff can be sold unless the manufacturer or the agent of the foreign manufacturer shall take out a license for that food stuff.

Mr. DANIEL. The section is not very clear.

Mr. TEMPLEMAN. I think so. There is only one license to be taken out for each brand.

Mr. SPROULE. That is an annual license?

Mr. TEMPLEMAN. Yes.

Section as amended agreed to.

On section 10,

Purchaser of registered feeding stuff may obtain analysis.

Mr. TEMPLEMAN. There is a blank in the last line and I therefore move:

That the blank in the last line of clause 10 be filled in with the word 'one.'

Making it read one dollar.

Mr. SPROULE. How will it be with those parties all over the country who have a lot of feed on hand? The manufacturer will take out a license on the 31st December. There is a stock of these goods all over the country. Will the license taken out on the 31st December cover what is in the hands of the trade at that time, or will it only cover what the manufacturer or his agent sold after that?

Mr. TEMPLEMAN. It might be necessary to introduce a clause to exempt stocks in the hands of vendors.

Mr. SPROULE. Otherwise you might do injustice to merchants and others.

On section 13,

Analysis in case of samples imported for personal use.

Mr. TEMPLEMAN. I propose making the fee in that case $5. The same amendment will apply in the case of analysis of food stuffs manufactured to the order of a purchaser.

Mr. S. SHARPE. The Act does not provide for the case of a foreign manufacturer who, without registering a resident agent imports a lot of feed materials, placing them in the hands of merchants and having them sold without being registered. Who would then be liable under the Act?

Mr. J. A. CURRIE. That is material imported by the foreign manufacturer and sold under consignment?

Mr. S. SHARPE. Yes.

Mr. TEMPLEMAN. We might amend section 17.

Mr. S. SHARPE. The merchant is not an agent under the wording of the Act and the only suggestion I can offer is to make the merchant or person who sells an unregistered article liable under the Act.

Mr. TEMPLEMAN. We could amend section 17 in that way.

On section 17,

Forgery of certificates, &c.

Mr. TEMPLEMAN. I would move to add the words 'and every person who sells an unregistered food stuff.'

Mr. S. SHARPE. That would cover the point. Would it not be well for the minister to amend the Fertilizer Act in the same direction?

Mr. TEMPLEMAN. We would have to have the amendment made in the Senate, and I will see if that can be done.

Mr. J. A. CURRIE. I would also suggest that such fertilizer as Chilian nitrate, wood ashes and phosphates, sold in the commercial state, should be exempted in the same way as this Act exempts grains. For instance, it might be considered illegal for a person to buy Chilian nitrate by the bag and to sell it as such. I would like the minister to consider that.

On section 20,

Commencement of the Act.

Mr. GEO. TAYLOR. I think that Act should come into force before the 1st of January next.

Mr. TEMPLEMAN. There is no objection to it coming into force on the 1st of October if the House thinks that the better time.

Mr. GEO. TAYLOR. As against the manufacturer the Act should come into force at once, except as to the stocks now on hand, because the manufacturers all over the country are manufacturing and selling to the farmers fraudulent foodstuffs.

Mr. SEXSMITH. I think it would be wise to have the Act brought into force as quickly as possible. During the months of June and July an immense amount of food is purchased and consumed.

Mr. J. A. CURRIE. I would move that the date be changed to the 1st of July, 1909. I might say that this foodstuff is a staple article which is sold daily. It is not something that a man need put in a stock of for a year, and there will be ample time for the dealers to get rid of all their stock before the 1st of next July. This is a matter that is pressing very hardly upon purchasers. The frauds in this class of food, as shown before the Agricultural Committee, are so great that drastic measures are necessary. The hon. member for East Peterborough (Mr. Sexsmith) and I have introduced Bills on this matter which this Bill now covers. It was ascertained before the Agricultural Committee that in a great majority of cases this commodity was made out of absolutely worthless stuff, such as sawdust and ground chaff and ordinary turf and moss, which were ground up and sold to the farming community as cattle feed. It is about time that this was stopped, because there is not 25 cents of food value in a ton of it. I would also suggest to the minister that something ought to be done to relieve the farmer of the duty of prosecuting the parties who wilfully break this law. The matter is now left in such an indefinite shape that there is no officer specially charged with the enforcement of the law. I pointed that out the other evening in the case of fertilizers and the objection is even greater in this case. The merchants are selling the farmers this foodstuff for cattle, which has no food value. We may run across cases where the purchaser gets an analysis made and finds a fraud has been committed on him, but he might not like to institute proceedings himself. Under the Adulteration Act, he would have to deposit $25 before any prosecution could be made. I do not see how the minister proposes to have the law enforced. Let him make it more easy to prosecute in such cases. Every few days we get circulars from the department showing the results of analysis, but there is no prosecution. The circulars show that the articles are fraudulent but no effort is made to punish the guilty. Analysis of these foods have been made for years and the results sent out to the public in bulletins issued by the department, yet still these frauds are growing larger every day. I think the minister would do well to consider the advisability of inserting some provision which would enable an officer of the department, when he found there was a fraud, to lay the information before the magistrate. The minister said the other evening that it was the business of the department of Justice to prosecute. Possibly this department should in one sense be the prosecutor, but it would be much more effective to give an inspector the power to lay the information before a magistrate and file his certificate showing that an article put on the market was not up to the analysis printed on the package, and then have the manufacturer summoned to show why he should not be fined.

Mr. TEMPLEMAN. It would not be possible for the manufacturers of these commercial food stuffs to conform to the provisions of this Bill before the 1st of July, 1909. We require that they shall register, and take out a registered number, and put upon the packet a printed guaranteed analysis and other statements of fact. It would be scarcely fair to compel them to do this in that short time. I would be quite willing to have the Act come into force the 1st of October, 1909. Within that time they should be able to comply with it. With reference to the suggestion of the hon. member for South Simcoe (Mr. Currie) regarding prosecutions for violations of the Act, it is not the department who creates the standards but the manufacturers. The officers of the Department of Inland Revenue would procure a sample of every food-stuff on the market and analyse it, and if the analysis printed on the packet does not come up to that made by the department, the manufacturer can be punished under clause 15.

Mr. GEO. TAYLOR. The department undertakes to prosecute?

Mr. TEMPLEMAN. Yes. I move that the Act comes into effect the first of October, 1909.

Mr. SEXSMITH. I agree that the 1st of October would perhaps be early enough to have the law come into force. There is a considerable manufacture of food-stuff of medicinal qualities such as herbageum. I have in my desk analysis of that stuff and it is not worth as much as a food as ordinary linseed meal. It is composed of pure wheat meal, charcoal, sugar, &c. I do not wonder that the manufacturers of these protest and say they should not be compelled to put a label on the outside. If we have this Act come into force the first of October and then have it carried out, that will be time enough. The people have been defrauded a good many years and it is time to put an end to it.

Mr. SPROULE. There are thousands of samples which must be analysed and the department has not a sufficient number of analysts to do the work between now and then. The work is very much behind now. Then you require to have the brands registered and licenses taken out and to make your own regulations, and all that will have to be done by the department within that time. Who is going to collect those samples for your analysts?

Mr. TEMPLEMAN. The department does not make the analysis. It is the manufacturer himself who will analyse and place a guaranteed anaylsis on the packet.

Mr. SPROULE. If he wants to give his food any standard, will he not require to have the government analyse it?

Mr. TEMPLEMAN. The department does not guarantee the analysis at all. We would not allow any of our analysts to make the analysis. The manufacturer must have that done himself. Then the label on the package shows what nutritive value the food has. After it is put on the market, we have it analysed, and if the food is not up to the analysis labelled on the package, we take proceedings.

Mr. SPROULE. Suppose you want to prosecute, what is your evidence? There must be an analysis made, and there are not sufficient analysts in Canada to analyse the samples of food on the market at present.

Mr. J. D. REID. I agree with what the minister says. This government must not be responsible for the analysis, but the manufacturer can get it analysed by any chemist he wishes.

Mr. SPROULE. Does the hon. member mean to say that any chemist in the city is fit to analyse it?

Mr. J. D. REID. They certainly can get it done. As to the question raised by the hon. member (Mr. Sproule) that it would not be possible with the staff the minister now has to make these analyses in the time, would it not be much better for to to pay a few more officers for three or four months in order to bring the Act into effect all the sooner? Surely that would be better than to allow the farmers to be defrauded out of thousands and thousands of dollars. I think the first October is ample time for the manufacturers, and the saving to the people who buy these goods will be much greater than any possible cost in preparing for coming into force of the Act.

Mr. J. A. CURRIE. I do not believe there are a dozen manufacturers of these goods in the country that have not had their stuff analysed already by the government on one or two occasions. They all know the value of the analysis, though I think they will be slow to put the analysis given them by the government on their brand. As to giving them time, there is no need to be too lenient in this matter. Of course, hypothetical cases can be quoted. In the case of change in the custom law, which we make here in five minutes, there may be shown thousands of cases of people who have been injured by it, but we do not delay the law for that reason. I do not see why we should be so awfully kind to these other people and give them so much time to load up the country with a few thousand more tons of this stuff. I do not wish to press the motion I have made, in opposition to the minister's wishes, because I would like to see this Bill go through without any contention. I think we should take the business view of this. If a business man had this in hand, he would bring this law into force at ten o'clock to-morrow morning. It is not going to hurt the small dealer, he may have some packages on hand, but, if he can show that he bought them before the change in the law—and his invoices will establish the facts of the case—there is not a magistrate in the country who will fine him.

Mr. SPROULE. I do not think the hon. member (Mr. J. A. Currie) knows much about the trade. You cannot find many respectable drug stores that do not manufacture this for themselves. They use linseed meal, ginger, antimony, sometimes shorts, bran or other material. Is everyone of these druggists to take out a license and get the feed analysed? They probably have a large stock on hand. It is not useless by any means. It is a food, a condiment, and a medicine, and it is good for cattle. There is a great difference between this and ground-up corn stalks or chopped straw. I can understand that all this trade can be brought under control. But, if you are going to do it in a short time, you will have quite a contract on hand. With three-quarters of the respectable drug stores all over the country to register and their products to be analysed, there are not enough analysts in Canada to analyse all these samples between now and 1st October.

Mr. J. A. CURRIE. The hon. member (Mr. Sproule) seems to think that the 'guaranteed analysis' must be the exact analysis of the contents. But, without an analysis, the man who makes the mixture can put on it a description as a 'guaranteed analysis' that will be safely within its value, and that will fulfil the requirements with relation to the guaranteed analysis.

Mr. SPROULE. What is the analysis for? It is to show the contents of the mixture. The analysis would have to be made by some one competent to go into the witness box and prove the case if called upon. Will any court accept the analysis of a druggist? Not unless he is also a qualified analyst, and not one druggist in fifty is a competent analyst. To get all these analyses made by the duly qualified people will take time. I say, and I say advisedly, that there are not enough analysts in the Dominion of Canada to analyse all these samples of food between now and 1st October.

Mr. SEXSMITH. The hon. member (Mr. Sproule) may know of druggists who are mixing up these feeds, but the druggists in our vicinity do very little of it. We have the National Stock Food Company selling hundreds of thousands of dollars worth to these people. This concern advertises that it spends $200,000 a year in advertising its stuff. Who pays for all that? I understand that it has been said that a great portion of this feed was made of ground corn cobs, and they are selling it by the train load. These are the people we want to get after. Very few druggists make their own, they handle other well known brands. In the stores you will see it piled up by the wagon load, and sold at these exorbitant prices. As I understand it, the manufacturer must register with the department and get his mixture analysed. Then, if he puts on the market a class of feed that does not come up to the standard given on the tag, prosecution will take place.

Mr. TEMPLEMAN. I think the 1st of October is a medium course between the proposals of my two hon. friends opposite. One wants the Bill brought in immediately, while the hon. member for East Grey (Mr. Sproule) says it should not come into force until the beginning of the year. The chief analyst advises me that if the Bill is brought into force on October 1, there will be no trouble in doing our end of the work.

On schedule A:

Mr. J. A. CURRIE. It is stated that the method of taking samples can be obtained on application to the department. It would save the department a great deal of trouble if instructions to obtain a sample were published along with the other things.

Mr. TEMPLEMAN. Samples, in nine cases out of ten, will be taken by the officers of the department.

On schedule B:

Mr. SAMUEL SHARPE. Was clause 15 amended to provide for imprisonment in default of payment of a fine? The Fertilizer Act was so amended.

Mr. TEMPLEMAN. I have that memorandum on my Bill. I move to add that after the words '100', where they occur, the following words be inserted:

And in default of payment of such penalty, to a term of imprisonment for 30 days.

Amendment agreed to, and Bill reported.

On motion for third reading,

Mr. SPROULE. I think it is an outrage upon the feed dealers that no provision is made for the stock they have on hand. There are certainly thousands of tons of it all over the country that are being sold today. Now every manufacturer who sells or exposes for sale any commercial feeding stuff after this Act is passed, is subject to a penalty. There is no provision made in the Act to let them sell what they have.

Mr. TEMPLEMAN. We give them four months in which to sell their stock on hand. The Bill will not come into force until the 1st of October. We have got to make a start some time. I do not know how we could make an exception for the stock at present on hand.

Mr. SPROULE. You did it in the Patent Medicine Act.

Mr. TEMPLEMAN. We provided that all stocks of drugs on hand, on the coming into force of the Act, should have a small label attached to them as provided by the department. But it seems to me that is not so necessary in this case. Holders of these feeding stuffs should be able to dispose of them during the next four months. I would also point out that it is the manufacturer or agent who is liable, not the vendor, for a contravention of that portion of the Act. The vendor is only responsible under the Act if he adulterates a food stuff already in the market. So I do not think the retail dealer will be hurt at all in selling any of his old stock, even after the Act comes into force.

Mr. SPROULE. Is he exempt? He is a manufacturer in every sense of the word under this Act. He has not taken out a license but he has a large quantity of this material on hand. He has only sold as much as is called for and he has to lose what he has on hand or sell it illegally. It is not the part of wisdom or fair play if you do not make some provision whereby these people may carry on their business in a legal way.

Mr. TEMPLEMAN. My hon. friend must be referring to condiments or medicinal preparations rather than to feeding stuffs. There are very few druggists who would put up feeding stuffs in such quantities that they cannot dispose of them in four months. The Act does not apply to them unless they are foodstuffs proper. If any druggist has such a large quantity on hand that he cannot dispose of it before 31st December next he should come under the Act and be liable to its provisions.

Mr. SPROULE. Your Act provides that these compounds may be feeding stuffs, condiments and medicines. Take the prescription that I have spoken of again. Take linseed meal, bran, shorts and ground oil cake which are food stuffs. Put them with certain drugs and you have a preparation of foodstuffs and medicines combined. You sell them by the patent pail and they are valuable foodstuffs and medicines as well.

They will come under this Act. I have been so associated with the trade that I know very well how this is done. Take Orangeville, Shelbourne, Dundas, Flesherton, Markdale, Chatsworth and Owen Sound; you cannot go into any one of these places but you will find drug stores selling these goods and in most cases druggists manufacturing them. They will be selling them in violation of the Act under the provisions as contained here. They may decide to quit the manufacture of them in future but there is a lot of stuff that is not sold, they do not want to lose it and yet they do not want to sell in violation of the law.

Mr. J. A. CURRIE. In reply to my hon. friend from East Grey (Mr. Sproule) I think that these druggists are amply protected by this Act. There is no druggist of ordinary intelligence who cannot turn up the Pharmacopaea and in five minutes decide the food value of any of the ordinary articles that would be employed in a compound of this kind. He can turn up seed, meal, bran, &c., and ascertain their food values. Any man who is a druggist will very soon find out the food value of materials which are used to make up one of these articles and then all he has to do is to put a cerificate of the food and if he is going to give a false value to it let him put on a certificate for less than the actual value of the article. The analyst takes a sample of it, and sends it to the department and if it is found that the value of the article is five or ten per cent over, the guaranteed value I do not think the department would be inclined to prosecut the manufacturer. A man who undertakes to compound an article of this kind can very easily calculate the value of it from the means at his hand. I object to the length of time which is given for bringing this Act into force because there is no trade which has been treated with so much leniency as this. They have still five months to make up their minds what they will do and if they want to be safe they can tag their product with a statement of the food value really below the actual value. There is no misrepresentation if the value is greater. The hon. member for East Grey knows very well that there is no druggist in this country but who could very soon find out what food value there is in any article that he compounds or sells.

Mr. SPROULE. My hon. friend may be a travelling encyclopedia but he only exposes his limited knowledge when he says that it is only necessary to turn up the Pharmacopaea to find out the value of foodstuffs. Suppose that you went to court on that what would happen? You cannot find an analysis of food in the Pharmacopaea. That would be absolutely valueless and the druggist would be liable under the law if any person questioned the matter.

Mr. J. D. REID. I think this is a good Bill, but there is one point in regard to which I do not think it goes far enough. If a manufacturer mixes a certain proportion of bran with middlings and grinds them together, thus reducing the food value of middlings, this Act would not touch him at all. The farmers have been complaining very much about the manufacturers mixing one of the lower grades made from the same grain, and thus decreasing the value of the article they are supposed to get. However, we may try this for a while and if it does not work satisfactorily we can amend it.

Mr. GOODEVE. I think there is a great deal in the contention of the hon. member for East Grey (Mr. Sproule). This Bill, I understand, is a Bill to protect one class as against another class and in making legislation of this kind we should be very careful that no class is injured. I cannot agree with the position taken by the hon. member for North Simcoe (Mr. Currie) in that he says that every druggist should be an analyst.

Mr. J. A. CURRIE. I did not say that he should be an analyst.

Mr. GOODEVE. It is absolutely necessary to carry out the hon. gentleman's argument that he should be an analyst. But, it should be remembered that all druggists are not analysts. There are only a few in the Department of Agriculture and the Department of Inland Revenue. As the hon. member for East Grey (Mr. Sproule) has said, a man although he may be a very skillful chemist, may not be able to conduct properly an analysis of a food product. The hon. member's point is well taken that there may be thousands of pounds that the retail vendor has bought in good faith, and if he is not able to dispose of them before the time stated in the Act then the manufacturer of these goods becomes liable, although both he and the vendor have acted innocently and in good faith. For that reason I think that some provision should be made, just as in the case of the Act in regard to proprietary and patent medicines, whereby stocks on hand should be exempted from the operation of the Act or at least some further notice given. It is difficult for even a lawyer to keep track of all the changes made in the law from time to time. The druggists are a responsible class of the community, men of good standing, men who are already subject to rigorous provisions of the law and I believe that some consideration and protection should be given them in introducing this law.

Mr. JOHN BARR (Dufferin). I quite approve of this very important legislation.

I believe it is in the interests of the farming community, as there is no doubt that farmers have been gulled by food stuffs which contained very little substance. For instance the manufacturers of pea meal for human food preserve the hulls of the peas, grind them up and sell them for cattle feed as pea meal, although they contain very little substance. Therefore it is of the greatest importance that these feed stuffs should be analysed and that the farmers should know the value and the strength of what they are purchasing. At the same time there is force in the argument of the hon. member for East Grev that the druggists may have large stocks of these goods on hand. There is little sale for them except in the spring and fall and large quantities are necessarily carried over. Injustice may be done to these druggists by cutting off the sale of their present stock in the fall. I think that the suggestion of my hon. friend is worthy of consideration.

Bill reported, read the third time, and passed.

IMMIGRATION ACT AMENDMENT.

On the order

Resuming the adjourned debate on the proposed motion of Mr. Oliver for the second reading of Bill (No. 17) respecting Immigration.

Mr. F. D. MONK (Jacques Cartier). When this Bill was up for consideration some days ago, I asked the Minister of the Interior to wait until we had concluded the examination of the Superintendent of Immigration in the Committee on Immigration. We have concluded that examination, but as a matter of fact the result has not been reported to the House. I believe the committee meets to-morrow in order to report. Personally I would have no objection to the Bill taking one stage to-night, but this is an instance amongst many of the difficulty we experience from the manner in which the proceedings of this House are carried on. Many members who are deeply interested in this Bill are absent to-night and I think excusably so, because this afternoon everything led members to believe that the important motion then under discussion would occupy the whole of this evening and probably a part of to-morrow. I do not wish to retard the progress of the Bill, but I would suggest that only one stage should be taken to-night, and that the consideration of the Bill in the committee should be postponed. I and a number of my friends, who have taken an interest in this subject for many years, have suggestions to make in committee. Does the minister accept the proposal to allow the Bill to take its second reading to-night and postpone the committee stage until those interested in the Bill may be present and may express the views they entertain?

Mr. OLIVER. I have no desire to push this Bill forward without due consideration, but it has been before the House since shortly after the session opened. It was brought forward for second reading nearly two months ago, and its consideration has been already postponed for some two weeks at the request of my hon. friend. The session is nearing its close; the Bill is important; if we desire to make its provisions efficient, and if my hon. friend desires to take the responsibility of delaying the passage of this important measure, I have no objection to accede to his request, but the responsibility must certainly rest upon him and not upon me.

Mr. MONK. My hon. friend is very much mistaken, and I find his statement unfair. The Bill has been called only once for its second reading, and I objected to it being then read the second time as we were proceeding with the examination of the chief officer of immigration, and my hon. friend consented to its postponement. The chief officer of immigration has been examined, but his evidence is not before the House, and I can validly object to the second reading being taken to-night under the circumstances. The Bill could only take one stage this evening, and I have no objection to that. I believe in the principle of the Bill; but when members of this House have taken the trouble to study the question as they have, and desire to avail themselves of the evidence of our chief immigration officer, my hon. friend goes far when he desires me to assume a responsibility which I do not think exists at all.

Motion agreed to, and Bill read the second time.

CANADA SHIPPING ACT AMENDMENT.

Bill (No. 131) to amend the Canada Shipping Act—Mr. Brodeur—read the second time, and House went into committee thereon.

Mr. BRODEUR. This Bill is for the purpose of inserting in the French version a paragraph which has been accidentally omitted from the Revised Statutes of 1906. The words which have been omitted are of course included in the English version.

Mr. FOSTER. This is the exact equivalent?

Mr. BRODEUR. Yes.

Bill reported, read the third time, and passed.

FRENCH STEAMSHIP SUBSIDY.

Bill (No. 146) to amend the Act relating to Ocean Steamship Subsidies—Mr. Brodeur—read the second time, and House went into committee thereon.

On section 1,

Mr. BRODEUR. This section was adopted last year with the exception of the following changes. We provided that a contract should be made for the purpose of establishing a steamship line between Canada and France, and that we should pay a subsidy not exceeding $200,000, based upon the sum of $5,555 per trip. Last year the contract was made for one year only, because it was not known whether or not the French treaty would be adopted by the French authorities, and we thought that we could this year renew the contract for one year or for a longer period. But as the power which was given to the Governor in Council to make a contract had been exercised, the Department of Trade and Commerce were advised that they had no right to enter into another contract, and that it was necessary to obtain authority from parliament to do so. This Bill gives authority to the Governor in Council to enter into a contract or contracts with any person or company. It also provides that the subsidy shall be based on $6,666 per trip instead of $5,555. It is contemplated to improve the service by putting on ships of 12 knots instead of 10 knots, as provided by the present contract.

Mr. MONK. In order that this change should come into effect, I think that the treaty with France should be ratified first, as the whole question of these subsidies depends upon the completion of our new arrangement with the French Republic. I quite approve of these new arrangements which we are making with the Allan Line, but subject of course to the confirmation of the treaty. That treaty at the present moment is an incomplete one, and under these circumstances I suggest that we cannot proceed with this Bill.

Mr. BRODEUR. I do not think it would be fair not to enter into a contract for a large number of years at this time. It is true, the treaty has not yet been ratified by the French Chamber of Deputies, though it has been approved by the French Senate, before which it has been standing for more than a year. I have no doubt the Chamber of Deputies will also approve of the changes made in the treaty, because it has approved of the treaty of 1907, and because these changes are in accordance with public opinion in France. My hon. friend suggests that we should not enter into any contracts for the service even for this year so long as the treaty is not ratified. I cannot agree with him. The Allan Line has had that service established for several years.

Mr. FOSTER. Between what ports?

Mr. BRODEUR. Between Havre, France, and Montreal and Quebec in the summer and St. John and Halifax in the winter. Many people were requested to avail themselves of the subsidy but would not do it, but in 1894 or 1895 the Allan Company agreed to take it up. They started the service and last year the subsidy was going to expire but we passed legislation providing for its renewal. Even if the treaty should not be ratified, I think we ought to provide for the contract this year because otherwise this service, which was established with a great deal of difficulty, would cease. It is expected, however, that the treaty will be ratified in May as soon as the Chambre des Deputés meets again.

Mr. FOSTER. Last year you paid $5,555 per trip. Did you have 15 trips?

Mr. BRODEUR. I think so.

Mr. FOSTER. A service of how many knots?

Mr. BRODEUR. I think ten knots.

Mr. FOSTER. Were the vessels capable of running ten knots?

Mr. BRODEUR. The contract provides for a ten knots service, and they must prove that they have furnished such service or they do not get the subsidy.

Mr. FOSTER. What were the results in the way of trade? We ought to know what we are getting for our money.

Mr. BRODEUR. Last year the trade amounted to $10,000,000 or a little more.

Mr. FOSTER. How was that divided between exports and imports?

Mr. BRODEUR. There were $8,000,000 odd imports and nearly $2,000,000 exports.

Mr. FOSTER. This is not the only line by which we get French goods into Canada.

Mr. BRODEUR. It is mostly.

Mr. FOSTER. What has been the growth of imports from France in the last few years?

Mr. BRODEUR. In 1905 the exports were $335,000, and in 1904 they had increased to $1,992,928. The imports were:

1895	$2,585,000
1896	2,810,000
1897	2,651,000
1898	3,975,000
1899	3,889,000
1900	4,368,000

1901	$ 5,398,000
1902	6,672,000
1903	6,580,000
1904	6,206,000

I have not got the figures since. We expect to have larger exports because our exports have now to pay the maximum duty when the most of our competitors, such as Germany, Australia, Italy, Spain and Switzerland, export their goods to France under the minimum tariff, and there is a great difference between the maximum and the minimum. When the treaty is ratified, our trade with France ought to increase immensely, as our exports will get the benefit of the minimum tariff.

Mr. FOSTER. The French chambers and government have been at work some time revising their tariff. What is the general course of that revision? Is it towards raising the duties both in the minimum and maximum list against foreign imports?

Mr. BRODEUR. The tariff in France is not submitted by the government itself but by a committee. I have seen somewhere that the French Senate are preparing a tariff, and that body is largely protectionist. It may be that the Senate committee would report strongly in favour of an increased tariff. But I do not know whether that same feeling exists in the lower House. I am under the impression that in the lower House the general feeling is in favour of more extensive commercial relations with other countries.

Mr. FOSTER. I would like to bring a few considerations to the attention of the minister. I suppose the government does not intend to put this subsidy into active operation for a period of years unless the French treaty is finally ratified.

Mr. BRODEUR. Our intention is to make a contract for only one year, and after the treaty is ratified, we will make it for a longer term.

Mr. FOSTER. I have no objection to having the contract go on, so as not to break the connection. But I want to call the attention of the minister to two or three things that may happen in the future. In the first place, it is true that whatever may be the minimum tariff in France we will get the same rates under that minimum tariff that other favoured nations get. It is also true that if you put the minimum tariff up to a certain point, if it is a very high tariff, it precludes freedom of trade. It is not sufficient to say that it does not make any difference whether the minimum tariff is 25 per cent or 95 per cent, if we get the same advantage as others. In that respect that statement is true, but if it is a 95 per cent minimum tariff instead of a 25 per cent, it practically precludes trade from outside countries. Now the other consideration is this: The French Chambers are revising their tariff, and from what I have seen in the newspapers it is probable that the tariff will be raised rather than lowered, and it may be that the minimum tariff will be brought up on a parallel, with the maximum, and that both of them will be raised. I think it would be the part of prudence not to make a contract for more than one year at the present time, until we see what the French tariff is going to be under its new form, because it might take such a basis in heightened minimum duties that it would not be worth while for us to spend $2,000,000 in order to cultivate the trade. I think before the French treaty is brought up for ratification the government ought to be able to give this House information with reference to this proposed revision, what is being done about it in the French Chambers. The other point is one I brought to the attention of the House in the budget debate. The United States tariff is not yet fixed. We do not exactly know what it will be, but there is not much doubt but that there will be some provisions in that tariff which will probably make us sit up and think with reference to our relations with other countries. That would be another consideration why it would not be well to make the contract for ten years. Whilst I am anxious to do what we reasonably can to promote the trade, we must yet have regard to our own interests. These two considerations would lead me to think that it would be wise for us to make but the simple yearly arrangement this year, and another year we will be able to see where we are.

Mr. BRODEUR. The contract for the present will be only for one year. It expires on the 1st of May, and we have to make a new contract right away, because the season of navigation is about to open. I think the intention of my colleague, the Minister of Trade and Commerce, is simply to make a contract for one year, until we have more definite information from France as to the application of the treaty.

Mr. MONK. The Allan contractors are entitled to the highest consideration, because not only were they the pioneers of the service between England and our own country, but in the beginning they laboured against great odds. Even during the period of this service with France they have had a great many obstacles to contend with. Does my hon. friend mean that this contract is for one year only?

Mr. BRODEUR. The contract made last year is only for one year, and it is the intention to renew it for one year only.

Mr. MONK. Am I mistaken in thinking that after the treaty has been accepted by

the French Chambers, it is still incomplete until it has been ratified by our own parliament?

Mr. BRODEUR. Yes. The treaty which was made this year by my hon. friend the Minister of Finance will have to be submitted to parliament for its acceptance.

Mr. MONK. So it will be next session before it is a finality?

Mr. BRODEUR. No, I think my colleague the Minister of Finance is now in communication with the French government to find out when the treaty will be approved in France. We may prorogue very soon, and it is the intention of the government to bring down the treaty and ask parliament to approve of it.

Mr. MONK. The Minister of Finance stated, I think, the other day that we will not take it upon ourselves to ratify the treaty again until it has been finally approved by France.

Sir WILFRID LAURIER. The Minister of Finance discussed this question with me a few days ago. It is not anticipated that there will be any difficulty on the part of France in accepting the treaty. The treaty was ratified last year, it has been modified since, but the modifications are not of such a nature as to make the treaty more difficult than it was from the French point of view. We have made it easier for France to ratify the treaty, therefore we do not apprehend that there will be any difficulty on the part of France. The French Chamber of Deputies has adjourned, but is going to resume early in May. The Minister of Finance I think is now in communication with the authorities in France, and I think it is his intention to submit the treaty to parliament this session for ratification.

Mr. MONK. When the treaty comes before us again we will have something to say about the marvellous achievements of my hon. friend the Minister of Marine and Fisheries, for which he claimed great glory when he came home from France. I do not suppose there will be any expense this summer in connection with the ratification of that treaty, such as there was when my hon. friend returned from France on that occasion, and boasted that we were going to feed the whole of France with our fat cattle.

Mr. HUGHES. Is there a bonus given to the Hamburg-American line which runs between Canada and Hamburg, calling at an English port?

Mr. BRODEUR. Not that I know of. There is a subsidy for a line to Antwerp.

Mr. AMES. I hope the minister, in making this contract, will arrange, if trade warrants it, to reach some port in the south of France as well as the port of Havre. Perhaps the minister will remember that when we were discussing the French treaty last year, I stated the view of some importers of French goods in Montreal that we lost the benefit of a considerable trade that might come to us, under the treaty, from the southern ports of France because of the fact that there is not a line of steamers between Canada and any of these southern ports. It was pointed out that, in the case of quite a number of exports from southern France, if they had to be sent by rail across France to Havre to take advantage of the direct steamship line the railways would be practically prohibitive of the exportation. May I ask the minister to endeavour, if he can, to make it possible later on, when the trade warrants it, for the government to secure a steamer service from the southern as well as from the northern ports.

Mr. BRODEUR. As my hon. friend (Mr. Ames) is aware, most of the business done to-day is done with Le Havre. I admit that there are some exportations from the southern part of France.

Mr. AMES. From the port of Marseilles.

Mr. BRODEUR. Yes, but the business to-day would not warrant us in making a contract for a direct line from Marseilles or any other southern port. If a line were established to southern France, of course it would be to the port of Marseilles, that being the most important. It may be, as my hon. friend suggests, that, at some time in the future, trade may warrant the establishment of a line between Canada and Marseilles, or having the present steamers call at Marseilles. At present, it is only contemplated to establish a line between Le Havre and Canada. Under this law, the suggestion of my hon. friend can be considered.

Mr. HUGHES. In connection with the trade of the Mediterranean, I recently received a letter from Syria, the scene of the massacres. It was written before the massacres began, and I do not know whether the gentleman who wrote to me has gone down or not. He pointed out that there was a great trade to be done between Canada and Syria. He went on to explain the difficulty they experience in obtaining the class of goods that Canada exports, and gave the prices at which these goods are sold there. He asks me to bring the letter to the attention of some commercial houses in Canada. If it will be to the advantage of the Minister of Marine and Fisheries or the Minister of Trade and Commerce, I shall be glad to hand it to either. I am sorry I have not it here that I might read it to the committee. He writes from Beirut

and says that there is this large trade to be done with Canada if we had a steamship line with trips once a month or as often as the trade might warrant.

Mr. MONK. Can my hon. friend (Mr. Brodeur) tell me how he and his colleague came to forget, while negotiating in France, the existence of that Swiss treaty which was an obstacle to the final settlement?

Mr. BRODEUR. Perhaps the fault does not lie entirely with us. I remember having read a question and answer given in the House in the year 1895, when the first French treaty was brought before the House. The government of that time was asked what were the nations enjoying most favoured nation treatment, and in the answer Switzerland was omitted. My hon. friend the Minister of Customs, later, published a book containing the names of the countries enjoying favoured nation treatment, and he followed the answer which had been given and omitted Switzerland. There has always been great doubt as to whether Switzerland occupied this position or not. Some legal gentlemen, with whom I had occasion, not very long ago, to discuss this question, were of opinion, after having read the provisions of the treaty of 1885 that this treaty did not apply to Canada so far as the favoured nation stipulation was considered. At one time there was doubt expressed also by the imperial government in the matter.

Mr. MONK. I think it is to be regretted that, when the hon. gentleman entered into negotiations, he and his colleague did not consider this. As a matter of fact, we have recognized since that, the Swiss treaty Bill.

Mr. BRODEUR. Yes.

Bill reported.

NAVIGABLE WATERS PROTECTION ACT.

Bill (No. 152) to amend the Navigable Waters Protection Act—Mr. Brodeur—read the second time and House went into committee thereon.

Mr. BRODEUR. Under the present law, when a wreck is a menace to navigation, we give notice to the vessel owner to remove the wreck. If he does not do it, we advertise in the papers asking for tenders for the removal. It happens very often that, in the meantime, the owners remove from the vessel everything that is worth while, and when we come to remove the hull or to give a contract for its removal, we find that there is hardly anything of value. This means expenditure by the government. The object of this legislation is to declare that not only the vessel shall be a guarantee of the cost of removal of the wreck, but also what is in the vessel, equipment, tackle and machinery.

Mr. FOSTER. Does that mean that if a vessel comes to grief with a valuable cargo on it, the owner of the vessel has to let the cargo go and await the long period which will elapse before the department gets its machinery in operation to remove the wreck?

Mr. BRODEUR. No, we provide in subsequent sections that the wreck will have to be removed immediately, and if they do not remove it we will do it ourselves.

Mr. FOSTER. Immediate is a relative word. The cargo might be of a kind which, if it were necessary under the law to allow it to remain with the vessel, might be rendered of no use. Surely, if a man owns a vessel, if he has a cargo in it, if the vessel meets with a mishap and it goes down, he should have the opportunity of taking out such part of his cargo as is valuable as soon as possible and of saving it in the best condition. Is he absolutely prohibited from removing any part of the cargo?

Mr. BRODEUR. No, in that case he would have the right to give us a guarantee that the removal of the cargo would not be detrimental to the interests of the department.

Mr. MONK. Are there any cases that have given rise to this legislation?

Mr. BRODEUR. Yes. In almost all of the cases that come before the department they remove what is the most important and valuable part of the vessel leaving the hull which is generally not worth anything.

Mr. MONK. Will my hon. friend give an instance?

Mr. BRODEUR. We had a case in the west lately where a vessel sank. They removed the cargo and there was nothing of value left to us. We had to take the necessary proceedings to remove the wreck and it was done at a great cost to the department without any revenue being derived from it. The country had to bear the expense. If the cargo had remained, or if it had been removed under a bond guaranteeing that this cargo would serve first for the payment of the cost of the removal of the wreck, there would have been something saved to the department.

Mr. MONK. What did it cost in that instance?

Mr. BRODEUR. I have not the information now as to how much it cost. In some cases it costs us large sums of money. Last year we asked for public tenders for the removal of a wreck at the mouth of the Saguenay and it cost us $12,000 although we did not get anything for it.

Mr. MONK. What ship was that?

Mr. BRODEUR. The 'Protector.'

Mr. PORTER. Suppose a vessel goes down in navigable waters, is the equipment of the vessel—her anchors, chains, &c.—to remain there until a bond is given? How long has it to remain or where has it to remain? The anchors, chains, &c., would have to be removed before the hull could be removed.

Mr. BRODEUR. We expect in that case they will proceed right away to remove the wreck, but they will not be permitted to remove the equipment without giving a guarantee that this equipment will be considered as a part of the vessel. We will therefore have a lien not only upon the hull of the vessel but also on the equipment for the purpose of reimbursing the department for the expenditure we make in removing the wreck.

Mr. PORTER. Suppose the owner is incompetent to give a bond?

Mr. BRODEUR. Then we will proceed right away to remove the wreck, either doing it ourselves or calling for tenders.

Mr. PORTER. As my hon. friend from North Toronto (Mr. Foster) has pointed out, most of the equipment would be destroyed or rendered practically valueless in the time that it might remain in the water before the government might remove it.

Mr. BRODEUR. No, if we proceed immediately there is no danger that this equipment will be destroyed. The anchors, chains, &c., will still be of the same value.

Mr. PORTER. These wrecks usually occur in places that are dangerous from the presence of rocks or rapids. A vessel might go down in a place where, if she were left for a few days, the whole thing would be cleaned out. What would become of the cargo and equipment then? Would it not be better to provide that the cargo and equipment could be removed under government supervision to some place of safety and stored there until the wreck was removed? Then, if it became necessary for the government to remove the wreck, they would have the goods and equipment of the vessel in store upon which they would have a lien to recoup them as far as they would go for the expense they might have incurred in removing the hull. The owner could always remove the goods and this would be preferable to requiring him to give a bond. He might not be in such circumstances that he would be able to give a bond.

Mr. BRODEUR. In considering this provision we must keep in mind the definition of a vessel under chapter 115 of the statute. I will read the clause and my hon. friend will understand the advisability of adopting the section that we have now submitted to the consideration of the committee. Section 13 reads :

> In this Act unless the context otherwise requires, 'vessels' includes every description of ship, boat or craft of ever kind whether impelled by steam or otherwise or whether used as sea-going vessels or on inland waters only.

That is all there is as to the definition of a vessel and the result is that later on when we proceed to the removal of a wreck we have no lien upon the most important part of the wreck, the equipment, the ballast, cargo and the machinery. The owners or insurance companies remove all that. we cannot prevent them doing so, and we have nothing left but the bare hull which may be of no value. That is why we have extended the interpretation of the word 'vessels.'

Mr. LENNOX. It is noted that this corresponds with the English Merchants' Shipping Act of 1894?

Mr. BRODEUR. Yes.

Mr. PORTER. I quite agree that it is important to have this lien on the equipment of the boat, but my inquiry was directed more to the care of the material taken from the boat until you wish to enforce your lien. Of course you do not wish to have the material remain in the vessel for months or weeks, where it must be destroyed or stolen.

Mr. BRODEUR. I admit that we have not formally provided for that in the Bill, and if the committee think it advisable we might put in such a provision or it might be made the subject of regulation.

Mr. LANCASTER. Would it not do to say that the government shall have a lien on the material wherever it may be. That would not prevent the owner from immediately getting to work to save the material.

Mr. BRODEUR. Under the law the owners or the insurance company will put themselves in communication with the department at once. We want to have our lien on the material wherever it may be.

Mr. PORTER. It might be done by having the material stored in the public warehouse.

Mr. MONK. It seems to me that there should be some time within which the government should act. Ought there not to be a notice to the interested parties that the wreck interferes with navigation, that the government has decided it must be removed and that under certain conditions the interested party may take possession, provided he gives security for the cost of removal

of the wreck. Sometimes the government are very slow in acting whereas the owner of the cargo or vessel will be interested in proceeding at once with salvage operations. There may be doubt as to whether the government would remove the wreck.

On section 2,

Section 14 of the said Act is amended by adding thereto the following subsection:—

2. The owner of such vessel or thing shall forthwith begin the removal thereof, and shall prosecute such removal diligently to completion; but nothing herein shall be deemed to limit the powers of the minister under sections 16 and 17 of this Act.

Mr. LANCASTER. What are clauses 16 and 17?

Mr. BRODEUR. They provide that the government or the minister has the right to remove obstructions. There is no provision in section 14 requiring the owner of the vessel to remove the wreck immediately, and we had to give notice to that effect. We want to force him to take the necessary steps immediately to remove the wreck. In some cases, where such notice is required, the delay might be dangerous. A case occurred last year or two years ago in the harbour of Montreal, where a vessel sank just at the mouth of the canal, and it might have seriously impeded navigation if we had to give notice.

Mr. LANCASTER. How do you enforce that?

Mr. BRODEUR. If the owner does not remove the wreck forthwith, we might proceed under section 16 to call for tenders for its removal.

Mr. LANCASTER. Would not this be a good place to provide that in case the owner proceeds to remove the cargo and equipment and does not remove the wreck, the former shall be stored and shall be held as security by the government until he does?

Mr. PORTER. Suppose you add after the word 'completion' the words 'and shall place all portions of such vessel other than the hull so removed in a public warehouse after removal until the hull of the vessel has been removed'.

Mr. BRODEUR. He is bound to remove it to completion, which means not only the cargo, but the vessel itself. If he undertakes to remove only one part, that is, the cargo, we shall have a lien on that until he removes the whole wreck. I do not see any great objection to my hon. friend's suggestion, and I will consider it.

Mr. LANCASTER. You could not assume that the man was not going to remove the hull as well as the contents, for it would be consistent with his intention to do so that he would remove the contents first. But you might be disappointed by finding that he did not remove the hull. Therefore, you might insert the provision that such parts as he does remove should be subject to a lien until he removes the hull.

Mr. BRODEUR. I will see if we should not provide that in that case he should, for instance, report to the receiver of wrecks. My hon. friend suggests that he might put the contents in a warehouse. There might not be a warehouse at the place. I will see if we cannot incorporate some provision in this Bill or make some regulation which will meet the point.

On section 3,

Mr. BRODEUR. The present section reads that 'the minister under the authority of the Governor in Council' may do certain things. The reason I am asking to strike out the words 'under the authority of the Governor in Council' is that it sometimes causes a delay of weeks to get that authority. If these were struck out the minister could proceed immediately.

On section 5,

Mr. BRODEUR. This is to provide that after two years, if nothing has been done towards removing a wreck it will be forfeited. We consider that if the owner of a vessel has left it for two years without doing anything, it is only fair that it should be considered forfeited to the Crown, or we might remove it or give some one the contract to remove it for his own benefit.

Mr. PORTER. Should not that right be exercised only after notice to the owner?

Mr. BRODEUR. Sometimes we do not know who the owner is, and sometimes there are obstructions to navigation other than vessels.

Mr. PORTER. Then give notice by publication.

Mr. LENNOX. This section seems to apply to vessels alone and the other applies to things other than vessels.

Mr. BRODEUR. That is a mistake, it should apply to vessel or other things.

Mr. LANCASTER. Have we not changed the interpretation clause so that 'vessels' covers these things any way?

Mr. BRODEUR. The interpretation clause simply provides for the vessel itself. The removal of the wreck may include not only the vessel but anything else which is an obstruction to navigation such as floating timber and saw logs which are not sunk entirely. The vessels cannot see them as they are partially under water and we do

not know who are the owners of the logs. We should add the words or ' other things.'

Mr. LALOR. Would it not be wise to provide that notice should be given to the owner when known or by public advertisement when not known?

Mr. BRODEUR. I have no objection.

Mr. DEPUTY SPEAKER. It was moved that the clause be amended by adding after the word 'vessel' in the first line the words 'or other things' and in the second line after the word 'thereof' the words or 'other things.'

Amendment agreed to.

Mr. LALOR. At the expiration of the two years we should provide that a month's notice be given to the owner if known or a month's public notice if not known.

Mr. LANCASTER. We should also add the words 'or other things' in the second line after the word ' vessel.'

Mr. BRODEUR. If a man has left his things there without doing anything for two years, it is to be supposed he does not care much about them.

Mr. LALOR. They might consist of a quantity of very valuable timber.

Mr. BRODEUR. I have no objection.

Mr. MONK. How would you give public notice?

Mr. BRODEUR. In the ' Canada Gazette.'

Mr. DEPUTY SPEAKER. It is moved in amendment that after the word 'casualty' in line six, section five, the following words be inserted 'upon giving to the owner when known one month's notice and where unknown public notice of one month in a paper published nearest to the place of the wrecked vessel or other things.

Mr. MONK. Then the obstruction would remain there a month longer.'

Mr. LALOR. After it has been laying there two years another month would not matter.

Mr. LENNOX. You should add the words 'the minister may after giving notice.'

Mr. DEPUTY SPEAKER. It is moved in amendment that after the word 'may' in the seventh line, the words be inserted 'after giving notice.'

Amendment agreed to, clause five as amended agreed to.

On section 6,

6. The said Act is further amended by adding thereto the following, as Part III thereof:—

PART III.

INTERPRETATION.

31. In this part, unless the context otherwise requires,—

(a) ' ferry cable ' includes any ferry cable, rod, chain or other device put across, over, in or under any navigable water for working a ferry.

(b) ' swing or draw bridge ' means and includes any swing or draw bridge other than a railway bridge.

Mr. BRODEUR. We take this power because a year or two ago a petition was sent to the Manitoba government asking for legislation to regulate those ferry cables. In Manitoba the custom is to put those cables, not in the water, but over the river, so that boats are unable to pass. The Attorney General, Mr. Campbell, sent the petition here stating he had no power as it was a question affecting navigation, and asked us to have the necessary legislation passed.

Mr. PORTER. Why railway bridges? Why should they be exempt?

Mr. BRODEUR. Because they are provided for in the Railway Act.

Mr. PORTER. In my riding there is a swing bridge, known as the bay of Quinte bridge, and it is over a navigable water. The company and the bridge are under special Act of this parliament. Would the fact of their not being exempted from the operation of this Bill give the minister power over their bridge?

Mr. BRODEUR. Is it a railway bridge?

Mr. PORTER. No, it is for passengers and vehicles. But it is a swing bridge across a navigable water. Should not it be exempted also?

Mr. BRODEUR. No. The reason we are taking this power is to force these bridges to show lights, for the protection of navigation.

Mr. PORTER. The special Act relating to the bridge I speak of provides for that.

Mr. BRODEUR. Then, this legislation will only amplify the application of that provision. The intention of the department, if this legislation is passed, is to ask the owners of these bridges to expose lights on the bridges.

Mr. LANCASTER. Do bridges controlled under the Railway Act and crossing navigable waters have these lights as a matter of course?

Mr. BRODEUR. I understand so.

Mr. LANCASTER. There is a bridge on the Welland division of the Grand Trunk Railway that crosses the Welland canal. I would not be too positive, but I do not think it is lighted—not as a bridge; the canal is lighted

Mr. BRODEUR. Perhaps it is not necessary to have the bridge lighted when the canal is lighted. Besides, my department is not concerned with bridges over canals, that comes under the Railways and Canals Department. What we are speaking of is bridges crossing navigable waters not canals.

Mr. LANCASTER. I do not see any need for excepting a railway bridge—I do not see why the country would not be better off without that exception. It need not be enforced if the railway is doing all you want it to do. I do not say that the Department of Marine and Fisheries has control in this matter over the Welland canal, but, using this as an illustration, I see no reason why railway bridges should be excepted under this Bill. The government is not going to apply the law unless there is reason for it, either in the case of a railway bridge or any other.

Mr. BRODEUR. I understand that the Railway Act provides that these bridges must maintain lights and that the penalty is provided under that Act. Under this legislation, we propose to impose a penalty. We thought it was unnecessary and unjust to provide for two penalties.

Mr. LENNOX. In this Bill the minister is dealing only with matters that come under the jurisdiction of the Minister of Marine and Fisheries?

Mr. LANCASTER. It does not say that.

Mr. LENNOX. We have not the whole law before us.

Mr. BRODEUR. Regulations will be passed.

Mr. LENNOX. But the hon. minister does not seek to deal with matters except those in his own department?

Mr. BRODEUR. No. If there were no provision in the Railway Act, I would ask to have power given here. But provision is made, and the penalty fixed.

Mr. LANCASTER. It is the navigable waters you are protecting here. I do not say that the Railway Department would not try to protect navigable waters also. But that is not their business, while it is the business of the Minister of Marine. I think it is not wise legislation that under which the Minister says, in effect : 'I am not going to look after navigable waters so far as railway bridges are concerned.'

Mr. BRODEUR. I am not absolutely sure I am right, but if we find that railway bridges are not provided with lights, of course the matter will be reported to our department, as the department most interested, and if the bridge is not soon lighted according to the provisions of the Railway Act, I suppose we shall take proceedings. At least, we could petition the Department of Railway and Canals.

Mr. LANCASTER. That is what I object to—the circumlocution.

Mr. BRODEUR. In the case referred to by the hon. member for West Hastings (Mr. Porter), if their Act of incorporation imposes upon the company the duty of maintaining certain lights during certain portions of the year. I apprehend that any difficulty could be obviated by making the words of the excepting words read 'other than a railway bridge or bridge governed by special legislation.' Will the hon. member give me the name of the bridge?

Mr. PORTER. The title of the company is The Belleville and Prince Edward Bridge Company.

Mr. BRODEUR. Is it under Act of this parliament?

Mr. PORTER. Yes. The Act was passed fifteen or sixteen years ago, I will give the minister the date.

Mr. BRODEUR. We might make a special exemption, because the argument which I was making concerned railway bridges.

Mr. GEORGE TAYLOR. It will be the same provision as for a railway bridge. I know there is a railway bridge across the mouth of the Gananoque river, but it is not used and yet the company keep lights on it all through the season of navigation.

Bill reported.

Mr. BRODEUR. I will not ask the House to give the Bill its third reading to-night, in order that I may examine the Act my hon. friend has just mentioned, and see whether it is necessary to have special exemption made for that bridge.

HARBOUR COMMISSIONERS OF MONTREAL.

Hon. L. P. BRODEUR (Minister of Marine and Fisheries) moved the second reading of Bill (No. 154) respecting the Harbour Commissioners of Montreal.

Mr. MONK. I would like to ask my hon. friend the meaning of this change of jurisdiction. What power is now exercised by the commissioners of the port which is henceforth to be under the jurisdiction and control of the Minister of Marine and Fisheries?

Mr. BRODEUR. The port of Montreal is that part of the St. Lawrence river which extends from Portneuf to Montreal. My hon. friend remembers that some years ago that part of the St. Lawrence was under the control of the Harbour Commissioners of Montreal. Until 1888 all the work done between Quebec and Montreal was done by the Harbour Commissioners of Montreal. In 1889 a change was made, and the government assumed the debt the Harbour Commissioners had incurred for

dredging that part of the St. Lawrence. The Harbour Commissioners, however, remained the pilotage authority for that part of the river until 1903, when an Act was passed providing that in future the pilotage authority should be vested in the Department of Marine and Fisheries, but there was no change made in the Harbour Commissioners Act itself. The statute I have just mentioned was a special one, declaring that the Department of Marine and Fisheries would henceforth be the pilotage authority, and control the pilots between Montreal and Quebec. Since that time the Harbour Commissioners have ceased to exercise any jurisdiction over the port of Montreal as a pilotage authority, but they have continued to exercise the right of making the rules of the road in that part of the St. Lawrence river. In the port of Quebec the rules of the road are prepared by this department, and in all the other navigable waters of the country as well. The only authority by which the rules of the road, which had not been changed for many years, could be prepared or changed, was the Montreal Harbour Commissioners. Well, we thought that as they had ceased to be the pilotage authority, had ceased to have anything to do with the dredging in that part of the St. Lawrence, and ceased to have any jurisdiction there, it was thought adyisable to have the law amended.

Mr. GEORGE TAYLOR. Might I suggest to the Minister of Marine and Fisheries that as this is a very long Bill, and it is now half past eleven, he had better let this stand over, and let us take up some short Bills that are standing in the name of the Minister of Justice and of the Postmaster General.

Sir WILFRID LAURIER. Very well.

Motion agreed to, and Bill read the second time.

NATIONAL TRANSCONTINENTAL RAILWAY.

Bill (No. 153) respecting the National Transcontinental Railway (Mr. Graham), read the second time, and House went into committee thereon..

Mr. GRAHAM. This is merely to give the National Transcontinental Railway Commission power to enter into an arrangement with the city of Winnipeg and the town of St. Boniface to build a bridge together if they can come to terms, and the terms have to be submitted to the Governor in Council.

Bill reported, read the third time and passed.

YUKON ACT AMENDMENT.

Bill (No. 156) to amend the Yukon Act—Mr. Aylesworth—read the second time and House went into committee thereon.

On section 1,

Qualification of judges.

Mr. LANCASTER. How would that section read with this amendment in?

Hon. A. B. AYLESWORTH (Minister of Justice). I have not the original section here, but the section which it is proposed to amend provides who shall be eligible for the position of judge of the territorial court in the Yukon territory. It provides that the judges of that court are to be selected from barristers of a certain number of years standing in different courts of the Northwest and, I think, of the provinces of British Columbia, Saskatchewan or Alberta, but it does not mention the bar of the Yukon Territory, and the whole effect of the amendment is to add to the clause as it stands the words ' or of the Yukon territory'. If this amendment is passed judges of the court may be selected from either the bars of the present provinces mentioned in the existing statute or from the bar of the Yukon territory itself.

Mr. LANCASTER. Are there any barristers in the Yukon who are educated in that territory as distinguished from other provinces, or is there any law society there?

Mr. AYLESWORTH. I think I can answer my hon. friend that there are barristers of standing in the Yukon territory who are not members of the bar of any other province or territory in the Dominion.

Bill reported, read the third time and passed.

EXTRADITION ACT AMENDMENT.

Bill (No. 149) to amend the Extradition Act—Mr. Aylesworth—read the second time and House went into committee thereon.

On section 1,

Depositions for use in a foreign state may be taken in absence of accused.

Mr. LANCASTER. I think we ought to have some explanation about this. It is interfering with the rights of the man accused.

Mr. AYLESWORTH. The Bill is introduced with the object of supplying what appears to be a defect in our present procedure under the Extradition Act. It applies to the case of a fugitive from Canadian justice who has been found in some foreign country with which country we have an extradition arrangement, and whom it is desired to extradite into Canada. Proceedings are taken by the laying of an information in Canada, which of course, is a proceeding taken in the absence of the accused person. The whole of the pro-

ceedings in Canada will of necessity be taken in the absence of the accused person. There is no express provision in the Extradition Act authorizing the magistrate or commissioner before whom the information is laid to take depositions in the absence of the person accused, and the method by which practically that difficulty has been in some instances obviated has been by obtaining the magistrate not to issue his warrant upon the information but to wait until he should receive all such depositions as witnesses might voluntarily choose to make before him. There is no power expressly given to summon witnesses and no power expressly given to the magistrate to take depositions in the absence of the accused person. Accordingly the means for getting them ordinarily taken have been those I have described. This Bill proposes to obviate that by conferring upon the magistrate expressly the jurisdiction to take those depositions notwithstanding that he may have issued a warrant and to take them in the absence of the accused person. Also a subsequent clause in the Bill empowers the magistrate to issue a summons for a witness who may not be willing to come voluntarily.

Mr. LANCASTER. I admit that there seems to be a need of some remedy for the state of affairs mentioned by the minister, but I doubt very much whether we are giving the power to the right tribunal. We are giving to laymen, who have very little ability to protect the absent man, however good their intentions, power to deal with evidence to be used against that man in a foreign state, in extradition proceedings. While I would be in favour of some remedy for the condition described by the minister I would strongly urge that the taking of these depositions should not be entrusted to any one of a lower legal standing than a county court or district judge who would be able to rule out leading or improper questions, and to see that the interests of the absent man were protected.

Mr. AYLESWORTH. I think on further consideration the hon. gentleman will agree that there is no danger in the Bill as drawn. These depositions as taken are not to be acted upon by the magistrate but are to be sent to the foreign country where the accused person is and will be passed on by the tribunal there. Before that tribunal objections may be urged on behalf of the accused to the regularity of the depositions, the authority under which they are taken, and the admissibility of evidence given. There may be applications for habeas corpus in the foreign state, after the accused person is committed for extradition, in that state by the proper official, who in the first instance would inquire into the sufficiency of these depositions, so the duty which is imposed on the magistrate is simply the duty which all magistrates will discharge not only in the case of fugitives from foreign countries, but also in the case of Canadians who may be arrested on any criminal charge and brought before a magistrate for preliminary hearing. We have entrusted magistrates in such cases with the duty not only of taking the depositions, but also of passing upon them, committing a prisoner for trial. If we can safely entrust that duty to our magistrates in the ordinary case of a Canadian citizen accused in Canada of some criminal offence, why may we not with equal safety entrust the like duty to a magistrate in the case of a fugitive from Canadian justice, especially when the magistrate does not pass upon the evidence he takes?

Mr. LANCASTER. The answer to that is that in one case the man is present, it is all done before his face and the British principle that no man shall be proceeded against in his absence is not departed from, but here you are proceeding against a man in a foreign country in his absence. Then of course these depositions taken before the magistrate are not in the form of question and answer, they are converted by the magistrate into narrative form and every lawyer knows how frequently both counsel and accused, when a deposition is being read over before being signed, see that the magistrate's narrative report does not convey just what the man intended to say. Unless these depositions are taken before men of legal training and experience, such as the judges I have mentioned, you will certainly have many statements taken down and signed by witnesses that would not be signed in that form if the accused was present and understood how to protect himself or if he was represented by counsel who would see that the statements were correctly taken down and the cross-examination conducted. I want to impress this upon the minister, and I think that he will find in the course of a year or two if not in the course of a day or two, that what I am saying is right.

Mr. AYLESWORTH. I quite agree with the hon. gentleman that every piece of magisterial work could probably be better done by the county judge than by the average magistrate in the country. The county judge is, in virtue of his office, a magistrate for his county; but the difficulty is not only in increasing measurably the work of the county judge, but also in the circumstance that the county judge is not within easy access of every man in his county. Not all the jurisdictions of county judges are as small as many Ontario counties with which we are familiar. Think of the tremendous distances in the least thickly settled portions of Canada, where men may be needed as witnesses upon a preliminary

inquiry of this sort who reside hundreds of miles from the county seat, where the county judge is to be found. I think these considerations will convince any one that it is better that work of this sort should be as far as possible decentralized. Then consideration should be given to the purpose for which these depositions are required, and for which alone they are to be used. They are not for the trial of the charge in any sense. I am not certain at the moment whether, in the absence of the witness, they could be used on a trial. The trial is to take place after the fugitive is brought into Canada, and the depositions only answer the purpose of securing his presence in Canada, from which perhaps in most cases he should never have departed. The depositions would no doubt be better taken in shorthand, in the form of question and answer; but that is not practicable. I am sure that my hon. friend can remember, as I can, when we had no shorthand reporters even in our high courts in Ontario at the trials of actions. We had to get along in the best way we could with evidence noted by a judge, which was often the only material on which an appeal in an important civil case could be taken. We have now the better system of taking the evidence in shorthand and extending it in full in question and answer, but that is not practicable in every minor proceeding, and this evidence being only to secure the presence in Canada of the fugitive person, it seems to me that it is sufficient to leave it to a magistrate, even though taken down in ordinary longhand.

Mr. LENNOX. I am sorry that the hon. minister does not fall in with the view of the hon. member for Lincoln. I had not given much thought to the matter, but having listened to what he has said, I am very much impressed with the importance of having this evidence taken by a judge. We are taking a proceeding which is contrary to the ordinary common law practice in criminal matters when we provide that the evidence may be taken in the absence of the accused. But every person must see the necessity of it in this case, and I do not think that any one is disposed to question the wisdom of the Minister of Justice in making provision along these lines. I entirely commend the legislation that far. But the minister must not argue it on the basis of an every-day transaction. He has spoken as if it might occur several times a week and in several counties, but we must bear in mind that this extraordinary procedure is resorted to only in a case which involves and justifies a good deal of work. It is only in a case of a serious crime, and it is a serious matter for a man to be removed from a place which he has chosen as his domicile, unless there is a clear strong prima facie case made out against him, and that should be made out on legitimate evidence reasonably obtained. We do not think that we are surrounding a case with any more than reasonable safeguards when we say that this evidence should be taken before some one capable of judging the bearing of evidence and the proper manner of adducing it. It is not enough to say that this evidence, when it comes before the foreign tribunal, may be objected to by counsel on behalf of the accused. It may not be objected to, because the accused may have no counsel to raise an objection on his behalf. But even if he has a counsel, and if his counsel is ever so astute, the evidence presents a certain aspect, when it is produced before that foreign tribunal, which is governed, not by the importance of the facts, but by the manner in which the evidence has been taken. The result is that to the foreign tribunal it presents a picture altogether contrary to the true facts of the case. Perhaps no one has been there to guard the interests of the accused; perhaps the evidence has been elicited by a detective, who is interested to an enormous extent in running down the accused and bringing him back to Canada. All lawyers know the length to which men of that class will go and the methods by which they work. Get a magistrate who is without experience in the law taking down evidence at the dictation of a constable or a detective in the absence of the accused, and you are doing something that is very dangerous. I think that the very least safeguard we should insist upon in these cases is that the evidence should be taken before a judge of a county court or of a district court or before a judge of the high court. The minister has said that one reason against it is the throwing of too heavy a burden upon the county judges. That is not a well-taken argument. If there is anything we want in this country, it is in many instances that the county judges may have more work to keep them occupied; because, as an hon. friend says, they are rusting out rather than wearing out. In some counties it is necessary to have two judges, because one is sometimes absent holding division courts, though there is perhaps not enough work for one. In other cases there is only work for a judge and a half, and you must have the two. We are not throwing too great a burden on the county judges when we ask them to do this work and we are giving them work which many of them will be quite ready to do because it is in the interests of honest and effective administration of justice. In how many cases in any county in a whole year would you throw this duty on a county judge? In not one in a county in a year. In not one, as a rule, in a score of years, so that the argument that this would throw too heavy a burden on the county court

judges is not entitled to any weight. Surely the hon. minister was not taking a photograph of the real situation when he talked of the accused having to travel probably a hundred miles in order to give his testimony before a judge. I venture to say it would be very rare indeed when he would have to travel even 25 miles, and the probability would be very remote of his ever having to travel one hundred miles. But even if he had, that would be ten thousand times better than that we should set aside any of the necessary safeguards in the interests of the person accused. The suggestion of my hon. friend from Lincoln (Mr. Lancaster) is a very judicious one.

Mr. CARVELL. My hon. friend is talking entirely from the standpoint of the province of Ontario, where they have a county court judge and in some cases two for each county. But it may surprise him to learn that down in the maritime provinces we have often but one county court judge for four or five counties. In my portion of the province of New Brunswick, the district administered by the county court judge is over 200 miles in length, and on the north shore of New Brunswick there are four counties with but one county court judge. The amendment is hardly fair to the intelligence of the average magistrate in Canada. As far as my experience goes, a magistrate can take down evidence and draw conclusions fairly well. If a magistrate is given authority to take the depositions of the accused in so important a matter as a murder, I do not see why he cannot take depositions which may be acted on in a foreign country for the purpose of obtaining witnesses. My hon. friends are drawing on their imaginations for difficulties which do not exist. If this Bill passes, no harm could be done, and in many parts of Canada great difficulties will be caused if we oblige a county court judge to travel 100 or 200 miles to take depositions.

Mr. LENNOX. I was not speaking of the average intelligence of the magistrate of Ontario or any other province, but of the fact that in some isolated cases the magistrates are not very intelligent men. These may be only isolated cases, and I would not be surprised if some were in my hon. friend's province as well as mine; and the average intelligence in Ontario will compare fairly with that in any other province. What applies to the general public would apply to the magistrate as well. Our magistrates have been selected from good motives in many cases, and as a rule are an excellent class of men, but there are instances where they do not possess any great degree of education and have no judicial training. Therefore I think that the Minister of Justice would be wise in not having legislation enacted in this form.

Mr. PORTER. I want to add my approval to what has been said by hon. members on this side. Is the Minister of Justice aware that there are provisions in the statute now, under which depositions taken by a magistrate may be read against the accused on his trial under certain circumstances and as this law stands, such depositions are taken in his absence. If this Bill should pass, I take it that the general provisions of the Code will apply, and we will have evidence taken against the accused in his absence read against him in his trial when he comes back to this country, and upon such evidence he might possibly be convicted. If the minister thinks it necessary, as I believe it is, to have some such provision made as is made in this Bill, then the interests of the accused should be safeguarded to the extent of providing that such evidence taken in his absence should not be used against him on his trial, if there is any doubt whatever about the right to have it read.

Mr. AYLESWORTH. I am not prepared to express any opinion whether, on the death of a witness, a deposition taken for the purpose of extradition could be read at the trial. I should doubt it. It may be so according to the language of the provision of the Act which permits depositions to be read in such cases as I have described, but I would not accept that view without much more careful consideration and examination of the statute than I have been able to give it. But the whole question is surely whether or not the existing state of things is preferable to that which would arise should this Bill become law. Under the existing conditions, these depositions are in practice taken before a magistrate in the absence of the accused. They are taken, it may be, without sufficient legal warrant. I do not know that that question has ever been raised in a foreign state, but it is liable to be raised, and it is to meet such an objection, if it should be raised, that this Bill is designed. At the present time, there is nothing to prevent the magistrate, when the information is laid before him upon which it is desired to get proceedings instituted for extradition, withholding his action until he shall have taken, as a part of the material on which he shall issue his warrant, all the depositions that any witness who may choose to appear before him may make. That is done in practice in, I suppose, all or nearly all, of the cases of accusations for extradition. I am not prepared to say that that is an irregular practice, but it is one for which there is no express statutory war-

rant. The whole effect of this Bill will be that the magistrate before whom the information is laid, the magistrate who receives the charge may, after having so received it summon witnesses and take their depositions.

Mr. PORTER. Does the minister think that that is evidence that should be read against a man on his trial?

Mr. AYLESWORTH. My hon. friend (Mr. Porter) wants an answer categorically whether I think that ought to be read. I am free to say that I see no more danger in doing it in the case of a person charged for extradition than in doing it in the case of a person who is in this country and who may have been present and may have been objecting as much as he pleases. He is subject to the same magistrate's rulings which, upon the hypothesis of hon. gentlemen who have spoken, are going to be without authority and without judicial character. He is subject to the same illiterate magistrate—if there be one—in taking down the evidence incorrectly. That if it is the present condition of things, arises from the circumstance of men being selected as magistrates who are not properly fitted for that position.

Mr. LANCASTER. When the minister cannot see any difference in the protection afforded to a prisoner between having evidence given when he is present and having it given when he is absent, it is hopeless to argue with him. Under the circumstances, I have two things to say about the matter, the first is that the Bill should not be gone on with, and the second is that it is useless to argue with the minister on the merits of the question.

Mr. PORTER. In view of what the minister said, why not provide in this Bill that such evidence when taken should not be read against the prisoner at his trial? Make it certain.

Mr. BUREAU. Does the hon. gentleman (Mr. Porter) say that in this Bill there ought to be a clause stating that such deposition should not be read at the trial of the accused?

Mr. PORTER. Yes, make it certain.

Mr. BUREAU. Suppose the witness is dead?

Mr. LANCASTER. All the more reason why the evidence should not be read, for you would be using evidence concerning which you cannot punish the person if perjury has been committed. Is there no idea in the head of the Solicitor General (Mr. Bureau) or of the Minister of Justice (Mr. Aylesworth) that a man accused has some rights in this country? Have they no idéa that harm may be done by taking evidence behind his back before a magistrate who, instead of having the evidence reported in the form of question and answer, transposes it into narrative form? As has been well said by the hon. member for West Hastings, the detective or person interested in getting a conviction goes before the magistrate, and it is all one-sided, the accused not being present or represented. And what the detective or magistrate may be tricky or ignorant enough to do, the Minister of Justice, apparently, is approving by his legislation. There is nobody there on behalf of the prisoner—nobody can be there, for they do not know what is being done. They have no knowledge that the poll is to be held, so to speak, at that time, and they have no idea that they are being dealt with on that occasion. And the evidence, instead of being taken down in question and answer form, the only way in which one can readily judge of what the witness said, is transposed by these people into narrative form behind the back of the accused. And this evidence so taken is to be used against him. The Solicitor General says: 'Suppose the witness is dead.' The witness is the onlv person, it may be, beside the magistrate, who knows anything about it, the prisoner not being there and not being represented. The very fact that the witness is dead is all the greater reason why the evidence should not be read, because the witness cannot be proceeded against for perjury or asked to explain it.

Mr. BUREAU. How about the other witnesses, if perjury can be proved?

Mr. LANCASTER. Who is going to bring these other witnesses? And how are you going to convict when you do not know what is going on? You are taking away a man's liberty or taking a step towards it, and that may mean the same thing in the end. The Solicitor General said: 'How about the other witnesses?' Who knows about the other witnesses? How does the accused know of the evidence that is being given affecting his liberty and that may lead to his being taken from a foreign country where he has his domicile? He may be completely innocent. Suppose he is charged with forgery, a witness testifies against him, though he knows nothing of the proceedings. The witness simply says: 'That is not my signature on that bill; or, That is not my father's signature.' The magistrate transposes that in such a way that, on the face of it, the witness has sworn that the accused forged that bill. There is no opportunity for cross examination, no opportunity for the accused to show that, for instance, he had the authority of the man to sign the bill in his name. My hon. friend speaks of a case of murder tried in the presence of the accused. If the accused is present, he is to be blamed if he does not see to it that things are done cor-

rectly, or employ a counsel who will protect his interests. His friends may interpose if he is too weak-minded to attend to his own defence. Or some charitably disposed man may interfere to see that the prisoner gets justice. Or, as is well said by a friend near me, the court may say as it often says in such cases: 'This is a serious accusation and this prisoner should be defended,' and may pick upon some counsel and ask him, in the interest of justice to see to it that the accused gets a fair trial. So much is this a recognized practice that it is considered, if not exactly contempt of court, an impolite thing for counsel not to accept the appointment and see that the man gets a fair trial. But here is the Minister of Justice (Mr. Aylesworth), with the Solicitor-General (Mr. Bureau) apparently agreeing with him, saying that it is no harm to take all these proceedings behind a man's back, with no one there to represent him to see that the evidence is taken down by a judicially-minded officer, no opportunity for him to engage counsel to see to it that the evidence is taken down in the shape that would be directed by a judge who knows what evidence is.

Mr. CARVELL. I think my hon. friend (Mr. Lancaster) wants to be fair about this. I am satisfied that he is not trying unduly to prevent the passage of this Bill. But I think he has failed to appreciate the real meaning and intention of the Bill. My hon. friend is discussing what may happen at the trial in case of the death or absence of a witness. I have not examined the Code, but I am satisfied that the only evidence which can be read at the trial is the evidence given at the preliminary examination by a witness who is either dead or absent from the country.

Mr. LENNOX. The Minister of Justice won't take that responsibility.

Mr. CARVELL. This does not refer to the preliminary examination at all, but to the evidence being given by a witness to be used in the foreign country for the arrest of the supposed criminal for the purpose of bringing him to this country to take his trial, and when he is brought here on this evidence, then he must have his preliminary examination.

Mr. LANCASTER. No, he goes right to the extradition commission.

Mr. CARVELL. No, he must have his preliminary examination.

Mr. LANCASTER. Before whom does he have his present examination?

Mr. CARVELL. He goes to the person who issues the order for his arrest.

Mr. LANCASTER. He goes to the county court judge directly.

Mr. CARVELL. No, I am satisfied I am correct. Therefore I contend my hon. friend is making a mountain out of a mole hill, he is conjuring up something in his mind that does not exist. He raised the question first whether this evidence should be taken before a justice of the peace or a county court judge. I cannot see why a justice of the peace cannot take down evidence just as intelligently as a county court judge. If the evidence is admitted, due respect would be given to that fact before the foreign tribunal.

Mr. PORTER. If the Minister of Justice will confirm what has just been said by my hon. friend from Carleton, that that evidence cannot be read against him at his trial, I will withdraw my objection.

Mr. CARVELL. I cannot answer for the Minister of Justice, but my hon. friend can see by the Bill itself that the only object of getting the evidence is to send it to the foreign country. I submit that the only deposition which can be read at the trial of an accused person is the deposition taken at the preliminary examination. But this is not a preliminary examination, this is only an examination for the purpose of getting evidence to be sent to the foreign country.

Mr. LENNOX. The hon. member for Carleton (Mr. Carvell) may be satisfied, but we have the statement of the Minister of Justice that he is not sure, he will take chances with it and let it go whichever way it may. But the Solicitor General says that if the witness is dead, why, so much the better, it is all right. I am prepared to say that we are encountering a great danger. My hon. friend from Lincoln and Niagara took the case of forgery. A man who gives evidence in the absence of the accused may be the man whose monetary interest is at stake, he may be the man who is shielding himself by accusing another, who is saving his pocket by accusing another. But the Minister of Justice is prepared to take chances of that form of evidence upon which this man may be ultimately tried and convicted.

Mr. CONGDON. There is no doubt that the deposition cannot be used. This section merely provides that the evidence may be taken as if such accused person was present and charged with such extradition crime. Section 999 provides:

> If upon the trial of an accused person such facts are proved upon oath or affirmation that it can be reasonably inferred therefrom that any person whose evidence was given at any former trial upon the same charge or whose deposition has been therefore taken in the investigation of the charge against such accused person, is dead, or is so ill as not to be able to travel, or is absent from Canada, and if it is proved that such evidence was

given or that such deposition was taken in the presence of the person accused——

Mr. LANCASTER. Does the hon. gentleman say that those words do not cover this evidence?

Mr. CONGDON. No doubt they do not cover it.

Mr. CARVELL. I think that ought to satisfy the hon. member for Simcoe.

Mr. CONGDON. It provides that the evidence shall be taken as if the person accused were present, it does not provide that it shall be subsequently used as if the person were present. Unless there is such a provision as that the condition required to be complied with by section 999 would prevent the introduction of such evidence. The requirement is that the evidence shall be taken in the presence of the person accused, and that he or his counsel shall have full opportunity of examining the witness. This Bill says it shall be taken as though he were present, it is to be taken as if he were present for the purpose of being sent to the United States or other foreign country to support the extradition warrant there. The same principle prevails here as in the United States, and merely validates the existing practice in this country. With regard to taking evidence before a county court or superior court judge, the greatest objection is that this evidence as a rule requires to be taken with dispatch in order that it may reach the place in which it is to be used and secure the extradition of the criminal. It is necessary that it should be promptly taken, and you cannot get it promptly taken in many places in Canada if you require it to be taken before a county court or a superior court judge. Such requirement may necessitate the judge or the witness travelling a great distance. This evidence is worthless in 99 cases out of 100 unless it is taken with a promptitude that is not usually possible if it must be taken before a county court or a superior court judge. In my experience I think the majority of magistrates take evidence of this kind quite as well as the judges. I do not know where evidence is more carefully taken than it is generally taken by magistrates.

Bill reported.

Sir WILFRID LAURIER moved the adjournment of the House.

Mr. GEO. TAYLOR. What business will be taken up to-morrow?

Sir WILFRID LAURIER. Bills, commencing with the Grand Trunk Pacific Bill.

Mr. MONK. I would call my right hon. friend's attention to the fact that we are nearing the end of the session, and it is essential that we should know, in order to expedite and facilitate the business, exactly what is going to be taken up on the following day. To-morrow many of us will be absent. Are we going to take up Bills, as my hon. friend has said, indiscriminately? Shall we take the Bill on immigration? We are all anxious to advance the business of the House and it would aid us in doing that if we could know almost exactly what is going to be the business of the House.

Sir WILFRID LAURIER. I said to my hon. friend that our intention was to take up Bills, commencing with the Grand Trunk Bill. We intend to follow the order on the paper and to take the Immigration Bill to suit the convenience of my hon. friends. If they are not prepared to go on with the Immigration Bill we will not take it up.

Mr. MONK. My right hon. friend knows that if we take up the Grand Trunk Bill it will probably obviate the necessity of taking up the Immigration Bill.

Sir WILFRID LAURIER. I hope not. I hope we can take the Grand Trunk and other Bills as well.

Mr. MONK. Is there a probability that the Grand Trunk Bill will be taken up?

Sir WILFRID LAURIER. I say it will be taken up first.

Motion agreed to, and House adjourned at 12.37 a.m. Friday.

HOUSE OF COMMONS.

FRIDAY, April 30, 1909.

The SPEAKER took the Chair at Three o'clock.

FIRST READING.

Bill (No. 163) to incorporate the Prairie Provinces Trust Company.—Mr. Sutherland.

INTERCOLONIAL RAILWAY AND PRINCE EDWARD ISLAND RAILWAY EMPLOYEES PROVIDENT FUND.

Hon. G. P. GRAHAM (Minister of Railways and Canals) moved for leave to introduce Bill (No. 164) to amend the Intercolonial and Prince Edward Island Railway Employees Provident Fund. He said: The change in the management of the Intercolonial Railway necessitates a change in the description of the chairman of the Board of the Provident Fund. Hitherto he has been described as the general manager. This Bill merely defines who the

general manager is as applied to the Provident Fund Act. It will make no difference in the personnel of the chairman.

Motion agreed to, and Bill read the first time.

CONSERVATION OF NATURAL RESOURCES.

Hon. SYDNEY FISHER (Minister of Agriculture) moved that the House will on Monday next resolve itself into Committee of the Whole to consider the following proposed resolution:

Resolved, that it is expedient in connection with the Bill now before this House, intituled: 'An Act to establish a Commission for the Conservation of Natural Resources,' to provide for:—(a) The appointment of a secretary to the said commission and such officers and clerks under him as are necessary for carrying on the work of the commission, at such salaries as, under the Civil Service Amendment Act, 1908, are appropriate to the divisions and subdivisions of the service to which such officers and clerks may be assigned; (b) the employment of such assistants as are necessary for the purpose of any special work or investigation, and for their remuneration and expenses; (c) the actual disbursements of the chairman and members of the commission incurred in travelling to, returning from, and remaining at meetings of the commission, and of the chairman in travelling or otherwise attending to the work of the commission.

He said: The subject matter of this resolution has been presented to His Excellency the Governor General and he recommends it to the favourable consideration of the House.

Motion agreed to.

INQUIRY FOR RETURN.

On the orders of the day being called:

Mr. CROCKET. I desire to call attention to an order passed by this House on February 11 for a return of all reports and accounts in connection with the survey of the St. John river between Fredericton and Woodstock. This return has not been brought down although I have called the attention of the Minister of Public Works to it on two occasions. I have received many inquiries from the counties of Carleton and York in reference to this matter, and I am particularly anxious to have the papers brought down as soon as possible.

THIRD READING.

Bill (No. 146) to amend the Act relating to Ocean Steamship Subsidies.—Mr. Brodeur.

Bill (No. 149) to amend the Extradition Act.—Mr. Aylesworth.

GRAND TRUNK PACIFIC LOAN.

House again in Committee on Bill (No. 128) to authorize a loan to the Grand Trunk Pacific Railway Company.—Mr. Fielding.

On section 1,

Mr. GEO. TAYLOR (Leeds). The hon. the Minister of Finance said yesterday that they did not purpose making a loan for ten years, but the chances were they would make a long loan for 25 years or 30 years, or perhaps 50 years. His remarks would lead to the conclusion that he has no hope that the Grand Trunk Pacific will pay off this loan at the termination of the ten years. Now, look at the thing from a business standpoint. Would any business man make a loan at a high rate when he did not intend to use the money? If my hon. friend the Minister of Finance collects the amount of this loan from the Grand Trunk Pacific at the end of the ten years, as he intends doing, he should simply make a loan covering that period. Then, when he is repaid by the Grand Trunk Pacific, he will pay off that loan; and if he requires more money, he would borrow at a lower rate. He says that this loan which he intends making in order to obtain the funds for the Grand Trunk Pacific, will be at four per cent or perhaps a little more. Looking back, I find that in 1895 and 1896 my hon. friend from North Toronto (Mr. Foster) who was then Finance Minister, floated loans at about 2½ per cent. Canada was then passing through a period of depression, which should have made the loan dearer, yet, notwithstanding the good times we have had since, my hon. friend has succeeded in lowering the credit of Canada to that extent that he has to pay four per cent for money, as compared with 2½ per cent paid by his predecessor. And this money which he requires to borrow, to hand over to the Grand Trunk Pacific, and which the Grand Trunk Pacific agree to repay in ten years, he purposes borrowing on a long term. Would it not be much more businesslike to borrow the money for ten years and then when repaid by the Grand Trunk Pacific pay off that loan. By that time the interest rate will in all probability be lower; and should he require more money, he would be able to borrow it at less than four per cent. But by his present policy, he is about to bind himself to pay four per cent during 25, 30 or even 50 years. Suppose for instance, a property owner wanted to raise some more money on his property, but found it difficult to get advances from money lenders because his property was already subject to first, second and third mortgages. He however goes to a neighbour who has money to lend and who also owns property

and says to him: 'If you will go to the money market and borrow the $10,000 I require, which you can do on more favourable terms than I can, I will in return give you the security of my property for an advance of the same amount.' The transaction is put through in each case for ten years. At the end of that term, the one who borrowed in the money market will repay his loan with the money obtained by him from the second borrower; and then if he should require other money, he would borrow it at a lower rate. He might in that time be able to borrow at 2½ per cent. But the government proposes to go on paying four per cent for 25, 30 or 50 years, instead of making a ten year loan at four per cent, and then if necessary reborrowing at a lower rate.

Hon. W. S. FIELDING (Minister of Finance). I have to dissent entirely from the statements of my hon. friend, in so far as they imply that any loans have been placed by this government on terms otherwise than favourable, having regard to the conditions of the money market at the time the loans were issued. An argument which does not take account of these conditions is absurd. You cannot make a loan at a better rate than the conditions of the market at the time warrant. Suppose a buyer for one of the great houses is sent abroad to purchase goods. When he returns his employer says to him: 'I see that you bought goods at one and six per yard which some years ago you bought at one and three per yard. You have therefore failed in your duty to your firm.' Would not a satisfactory answer be: 'I bought the goods at the best rate I could at the time.' Well, in buying money, as in buying dry goods, you have to pay what the market demands. You are governed in both cases by the conditions of the market. Judged by that test, which is the only true one, every loan made by this government is a satisfactory one. If it be found necessary to make comparisons between the loans floated by my predecessors and those floated during my retention of the office, I am confident there will be nothing in the comparison which will in the slightest degree reflect on the policy of the present government; and in saying this, I do not wish to criticise in the slightest the actions of my predecessors, who no doubt got the best prices they could at the time and under the conditions then existing. With regard to the policy of restricting the government to the issue of a 10 year loan, to cover this advance, I do not think that would be wise. It is possible that the conditions of the market may be such as to render it desirable that we should issue a 10-year loan, and in that case I would hold myself free to do so. I hope, however, it will be otherwise. A short term loan necesarily implies, in most cases, a higher rate of interest than a long term. Whenever it becomes necessary for us to borrow, our duty is to have regard to the conditions of the money market, and issue the loan on the best terms, at the best rate, and for the best period that will meet the existing conditions. I would object just as much to a proposal to limit the loan to a 25 or 50 year period as to the proposal to limit it to a 10 year period. So much with regard to the first two points. As to the third point, although it does not add anything to the argument, it may surprise my hon. friend to know that we are pursuing the same course as that which was pursued by the late government in the case of the Canadian Pacific Railway loan. That loan was made for some five or six years. Immediately after it was agreed upon, the then Minister of Finance had to go on the money market and he placed on that market a loan—for what term? Five or six years? No. He made it for fifty years with the option of redeeming it at the end of 25 years.

Mr. LALOR. What was the rate of that loan?

Mr. FIELDING. I am very glad my hon. friend has put that question. They lent the money to the Canadian Pacific Railway at a fixed rate of interest, four per cent, as we propose to do to the Grand Trunk Pacific, and then went into the money market and paid more than four per cent for the money. So they pursued exactly the same policy as I am asking the House to approve. If it should happen that we will be obliged to pay a fraction more than four per cent, we shall be having the same experience as my predecessor.

Mr. LALOR. Does the hon. minister approve of the plan pursued in the case of the Canadian Pacific Railway?

Mr. FIELDING. I was not here at that time; but looking back, I do not hesitate to say that I am glad the government lent the Canadian Pacific Railway that money. There was a difference of opinion at the time regarding that policy. Better men than I thought it was not wise, but they have possibly since changed their views. It is easy to be wise after the event, and the men who were in parliament then had to determine the question according to the best light they had at the moment. And many of that day thought it was not a wise plan. I express no opinion except to say that in view of the great success of the Canadian Pacific Railway, there is none of us, I hope, who would not be willing to say, on looking back upon it, that we are glad the government gave them that aid. I say that, at all events, speaking for myself. So, the hon. gentlemen will see that

on every point of criticism of this loan, I can cite the precedent of the Canadian Pacific Railway loan. I do not attach much importance to that, but it is quite proper that, as a matter of illustration, I should refer to it. Hon. gentlemen opposite say that we are going to receive only 4 per cent and that the loan will cost us more. That was exactly the condition of the case with the Canadian Pacific Railway loan, and, as a matter of fact, in the case of that loan the rate of interest paid for the money was somewhat over 4 per cent. The hon. gentleman asks why we do not seek a short term ten year loan. Well, my predecessors did not think it was wise to do this in the case of the Canadian Pacific Railway loan. They held their hands free, they went into the market and found what the condition was, they adapted their loan to that condition, and, no doubt, they got the money at the best price at which it could be obtained. I mention this, not as an accusation against those who made the Canadian Pacific Railway loan, but as it may help to illustrate the present transaction. But I do not think that argument necessary to the case. I maintain that this loan is a fair business proposition, and that it ought to commend itself to the judgment of the House.

Mr. GEO. TAYLOR. The ground of my complaint is that the Finance Minister is anticipating that, ten years from now, he will not be able to make a loan at less than four per cent, notwithstanding the progress of the country in the meantime, which he looks forward to so hopefully. He seems to think that the credit of the country will be so bad in ten years from now that he will look to the railway company to refund the money, and he will use it for the balance of the term of the loan. If we are to have the great progress and the good time that he anticipates on account of the building of this railway, we ought to be able to borrow ten millions in ten years from now at 2½ per cent.

Mr. FIELDING. Then, my predecessors must have——

Mr. GEO. TAYLOR. Never mind your predecessors. You are doing business now.

Mr. FIELDING. I am doing business, true. But in this case, I am not comparing myself with my predecessors to their disadvantage. I am saying that, as far as I can see, they acted as reasonable business men. I am commending them. I see nothing in that transaction to-day that was not proper and businesslike. Nor have I said anything to suggest the contrary. We are pursuing the same businesslike course that they pursued. The hon. gentleman (Mr. Geo. Taylor) says that we are anticipating that we shall not be able to borrow at less than 4 per cent in ten years. That might have been applied to the Canadian Pacific Railway loan in its time. At the expiration of ten years, when the money is repaid, it is reasonably probable the government of Canada will still require money for its public purposes, and the situation then will be that, instead of being obliged to go out and float some new loans to meet the demands of that moment, we shall have $10,000,000 in the treasury. So, I do not think there is any cause of criticism from that standpoint.

Mr. PORTER. I have not yet heard from the Minister of Finance (Mr. Fielding) any convincing or satisfactory answer to the question submitted from this side of the House as to whether it would not be better, in fixing the terms of this loan, to provide that the borrower should pay to the government exactly what it might cost the government to make the loan. An attempt has been made to answer that, but it does not seem to me to be satisfactory or to meet the case. Now, this loan has become necessary owing to the stress of circumstances pressing upon the Grand Trunk Pacific Railway Company. In other words, the government is coming to the assistance of the railway, as one might put it, as a matter of charity, and, at the same time, while the government is professing to do this charitable act, the Finance Minister tells us that the conditions of this contract are such that, if he has to pay a little more than four per cent for the money, the government will suffer the loss. At the same time, he says that if the government is able to borrow this money at a rate a shade less than four per cent, the country will be making a profit out of this loan. It does not strike me that the circumstances warrant the position taken by the Finance Minister. Would the Finance Minister feel quite comfortable with a profit made from this poverty-stricken offspring of the government jingling in the treasury? It seems to me that, in an act of charity, the government ought to get back—if it gets back anything—just what it paid, and, considering the care the government have taken to foster this child of theirs, that it would not be fair to take a profit won through an act of charity. It seems to me that it would be quite within the power of the government, and it would not be asking anything unfair from the Grand Trunk Pacific Railway Comqany, to insist that this contract should contain a condition that the railway company shall pay to the government just what it costs the government to make this loan. We do not want to make a profit out of the railway company in this matter. But we do not want to make a loss. It is quite possible, quite within the range of our

powers, to so provide in this contract that we shall neither make a loss nor make a profit. Would not that be a reasonable, fair and proper way to protect the rights of both parties?

Mr. FIELDING. I confess that, if we should make a profit out of this transaction —I have not said we shall, I have guarded against that—I am free to confess now that I shall probably have more comfort, speaking officially, in jingling the profit of the transaction in my official pocket than my predecessor had in pocketing the loss incurred in the former transaction. And, if the Grand Trunk Pacific Railway Company, in receiving this aid, is to be described as a 'poverty-stricken' concern, and if this is to be described as 'an act of charity,' I suppose we shall have to say that the Canadian Pacific Railway Company at the time of the loan made to it was a 'poverty-stricken' concern, and the loan to them as 'an act of charity.' I would not apply those terms to either case. In each case, the loan is legitimate aid granted to a great enterprise. And when I show the hon. gentleman (Mr. Porter) that, in the case of the Canadian Pacific Railway it was deemed wise to fix a definite rate of interest, as we are doing, I do not ask him to accept that as a conclusive argument, but I cite it as showing that at least the men of that day and the men of this, dealing with a business transaction, thought alike and acted alike.

Mr. PORTER. That does not seem a very convincing argument. If, in the light of subsequent events, the loan to the Canadian Pacific Railway Company is shown to be improper or wrong, or not on the best terms that could have been obtained, why should the Minister of Finance use that loan for an argument in committing that wrong a second time?

Mr. FIELDING. I say it was right.

Mr. PORTER. But my hon. friend (Mr. Fielding) would not say that in answer to a question put a few minutes ago. He has not expressed an opinion upon that, but left that to the expression of opinion that had been given years ago. If it was wrong in that instance—and the minister will not say it was right—why will he invoke that as an argument for a repetition of the act? It is reducing the argument to this: two wrongs make a right. And he is going to commit the second wrong.

Mr. FIELDING. Except that I have not said it was wrong.

Mr. ARMSTRONG. Has the minister made any effort to obtain money outside the London brokers? My reason for asking is, that, in looking over the finances of the United States, I find that they have a total debt of $913,000,000, of which $118,400,000 is at four per cent, $63,900,000 at three per cent.

and the balance at two per cent. I believe I am correctly informed that the bonds floated by the United States in respect of the Panama canal pay only two per cent. I cannot quite understand why they can borrow so much cheaper than we can.

Mr. FIELDING. If my hon. friend will look into that matter, he will find that in the case of United States bonds, there are certain exemptions and privileges which give them special value. He will find also that the banks have to have certain classes of these bonds to deposit against their note circulation. All these things create a value for certain classes of United States bonds which would not apply to the bonds of any other country. My hon. friend began by asking if I had made any efforts to borrow money outside London. We have no difficulty in borrowing money at current rates. Our loans as a rule are placed in London, because London is the cheapest money market of the world. We keep our eyes on other markets, of which we have occasionally availed ourselves to make temporary loans, and we are not unmindful of conditions in the United States. At times when there seemed to be an abundance of money in the United States, I have inquired, and I have always found that if we attempted to issue our loans in the United States the charges against them would make the expense of the transaction very considerable, and the net result would be less favourable than we were able to obtain at the same time in London. Indeed, in many cases when United States bankers and others take up foreign loans, what actually happens is that while the transaction nominally takes place in the United States, the bonds are placed in London, and they are sold and bought on the basis of the London prices. I can assure my hon. friend that though occasional conditions, according to the newspapers, might show that for certain purposes and under special circumstances money is cheap in the United States, it is safe to say that for the purposes of large loan transactions, London is to-day, as it has been for a great many years, the cheapest money market in the world.

Mr. ARMSTRONG. I can understand why the banks of the United States should have some advantages, but I cannot see why we should be paying double the amount the United States are paying on a similar loan. When you see them paying only two per cent on $700,000,000 you cannot but feel that in some way we are paying a higher rate of interest than they are paying in proportion.

Hon. JOHN HAGGART. What I am particularly interested in is to find out how this $10,000,000 is to be applied. I tried to get an explanation from the Finance Minister the other day, and he stated that he would carefully guard the payment of that

money and see that it was paid on progress estimates. The statement that he brings down to the House is two-fold: An estimate is to be made by the engineer of the Railway Department for the purpose of the payment of some indebtedness to the extent of $7,100,000, and to finish the prairie section, an amount equal to $10,500,000. The Grand Trunk Pacific, who are borrowing the money, only ask for $9,400,000, and in that statement there is a sum for the purpose of recouping them, a payment which they allege to have made of $7,100,000. The Finance Minister says, 'I will carefully guard the payment of this sum of money to the railway company by seeing that the work is done and completed.' But the work has been done and completed long ago, the money is paid to the parties who have done the work, and there is the certificate of our own engineer saying that the work is done. Then what do they want the $7,100,000 for? It is an alleged indebtedness which, he says, the Grand Trunk Company advanced to the Grand Trunk Pacific. Well, we all know the absurdity of it, we all know that the Grand Trunk had not $5 to advance, that the corporation could not endorse even a security for that amount. Who is it we are going to pay the $7,100,000 to? It is to some loan that the Grand Trunk Pacific have made, or a sum of money equal to $7,100,000 which they must have borrowed from some bank. We ought to have full particulars, we ought to have an accurate account of the payment of that $7,100,000. We do not know, by any statement that has been made by the Finance Minister, to whom we owe this $7,100,000 or whom we are going to pay it to. We have his statement that he will take care that no part of that sum is paid out unless on progress estimates on the work. The sum is paid out, the work has been done by the contractors, there is no progress estimates to come in, there is the certificate of his own engineer that the work is done and the money is paid out. Now surely this committee is entitled to this information. To whom is that $7,100,000 to be paid, and in what form was that advance to the Grand Trunk Pacific? Was it advanced solely on account of work or in the construction of the prairie section and for no other purpose? That information this committee is entitled to in detail. We are advancing a sum of $10,000,000, $7,100,000 to pay an advance of some kind. The details of that advance we have not got up to the present moment; and this committee, before voting that money, is surely entitled to a detailed account.

Mr. FIELDING. We are not going to vote that sum of money to the Grand Trunk Railway Company, we are not going to vote that $7,100,000 to any company.

Mr. JOHN HAGGART. To whom are you going to vote it?

Mr. FIELDING. We are not going to vote that particular sum to anybody, we have nothing to do with that particular sum. What we have to do is to see that before we pay $1 of money raised by the aid of the government, we shall have a certificate of the engineer that that money has been expended on the road, and we have the work there before us. If the Grand Trunk Pacific Company, instead of borrowing money from a bank to pay its contractors, have been able to go to the coffers of the Grand Trunk Company itself, it is their own business, and we are not concerned in it at all. Whether they got the money from the treasury of the Grand Trunk or whether they got it from a bank, is of no importance to us. I presume that had they not got that money from some quarter, we would have a cry all over the land that a great many workmen were being unpaid, that merchants were being unpaid. My hon. friend speaks of the work having been certified. The work has not been certified for the purpose of any payment. We have the estimate of our engineers as to what amount will be necessary; we have statements made by the Grand Trunk Company of what amount is required to finish the road, and our engineers say that that is substantially correct.

Mr. JOHN HAGGART. You say the work has not been certified by your own engineers?

Mr. FIELDING. Not as respects the payment of any money. If $7,000,000 drawn from a bank, or from another railway company, or from any other quarter, have gone into that work, and certificates are brought to us by our engineers that that money has gone into the work, then we are justified in responding by paying out of the funds the proper proportion of the money. My hon. friend will find that that advance to the Grand Trunk Company is practically in the same position as if one of the banks had advanced the money. We are not called upon to consider whether the company was right or not to advance it; that is none of our business. What we are concerned in is seeing that not one dollar of this money is paid except on certificates of our own engineers that it is based upon actual outlays, and that the money has gone into the work. That is provided, not upon any assertion of mine, but it is provided by the machinery in the schedule attached to this Act. I would like my hon. friend to get out of his mind this idea that we are going to pay the Grand Trunk Railway $7,000,000. If the Grand Trunk Pacific had borrowed $7,000,000 from a bank, we would not be concerned about that. We are going to pay the money, under the

terms of the contract, to the Grand Trunk Pacific upon evidence that that amount of money has gone into the work. Now that is simple and I am sure that my hon. friend on reflection, will see that it is fair and reasonable.

Mr. JOHN HAGGART. You have the information already that the money has gone into the work.

Mr. FIELDING. It has not been paid yet.

Mr. JOHN HAGGART. You have a statement from the Grand Trunk that they have advanced $7,100,000 and you could not pay the proceeds of the bonds for the construction of the work until you had the certificates from your own engineer. A statement has been submitted by your own engineer as to the correctness of the accounts. He submits a statement which completely confirms the statement of the company. The officer of the Department of Railways and Canals who has gone down to examine the accounts of the Grand Trunk Pacific certifies to them as being correct. Why is it that we cannot have the information showing us in what form the Grand Trunk are claiming a return of this $7,100,000? You do not go over the work again and you do not get a new certificate from your engineers. You have a certificate already that the work has been done and completed. You have paid the money for that work to a certain extent. That is as far as the $7,100,000 is concerned. It is true that you will require fresh certificates for the balance that you paid out of the $10,000,000 for the completion of the work. I believe the government are acting as trustees, that they have on hand a certain sum of money and that the balance of $10,000,000, after the $7,100,000 has been paid, is intended to complete the prairie section. But, as far as this $7,000,000 is concerned, that is a completed transaction. You have the certificate of the engineers as to the completion of the work. The amount has been paid and the accounts have been audited by the Department of Railways and Canals. Surely we are entitled to a statement as to who holds that indebtedness and in what form the payment of that $7,100,000 was made.

Mr. FIELDING. I am sorry that I have not succeeded in satisfying my hon. friend. I maintain very respectfully, in view of his larger knowledge and experience, that we are not concerned about that $7,100,000 at all. An hon. gentleman opposite asked the question what amount the Grand Trunk Company have, in one form or another, put into this enterprise and we have the information brought down that they have put in $7,000,000. If they have put $7,000,000 in they stand in the same position as the Bank of Montreal would stand if it had loaned the Grand Trunk Pacific Company $7,000,000. What concern would we have in that?

Mr. JOHN HAGGART. I will tell my hon. friend what concern you have in that. Suppose it were part of the expenses of lobbying here and of the amount that was entered in an account which was considered by the Public Accounts Committee and the papers in regard to which were lost. Suppose one of these items was included in that account or something similar to it, have we not the right to see the account? When you come here and ask for $10,000,000 of which $7,100,000 has been paid out, have we not the right to know in what form this money has been paid out?

Mr. FIELDING. I quite admit that my hon. friend ought to have a better knowledge than I have as to the expenses of lobbying and things of that kind, but I still insist that we are not asking to pay $7,000,000 to the Grand Trunk, and it is not open to us to enter into an inquiry as to how they used the money or as to what they did with the $7,000,000. They stand exactly in the position of a bank which had loaned the Grand Trunk Pacific Company for the purpose of its undertaking that much money. We would have nothing to do with that. That would be a matter between the company and the bank. In this instance it is a matter between one company and another. Whether the Grand Trunk borrowed it, or loaned their credit are interesting questions in themselves, but they do not touch this loan. We are concerned in seeing what becomes of this money which we propose to lend to the company, and we have provided by this Bill that not one dollar of this money can be paid to the Grand Trunk Pacific until we receive the certificates from the engineer that the money has gone into the work and is represented by work to be seen.

Mr. SPROULE. We, on behalf of the country, promised to give aid in the shape of a guarantee or other assistance. The balance was to be provided by the guarantee of the Grand Trunk Railway. The Grand Trunk had to stand at their back and raise the balance of the money. We have lived up to our portion of the agreement. The Grand Trunk Pacific Railway now come here and ask for an additional loan to help to build the road. But they say that $7,000,000 out of the $10,000,000 is required to pay back to the Grand Trunk Company because they advanced that amount. It was their duty to advance it.

Mr. FIELDING. No.

Mr. SPROULE. It was their duty to provide the security that would raise it.

Mr. FIELDING. No.

Mr. SPROULE. Yes, it was the understanding that they would advance that

money or that they would be at the back of the Grand Trunk Pacific and assist them to carry through the undertaking. They advanced a sum of money and now they turn around and ask us to advance more in order that this $7,000,000 may be paid back to them. I think we should say to them: 'It is true that you have advanced $7,000,000 to build this road, but that is what you ought to do, and if you have done that we are under no obligation to raise money to pay that amount back to you. We want you to carry out your part of the bargain.' They are doing no more than carrying out their part of the bargain and we are doing all we could be expected to do.

Mr. FIELDING. The error in my hon. friend's statement is that he says that the Grand Trunk were bound to advance this money.

Mr. SPROULE. No, I did not put it that way, but I said that it was understood that they were to be at the back of the Grand Trunk Pacific and to provide the money by putting up the security or otherwise.

Mr. FIELDING. No, my hon. friend's statement was that they were bound to advance the money and that they had a right to do it.

Mr. SPROULE. I did not say to advance the money; I said to be at their back and to furnish the security to aid in raising the money.

Mr. FIELDING. We must distinguish between these two things. The Grand Trunk never contemplated that out of its earnings it would take $7,000,000 and put it into this road. The Grand Trunk never agreed to advance a dollar to this company. The Grand Trunk agreed to do exactly what it is proposing to do now ; that it would guarantee certain bonds of the western division. It has agreed to do that and it is not shirking that responsibility. It is willing and ready to do that and this legislation requires the company to do it, but, for financial reasons we think it best that the company should not float its guarantee in the present condition of the money market. If the Grand Trunk was bound to advance this $7,000,000 to the Grand Trunk Pacific, and did not do so, and now asked us to do it, there would be something in what the hon. gentleman says, but that is not the situation at all. What the Grand Trunk agreed to do it is still doing by way of a guarantee of those bonds.

Mr. R. L. BORDEN. We could not assent for a moment to the statement just made by my hon. friend the Minister of Finance. He says that the Grand Trunk were to guarantee the bonds, not for the balance but for some certain amount.

Mr. FIELDING. I did not say that. I was trying to show the distinction between a pledge to advance money and a pledge to guarantee bonds. I was not dealing with the question of the bonds.

Mr. R. L. BORDEN. My hon. friend from East Grey (Mr. Sproule) simply stated to the Finance Minister that the Grand Trunk were bound to guarantee the bonds necessary to raise the balance required for the completion of the western division.

Mr. FIELDING. Yes.

Mr. R. L. BORDEN. I understood the Minister of Finance to take direct issue with my hon. friend upon that statement.

Mr. FIELDING. No, I did not.

Mr. R. L. BORDEN. Well, I was very unfortunate in my understanding of what the hon. gentleman said. There is no doubt whatever as to what the contract was:

> Inasmuch as the bonds to be guaranteed by the government only make provision for a part of the cost of construction of the western division, the company hereby agrees that the Grand Trunk Railway Company of Canada shall guarantee bonds of the company for the balance required for the construction of said western division, exclusive of the said $26,000,000 required for first equipment, which the company is required to provide under paragraph 22 of this agreement.

The Grand Trunk Railway Company was to guarantee the bonds of the Grand Trunk Pacific for the balance required for the construction of the western division; that is the balance remaining after the provision made by the government on its guarantee of bonds, and there is no doubt my hon. friend (Mr. Sproule) was strictly correct in the point he made.

Mr. FIELDING. The Grand Trunk Railway did agree to do that.

Mr. R. L. BORDEN. The Grand Trunk Railway Company entered into an agreement with the Grand Trunk Pacific to carry out that condition of the contract, so that my hon. friend (Mr. Sproule) is correct.

Mr. FIELDING. I understood the hon. gentleman (Mr. Sproule) to argue that the Grand Trunk Railway was bound to advance the money, that they have advanced it, and now they are trying to get it back. My hon. friend, however, has made it clear now that such was not his argument.

Mr. R. L. BORDEN. They are required to give that guarantee and the government is becoming banker.

Mr. FIELDING Yes.

Mr. R. L. BORDEN. And they are getting back their $7,000,000?

Mr. FIELDING. That has no relation to it.

Mr. R. L. BORDEN. On the 22nd of February I asked the government what amount of bonds the Grand Trunk Railway Company guaranteed in respect to the construction of the western division of the National Transcontinental Railway, and the following answer was given:

In respect to the prairie section, series 'A' bonds to the amount of £2,100,000; in respect to the mountain section series 'B' bonds to the amount of £1,354,000.

This would amount to between $15,000,000 and $16,000,000. But in the letter of Mr. Hays to the Minister of Finance on November 16, 1908, he says:

As the Grand Trunk Railway Company of Canada has to date guaranteed bonds of the Grand Trunk Pacific to the extent of more than $30,000,000, the proceeds of which have been used in connection with the construction of the railway and equipment and in addition has also advanced a very large amount from its own funds in order to keep the construction work going, it is essential we should receive the further assistance asked for from the government.

Why the discrepancy between $16,000,000 and $30,000,000; I cannot imagine that it is all for equipment.

Mr. FIELDING. I think the difference is accounted for by the equipment bonds which represent a very considerable sum.

Mr. R. L. BORDEN. I may be very ignorant as to what is correct procedure in these matters, but, to use the guarantee of the Grand Trunk Railway for providing equipment five years in advance of the time it will be required, and then to put that forward as an excuse for aid from the government seems a remarkably unbusinesslike proposition. Every one who has eyes in his head knows that some of this equipment has been continuously in use on the Grand Trunk Railway system during the past two or three years, and yet we have it gravely put forward by Mr. Hays as a reason why the government should come to the assistance of the Grand Trunk Pacific Railway Company, that a guarantee has been given to equipment which has been used not on the Grand Trunk Pacific but on the Grand Trunk Railway system.

Mr. FIELDING. There is a distinct provision with respect to the equipment bonds, and I do not see what relation that could have to the merits of the present case. I should think it would not be wise for the Grand Trunk Pacific to wait until the road was completed to look around for equipment. If all goes well a good part of that equipment will be needed for the operation of the road next season, and although I have no information on the point I take it for granted that if any car constructed for the Grand Trunk Pacific and not immediately used was loaned to the Grand Trunk Railway Company or any other, they would give in return the usual business consideration to the Grand Trunk Pacific for it.

Mr. R. L. BORDEN. Unless the Grand Trunk Pacific Company saw they could come to some such source as this for assistance I do not think they would engage in any such unbusinesslike methods. It was perfectly proper that they should provide their equipment in good time, but it does not seem reasonable that they should provide it two or three years in advance and use it on a railway system for which it was not designed at all. There was no expectation in the minds of the members of parliament who discussed the contracts of 1903 and 1904 that the guarantee stipulated for would be utilized for the purpose of providing equipment for the Grand Trunk Railway system in the meantime. Certainly nobody ever expected that it would be used as an argument for further assistance from the government, especially as the very company which has been enjoying the benefit of that equipment in the meantime was described in 1903 as being in and of the undertaking and forming the whole thing in connection with it.

Mr. FIELDING. The only relation between the two things is that the Grand Trunk Company in stating the amount of obligation it had itself incurred in this enterprise very naturally stated that it guaranteed these bonds. I would rather prefer to discover that the Grand Trunk Pacific had the rolling stock in good time than to discover that when they needed it there was not sufficient to handle the business. I do not see why we need worry ourselves very much as to whether they got the equipment in 1908 or 1910 in view of the fact that they are spending their own money and not ours on that part of the enterprise.

Mr. R. L. BORDEN. If that is so it was absolutely irrelevant for Mr. Hays to introduce the statement into his letter.

Mr. FIELDING. It was perfectly legitimate to state the extent to which the Grand Trunk Railway Company was pledging its credit to help this enterprise, and more especially as it has been stated in various quarters that the government was doing everything in the matter and that the Grand Trunk Railway Company was doing nothing.

Mr. R. L. BORDEN. Where was this equipment obtained?

Mr. FIELDING. I cannot say I am sure, but I know that a good deal of it was obtained in the province of Nova Scotia

because I have seen the cars bearing the well known name of Rhodes, Curry and Company.

Mr. W. F. MACLEAN. It was not supplied in the province of Ontario?

Mr. FIELDING. That must have been because the man in Nova Scotia was willing to build it more cheaply. However, I am only speaking from recollection and I will be glad to get the information.

Mr. R. L. BORDEN. I think there was some company formed for the purpose of supplying the equipment.

Mr. FIELDING. I could not say, I am not aware of that.

Mr. GEORGE TAYLOR. Did not the Grand Trunk Pacific secure a great number of old cars from the Grand Trunk and have the name changed?

Mr. FIELDING. I could not say, but as not one dollar of government money has gone into that I do not think we need worry much over it.

Mr. SPROULE. I understood there was a provision in the Act whereby a separate company could be organized to provide that equipment and the security would be in the form of a chattel mortgage on the equipment which would be repaid by the earnings from the road when in operation. That was put forward as a distinct and important provision in the Bill, which would enable them to provide this equipment for the road without drawing on their credit to any great extent. If part of this guarantee by the Grand Trunk was for this purpose what becomes of the company that was to be organized to provide the equipment? How do we know how much has gone into equipment or where the equipment was purchased or the amount of equipment?

Mr. FIELDING. I do not think there was any such rolling stock company.

Mr. SPROULE. There certainly was such a provision in the Act. I remember Mr. Osler saying it was a common and useful practice on railways.

Mr. FIELDING. Undoubtedly such a system is employed on some railways but it was not in this case.

Mr. MIDDLEBRO. Does the minister know how much of the $7,000,000 which the Grand Trunk Pacific borrowed from the Grand Trunk Railway has been paid out for actual expenditure on the road bed.

Mr. FIELDING. We are dealing entirely with construction and can only recognize payments for construction.

Mr. MIDDLEBRO. Then every dollar of this may be for money that has gone towards the purchase of equipment for the Grand Trunk Pacific that the Grand Trunk are now using.

Mr. FIELDING. If it be possible that that would happen, they never could get a dollar back under this Act.

Mr. MIDDLEBRO. If that is so it has taken to that extent the credit of the Grand Trunk from the Grand Trunk Pacific and has made it necessary for the Grand Trunk Pacific to come here for a further loan. If the Grand Trunk had not advanced this money to purchase rolling stock which they are now using at four per cent, irrespective of the cost of repairs and maintenance, it seems to me they would have $7,000,000 more to apply to the construction of the road bed and it would not be necessary to come here for a loan of $10,000,000.

Mr. CROTHERS. Would the minister make it clear whether this $10,000,000 is all to be used on work yet to be done or materials yet to be supplied, or whether any part of it is to be used to pay for work already done or material already purchased.

Mr. FIELDING. If any application were made for payment of money for work already done or materials already furnished as respects which they have already received money why certainly they could not get it, but if work has been done by advances from the Grand Trunk or from anybody else which has not passed into the accounts and been approved and certified by the engineer, unquestionably they would have a right to draw a portion of this money for that purpose.

Mr. CROTHERS. I want to ascertain whether the whole $10,000,000 is to be used in payment of work done so that there will be nothing left to continue the line to the mountains.

Mr. FIELDING. If the Grand Trunk have advanced money and it has gone into the road they would have a right to recover from the Grand Trunk Pacific, and if $7,000,000 has thus been put into the road there would be only $3,000,000 available from this fund to continue the work.

Mr. CROTHERS. Then is it the case that $7,000,000 may have been spent in construction and road bed for which my hon. friend has no report from his engineers?

Mr. FIELDING. Our engineers know the condition of the road. We know that considerable sums of money have gone into it as respects which the statement of the Grand Trunk is probably correct, but we must know that the work is done and must have the engineers certify it before money is paid over.

Mr. CROTHERS. Does my hon. friend understand from the statement of the Grand Trunk that they have put $7,000,000 into

the road for which he has no report from his engineers? If the government have reports from their engineers they ought to know how much of that $7,000,000 has already been expended and how much of that expenditure has been reported on by the engineers. Is it possible the Finance Minister does not know within one, two, five or seven millions how much money they put in for which he has no report from his engineers?

Mr. FIELDING. We chiefly require reports from our engineers when a demand is made on us for money. If the Grand Trunk Pacific say: 'We want you to pay so much money,' that is when we insist on the reports and certificate of the engineers. As respects the condition of our work generally the chief engineer has one or two officers along the road who are in constant touch with him and he is kept generally informed of the condition of the work; but we are only concerned from a financial point of view when the company come to us and want so much money. Then when they are to get that money from a particular fund with which we have anything to do, we must be satisfied that the work has been done and the money expended.

Mr. CROTHERS. We ought to have the information asked for.

Mr. FIELDING. If the information is not covered by what is before the House and my hon. friend will draw my attention more specifically to what is lacking I will endeavour to get it if it is within my reach.

Mr. JOHN HAGGART. I want a specific statement that this sum is to be expended upon the road bed or stations of the prairie sections.

Mr. FIELDING. Yes.

Mr. JOHN HAGGART. It cannnot be applied to the payment of any equipment of the road or anything of that kind.

Mr. FIELDING. No. I understand that not a dollar of this can be applied to any other purpose than the construction of the road on the prairie section.

Mr. PERLEY. In what section of the schedule is that provided?

Mr. FIELDING. My hon. friend will find that provision in the mortgage. I think on page 18.

Mr. PERLEY. The minister has said that the furnishing of money to the Grand Trunk Pacific in respect of equipment has nothing to do with that.

Mr. FIELDING. No, I did not quite say that.

Mr. PERLEY. If that is the case we are entitled to be assured that this money is not to be applied to a purpose with which we have nothing to do. We are entitled to know that $7,000,000 of the $10,000,000 is not going to pay for equipment which the Grand Trunk is bound to furnish to the Grand Trunk Pacific, but that the $7,000,000 will be actually expended, every dollar, on the road bed.

Mr. FIELDING. I say without hesitation that this money is designed, as my hon. friend will see by the mortgage, to assist in the construction, not the equipment, of the prairie section.

Mr. MIDDLEBRO. If it has been expended on rolling stock, then this company is asking for $7,000,000 sooner than it should, because they do not require it for the purpose for which it is supposed to be expended.

Mr. FIELDING. I give the assurance, without any equivocation, that not a dollar of this money can be applied to any other purpose than the construction of the prairie section, as provided in the mortgage.

Mr. MIDDLEBRO. That does not answer the question. The question is whether this money is to go in repayment of money which has been expended already for rolling stock with which we have nothing to do.

Mr. FIELDING. Not a dollar of it can go for equipment. The equipment is provided for by a different method.

Mr. MIDDLEBRO. The hon. minister does not know how much of this $7,000,000 is to be used to pay the Grand Trunk Railway for the rolling stock.

Mr. FIELDING. We are not going to pay the Grand Trunk Railway one dollar. We will pay the Grand Trunk Pacific, on the engineers' certificates, as much of this $10,000,000 as they can show has gone into construction and only into construction; and the $7,000,000, while it is an interesting item of information to the House, has actually no bearing upon this at all. For every dollar anybody claims, we must know it has gone into the construction of the prairie section and not for equipment or anything else will we pay it.

Mr. MIDDLEBRO. The difference is this. There may come a time when you may be able to get an engineer to certify that $7,000,000 more has been expended on the road than really has been. I want to know if that money has been expended now or whether you take the money from the Grand Trunk Pacific to pay the Grand Trunk Railway.

Mr. FIELDING. We are not going to hand the Grand Trunk Railway money for equipment or anything else. The Grand

Trunk Railway in that respect, practically act as the bankers of the subsidiary company. If the Grand Trunk Pacific get the $7,000,000 to help them out, whether they get it from the parent company or the bank or anywhere else is not a matter that concerns us, and it does not enter into our calculations as to the paying out of this money. Before any of this $10,000,000 can be paid the engineer must certify that it is represented by work gone into the road. The money for this road is drawn from two sources, in the first place, from the proceeds of the government guarantee, and in the second place from the proceeds of the Grand Trunk Railway guarantee, in certain proportions. Before we can establish these respective proportions, we must know what money has gone into the road or the total cost of construction. Having ascertained that, we assign to each of these funds its proper proportion; and before one dollar of the fund can be drawn out, we must have the certificate of the engineer that the work is there to represent it.

Mr. MIDDLEBRO. Suppose the Finance Minister sent out to-morrow his engineer to find out how much money has been expended in the road bed, and his engineer gave it as a certain amount and that all the moneys received by the Grand Trunk Pacific had been sufficient to pay that work up to date, and that the $7,000,000 would not be required until $7,000,000 more of work had been put into the road, would he be justified in handing that $7,000,000 over now to pay for future work. Does it not look as if the Grand Trunk Pacific were getting that $7,000,000 to pay for the equipment?

Mr. FIELDING. As regards the equipment I can give the most positive assurance that nothing of the kind is contemplated or is possible under this agreement.

Mr. MIDDLEBRO. I find that in answers given by the Finance Minister to the leader of the opposition that there has been expended on the prairie section $27,031,000, and that there is yet to be expended on that section $5,166,000, and we have to pay the Grand Trunk Railway $7,000,000. That makes $12,200,000 to be paid on a loan of $10,000,000. Where are the other $2,000,000 to be had to complete the prairie section?

Mr. FIELDING. We are not paying the Grand Trunk Railway that money at all.

Mr. NORTHRUP. While the Finance Minister has made it quite clear that it is not the intention of the government, ostentatiously and publicly, to hand over any cash to the Grand Trunk Railway for the rolling stock, possibly the same result is to be obtained in another way. If we take the information given in this most instructive statement brought down by the Finance Minister, a couple of facts seem quite clear. The first is that the Grand Trunk Pacific had plenty of money to complete its work. If this $10,000,000 is sufficient to complete it, then they had enough, because they have spent $8,000,000 on rolling stock. If the Grand Trunk Pacific had been willing to go on and finish their road they apparently had enough money to do so. Would the thing not work out this way according to this statement? The Grand Trunk Pacific, having the money on hand to complete this road save possibly the difference between $8,000,000 and $10,000,000 said: 'No, we will not complete the road, but we will put this money into rolling stock which we do not require but which the Grand Trunk Railway require and which the Grand Trunk Railway would have to pay its own money for.' Then, they hand this $7,000,000 over to the Grand Trunk Railway to buy rolling stock, and then declare that the money went into the road bed. In this way the Grand Trunk Railway is able to take $8,000,000 of the Grand Trunk Pacific and put it into rolling stock, and then loan to the Grand Trunk Pacific at four per cent the money required for construction. If that is what has been done, and if the Grand Trunk Railway comes and says to the Grand Trunk Pacific: 'You have $10,000,000 on hand, pay us back the money we put into the construction of the road,' and the government has to aid to that extent, the only reason the government has to pay is because the Grand Trunk Railway, instead of paying for its own rolling stock, chooses to advance the money to the Grand Trunk Pacific to supply rolling stock for their use.

Mr. FIELDING. I do not think that is possible.

Mr. BLAIN. I desire information concerning the estimates that were made when this project was proposed to the House on August 11, 1903. At that time, Mr. Blair was Minister of Railways and Canals, and, in placing his statement before the House, he estimated that the direct and indirect liability of this country on account of this project would be $139,000,000. We have had various estimates as to the cost of the work within the last two or three days during which this matter has been under discussion. The estimate has now reached, I think, in the neighbourhood of $250,000,000, an amount greatly in excess of the estimate of Mr. Blair as Minister of Railways and Canals, and he was looked upon by the government at that time as very extravagant. I assume that the government has looked over the estimates which were given at that time on which Mr. Blair based his conclusion that the cost would be $139,000,-

000. May I ask if these statements have been gone over by the present Minister of Railways and Canals (Mr. Graham) or by the Finance Minister (Mr. Fielding) or by any person appointed to represent the government? For, it is important to know upon what data the present estimates are based.

Mr. FIELDING. These things may be interesting in themselves and proper subjects of discussion, but I cannot see that they have any bearing on this loan. Therefore, I have not given attention to the matter referred to. I am aware that the Minister of Railways and Canals (Mr. Graham) recently gave the House the best information he could as to the probable cost of the road. I know that the estimate is very much greater than we ever anticipated, and to that extent it is a matter of regret, but there seems to be no help for it. If the cost of the eastern division, as it is called, which has very often been spoken of, had been much greater than our anticipations and every other railway whose cost was estimated at the same time had been constructed without increased expense, I should have begun to feel that, perhaps, there was some room for criticism of the government or their commissioners as to the cost of the eastern division. But, when we find that railways everywhere are costing more than the estimates made at that time, when we find that the Grand Trunk Pacific Railway Company, with all the experience and skill at their command—for they have the benefit of the experience and skill of the engineering staff of the Grand Trunk—is obliged to pay so much more than the estimate for their part of the road, we can look more charitably upon the results of the efforts of the commissioners who are charged with the duty of directing the construction of this eastern division. These are interesting and important questions, but I think that the answer given by the Minister of Railways and Canals on a recent day covers pretty much the question of my hon. friend (Mr. Blain). At all events, I do not see that this has a very important bearing upon the question of this loan. It is a question of loaning the company so much money, as a banker would loan it; and whatever the cost of the road, be it large or small, it is not affected by this except for the explanation that it is because of the increased cost of the road that the company is obliged to come and ask for the loan.

Mr. BLAIN. Would there be any objection on the part of the government to laying upon the table estimates upon which Mr. Blair at that time based his statement of the cost of the proposed railway? I have the right to assume that, as he was Minister of Railways and Canals at that time, and giving to the House and the country the estimated cost of the construction of this important national highway, he would only speak after having had estimates on which to base his statement. The Minister of Finance (Mr. Fielding) may say that it has no bearing upon the proposed loan and that it is important to separate one from the other. But we have the right to criticise the government in this matter. They drove out a gentleman from the government because he was extravagant and his estimate was largely in excess of what other ministers led the the country to believe the road would cost. Surely we have the right now, even though the Minister of Finance may venture to say it is not apropos, to ask that he lay on the table at some future day the estimates on which Mr. Blair, then Minister of Railways and Canals, based his statement of the cost of the road, that statement being the direct and indirect liability of the country would be $139,000,000.

Mr. FIELDING. I will have to leave my hon. friend the Minister of Railways (Mr. Graham) to deal with that. I do not know whether Mr. Blair had estimates of an official character; I could not say the source of his information. If there are official estimates that were made by the department at that time, I imagine that my hon. friend (Mr. Blain) would have the right to have them brought down. I do not know, and I will have to leave it to the Minister of Railways.

Mr. LANCASTER. I think that the matter brought forward by the hon. member for Peel (Mr. Blain) is not only strictly in order, but that it is most pertinent in view of that which is before us. Referring to the schedule of this Bill, page 6, paragraph 2, I find the following:

> And whereas owing to the high standard of the railway being constructed by the Pacific Company, as well as the increased cost of labour, material and supplies, the cost of completing the construction of the prairie section will considerably exceed that estimated.

Now, I do not think that we should lightly say that the increased cost over the estimate has nothing to do with this case, which is the excuse the Minister of Finance puts forth. Like the preamble of any other document, this is the part which is to be used for the most particular manner of construction that can be applied to the document as a whole. It is stated that the people of Canada are making this loan solely because there has been a mistake in the estimated cost of the prairie section. Surely, we ought to know how that mistake arose, whose fault it was, whether we were deceived by the Grand Trunk or the Grand Trunk Pacific, or how it hap-

pened, and what we had better do about it. All that information is most pertinent, and I do think we ought to have the very best light possible thrown upon the subject in view of the fact that we are basing a contract on this preamble.

Mr. FIELDING. Referring to the previous section, mention is made of the mortgage to guarantee certain advances by the Grand Trunk. An estimate was prepared by the Grand Trunk people in respect of these bonds that they were to guarantee. The mortgage sets forth the facts of the case in a manner the hon. gentleman will appreciate.

Mr. LANCASTER. But the hon. minister will not say, as representing the country, that he is going to take the estimates of the other party, the party with whom he is supposed to deal at arm's-length. Mr. Blair had to resign because he did not think the country would stand for a transaction of that kind, and his remaining colleagues thought that his estimate was too great. There must surely, then, have been some estimate made on behalf of the people. Surely the Minister of Finance would have to have an estimate from his own standpoint to see whether he is being misled or deceived. This loan is necessary because the cost will considerably exceed the estimate, but surely that estimate must have been made on behalf of the government.

Mr. FIELDING. Not necessarily on behalf of the government; the government has no direct concern with that. The Grand Trunk were guaranteeing the moneys required for the completion of the enterprise, and we were concerned in having the mortgage express that estimate correctly. It was their estimate, and I do not think it is of very much importance to us whether it was a correct estimate or not. What we are concerned about is that if we are going to pay one dollar out of any fund contributed by the government of Canada, or by guarantee of the government of Canada, or by loan of the government of Canada, we must see that the money is paid out on evidence of bona fide cost. The question of estimates is not by any means as important as my hon. friend argues.

Mr. LANCASTER. The country was guaranteeing 75 per cent of the cost. We have two deals with these people, and we are asked to give $10,000,000 more to them. We are asked to do that by a document drawn up by the government because there was a mistake in the estimate, or an error; at any rate, the estimate was not correct. Surely we are concerned in that. If the country was guaranteeing 75 per cent of it, then it was of importance to us.

Mr. FIELDING. This estimate has reference to the balance, not to the 75 per cent.

Mr. LANCASTER. The words are: 'Whereas the cost of the prairie section will exceed that estimate'.

Mr. FIELDING. When the mortgage was being prepared the Grand Trunk people knew they had to guarantee whatever the balance might be, and they made an estimate for themselves and for their investors. It was not our guarantee, it was not our money; it was to be their guarantee.

Mr. LANCASTER. You had to act on it.

Mr. FIELDING. They had to raise that money themselves, and they found it necessary to express in their first mortgage what amount they would assign to the prairie section. They made an estimate, and they assigned a certain proportion of that mortgage fund to the prairie section. Now it turns out that it was not enough. I do not think we are very much concerned as to whether a mistake was made there or not. It was not made with any funds of the government; it was made as respects the Grand Trunk share of the obligation.

Mr. BLAIN. You must take some cognizance of the estimate that was made, for it is plain to the committee that if the proper estimate had been made the company would not now be here asking for a loan of $10,000,000. That is clearly of importance to us and the minister cannot cast it aside in that way.

Mr. FIELDING. It is quite clear that the estimate, while it may have been proper at the moment, according to the information they had, has turned out to be an insufficient estimate; that owing, as they allege, to the increased cost of material and various other causes, the money is not enough, and they want more. But that does not necessarily prove that the estimate was an improper one. It was an estimate in which they had no interest to mislead, it was an estimate of what they themselves have to provide for their share of the obligation, and they made it with the best information they had, I have no doubt, made it all in good faith, made it intelligently. But it proves to be not sufficient; that is all.

Mr. LANCASTER. Supposing the estimate given by this company to-day turns out to be equally incorrect. How do we know that the estimate they make to-day is a correct estimate, and that next session we will not be asked for $10,000,000 more, and the session after for $30,000,000 more?

Mr. FIELDING. I do not know the future. If I believed this $10,000,000 was

not enough, in all probability I would be asking the House to make it $11,000,000 or $12,000,000. But I accept the assurance of our engineers that it is probably enough, and I believe it will be enough.

Mr. LANCASTER. We are to-day being asked to finance them again to the extent of $10,000,000. What we did then is the only excuse for us now to pay out $10,000,000 more.

Mr. FIELDING. Not what we did, but what they did.

Mr. LANCASTER. Didn't we do any thing?

Mr. FIELDING. Not in that transaction.

Mr. LANCASTER. We made a transaction in regard to building a National Transcontinental Railway; and it is not what we did, it is what they did not do that makes the trouble. How do we know to-day that we are not going to be told a year from now that this present estimate is incorrect? Are we any safer to-day than we were then?

Mr. FIELDING. We had no reason to be safe then because we were not asked to loan them the money, or to do anything else. They were borrowing the money from the money market, and they settled it with the people who were loaning them the money.

Mr. LANCASTER. Then it is true that that estimate which we acted upon and which is recited in this document was not true at the time.

Mr. FIELDING. The document says that the indenture at that time fixed a certain sum as the amount that might be used on the prairie section of the road. But now the company find that they fixed it at too low a sum.

Mr. LANCASTER. Will the minister tell us why he puts that recital in there?

Mr. FIELDING. I did not draft the mortgage.

Mr. LANCASTER. Do not repudiate it.

Mr. FIELDING. I do not repudiate it, I always accept due responsibility. But sometimes the responsibility of endorsing all the lawyers say is serious. All I know is that we instructed counsel that we were making a loan of this $10,000,000, and we requested that the mortgage might be prepared in the usual form to protect us so far as the mortgage might do. I have already said that for the immediate purpose I do not myself attach much importance to the mortgage, though it is in some respects important. But it was prepared by eminent legal authority, and I have every reason to believe it was prepared in the proper form. The instructions were: 'We are going to loan $10,000,000, and we want you to make us a mortgage which is a guarantee, so far as a mortgage can be a guarantee.'

Mr. LANCASTER. This eminent legal authority did not imagine what I have just read; some officer or some minister gave him these facts to put in that document.

Mr. FIELDING. The document carries the estimate on its face.

Mr. LANCASTER. It shows the company's estimate was wrong.

Mr. GOODEVE. The answer given by the Minister of Finance to the hon. member for East Grey (Mr. Sproule) was that the government guaranteed 75 per cent of the prairie section, and the Grand Trunk Pacific undertook to guarantee whatever might be necessary for the balance to complete that section. Following out that, it is clear from the Bill before us that the Grand Trunk guaranteed certain bonds to enable them to raise the amount of money. Out of that money so raised they expended $7,100,000 on rolling stock which was not needed by the Grand Trunk Pacific at that particular time and possibly would not be needed for two or three years. But, they expended that money, raised under their contract, on rolling stock, and afterwards leased it back to the Grand Trunk Railway Company. If that money had been put into the actual construction of the road we would not have had the Finance Minister coming here to-day and asking us to sanction a loan of $10,000,000.

Mr. FIELDING. That argument is based on the assumption that they did spend this $7,000,000 on equipment. I cannot say they did not; I do not know. I do know that the contract clearly contemplated that the Grand Trunk should not advance out of their treasury $7,000,000 for equipment or anything else. There was a provision in the contract for the issue of equipment bonds, and I would take it for granted that the rolling stock was procured in that way. However, I do not think it is important. I cannot say, but if they have spent it on rolling stock they cannot get a dollar of that $7,000,000 back out of this $10,000,000.

Mr. GOODEVE. If the Grand Trunk Pacific had had that $7,000,000 to put into the construction of the road bed they would now only require between $2,000,000 and $3,000,000, according to the minister's own statement, to complete the contract, and I do not think they would have come to us for additional assistance. That is the reason that my hon. friend from South Lanark (Mr. Haggart) asked the same question. It is essentially important to know whether they put the money into rolling stock or not.

Mr. FIELDING. I do not think they could have done so, because the equipment is a separate transaction. Equipment bonds are provided for, and I should be rather surprised if it turns out that they have spent that $7,000,000 in that way. If they have they would have to be recouped out of the proceeds of the equipment bonds. They could not be recouped out of this issue.

Mr. MIDDLEBRO. Does the minister think it is an unreasonable request that we should procure a statement from the Grand Trunk showing exactly how the $7,000,000 was expended? If it was expended on the road bed I will throw up my hands and say that there is no impediment in the way of the loan so far as that aspect of the case is concerned. But if that $7,000,000 was used for the purpose of buying rolling stock I think they have come back to this government prematurely for a loan.

Mr. FIELDING. If that should be so what good would it be to the company to get it? They cannot get a dollar back out of this appropriation.

Mr. LANCASTER. That would be a reason why we should not lend them the money.

Mr. MIDDLEBRO. We are led also to believe that this money is required because the $7,000,000 had gone into the road and not into rolling stock. If it turns out that the money was used to buy rolling stock they are not justified in asking the government for a loan of $10,000,000.

Mr. W. F. MACLEAN. Before this clause passes the committee I would like to enter my protest against any further loan of the people's money for the building of a road that, while it is called a great transcontinental system, is not and cannot be, under this legislation, the property of the people. A great national undertaking ought to be controlled by the nation, especially when the nation supplies the money and credit for the construction of the road. Government ownership can never be realized in connection with this great national undertaking. It has not been in the past and it will not be in this case. It has not been in regard to the Canadian Pacific Railway. The German empire to-day is dominating the world because it has nationalized its railways. We have been told in this House and our delegates to Great Britain have told the people of the empire that the great contribution that Canada has made to the empire has been the building of a transcontinental railway, which makes an intercontinental railway between Europe and Asia. That may be so as a statement, but, as a fact, this road is not owned or controlled by the nation, is not built from a national standpoint, but is built by a private corporation in such a way that the control of the National Transcontinental Railway may, any day, pass into the hands of those hostile to this country. One can imagine at the very crisis of the empire that it might be disclosed that this Grand Trunk Pacific system is owned and controlled by German capital, and so manipulated for years ahead that the system would absolutely fall down, and, as far as being a factor in or a portion of the imperial defence is concerned, so many points of weakness would develop that the road would not be of any use from an imperial or business point of view. Any day this so-called transcontinental railway, built by the money of this nation, may be owned by a foreign corporation, who might use it to the detriment of the country and of the empire. Any day it is possible that Mr. Jas. J. Hill, who has a rival transcontinental system in the United States, or a still greater magnate in the railway world, Mr. Harriman, may secure the absolute control of this so-called transcontinental railway system which the people have built so far and which they must see through. We are bound to see this road through, and we are bound to see it through as a nation. If we do see it through as a nation, why should not the nation control it? The United States to-day are building the Panama canal, but they are building it themselves as a state proposition. It is a national undertaking and it is even being constructed by engineers in the service of the state. There is no contractor in that case. They are moving on the lines of nationalism and they are making the Panama canal, which is a great transcontinental proposition, the property of the state. We are building a great system, but we are allowing it to pass into the possession of a private company, whose stock is kicked about in the money market of the world. A great mistake has been made and this mistake ought now to be corrected. The opportunity has presented itself at this crisis to recover the control of this Transcontinental Railway and to make it a great national asset, as it ought to be for the benefit of the country and of the empire. We have had experience of great transcontinental railways being in the hands of private corporations, and I am prepared to assert here to-day and prove that the Canadian Pacific Railway, which was largely subsidized by this nation, which was said to be a national proposition, is administered absolutely in the interest of the shareholders and of the men who have the control of that railway, and without any regard for the nation. The Grand Trunk will be exactly of the same kind. I am further prepared to assert that as a matter

of fact the Grand Trunk and Canadian Pacific railways treat the people of the United States better, in the way of passenger and freight rates, than they treat the people of Canada. This has been going on year after year. Yet, in spite of that fact, in spite of the way things are moving in the world, in spite of the fact that the essential theory of nationality is to control all the national highways, we are continuing to build these railways and to find the money without having the control of them. There is no way we can have the control of them, to use them for the benefit of the nation, and to make them a great government proposition.

Of course we will be told that the Canadian people are such an inferior lot that they are not able to administer and construct and own a great national highway, but I do not subscribe to any such doctrine as that. I have every confidence in my fellow countrymen that they are quite competent to undertake such a project and that all they want is the opportunity to do it. I believe that the people of this country want to see the Intercolonial Railway developed as a national enterprise by taking it absolutely out of politics and by running it for the benefit of the nation and not of a party. I believe that the people of this country are competent not only to construct and operate profitably a line between the provinces, but a great national highway across the Dominion. And, Sir, within the next five years, within the next ten years, the whole energy and resources of the Canadian people, I venture to predict, will be devoted to securing the control of the great national highways of the country. Public feeling is running in that direction, public feeling is antagonistic to the legislation we are passing here to-day in relation to the Grand Trunk Pacific, public feeling is in favour of recovering the ground we have lost. I have no hesitation in saying that the movement in favour of the nationalization of our railways will continue to grow, and that before the next election it will become the real issue before the people. It would have been the easiest possible thing for this government to have obtained in the London market the control of the common shares of the Grand Trunk which control the Grand Trunk Railway system and now are to control the National Transcontinental Railway. These shares have been kicked about in the London market, they can be obtained for a comparatively small sum of money and they should be taken possession of by the government. The only way we can retrieve the blunder we are making to-day; the only way we can recover this National Transcontinental Railway for the people and make it truly national will be to buy the controlling shares of the Grand Trunk Railway Company in the London money market. I believe at this stage of the proceedings the people of Canada would indorse any proposition of the government which would tend towards securing the Grand Trunk Railway and the Grand Trunk Pacific. The Grand Trunk Railway, the Grand Trunk Pacific, and the Intercolonial Railway together would have been a great national system. Their amalgamation under national control would have been of immense service to the country, and while the system would be a rival to the Canadian Pacific Railway, its benefit in that respect would not be so great as in the fact that it would widen and broaden out the railroad service of this country and provide transportation facilities where further facilities are badly needed. There is an unnecessary duplication of railways in this country, and the solution of the railway problem is not the building of one line alongside of another so much as the broadening out of the service and the extension of it where it is most needed. My protest may be in vain; many a protest made by me in this House has apparently been in vain, but I will try to retain my seat in the House so as to be here on the day when the mandate of the people of Canada will go from this parliament insisting on the nationalization of our railway systems, and insisting that this great railway which we are to-day building with the money of the people and giving to a private company shall be restored to its rightful owners. We know that this National Transcontinental Railway may be controlled by outsiders, may be controlled by rival railroads in the United States, may even be controlled by capitalistic interests that are hostile to Canada and hostile to the empire. And, when the right hon. the Prime Minister goes to England again and tells them that Canada is doing something for the empire in the building of a Transcontinental Railway system, I hope he will be able to say that he has regained control of it for Canada and for the empire. I reiterate my protest against any further giving of the credit of this country to build and complete a system that will be owned by private corporations. The people of Canada came to the aid of the Canadian Pacific Railway because of the vicissitudes of that company, and they will have to come to the aid of this National Transcontinental Railway because of its vicissitudes, but we should take advantage of the opportunity to recover control of that road and make it a great national system. You may rest assured that if we do not do so now we will have to do it some day, and all the agitation which is bound to ensue towards that end could have been avoided if we had had the wisdom to nationalize this railroad in the beginning. I conclude by protesting against granting any more of the money of the country for a proposition of this kind which does not lead to the nationalization of that railway.

Mr. MIDDLEBRO. In reply to a question put by the leader of the opposition the following answer was given by the government:

The company state that the total amount invested by the promoters in the undertaking is $9,597,149 and that the total amount invested in the rolling stock is $8,273,454.

Assuming that the rolling stock is included in the $9,597,000, then the difference amounting to $1,323,000 can be the only money invested by the company in the roadbed. Taking that from the $7,000,000 which is owing to the Grand Trunk Railway Company, have we not the right to assume that practically $6,000,000 is going to pay for the rolling stock?

Mr. FIELDING. I do not so understand it; I do not think it possible.

Mr. MIDDLEBRO. Before the Bill passes will the Minister of Finance lay before the House the statement of the Grand Trunk Railway Company showing exactly in respect to what matters the indebtedness of $7,000,000 was incurred?

Mr. FIELDING. I do not quite see what bearing that has upon the question. However, the information I have goes to show that on the 31st December, 1908, the company had represented that the road had to that date cost something over $27,000,000, and that the auditor in examining the accounts admitted that about $26,250,000 of that was composed of items which he would approve of. At the same time, at that date there has been paid out of the government guaranteed funds $10,335,000 and out of the bonds guaranteed by the Grand Trunk Company itself $9,601,000, making a total of $19,937,408. Observe that while there was work done at that time which the company represented to be worth $27,000,000 odd, and which the auditor of the department was willing to pass on the basis of $26,250,000, the actual amounts drawn from the two funds —that is the proceeds of the government guarantee and the proceeds of the company's guarantee—was only $19,937,000, although there was $26,250,000 of work actually done on the 31st December, 1908. My hon. friend will see, therefore, that the difference does not represent rolling stock. I think he will see on reflection that it is not possible that the rolling stock could be paid for in the way described.

Mr. MIDDLEBRO. How is it that in answers brought down it appears that the promoters have only invested $1,338,000?

Mr. FIELDING. Everything depends on what you call an investment.

Mr. MIDDLEBRO. The returns show that the total amount invested by the promoters is $9,000,000 odd; the total amount for rolling stock is about $8,000,000 and the difference must be the amount the promoters have invested in the road.

Mr. FIELDING. The rolling stock is obtained from an issue of bonds and would not be regarded as an investment in that sense.

Mr. MIDDLEBRO. Does the minister say that the $8,000,000 of rolling stock is not included in the $9,000,000 invested by the promoters?

Mr. FIELDING. I would hardly consider the rolling stock as an investment by the company; it is rather an investment by the men who buy the bonds.

Mr. MIDDLEBRO. Is the rolling stock not included in this $9,000,000?

Mr. FIELDING. The company must speak for themselves and I do not wish to interpret their words, but I do not so understand it.

Mr. MIDDLEBRO. I think, from an answer given to the leader of the opposition that it is included.

Mr. FIELDING I do not think it is. On these questions we have to take the information furnished by the company.

Mr. MIDDLEBRO. When the Finance Minister introduced the resolution preceding this Bill he said he did not think the rentals which the Grand Trunk were paying in respect of certain lines which they had leased were a prior claim to the proposed guaranty. I would ask him now if he is still of the same opinion?

Mr. FIELDING. I think I gave my hon. friend a later answer in which I stated that the rentals would probably come before the guaranty. It is a very complicated matter and I would not like to answer off-hand. I would refer my hon. friend to the 'Hansard' of March 31. If the information then given was not sufficient I shall try to supply further information later.

Mr. MIDDLEBRO. The information the minister then gave me was that these figures of the Grand Trunk included the amount of these rentals. So far as I know he did not give the information definitely that the rentals themselves formed a prior lien to this security. Perhaps he could say now whether they are a prior lien to this security.

Mr. FIELDING. My hon. friend will see that on March 31, I said:

The company state that, under the earlier legislation of the company, rentals of certain leased lines, amounting half yearly to £77,603, 'would probably be regarded as working expenses,' and hence a prior charge to this guaranty.

Mr. MIDDLEBRO. Then the Finance Minister now admits that this is a prior charge.

Mr. FIELDING. I am advised that it is.

Mr MIDDLEBRO. Will the Finance Minister also say whether the $12,000,000 worth of stock authorized under Bill 13 of the present session will also take precedence of the proposed lien?

Mr. FIELDING. Yes, if it is debenture stock. I have not the Bill, but the debenture stock certainly does take priority.

Mr. MIDDLEBRO. That is a little at variance with the statement of the Minister of Finance when he placed the prior securities at about $21,000.000.

Mr. FIELDING. But these are not issued.

Mr. MIDDLEBRO. But when they are issued they will take precedence of this guaranty.

Mr. FIELDING. That is another question; I answered with respect to issues outstanding.

Mr. MIDDLEBRO. That will make $31,000,000 more of prior claims than we were given to understand.

Mr. FOSTER. As I understand, the hon. member for North Grey (Mr. Middlebro) read the minister's answer that they had invested, we will say in round figures, $9,000,000, and then his answer to another question that they had invested $8,000,000 in rolling stock. The hon. member asked whether that $9,000,000 was their total investment including rolling stock or whether they had invested $9,000,000 in one way and also invested $8,000,000 in rolling stock. I think this is a very important question and the Finance Minister ought to give us something more definite with reference to it.

Mr. FIELDING. I can only give my hon. friend the company's answer in these things. I gave in both cases the answer furnished by the company. I would understand rolling stock not to be an investment of the company. The rolling stock is obtained by an issue of equipment bonds and I would assume that they are not treated as an investment by the company.

Mr. FOSTER. Then the assumption would be that they had invested $17,000,000 altogether?

Mr. FIELDING. No, because I do not treat the rolling stock as an investment.

Mr. FOSTER. Supposing you treat the rolling stock as an investment——

Mr. FIELDING. Then you can treat every bond as an investment.

Mr. FOSTER. I am dealing with one simple thing, it is a question whether the $8,000,000 invested in rolling stock is part of the $9,000,000 of total investment. The Minister of Finance seems to favour the idea that, treating the rolling stock as an investment, they have $17,000,000 invested and that the $9,000,000 is an investment entirely outside of rolling stock. The rolling stock, as I understand, was to be provided in a certain way by an issue of equipment bonds. Has the minister any statement of the Grand Trunk Pacific as to how much rolling stock it has got and as to the way in which the money was raised to provide for the rolling stock?

Mr. FIELDING. No, I could not give it off-hand. It was not among the questions concerning which I was asked to obtain information. I do not know that there was an issue of bonds to provide for the rolling stock.

Mr. FOSTER. Does the hon. minister know the amount?

Mr. FIELDING. They issued £2,000,000 under that authority prior to the present year, and my recollection is that in February of this year they had a further issue of bonds for the same purpose. I do not think it right to consider that as an investment of the company; it is money loaned by the bondholder precisely in the same manner as any other money loaned on a bond.

Mr. PERLEY. The question of the exact position of this guarantee which was alluded to again this afternoon is very important. There is no doubt in my mind that the rentals of the leased lines come in ahead of this guarantee because they are classed as working expenses according to an answer of the Finance Minister. But a question has arisen also as to whether this guarantee comes ahead of the first preference stock, for instance. From the answer to the question which I asked some days ago, I see that Mr. Shepley takes decided ground that this guarantee does come ahead of the preference stock, so I suppose we are bound to accept that statement although I would call the attention of the House to the fact that this preference stock was originally bonds and the bonds were changed by this House from the status of bonds to stock, and that in the Act providing for this preference stock it is stated that they are entitled to certain specific dividends. The word 'entitled' is a pretty strong word and when you say a stock is entitled to a specific dividend it seems to me to be a question whether there is not some charge on the road in connection with it, although Mr. Shepley takes strong ground that this guarantee comes ahead of even the first preference stock.

I want to call the minister's attention

to another case in order to show how much more careful some people are to guard the interests of bond holders than he has been in this instance with regard to the money of the people. In 35 Victoria, Chapter 64, there is an Act concerning the Grand Trunk Railway and the Montreal and Champlain Railroad Company. In that Act there is a guarantee of bonds much the same as this guarantee of bonds of the Grand Trunk Pacific. Section 5 of that Act provides that the Grand Trunk Railway guarantees the payment of the interest and the principal of these bonds. Then it goes on to say that the interest shall form part of the working expenses of the Grand Trunk Railway as defined in the Grand Trunk Railway Arrangements Act. In other words the interest on the bonds of the Montreal and Champlain Railroad Company, which were guaranteed by the Grand Trunk Railway, formed part of the working expenses of the Grand Trunk, which, under the Grand Trunk Railway Arrangements Act, as is the case in every other railway, are a first charge on the receipts of the road. Why was not the government as careful in this instance?

Mr. FIELDING. There are prior bonds in this case, and anything we would do by way of creating a lien ahead of these bonds would certainly be a breach of faith, which my hon. friend would not ask us to commit. If there were no bonds outstanding, we could make any conditions apply we chose respecting a new issue, but you cannot make exceptional conditions apply to a new issue to the disadvantage of outstanding securities.

Mr. PERLEY. I am not advocating that in this instance, but I call attention to the fact that there is a case in which the responsibility of the Grand Trunk Railway for interest is made a first lien on its traffic receipts, and there may be lots of other cases. The question is where the guarantee of the Grand Trunk Railway, in this instance, comes in reference to their stocks and bonds, &c. Perhaps the government does not understand exactly in what position that guarantee is and how far the other responsibilities of the Grand Trunk Railway come ahead of that guarantee.

Mr. R. L. BORDEN. I would like to draw the attention of the Minister of Railways to a point which I raised the day before yesterday. The hon. gentleman was inclined to think that the operation of the line from Winnipeg to Moncton might be forced upon the Grand Trunk Pacific, under the agreement of 1903-4, even although the Quebec bridge were not finished and the government had provided no crossing over the St. Lawrence river for this railway. I would like to draw his attention to the provisions of the statutes and contracts in that regard. In the Act of 1903, the eastern division is described as extending from the city of Moncton to the city of Winnipeg. Then we find it provided in section 2 of the agreement that the eastern division shall comprise the portion of the said railway to be constructed from its eastern terminus in New Brunswick to the city of Quebec, and thence westerly through the northern parts of Ontario and Quebec, to the city of Winnipeg.

The said eastern division shall be constructed by and at the expense of the government, upon such location, and according to such plans and specifications as it shall determine, having due regard to directness, easy gradients, and favourable curves.

Section 8 provides:

The construction of the said eastern division shall be commenced so soon as the government has made the surveys and plans and determined upon the location thereof, and shall be completed with all reasonable despatch.

And section 20 provides:

When completed the said eastern division shall be leased to and operated by the company for the period of 50 years, at a rental, payable as follows.

Then follow the conditions of the said lease. When you come to the Act of 1904, you find, in the first place, a reference to the eastern division in section 10 which is not very material:

Section 3 of the agreement of 1904 provides:

Pending the completion of the eastern division by the government, the company shall be entitled to lease from the commissioners to be appointed under the said Act, and to operate such portions of the said eastern division as may be from time to time completed, but upon such terms as may be agreed upon between the company and the said commissioners, which terms are not to be more onerous than those of the lease of the whole division by the said contract provided for, save in so far as may be necessary to give full effect to the paramount right of the said commissioners, next hereinafter mentioned, and subject always to the paramount right of the said commissioners to use and operate the same without any payment of tolls or other compensation for such purposes as they may deem necessary or expedient in the execution of their commission.

There is a contract embodied in that statute and in the agreements which are made part of it, by which the government undertakes to build its line of railway from Moncton to Winnipeg. I understand perfectly that at that time a bridge was under construction across the St. Lawrence. That bridge was then being constructed by the Quebec Bridge Company, and I have no doubt that the government proposed to utilize it in order to provide the missing link necessary between the south side of

the St. Lawrence and the north. But that was a mere accident and did not in any way relieve the government from the obligation of carrying the railway by some means across the river. That river could be no more omitted in that line from Winnipeg to Moncton than any other river on the line between those two points. Therefore the government is face to face with this situation. It cannot regard the line between Moncton and Winnipeg as completed until some means has been provided of carrying the railway across the St. Lawrence. It is perfectly apparent that that was what was intended by the contract. Then let us look for a moment at what the conditions will be. I have already alluded to the difficulties with regard to the line between Moncton and Quebec—I do not intend to repeat this afternoon what I said the day before yesterday—but much the same difficulties will arise in respect of the line between Quebec and Winnipeg. Now what will be the condition of affairs during the five or six years before the Quebec bridge is completed, and after the line otherwise has been completed between Quebec and Moncton? Let us look for a moment at the obligations of this contract on the part of the Grand Trunk Pacific; let us look also for a moment at the object of this agreement as defined in legislation, and the contracts to which I have alluded. I will read sections 42 and 43:

> 42. It is hereby declared and agreed between the parties to this agreement that the aid herein provided for is granted by the government of Canada for the express purpose of encouraging the development of Canadian trade and the transportation of goods through Canadian channels. The company accepts the aid on those conditions, and agrees that all freight originating on the line of the railway, or its branches, not specifically routed otherwise by the shipper, shall, when destined for points in Canada, be carried entirely on Canadian territory, or between Canadian inland ports, and that the through rate on export traffic from the point of origin to the point of destination shall at no time be greater via Canadian ports than via United States ports, and that all such traffic, not specifically routed otherwise by the shipper, shall be carried to Canadian ocean parts.
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> 43. The company further agrees that it shall not, in any matter within its power, directly or indirectly advise or encourage the transportation of such freight by routes other than those above provided, but shall, in all respects, in good faith, use its utmost endeavours to fulfil the condition upon which public aid is granted, namely, the development of trade through Canadian channels and Canadian ocean ports.

There you have a distinct and emphatic declaration of the objects for which this enormous aid was given to this railway company, namely, the development of trade through Canadian channels and Canadian ocean ports. Now as there are some hon. members of this House who are not familiar with the discusions which took place in 1903 and 1904, I may recall to the committee that in the discussion of this agreement we on this side of the House took the ground that sections 42 and 43 would absolutely fail of the purpose indicated therein, for the reason that those provisions were not made binding upon the Grand Trunk Railway Company, but were made binding upon the Grand Trunk Pacific Company alone; and we pointed out what must be obvious to any hon. member, that the Grand Trunk Railway Company could send its agents and canvassers through western Canada and arrange that shippers upon the line of the Transcontinental Railway would route their traffic, not through Canadian channels and to Canadian ports, but through other channels and to ports in the United States. It was perfectly well understood then, it was admitted by members of the government over and over again, that the interest of the Grand Trunk Railway Company, which after all absolutely controls the Grand Trunk Pacific Company in every way, and for every practical purpose—the interest of the Grand Trunk Company would lead them to carry that traffic to Portland and not to Canadian ports—I am speaking more especially of the winter months. Now the government declined our proposals in that regard; they did not think it desirable in the interest of the company that the Grand Trunk Company should be bound by any such stipulations as those to which I have alluded.

May I point out to my hon. friend the Minister of Railways and to the Prime Minister, that the condition of affairs that has been brought about by the fall of the Quebec bridge and the necessary delay in rebuilding that structure, is exactly what the Grand Trunk would desire for the purpose I have indicated? I think that is abundantly plain. Trade will be gathered up in the west of Canada all along the line of the National Transcontinental. What was the object and the purpose of this legislation? What was the object and purpose of the enormous public aid which the people of this country have devoted to the construction of that railway? It was that the traffic gathered up in western Canada, in constantly increasing quantities year after year, should go through Canadian channels and to Canadian ocean ports. What will be the result to-day? I estimate five years as a moderate period during which the Grand Trunk Company, pending the completion of the Quebec bridge, will not be bound to accept any lease of the line from Winnipeg to Moncton; in the meantime, as I under-

stand it, they are entitled to demand and receive a lease of that portion of the line between Winnipeg and the junction of the Port Arthur branch of the main line. I understand that this portion of the eastern division is nearly completed now, and will be completed considerably in advance of any other portion of the eastern division. If I am wrong in that the Minister of Railways will correct me, I have no official information on the subject. But that traffic gathered upon the National Transcontinental Railway by the Grand Trunk Pacific in the west of Canada, must have some outlet, and there will be no other outlet except by the Port Arthur branch. The Grand Trunk Pacific will therefore route the traffic via Port Arthur. Well, when it has been carried to Port Arthur, where will it be transported, by what route will it go?

The Grand Trunk to-day controls the whole of the common stock, and a majority of the entire stock of the Grand Trunk Pacific; and, while that condition obtains, it can and will control the policy of the Grand Trunk Pacific. In other words, as my hon. friend on the other side of the House said in 1904 and 1905, the Grand Trunk Company is in this contract, and of it, and forms the whole thing; it will control absolutely the policy of the Grand Trunk Pacific Railway Company in that regard. So I think that I am not pushing the probabilities too far when I venture the prophecy that the traffic gathered up in the west will be brought to the junction of the Port Arthur branch, and will be carried via the Port Arthur branch to Port Arthur. Into whose hands then will it fall? It will naturally fall into the hands of the company that absolutely controls the Grand Trunk Pacific, and it will go by steamer to some port in the Georgian bay, where it will be handed over to the Grand Trunk Railway Company and will be carried, during the winter months at least, to Portland in the United States, instead of to any winter port of Canada.

Now, I do not see any escape from that conclusion; if there be any escape, I would be glad to hear it. It is a result which I am sure every one of us would deplore, and it is a difficulty which does not seem to have impressed itself largely upon the minds of my hon. friends on the treasury benches. How can it be remedied? Could it not be remedied at the present juncture by the government, giving proper heed to the interests of this country, and insisting that the Grand Trunk Railway Company, during the winter months when the ports of Montreal and Quebec are closed shall carry their freight over the Intercolonial Railway to the ports of Halifax and St. John? Is not that the purpose for which this aid was given? Is not that the purpose which is declared in most distinct terms to be the object for which this enormous aid was given, and for which these agreements were made and these statutes passed? When the government realizes that the interests of the people of this country are so seriously involved, should they not insist that the Grand Trunk Railway Company, who come here under the guise and in the name of the Grand Trunk Pacific Railway Company for further aid, should consent to some such amendment of this contract and will absolutely prevent any such result as that being brought about?

The Minister of Railways and myself have had some discussion about grades on the Intercolonial. I admit that in a discussion of this question there are two matters to be kept in view. One is as to the haulage of these heavy train loads over the Intercolonial, and the other concerns a fair and reasonable agreement between the Intercolonial and the Grand Trunk for the purpose of effecting the object which I have just pointed out as most desirable. Well, so far as grades are concerned, the Minister of Railways did not seriously controvert, as I understood him, the statement which I made the other day, that by means of employing pusher engines to assist freight trains over certain difficult grades it would be practicable to carry much the same load over the Intercolonial as over the National Transcontinental between Quebec and Moncton. My hon. friend, speaking on Wednesday last, used this language in regard to the Intercolonial:

> Mr. NORTHRUP. Are there any pusher grades on the Intercolonial?
>
> Mr. GRAHAM. There would be if we had the very large trains these are intended to haul, when they have the western traffic of the Grand Trunk Pacific. There are three very steep grades, as my hon. friend has remarked, on the Intercolonial Railway. There is one at the Bedford grade, 1:80, at Folleigh, 1:22 and at Metis, 1:29. These might be called pusher grades, after the description of the Bedford grade.

Might I inquire of the Minister of Railways whether the Bedford grade he alludes to, is a grade about 10 miles from Halifax?

Mr. GRAHAM. It is near Halifax.

Mr. R. L. BORDEN. That is what I understood. Then the Minister of Railways will observe that two of these grades, namely, that of Folleigh and that of Bedford, are between Moncton and Halifax. Export freight must be hauled over the National Transcontinental to Halifax and St. John, because we know that Moncton is not an ocean port. The trains over the Transcontinental Railway will equally meet with two of the grades which he has mentioned. Therefore the only grade that re-

mains is that at Metis, which is a grade of 1:29, while the grade which I mentioned upon the National Transcontinental between Quebec and Moncton, is a grade of 1:10. Now suppose that if, by means of pushers, you can haul one of these long trains over the 12 mile grade of 1:10, you can by similar pusher engines haul practically similar trains over the grade at Metis of 1:29. For that reason I did not observe, so far as I am able to understand the reply of the hon. gentleman, any great difficulty in carrying out what I have suggested.

Mr. LENNOX. Is the only difficulty on the Intercolonial a long grade?

Mr. R. L. BORDEN. Is the grade at Metis a long grade?

Mr. GRAHAM. I am inclined to think it is, I think it is a long grade of three or four miles.

Mr. R. L. BORDEN. Then my hon. friend will observe that there is just this difference, that on the Transcontinental line between Moncton and Quebec you have a grade against western traffic of about 12 miles in length, of 1:10, or about 58 or 59 feet; you have on the Intercolonial a grade—I do not knew whether it is against eastern or western traffic, that at Metis.

Mr. FIELDING. It is against traffic going east.

Mr. R. L. BORDEN. Then it is not a grade against western traffic at all.

Mr. GRAHAM. It is against eastbound traffic.

Mr. R. L. BORDEN. I think I used a wrong expression, the grade on the Transcontinental is against eastbound traffic also.

Mr. GRAHAM. There is one each way; one is 10 and the other 12 miles.

Mr. LENNOX. The one going east is 12 miles.

Mr. R. L. BORDEN. Then if I am correct in my premises—and I say all this subject to the correction of my hon. friend the Minister of Railways—you have upon the National Transcontinental between Quebec and Moncton a grade as against eastbound traffic of 12 miles in length, a grade of 1·10, and you have at Little Metis a grade as against eastbound traffic of three or four miles in length, of 1:29. Now, one would think—and I speak with the humility of a person who is not very much acquainted with questions of this kind—I would think that under those conditions the carriage of this traffic upon the Intercolonial would encounter no greater grades and entail no greater cost than the carriage of traffic upon the National Transcontinental after it is completed. It seems to me therefore to be a very reasonable condition to impose upon the Grand Trunk Company at this time, that the freight gathered up in western Canada upon this road, completed practically by the people of this country, should be carried over the Intercolonial to the ports of Halifax and St .John in the winter months, and not be carried to Portland in the United States. I admit that the Intercolonial must make reasonable conditions with the Grand Trunk Company for that purpose, and the management of the Intercolonial should be prepared to agree to an equitable and reasonable division of the freight; and if that division of freight could not be arrived at in any other way, I am sure it could be arrived at by a reference of the matter to the arbitrament of persons familiar with questions of this kind; it might for example be referred to the arbitrament of the Railway Commissioners of Canada, who in all such matters, and upon all lines of railways in Canada except the Intercolonial, have the right of adjudication as to the apportionment of rates. Now would my hon. friend the Minister of Railways tell me where he thinks this traffic will go? It must reach the sea coast somewhere, it must reach the sea coast, not only in the summer months, but in the winter months as well. When that traffic has been gathered up, when it has reached the junction point of the Port Arthur branch, and when it has been carried over the Port Arthur branch to the town of Port Arthur, then it will be practically under the control of the Grand Trunk Railway Company, and all the interests of the Grand Trunk Railway Company will lead them to carry that traffic to Portland in the United States instead of to Halifax and St. John, unless the government see fit, at this favourable juncture, to avail themselves of the opportunity which is now afforded to make a condition with the Grand Trunk Company that that sult shall not obtain, but I invite them to sult would be that the people of Canada will have spent many millions of money and pledged their credit to enormous sums for the purpose of constructing a railway through western Canada which shall gather up traffic solely for the purpose of carrying it to a port in the United States and building up that port. I cannot credit my hon. friends on the other side of the House with any desire that that result shall obtain. I am willing to concede at once that it is their desire that such a result shall not obtain, but I invite them to tell me now what stands in the way, under conditions such as I have described, of exactly that result being brought about. If nothing stands in the way is it not time that the government should do something at this juncture, before this loan shall be

made, and see to it that the resources of the people of Canada shall not be employed for the purpose of building up a great seaport in the United States. This is a subject of very great importance indeed. I trust that the Minister of Railways will be able to give us a firm assurance that this opportunity will not be allowed to pass and that the interests of the people of this country will be safeguarded in some way by a provision in this statute, or in the agreement attached to it, by which the maritime ports of Canada, which are capable of very great development indeed, which are as fine ports as can be found in any part of the world, shall be safeguarded and shall receive that due consideration to which they are entitled in the creation of this great transcontinental line.

Mr. GRAHAM. I am sure that my hon. friend will believe me when I say that the object of this government, as has been outlined in its policy, has always been the development of our own national ports This object has been attained as far as possible in the recent French treaty. One of the objects of the building of this transcontinental railway was to give us an all Canadian line which would lead to the development of our Canadian ports on the Atlantic seaboard. It must be borne in mind at the present juncture, however, that every dollar or every cent we add to the rate of freight on the products of the west will reduce the price of those products to the producer. The object of building a high class road all the way through to our own ports was to get the minimum of rate freights. If the situation were just as my hon. friend has outlined it his conclusion would be correct, but, unfortunately, the comparison made between the proposed Grand Trunk Pacific line and the Intercolonial Railway cannot be borne out. Not having an engineer's knowledge of this line I would have made the same error that my hon. friend has made. Of the three steep grades I mentioned on the Intercolonial Railway, two are west of Moncton, and there is one each way on the Transcontinental Railway. Consequently, it might be assumed that the same load could be drawn over each. But, when you come to work it out practically that is not the result at all. The fundamental principle is that the ruling grade controls the load. A pusher grade does not interfere with the load at all because you use a second engine to get over that grade, and the load which can be carried is limited only by the ruling grade. The ruling grade on the Grand Trunk Pacific to Moncton is 4:10 of one per cent and a train load can be carried up to the capacity of a 4:10 of one per cent grade. The pusher obviates the difficulty which would otherwise be experienced in getting over the steep grade in one place. On the Intercolonial Railway, although only three grades were mentioned of a steep character the standard is a one per cent grade east and west all over and no train load can be carried that exceeds the capacity of the ruling grade which just makes the carrying capacity of the Intercolonial Railway practically one half the carrying capacity of the Grand Trunk Pacific.

Mr. HUGHES. Has the minister any data to show how many individual grades there are on the Intercolonial Railway of one per cent or over? I will go further. How many grades are there on the Intercolonial Railway of 4-10ths of one per cent and over?

Mr. GRAHAM. I have a copy of the profile of the Intercolonial Railway. I asked my chief engineer to-day to give me something along that line and he tells me the grades are practically so common east and west that the standard or the ruling grade of the Intercolonial Railway is one per cent, and we cannot load our trains to any higher capacity than one per cent. I have had a little calculation made to show that, as a matter of fact, from Montreal east the train loads on the Intercolonial Railway would practically be only one-half as great as the train loads that could be carried over the Grand Trunk Pacific. That would be a serious disadvantage. It would mean possibly, even if we made the best arrangement we could, that the freight rate would be considerably higher over that portion of the line at least than it would be on a road with a ruling grade of 4-10ths of one per cent, because the cost would nearly double in the carrying. Take a locomotive, of the consolidated type, 107 tons, or, as we say, 53 tons on the drivers, which really is the test. This is not the largest type of locomotive. What I propose to show is the net tonnage which it could haul on a practically level track, an almost impossible condition because there are very few really level tracks. But, it would haul, on a level track, 3,868 tons, on a 4-10ths of one per cent grade it would haul 1,596 tons, and on a one per cent grade 810 tons. While an engine of this type could haul 1,596 tons on a 4-10ths of one per cent grade, on the prevailing grade of the Intercolonial Railway, it could only haul 810 tons, or a very small amount over half what it could haul on the easier grade.

Mr. HUGHES. At how many points has the Intercolonial Railway a grade of one per cent? I will venture to say there are not ten grades on the Intercolonial Railway between Halifax and Montreal of one per cent. At that rate would the minister maintain ten pushers as he is going to maintain them at half a dozen places——

Mr. GRAHAM. Not half a dozen.

Mr. HUGHES. Well, I am only giving you the figures that have been given to me. There is another point I would direct the attention of the minister to. The Intercolonial Railway at its highest point is 700 feet above sea level, whereas the National Transcontinental Railway at two points is 1,400 feet above sea level. Now, no matter whether that height is crossed at a four-tenths per cent grade or on the dead level, does the minister pretend to say that the unit of power necessary is not as great one way as the other. He will use just as many tons of coal in carrying the load up that hill of 1,400 feet no matter what the grade may be, or whether he comes to the foot of the hill and raises it up in an elevator.

Mr. GRAHAM. I would not care to go into engineering technicalities with my hon. friend because one of us would be apt to get lost.

Mr. HUGHES. That is not an engineering question; every child knows that.

Mr. GRAHAM. I have stated that the one per cent grades are so numerous that the ruling grade on the Intercolonial Railway is one per cent and trains can only be loaded to the capacity of a one per cent grade going either way. That is the test which we must take as the hauling capacity of an engine on the Intercolonial Railway. The hauling capacity of the same engine on a 4-10th grade is practically double, so that the capacity of the National Transcontinental is practically double that of the Intercolonial Railway.

Mr. FOSTER. What is the ruling grade of the Grand Trunk Railway from the lakes down to Montreal ?

Mr. GRAHAM. I cannot say.

Mr. R. L. BORDEN. Well, that is a most important thing. The reply of the minister if it means anything means that this traffic must all go to Portland in the winter months. I am not at all inclined to agree with that, however, because the ruling grade between Midland and Montreal must be a determining factor, and further than that, even if the Intercolonial Railway carried that grain from Montreal to St. John and Halifax at a slight loss it would be better to do so in the meantime than to let this traffic be routed to Portland in the United States, and to establish a channel of communication during these five years which it would be very difficult indeed to break up in the years to come after the line from Winnipeg to Moncton has been completed.

Mr. GRAHAM. I was not dealing with that part of the question; I was merely dealing with the argument that the Intercolonial Railway with its one per cent grade was as capable of having a load transported over it as the Transcontinental with its 4-10th grade; and consequently that nothing would be lost in transportation if we used the Intercolonial Railway and did not build the Transcontinental.

Mr. R. L. BORDEN. The case is worse than I thought.

Mr. W. F. MACLEAN. Would it cost any great sum to alter the grades on the Intercolonial Railway?

Mr. GRAHAM. It would cost a very large amount of money but we are not discussing that.

Mr. R. L. BORDEN. The ruling grade on the Grand Trunk from Midland to Montreal would be an important thing to consider in this connection.

At six o'clock, the House took recess.

After Recess.

House resumed at eight o'clock.

PRIVATE BILLS.

ONTARIO AND MICHIGAN POWER COMPANY.

House in Committee on Bill (No. 34) to incorporate the Ontario and Michigan Power Company.—Mr. Conmee.

On section 1,

Mr. CONMEE. Notice has been given of a number of amendments. It is proposed to strike out sections 2 and 13, also 15, and to substitute other sections. The notice given by the hon. member for Algoma (Mr. Boyce), which denied powers of expropriation so far as the Nipigon river is concerned, has been accepted and embodied in the amendments. As we discuss the Bill, section by section, it will be seen that the amendments have met, I think fairly, all the objections that were raised the other evening when the Bill was under discussion.

Mr. LENNOX. I do not know what the hon. gentleman means by certain sections being struck out and others substituted and certain matters being agreed to. I suppose that is all a matter for this committee and not for any one else to arrange, and I do not think anything is struck out or substituted as yet. I would be glad if the hon. gentleman would make it clear to us at this stage just what is proposed.

Mr. CONMEE. The first amendment is that section 2 of the Bill be struck out. Section 2 provided for the declaration that the works were for the general advantage of Canada. In order to satisfy my hon. friend it is proposed to strike that out.

In order to make it clear that the company will not be permitted to export power from Canada except subject to the Electricity Inspection Act and the Electricity Exportation Act, 1907, this clause is inserted in place of sections 13 and 15:

The provisions of the Electricity Inspection Act, 1907, and of the Electricity and Fluid Exportation Act shall apply to the company and its undertakings.

2. The company shall not export any electrical power until it has obtained a license to do so under section 4 of the last mentioned Act, and such license may provide that the quantity of power to be exported shall be limited to the surplus after the company has supplied for distribution to consumers for use in Canada power to the extent defined by such license at prices and in accordance with conditions, rules and regulations, prescribed by the Governor in Council.

Speaking generally that clause is practically a copy of section 4 of the Electricity Exportation Act embodied in the Bill. Section 5 of section 19 is to be struck out and the following substituted for it.

The expropriation powers hereby conferred upon the company shall not be exercised by it until the plans mentioned in section 18 of this Act shall have received the approval therein provided for; and with respect to any lands upon the Nipigon river shall not be exercised, except as to such lands as may be required for the purposes of its transmission lines.

That cuts out entirely the powers of expropriation in regard to any water-power upon the Nipigon river and confines it under other sections of the Bill entirely to the Pigeon river, which is the purport of the notice of motion given by the hon. member for Algoma (Mr. Boyce). I may say that in section 18 the word 'Nipigon' will have to be struck out. Then there is a clause that was agreed upon and does not affect the powers of the company, but is merely for the protection——

Mr. LENNOX. Will the hon. member explain what he means by 'agreed upon'? —agreed upon, in what way?

Mr. CONMEE. Agreed upon between the promoters of this Bill and the Arrow river people,—but I will read the clause:

The said expropriation powers shall not be exercised as to any dams for the storage of water now constructed or that may hereafter be constructed by the Arrow River Tributary Slide and Boom Company.

This company is a lumbering concern with certain dams for storage areas on tributaries of the Pigeon river, but not on the Pigeon river. Under the Bill of last year introduced in the Senate, this company was asking for powers for the storage of water, that is, they were asking to go out upon the tributaries of the rivers and create storage for power purposes, and, in that way, their interest would clash with that of this lumbering company. That clause was agreed upon last year between the representatives of the lumbering company and this company. It is not necessary here, for this Bill does not give power to the company to extend any of its works for storage purposes or to touch any water, except one on the Pigeon river, and one on the Nipigon river if they can acquire it. But, though the section is unnecessary, they having agreed to it last year, and the lumbering company not being here, I think it is only fair to put it in, that they may have the protection agreed upon. Therefore, I desire to have that clause stand. I might, for a moment, call the attention of the committee to the provision of section 14 of the Bill. I think that hon. gentlemen will find that goes a good deal farther in public protection than any legislation heretofore passed by this House has gone. It first provides that the rates to be charged to consumers should be fixed from time to time by the Railway Commissioners of Canada. When the Bill was under discussion before the committee last time, an hon. member, Mr. Fowke, said he had two objections to it. One was that he was not in favour of permitting the company to export any portion of the power from the Canadian side without control. He was not satisfied with the provisions under section 15 as it then stood in the Bill, which, I pointed out, was put there for the purpose of giving that protection. But he had another objection,—and he was not speaking particularly against this Bill, he was announcing a principle. He was opposed to a perpetual franchise. I think that this section 14 does not give a perpetual franchise, it gives the company only a limited opportunity, under restrictions, to utilize a natural resource. If the idea of a lease, if that was advanced by the hon. member, were to prevail, what would be the result? Let me take the water-power regulations of the Ontario government. They provide for a twenty-year lease in dealing with a water-power. I have one of the leases here, and can send it to the hon. gentleman if he wishes to see it. It provides for a lease of twenty years and a renewal after twenty years, the rental to be paid may be increased, or the rates to consumers reduced, and if they cannot agree with the company on these points they may arbitrate.

Mr. LENNOX. Is the government absolutely bound to renew the lease at the end of the twenty-year period, or may it exercise its judgment as to that?

Mr. CONMEE. The government is bound to renew the lease at the end of the twenty-year period, subject to the conditions I have named, or to expropriate the property,

paying the company under arbitration if they cannot agree upon the price.

Mr. LENNOX. Is the value of the franchise excluded?

Mr. CONMEE. I cannot answer that question, I do not know the exact regulations as they stand to-day ; I speak of them as they appear in a lease which I have. the regulations as I knew them a few years ago. If my information is correct, the present government does not agree to arbitrate as to the value of the property, but only as to the rental to be given to the government as to the rates they may charge the consumer. They take the power under their commission, the Hydro-Electric Commission, to regulate the rates. Section 14 provides much better protection. Twenty years is a long time. This does not limit it to twenty years, or ten, or five years. It provides that rates may be fixed 'from time to time.' Any consumer may make application, and the rates may be reduced. But it goes much further than that. It provides that the board shall regulate the conditions of the service. What does that mean? It means the hours of service, the facilities that shall be given to the consumer to utilize the power, the delivery of the power not at a station, and then to be stepped down by the community that wants to use it, but the delivery, if the board so orders, to the premises of the consumer, the board having full control over all the circumstances. There is no kind of dispute, I submit, that can well arise between the consumer and the company that the board will not have absolute control over and power to regulate from time to time. I do not know that any better protection for the public interest could be worked out. I submit also that this Bill and this company, like all others, are subject to the general law of the country. If, in the future, it is the policy of this government, or of any future government, to pass a general law regulating the use of water-power, making conditions by which it will be taken from the company, the power exists to do it, that is, general legislation would do it. But there is special power under our constitution which gives us this right. These works can, at any time, either before or after their construction, be declared to be works for the general advantage of Canada, and the government can impose any conditions they please. They can take over the works on any method that may to them seem fair and satisfactory. So, I submit, this Bill has gone a long way to settle what is a pretty intricate question as to the best conditions for the protection of the public interest. I think it goes much further than previous legislation.

Then, if hon. members will examine the Bill, they will see that municipal interests are protected. First, the company cannot enter within the limits of any municipality without the consent of that municipality, and not its consent merely but its consent expressed by by-law. It must be a formal act of the corporation to admit the company to carry any of its works or lines within that corporation's borders.

Mr. LENNOX. What section is that?

Mr. CONMEE. I have not the Bill before me, but I think it is section 11. It goes further as to cities and towns, which are, perhaps, more important. The company cannot enter a city or town, cannot have any rights there, until a by-law is carried, not by the corporation, but by the qualified electors, that is, those entitled to vote on money by-laws. I do not know what possible conditions could be drawn to better safeguard the public interest in this respect than these clauses of the Bill. If hon. gentlemen will glance them over, I am satisfied that they will say that they go about as far as they ought to go. I may say that I have more at stake, as a representative, in this Bill than any other hon. member. I represent the community that is most deeply interested in the Bill. If the Bill is not what I can, as such representative, justify before the community, I shall be damaged, no doubt.

Mr. LENNOX. Might never come back.

Mr. CONMEE. Might never come back. But the reason I am here is because I was an advocate of this Bill. If the hon. member will look at my majorities this year and four years ago, he will see that my majorities four years ago were obtained in the western portion of the constituency—and that this time my majorities were in the east.

Mr. BLAIN. Bribery did not help my hon. friend?

Mr. CONMEE. No, we conduct our elections on the square in that riding. I have no protest pending. My opponents thought I did not win my previous elections fairly, and on four different occasions they put me to the test in the courts, and every time the judges said that I won fairly. Now, my hon. friend read the resolution that was adopted by the assembly at Toronto. I have it here and he said it was carried unanimously.

Mr. LENNOX. Isn't that right?

Mr. CONMEE. No, that is not right. I do not like to accuse my hon. friend of misleading the House, therefore I assume that, although the counter resolution was on the opposite pages of the 'Votes and Proceedings' that he had in his hand, as it is in the one now before me, he failed to see it. I shall not detain the committee on this question fur-

ther than to read the last paragraph of the resolution moved by Hon. Mr. Mackay, the leader of the opposition, and for which the members of the opposition voted against the resolution which my hon. friend read the other evening:

And this House recommends that a conference between the government of Canada and the governments of the several provinces be held with a view to arriving at a reasonable solution or settlement of matters in doubt as to the respective jurisdictions of the government of Canada and that of the various provinces, and that, if necessary, imperial legislation be obtained.

The purport of that resolution is a conference to settle the difficulty as to what is and what is not a navigable stream, or, if you choose to put it in other language, what is under Dominion control exclusively, and what is under provincial control exclusively. Now, I think that was a fair and reasonable suggestion, and I hope, some day or other, the Dominion and the provinces will convene such a conference, and that a solution of this more or less vexed question may be arrived at.

Mr. LENNOX. As to this amendment which my hon. friend thinks I had in the paper from which I read the other day, what page is it on?

Mr. CONMEE. According to mine—and I suppose his must be the same—the resolution which the hon. gentleman (Mr. Lennox) read appears at pages 351 and 352, and the resolution to which I refer at page 353.

Mr. LENNOX. The resolution I had begins at page 5 and goes to page 6. I do not see anything of what my hon. friend (Mr. Conmee) has just read.

Mr. CONMEE. I will send it across to my hon. friend.

Mr. LENNOX. I am perfectly satisfied, but I wish my hon. friend to know that I did not refuse to read what was before me.

Mr. CONMEE. I take the hon. gentleman's word for that; I assumed there must be something of that kind. I do not dispute that there is something to be said on both sides of the question so far as the Nipigon river is concerned, because it is a river entirely within the province of Ontario. I do not recede from the position I took that, notwithstanding that fact, it was a navigable river and subject to the exclucive legislative control of the parliament of Canada. No other parliament can authorize any company to carry out works of a character such as these promoters seek to obtain. That was my position when I spoke before, and that is my position still. I do not recede from that position. I give way to the views of others. I think the powers asked by section 2, a reasonable provision to have in this Bill, and that it ought to be there, but, as other hon. members think differently, and as it is not vital to the Bill, I am prepared to have it struck out. Had that provision been in the Bill with regard to the Rainy river improvements, there would not be the confusion there is to-day, with the community most deeply interested compelled to go to the courts to get redress which they ought to have had and which was afforded them at the hands of this parliament and in the Act passed by this parliament. However, I am not discussing that question; that is past and gone for the present. I hope that with the amendments proposed the Bill will commend itself to the judgment of the House.

Mr. BLAIN. Since my hon. friend (Mr. Conmee) has given us a very full explanation of the Bill and the proposed amendments, I would suggest that he allow it to stand for further consideration, particularly as my hon. friend from Algoma West (Mr. Boyce), who took such an active part in the discussion of this Bill when it was before the House some time ago, is absent.

Mr. CONMEE. If the hon. gentleman will allow me. I met the hon. gentleman (Mr. Boyce) yesterday and showed him my amendments and discussed them with him. I understood him to say that he was satisfied. There is only one point of difference, and that is on this point—I will be fair about it. The hon. member's amendment would strike out the word 'three' in section 8 and substitute the word 'two.' That would mean that the company shall commence operations within two years instead of within three years. I pointed out that this company had to get legislation from Washington before it could proceed with its works—it had to go to another country to obtain the privilege of carrying on these works on the Pigeon river. I pointed out that it was more or less a difficult undertaking and that the company ought not to be hampered by narrow conditions, but ought to be allowed a reasonable time, and I do not think that three years is unreasonable. I understood the hon. gentleman to say that he would not press that point.

Mr. BLAIN. In reply I might say that I have before me a note from the hon. member from West Algoma (Mr. Boyce) to the effect that although my hon. friend had submitted some of these changes to him, he had agreed to nothing, and does not wish to give his consent to the Bill in its present state. I will send that note over to my hon. friend if he wishes. However, there are so many changes in the Bill now submitted, it is important the committee should have an opportunity of studying it, particularly as, in my opinion, it is a matter which ought

to be dealt with entirely by the Ontario legislature.

Mr. SPROULE. There is another reason why this Bill should be delayed. It affects very materially the policy of the provincial government. That government believes that it is entitled to use these water-powers for the purposes of revenue if necessary. Some of them at least they are renting at an annual rental, and such leases are renewable, subject to the provision that the rentals may be increased if necessary from time to time. I apprehend that the Ontario government has not been notified of these proposed changes, nor have we heard from it. Probably it would be as much opposed to the Bill in its present form as in its original shape, because it thinks that it has a right to control these water-powers. For that reason, if for no other, the Bill ought to be delayed. As regards the nature of the changes, we have only just received them and have not had time to consider them carefully. The hon. gentleman has put forward a strange doctrine on the question of the right of this Dominion to control a stream. This government has the right to control navigable streams, but I put a question to the hon. gentleman in that connection to this effect: Suppose some 20 or 25 miles of a stream are navigable, say at its mouth, and all the rest of the way, some 400 miles, it is not navigable; does he contend that because a small portion is navigable, the whole stream is under the federal authority? I think he said it is. That is about the situation in the case of the Nipigon river. Only a small portion of that river is navigable, and for that reason my hon. friend contends that the Dominion parliament has the right to control tha stream throughout its whole length. But the provincial government thinks differently, and there is a good deal of reason in its contention.

Mr. CONMEE. This Bill, as amended does not give the company any rights on the Nipigon at all.

Mr. SPROULE. I was speaking of my hon. friend's contention and applying it to that stream, which is one of the streams in question. There are many changes in this Bill, and we have not time to consider them, and it would not be possible to understand them at this sitting. He had better allow the Bill to stand over until we hear from the Ontario government.

Mr. CONMEE. If we cannot legislate without the consent of the Ontario government, we will not be able to legislate on a great many subjects.

Mr. LANCASTER. If we legislate with regard to provincial interests?

Mr. BLAIN.

Mr. CONMEE. Are we to have no opinions of our own? There can be no provincial question as regards the Pigeon river, because it is a boundary stream, and the land passed out of the possession of the Crown more than 50 years ago, so that there can possibly be no provincial interests in that river.

Mr. LANCASTER. Perhaps if the hon. gentleman was representing the province of Ontario he would think differently.

Mr. CONMEE. I shall not debate that question with my hon. friend. But the proposition that this Bill should stand over until we can learn the views of the Ontario government is one to which I cannot consent. I do not want to unduly press the Bill, but of course if hon. gentlemen choose to take a hostile course, we cannot accomplish very much just now, as the hour for private Bills is nearly up. But I do not see what good purpose will be served by putting it off. The Bill should be dealt with on its merits. If the majority of the House are opposed to it and will vote that way, the Bill will fall to the ground.

Mr. LENNOX. As regards what the hon. gentleman said about our being opposed to this Bill, I hope he does not take that view of the matter. When it was called a little after eight o'clock, I asked him to explain, and he gave a very elaborate explanation which has taken up most of the time down to this moment. We certainly have no time to consider it now. If he prefers that we should discuss it for the quarter of an hour left within which it can be discussed, we shall do so, but we cannot dispose of the Bill to-night and he might just as well move that the committee rise and report progress.

Sir WILFRID LAURIER. There are some amendments to which there can be no possible objections. For instance the amendment striking out clause 2, which clause was objected to and is now removed. Surely that can be passed.

Mr. LANCASTER. But we do not know how far we may be dealing with provincial rights until we get through. We might commit ourselves to some legislation by passing clauses which we would not pass in the light of what may come afterwards. What strikes me is that we are straining here to find excuses for doing what we ought to do only if we were in the Ontario legislature. I cannot see how we can gain anything by attempting to do that. We have enough business of our own to attend to federally in regard to matters that appertain to the Dominion without bothering to be a court of appeal or advisory board to any provincial government. I have not taken any part in the discussion so far, but I have listened every time this Bill has been discussed. My hon.

friend is not lacking in astuteness or knowledge of legislative procedure and, although not a lawyer, he is just as well able as lots of lawyers to discuss this matter even from a legal standpoint. I am sorry he has not told us of some reason why the Ontario legislature cannot do all that he wants done and provide all the safeguards he says he is now willing to provide in this Bill. Why can they not provide them? Why not allow the legislature of Ontario to deal with provincial matters ? We are not competent to deal with matters that appertain solely to the people of Ontario and we are not the judges of what they should do. They are the sole judges. We have no right to think that we can do as well as they can and we are not insulting ourselves if we say we cannot do as well as they can in regard to provincial matters. I do not doubt that a good many of us would vote one way on this Bill in this parliament and an entirely different way upon a similar Bill if we were in the provincial legislature. What troubles me is that we are dealing with this matter as a federal matter without being sure that there is any need whatever for federal legislation. We have no right to exercise jurisdiction here unless the province cannot deal with the matter.

Sir WILFRID LAURIER. My hon. friend knows that the argument which he has presented does not apply. We do not commit ourselves to the Bill until the preamble is accepted. Until that is done there is nothing done. There are some provisions in the Bill to which he took exception and which are to be eliminated by my hon. friend from Thunder Bay and Rainy River (Mr. Conmee). To this certainly he cannot object. This Bill, as it is amended by my hon. friend, contains nothing as to which there should be any debate except as to the power of expropriation. My hon. friend has eliminated from the Bill that part which deals with the Nipigon river as to which I was against him. Now, the powers of expropriation are confined to a river which is international. There is a good deal to be said against the proposition of my hon. friend from Lincoln and Niagara (Mr. Lancaster? that the powers there are vested in the province of Ontario, and there is a good deal to be said in favour of the other proposition that the powers are vested here. That is a question which can be discussed at the proper time, but, it seems to me we would be advancing the work for which we are here if we accepted this part of the Bill and reserved the discussion for the part which is really contentious.

Mr. SPROULE. My reason in suggesting what I did was partially the statement of the hon. gentleman himself that the Bill, as it was proposed to be amended, he felt quite satisfied, would not be objectionable to the Ontario government if they were consulted.

Mr. CONMEE. I did not make that statement.

Mr. SPROULE. That was the impression I had from the language he used. I thought, therefore, if it was submitted to them and we had information to that effect from them it would very much simplify it here and that while we might still think that they had acted unwisely, if they did not desire to exercise control over these water-powers, there are some members of this House who would not oppose the Bill very strongly. My own opinion is that these water-powers belong to the provinces. They are the assets of the province and they should be used as such. They are at the present time renting them from year to year and getting a very considerable income from some of them. They have announced to the world that their policy is to take the whole of them under their control and to develop them on provincial lines. Since what they have done has inured to their benefit, they using their own property and making money out of it, why should we take to ourselves the right to expropriate, or rather to deprive them of a part of the property that belongs to them? It is taking from them a right which they possess. I do not think we should do it.

Mr. PERLEY. The notice regarding these amendments states that they will be proposed on Monday next. I suppose they were put in too late to take effect to-day. Therefore, my hon. friend from West Algoma (Mr. Boyce) is perfectly justified in considering that these amendments should be taken on Monday. Instead of continuing the debate it would be much better to defer the consideration of the matter until Monday.

Mr. CONMEE. I gave the notice for 'Friday.'

Mr. PERLEY. The hon. gentleman must have been too late to give the notice for this evening, because the notice says 'Monday.'

Mr. CONMEE. This discussion, I submit, is irregular. The Bill should be taken up clause by clause and discussed, whereas the committee has been allowed to discuss it generally. The notice of my hon. friend from West Algoma (Mr. Boyce) is practically the same as this notice, so that there has been lots of time as far as the notice is concerned. Let me say a word in answer to the hon. member who spoke a few minutes ago (Mr. Lancaster) and who desired to know my reason why this parliament has been asked to pass this legislation instead of the provincial legislature. All I can say is that I thought I did give in the discus-

sion of that question when the Bill was up for its second reading and again in committee, the very best reasons. I gave the judgment of the Privy Council that this parliament and this parliament alone should create this company.

Mr. LANCASTER. To do what?

Mr. CONMEE. To carry out the undertaking which this company is asking to be allowed to carry out.

Mr. LANCASTER. Did that court have this Bill before it? It depends on what you put in your Bill.

Mr. CONMEE. If my hon. friend is going to make a Bill for these promoters, or if he is going to dictate to them what they shall put in their Bill, I do not know where he will land them.

Mr. LANCASTER. No, I am not going to do that. But no court can ahead of time, say that a certain Bill which is afterwards brought in to parliament is a Bill that can only be passed by the Dominion. If you put a stated case to them, the answer to which you must know will be in the affirmative, saying that the Dominion can do this or that you can get that answer from the court, but the court could not say that a Bill to be introduced by my hon. friend at a later date is a Bill which this parliament can alone pass.

Mr. CONMEE. The best authority we have in this land has said so. The courts have decided that point.

Mr. LANCASTER. What have they decided?

Mr. CONMEE. I could give my hon. friend no less an authority than that of Sir Oliver Mowat. I was brought up in the school of provincial rights in which Sir Oliver was the teacher. I am still sound on that question. Here is the language of that gentleman dealing with a Bill introduced under similar circumstances:

> The only authority conferred upon a provincial legislature to incorporate companies is for the incorporation of companies with provincial objects. The undersigned construes this authority to mean objects provincial as to the province creating the company.

Then he goes on to give cases in which the courts held a similar view, and he uses this language:

> It would seem to follow that the statute in question which confers upon the company authority to acquire, cultivate, improve, and sell land not only in the province of Nova Scotia but also in the province of New Brunswick and elsewhere, is not limited to provincial objects in the sense in which that expression is used in the British North America Act, and therefore the enactment is ultra vires.

Mr. CONMEE.

Mr. LANCASTER. That is not this case.

Mr. CONMEE. No, but it is a case which is similar. He then commends Sir John Thomson's rulings with regard to a Quebec case in which Sir John Thompson recommended disallowance because the company undertook to divert a navigable stream, and Sir Oliver himself applied this ruling to the case of the Kaministiquia river for the same reasons. We have also had the opinion of the Minister of Justice given on the floor of the House that this parliament can alone confer the power which this company asks.

Mr. LANCASTER. I am afraid I will have to withdraw the compliment I paid my hon. friend on his legal attainment; it was paid out of politeness and I regret to have to take it back. Everybody knows that when a company operates in different provinces it is not a provincial work, but this company is going to, as I understand, is going to operate entirely within Ontario.

Mr. CONMEE. The trouble is that you don't understand it.

Mr. LANCASTER. The decision given by the learned and much respected authority quoted by the hon gentleman is based upon the ground that the company referred to in that case was going to operate in two different provinces, and not being confined to the one province it was of course a work for the general advantage of Canada.

Mr. CONMEE. Does not the hon. gentleman see in this Bill that the company is not confined to one province?

Mr. LANCASTER. That is not the effect of this Bill.

Mr. CONMEE. The company operates not only in Ontario but in the United States.

Mr. LANCASTER. You might say it would operate in Mexico or Australia, but that does not help you.

Mr. BLAIN. When this Bill was first introduced it was considered of such importance by the Ontario government that they sent a special counsel to object to it in committee. The hon. gentleman since that time has made many changes in his Bill, and the Ontario government should certainly have an opportunity of considering these changes. The hon. gentleman (Mr. Conmee) is rather hostile to the Ontario government, but that is his right and privilege.

Mr. CONMEE. The hon. gentleman should not impute motives to me. I am not unduly hostile to the Ontario government; I have no personal quarrel with them.

Mr. BLAIN. But the hon. gentleman refuses to wait until the Ontario government is consulted. In my opinion the Ontario government is just as anxious to develop the water-powers of that province as this parliament can be, and if the hon. gentleman has a proper project to submit to them he will no doubt receive their co-operation.

Mr. SPROULE. Nine o'clock.

The hour for private Bills expired.

GRAND TRUNK PACIFIC LOAN.

The House resumed in Committee of the Whole on Bill (No. 128) to authorize a loan to the Grand Trunk Pacific Railway Company.

Mr. GRAHAM. At six o'clock I was trying to correct a wrong impression which seemed to prevail as to a comparison of the grades on the Transcontinental and on the Intercolonial Railway from Levis to Moncton. The leader of the opposition suggested that an arrangement might be made by which grain from Midland could be carried to the sea board by the Grand Trunk and the Intercolonial Railway. From the Intercolonial Railway standpoint I would approve of that provided no injury were done to the shippers. But, the hon. gentleman also suggested that we might do that even if the Intercolonial Railway carried the grain for the present at a loss, and as head of the Railway Department I must dissent from that proposition. I think the Intercolonial Railway as a government road should be treated in the same way as other roads. If the government came to the conclusion that the Intercolonial Railway should carry the grain at a loss then it would be the duty of parliament, after ascertaining what that loss was, to pass a special vote to compensate the Intercolonial Railway and not charge it with the whole burden. In Australia, if the government asks the government railway to carry goods at a non-paying rate then the government passes an appropriation to compensate the railway, and under similar circumstances, a like provision should be made in Canada. I have not been able to consult with any person so as to get accurate information on the point, but my opinion is that the grade on the Intercolonial from Montreal to Moncton is no higher than the ruling grade on the Grand Trunk Railway from Midland to Montreal.

Mr. PORTER. No higher?

Mr. GRAHAM. My own impression is that they are about on an equal footing.

Mr. R. L. BORDEN. The hon. gentleman has not yet dealt with the real difficult which I raised.

Mr. GRAHAM. The right hon. the Prime Minister was about to speak.

Sir WILFRID LAURIER. The difficulty suggested by my hon. friend, if I understood him aright, is as to what will become of the traffic between the west and the east during the interval which must elapse before the bridge at Quebec is completed. I need not say that the accident which has befallen the bridge is a very serious interference with the contract. We had expected when we entered into the contract that the bridge, which had been in progress for some time, would be completed about the same time as the road itself, and but for the unfortunate event which has taken place our calculations, I think, would have come out about right. The bridge has been down now for eighteen months and the plans for the reconstruction will not be ready for some time, probably not before the end of the year. I believe the leader of the opposition (Mr. R. L. Borden) was about right when he said that on the most favourable estimate the bridge could not be completed ready for traffic before 1915. After the lesson which we have received, after having plans prepared by engineers whom we had reason to believe were the most competent engineers on the continent, and whose efforts have proved so fatal, we have felt it necessary to take every possible precaution. We have confided the preparation of the plans for the new bridge to a board composed of the most eminent engineers to be found in Europe and on this continent. They are proceeding with the work but I do not know yet when the plans will be prepared, perhaps they will take the best part of the year. In the meantime how are we to connect the two branches of the railway, the sections from Winnipeg to Quebec and from Quebec to Moncton? I will not surprise the House by saying that the Minister of Railways and myself and the cabinet have given some attention to that question. We thought that perhaps it would be possible to place a ferry on the river. I am informed that this project will not be expensive and is quite feasible. As to this I venture no opinion at all, this is simply the information given to me, and I give it for what it is worth, I do not cite it as accurate or definite. But let us take the worst view of the case and let us suppose that it is not possible in the meantime to have a connection between the two sides of the river at Quebec. Then we are faced with the question: What are we going to do in the meantime? I am not prepared to say at this moment what we should do and what action might be taken, if indeed any action can be taken. But I take issue with the hon. the leader of the oppositon (Mr. R. L. Borden) on his statement that this was an opportunity to exact from the Grand Trunk Pacific some modification of the contract that we have

with them. I take issue also upon his statement repeated during this debate that this transaction as to which we are asking the assent of parliament is a modification of or departure from the terms of the contract. I say on the contrary that the present loan which we make to the Grand Trunk Pacific is no departure whatever from the terms of the contract. The contract is not changed, it remains just as it was, there is no modification, this is simply an advance which we make to the company and which is to be recouped within a certain time. It is on all fours with the similar transaction of 1884 between the government and the Canadian Pacific Railway. It was not suggested at that time or since that the loan of $30,000,000 made by the government to the Canadian Pacific Railway in 1884 implied any modification of the contract made in 1881. If it was any modification, the changes were not material and the essence of the contract was certainly not modified. In this matter, so far as we are concerned, we intend to have no modification of the contract. It may be that in order to provide for the traffic which will originate in the west we may have seriously to consider how it is to be taken to the sea, but what I have to propose to my hon. friend is that this was not the occasion or the opportunity to do so. The one thing in which we are concerned at this moment is to have the prairie section constructed with all speed so that the grain of the western country can be taken to the lakes this fall if possible. My hon. friend rather suggested to us that we should take advantage of the dire necessity of the company to impose conditions upon it which it might or might not be prepared to accept. I must say that we did not think that this was an occasion to put such a condition upon the company. We felt on the contrary that the only thing we had to do at the present time was to see that the prairie section was completed in the shortest possible time. At a later time we will have to discuss with the company and make some arrangement with them in reference to the matter which my hon. friend has brought up, but we have simply to submit that this was not the occasion nor the opportunity to do so.

Mr. R. L. BORDEN. I very greatly regret that the importance of the difficulty, I might say of the misfortune which seems imminent, so far as the Canadian ports are concerned, has not impressed itself more strongly upon the mind of my right hon. friend the Prime Minister. He seems to have a very tender regard indeed for the Grand Trunk Railway Company, but he does not seem to have an equally tender mind for the interest of Canadian ports for whose benefit ostensibly this contract was made and these statutes passed. The Grand Trunk Railway Company undertook the financing of this road to a certain extent. The government has performed its part of the contract, the government, the country, has not asked any modification of the contract so far as I am aware. There has been a modification, not a formal modification of the contract but a practical modification—I repeat it notwithstanding the disclaimer of the right hon. gentleman. According to his view if this country made a contract with the Grand Trunk Railway by a separate agreement to provide every single dollar of the money for the completion of that road there would be no modification of the contract. Would any man in his senses say that such is a practical view of the situation? Of course there is a modification of the contract from a practical standpoint. I think that this contract has beeen drafted and this Bill prepared in order that my hon. friends on the treasury benches may be enabled to say : 'There is no modification in the contract.' We are providing for $10,000,000 more to be raised on the credit of this country and yet there is no modification of the contract! How is it there is no modification of the contract when this country, by the passing of this statute, will be obliged to raise $10,000,000 more than it would otherwise have been obliged to raise for the construction of this railway? How is it possible for any reasonable man to say under these circumstances that there is no practical modification of the contract? There is not a formal modification I admit, but from a practical standpoint there certainly is a modification to this extent. Canada is raising $10,000,000 more for the construction of this railway than it would have been obliged to do if this statute had not passed.

What does my hon. friend Sir Wilfrid Laurier say? He says that he regrets the Quebec bridge has fallen and admits it cannot be reconstructed before 1915. But in the meantime where is the traffic to go? Well, it is to go apparently wherever the interests of the Grand Trunk Railway will take it; and that, according to admissions of the right hon. gentleman, which I have under my hand and can quote if desired, must go to Portland, and the absolute purpose and intent of this parliament will thus be defeated during those five years at least. My right hon. friend says no, we cannot move a finger, this is not a favourable opportunity. When does he expect a favourable opportunity, if this is not one? What is to be done about it? I have his own statement that if traffic goes to North Bay, that traffic will go to Portland. I have the statement made at a Grand Trunk Railway meeting in 1903 or 1904 that the object and design of the Grand Trunk Railway was to carry that freight by the lake ports. Well, if freight reaching North Bay must be carried to Portland, can any reasonable man say that freight going to Midland

will not go to Portland also? There is absolutely no answer. Yet my right hon. friend says we must not take advantage of the dire necessity of the Grand Trunk Railway, and that this is not a favourable opportunity. But what about the dire necessity of this country? What about the necessities of the Canadian seaports of St. John and Halifax? Does regard for the interests of the Grand Trunk Railway bulk so largely in the minds of my hon. friends on the treasury benches that there is absolutely no consideration for our maritime ports? I think that the answer given by the Prime Minister is a most remarkable one, if you can dignify it by that name. There is in it not one suggestion for avoiding the imminence of the danger to which I have alluded and of which there is absolute proof.

My hon. friend the Minister of Railways and Canals (Mr. Graham) said that the carriage of this freight over the Intercolonial Railway at a small loss would not be in the interests of the people. Perhaps I do him an injustice, but at all events he said it would not be in the interests of the bookkeeping of the Intercolonial Railway.

Mr. GRAHAM. I did not say that. What I said was this: My hon. friend said the Intercolonial Railway ought to carry it even at a loss. I replied that if the government decided to make an arrangement to carry that traffic that way, the country as a whole ought to stand the loss and not charge it directly to the Intercolonial Railway.

Mr. LENNOX. That is the same thing.

Mr. GRAHAM. Pardon me, I made the further plea that something which is done for the country as a whole ought not to be charged to the Intercolonial Railway particularly, but the Intercolonial Railway ought to be paid as any other railway would be, for carrying goods for the country.

Mr. R. L. BORDEN. The net result is that it would be a mere matter of bookkeeping, and I would like to point out that experiments have been made in this connection already. Experiments were made in 1904, during the six months preceding the 1st of March, 1904, and the net result was this: There were five cargoes of grain carried by the Intercolonial Railway for delivery in the elevators for export. One shipment of 16,000 bushels of wheat was carried from Depot Harbour to Halifax at the rate of 5·15 cents per bushel. Another shipment of 31,836 bushels was carried at the rate of 4·90. Another of 39,990 bushels was carried at a rate of 5·40 cents per bushel. Another of 25,718½ bushels of corn was carried at 4·94 cents per bushel. And still another of 33,892½ bushels of corn was carried at 5 cents per bushel. The Intercolonial received a very small proportionate part of the rate. It did not receive a portion of the rate commensurate with the length of its haul. The Intercolonial Railway carried that grain 828 miles, the Grand Trunk Railway 34 miles, and the Canada Atlantic Railway, 346 miles. The percentages are given of the different shipments which I need not go over, but the net result was that the Intercolonial Railway received 2·25 cents per bushel for a haul of 828 miles and the other roads received 2·75 per bushel for a haul of 380 miles. In answer to a question put by Mr. Kemp, then member for one of the Toronto divisions, the Minister of Railways said:

> The estimate of the cost per bushel for the service performed by the Intercolonial Railway was 2·27 cents and the amount received was 2·25. There was thus a slight loss on the export business; but having regard to inward cargoes and passengers obtained for the Intercolonial Railway, the business was not considered unprofitable.

Well, my hon. friend the Minister of Railways will observe that if there had been a proportionate mileage division of the rate in respect of those shipments, the Intercolonial Railway would have received 3·4 cents and the other roads 1·6 per bushel. Then as the cost of hauling to the Intercolonial Railway was 2·27 per bushel, and the proportionate amount which ought to have been received, under a fair division was 3·4, there would have been a fairly reasonable profit to the Intercolonial Railway on that haul. I am not suggesting that the Intercolonial Railway ought to make any profit upon such business, but that the interests, not of the maritime provinces alone, but of the entire Dominion, would require that the Intercolonial Railway should carry that freight to the maritime ports during the winter months at a low rate in order to prevent channels of trade being created for our western traffic to Portland and the other ports in the United States. This will be a subject of such transcendent importance during the next four or five years following the completion of the Port Arthur branch and the western division of the Transcontintal, that it was the duty of the government to have faced that difficulty just as the Grand Trunk Railway and Grand Trunk Pacific are facing their difficulties by making this application to the government. I know of no more favourable opportunity in which to press for an agreement such as I suggest. Are the interests of the country not to be considered at all? Are the interests of the Grand Trunk Railway to be always paramount? The interests of these railway corporations are entitled to just treatment on all points, but when the

government, owing to conditions over which it has at present no control—and I shall say nothing as to any default of theirs in that regard—sees that traffic gathered up in the west upon a road practically built by this government is to be carried to Portland and possibly other ports in the United States instead of to our own ports, should it not follow the example of these corporations and face that difficulty in order that some reasonable, fair and just agreement might be arrived at to safeguard the interests of our Canadian seaports? Our only answer is in the words of the Prime Minister that we must not take any advantage of the dire necessity of this company, and that this is not a favourable opportunity for introducing this subject to their attention. Again I ask, if this is not a favourable opportunity, when does the government anticipate, in the ordinary course of events, that a favourable opportunity will arise, and what do they propose to do about it?

Sir WILFRID LAURIER. When I spoke of 'opportunity' and 'occasion' I did not say the occasion was favourable or unfavourable. I said this was neither the occasion nor the opportunity. I stated a moment ago that this loan which we are making involves no modification of the contract we have with the Grand Trunk Pacific Railway Company. My hon. friend cannot dispute that, but speaks of a 'practical modification.' Even to that extent, I think, he is in the wrong; there is no practical modification of the contract. The contract is there. We ask parliament to authorize us to make a loan of $10,000,000 to the Grand Trunk Pacific. I assume that the terms of the loan will be acceptable to the company. With the exception of that loan, the government and the company will remain as they are, just as when, in 1884, the parliament authorized the government of that day to make a loan of $30,000,000 to the Canadian Pacific Railway Company, which loan was recouped before the time it was due. There is no change of relation between the government and the company; they remain the same as if the loan had not taken place. If the loan is recouped as intended in the contract, and as I assume it will be, the relations of the government and the company will remain just as if the loan had not taken place; there is no modification of the contract whatever. But, though there is no modification of the contract, my hon. friend (Mr. R. L. Borden) says: 'You should have taken advantage of the company and should have forced upon them a modification as to the routing of the traffic that is to be developed in the Northwest.' I have simply this to say: This is not the occasion. The object at the present time, the paramount thing to do, the paramount duty of the government and the country, is to see that the prairie section, which is the most important part of the road, shall be completed this year, so that the settlers who are now flocking in may have the advantage afforded by the carrying capacity of the railway. But my hon. friend in his remarks pointed out that that would be an opportunity and an occasion for the discussion of these matters. He pointed out that the contract we made in 1903 provides that when the road is completed it is to be leased to the Grand Trunk Pacific Railway Company. But in 1904 we put in another provision, to the effect that the commissioners who are to build the eastern section may lease some portions of the road as they are completed. They can lease the section between Moncton and Quebec or the section between Quebec and Winnipeg, and, earlier than all this, they can lease to the company the section between Winnipeg and the junction with the branch of the Grand Trunk Pacific Railway Company connecting with Lake Superior. If we are to make a lease of that kind, that will be the opportunity and the occasion to make the arrangement which we think ought to be made for the routing of the traffic. That will be the time and the opportunity. I repeat that it would have been bad policy and bad politics to endanger the possibility of building the prairie section this year in order to make the modification in the contract which may take place later on.

Mr. R. L. BORDEN. Surely the Prime Minister remembers that the very section to which he has alluded contains these words:

> Pending the completion of the eastern division by the government, the company shall be entitled to lease from the commissioners, to be appointed under the said Act, and to operate such portions of the eastern division as may from time to time be completed, but upon such terms as may be agreed upon between the company and the said commission, which terms are not to be more onerous than those of the lease of the whole division by the said contract provided for.

Then, if they are not to be more onerous, how is he to insert such a stipulation as he speaks of? What will be the nature of that stipulation? If you frame that lease according to the provision of the statute and the agreement, you will not advance the position one iota. Because, I repeat, what some hon. gentlemen in this House have forgotten, that this government deliberately voted down our proposal to compel the Grand Trunk Railway Company to be bound by those provisions of this contract which prevent the routing of traffic to ports other than Canadian ports. What hold will the government have upon the Grand Trunk at that time? It will not

be dealing with the Grand Trunk, but with the Grand Trunk Pacific. They are in effect, but not in form dealing with the Grand Trunk at this time, because $7,000,000 of this loan, said to have been advanced by the Grand Trunk to the Grand Trunk Pacific is to be paid out of the proceeds of the loan now proposed. Make that lease in the terms provided by that statute and when the traffic gets to Port Arthur, it will go on to Midland, and at Midland the condition which the right hon. gentleman has described with regard to North Bay will prevail—that traffic must go to Portland, and it will not go to a Canadian port during the winter months at least. If the right hon. gentleman will explain how, on the occasion to which he has referred, he can obtain any hold upon the Grand Trunk to compel them to do that which is not only just, having regard to this whole enterprise, but which is absolutely necessary in the interests of the country as a whole, I shall be glad to hear that explanation. But, in the light of the contract and the provisions of this contract which the government must observe, I, for one, do not know in what better position the government will be at that time than at present.

Mr. LENNOX. Is that only an option of the company?

Mr. R. L. BORDEN. Yes, my hon. friend (Mr. Lennox) is right. I pointed that out before, and did not think it necessary to emphasize it again. It is the company that has the option of leasing, and the government have no power to compel a lease.

Mr. DEPUTY SPEAKER. Shall section 1 carry?

Sir WILFRID LAURIER. Carried.

Mr. R. L. BORDEN. If my right hon. friend's answer to this is simply 'carried,' I do not think the country will be satisfied with that answer.

Mr. LENNOX. I have great respect for the right hon. Prime Minister (Sir Wilfrid Laurier) and his statement, but for the life of me I cannot see on what reasonable basis he argues that there is no modification of this contract. He says that there is no modification, because we are only lending money to the railway company. We made this bargain in 1903. The country was to carry out a certain part of the building of the railway and the company was to do a certain other part. They came to us in 1904 and obtained modifications. I do not think the right hon. Prime Minister will say that those were not important modifications. The result of those two contracts is that, so far as the western division is concerned, we were to guarantee three-fourths of the expense of building the prairie section, not exceeding $13,000 per mile; the Grand Trunk Railway Company—because it was the Grand Trunk Railway Company that was invariably put forth as being the substantial contractor—was to do all the rest; absolutely, according to the Minister of Finance, and according to the leader of the government, the old Grand Trunk Railway Company was practically to do all the rest. We were to put our guarantee to three-fourths of the necessary money, and nominally the Grand Trunk Pacific was to finance the rest of the scheme, and to have its bonds endorsed by the Grand Trunk Company. Have they done that? No doubt we have done our part, every iota of our bargain has been fulfilled; and if they were not now asking for a modification of the bargain, would they be coming here at all? It is because the Grand Trunk Railway Company has not endorsed the bonds that it was to guarantee, according to the bargain that they entered into with the Dominion of Canada, that they are coming here to-day.

Mr. FIELDING. They will endorse those bonds.

Mr. LENNOX. That is not the bargain. The Minister of Finance will recognize that he cannot blow hot and cold on this matter. He says this contract is entirely separate from the old contract, and therefore they are not carrying out the old contract in endorsing these bonds, they are not guaranteeing them under that contract. The reason they are coming here is because, instead of guaranteeing those bonds, they have gone into some other scheme. In some way or other the Grand Trunk Company has, for the time being, obtained a temporary loan, and they have put $7,000,000 into this road. They do not want to endorse those bonds because it would impair their credit. But they thought they would form some scheme by which to tide over until after the elections, and then they would come to us and ask this parliament to provide funds, and so modify the agreement entered into in 1903 and 1904, instead of endorsing those bonds according to agreement. Is it not idle to talk about modifications under such circumstances? If the Grand Trunk Railway Company were carrying out the agreement they solemnly entered into with parliament, there would be no application here at all, there could not be any application here, because the bonds would be endorsed, the money would have been obtained, and this loan would not be required. The Minister of Finance says: 'Oh, we have nothing to do with the Grand Trunk Company; it is not the Grand Trunk Company we are dealing with at all, it is the Grand Trunk Pacific Company we are dealing with, and we do not need to pay any attention as to where this money is to go, we have only to ascertain that it has gone into the road.' But up to this time he has not found out whether it has gone into the road or not.

Mr. FIELDING. It has not gone anywhere yet.

Mr. LENNOX. Yes it has, if the statements presented to parliament are true, because we have it in black and white that $7,000,000 has actually been put into the road, that is now required to be paid to the Grand Trunk Railway Company. You cannot conceal the fact from the members of this House nor from the people of this country, that it is the Grand Trunk Company that is coming forward to get this loan at the present time; it is not the Grand Trunk Pacific, that is only a name. It has been suggested here to me that it is one and the same red-headed boy; the Grand Trunk Company is going to be the red-headed boy, and always has been. Now not only has this contract been modified in the way I have pointed out, but the right hon. gentleman will have to admit it has been modified in a much more substantial way. Not only was the Grand Trunk Company to stand behind this scheme, and be of it, and in it, and the whole thing, but as to the $25,000,000 of stock they were to hand over was every dollar of it to go into this enterprise before we could be called upon to pay a dollar. I am talking, not upon what anybody on the back benches has said, I am talking of the language of the Prime Minister himself. When the hon. member for Hamilton complained of the fact that we were making no provision to prevent the Grand Trunk Railway Company getting this stock for nothing, the Prime Minister pointed out, after being not too complimentary in his allusions about quibbling and pettyfogging on this side of the House—he pointed out that every dollar of that $25,000,000 of stock had to go into the building of this road if it were required. Has that $25,000,000 gone into the building of this road? If it has not, I would like to ask the right hon. gentleman if he does not think that is a modification of the contract. Will he say he did not give this House explicitly to understand in 1903 and 1904 that every dollar of that $25,000,000 of stock was to go into the building of the road, if it was necessary for the building of the road? The right hon. gentleman does not claim the right to reply. I will therefore take the liberty of giving the language he used on that occasion. He says, on page 11222 of the 'Hansard':

> My hon. friend from Hamilton says that the two companies are one, and that the stock is to be taken by the Grand Trunk Railway; and he asked, How is the value to be determined between them? Well, the value is to be determined by the means of the Grand Trunk Pacific Railway. The Grand Trunk Pacific Railway will require money to carry on its enterprise.

It requires it now, according to the proposition before the House.

> If it needs the whole $25,000,000, the amount of this capital stock at par, it will have to get it, and it can only get it from the Grand Trunk Railway. In such a case, the value of that stock will be its par value, because that will be the amount which the Grand Trunk Pacific Railway requires in return for its stock and which the Grand Trunk Railway will have to pay. The value of the stock will be fixed by the needs of the company, and cannot be fixed in any other way.

Any modification of the contract? To-day we are told, if I understand the answers that are brought down, that the Grand Trunk Railway Company got that stock for a matter of $205,200, or got upwards of $24,000,000 of it. They have not put that $24,000,000 odd into this enterprise; the Prime Minister promised us that they would, if required, put it into this enterprise. Does he want to tell this committee and this country that there is no modification of the contract, when we are asked to-day to put this $10,000,000 more into this enterprise, and the Grand Trunk Railway Company has not guaranteed those bonds and has not accounted for that $24,000,000 of stock?

Mr. FOSTER. Yet holds it all.

Mr. LENNOX. Yet holds it all. It is not modification, but repudiation. It is an absolute denial of the contract. It is treating the members of this House as if they were a lot of children rather than treating them as if they were independent, reasonable men desirous of doing their duty to the people. I am amazed at the failure of the leading members of the government to appreciate the gravity of the situation we are confronted with at the present time. I need not read—my honoured leader read them this afternoon—the forty-second and forty-third sections of the contract by which it was expressly stipulated that, as a paramount consideration that we would obtain the development of Canadian ports and receive an absolute guarantee that the great products of the west would be shipped outwards by Canadian ports. I am amazed at the fact that in face of that condition of things the government have to come down and acknowledge that they have not taken the first step, that they have not uttered the first syllable in order to try and implement the promise made to the people by that agreement, the main plank in the proposition that the right hon. gentleman launched in this House in the summer of 1903. It was for the purpose of developing Canadian ports and seeing to it that Canadian products were carried entirely on Canadian soil and upon an all-Canadian line that we were asked to pledge our credit and enter into what was said to be, great enterprise. In face of the fact that it has become absolutely impossible that we can hold the

'Grand Trunk Pacific to their contract, as contained in section 20, which provided that they should take a lease of this line when it was entirely completed, and in face of the fact that it is manifest that until 1915 we cannot make the connection necessary to complete the line, the Prime Minister, the Minister of Railways and Canals and the Finance Minister have not risen to the opportunity which they have now, and which they lost before. Having another opportunity presented to them, they have been recreant to their duty to the people. They have not seized the occasion to obtain a modification of the agreement. It is not for the Prime Minister to boast that there is no modification of the agreement, but he should have been proud to say: 'We have obtained a modification by which we secured the traffic down to Canadian ports, which otherwise, by reason of the disaster of the Quebec bridge, would necessarily have been diverted to Portland.' It was not only the duty of the government upon this occasion to have made it absolutely clear before we undertook to give this money that some arrangement would be made with the Grand Trunk Pacific Company by which substantially the original contract would be carried out; but it was the duty of the government to have done more than that. It was the duty of the government, when that bridge fell and when they realized that it would be years and years before it could be restored, to have taken steps to see that we would not have millions of money lying idle in that road for years to come, the road depreciating from year to year and the government and the people absolutely helpless to compel the Grand Trunk or the Grand Trunk Pacific to take over any portion of the line. As has been pointed out, it is manifest that subsection 3 of the new contract of 1904 is a jughandled arrangement, just like the British preference. It is all on one side—option to the company, an option which gives the government no power to compel the Grand Trunk Pacific to take over any portion of this line, unless they will it, until every part of the line is absolutely completed. I have no hesitation of charging the government in the most explicit and definite way with a neglect of duty not only on the present occasion, but 'neglect of duty' dating farther back than that, namely, to the time when they had the right to foresee that by reason of the fall of the Quebec bridge some new terms ought to be sought, and in the absence of the making of a satisfactory arrangement with the Grand Trunk Pacific the building of a portion of the line should have been suspended for such a time that its completion would be about coincident of the completion of the new bridge. To what purpose are we spending our millions on the extreme eastern portion of the line if until 1915 we cannot possible use it? Is it to the benefit of the country; is it to the benefit of the people of the maritime provinces, because if it were I would not complain? Is it to the benefit of any one that the line should, as the government practically propose now, absolutely remain idle for five years, paying large amounts of interest, not less than $10,000,000, during the time it is idle, or would it have been common sense, common prudence, for the government first to have seen what arrangement they could make with the Grand Trunk Pacific, and, failing this arrangement, to have said: 'It is idle for us to invest our money; we will not break faith with the maritime provinces, but we will suspend operations and so arrange the work that the completion of the bridge and the completion of the eastern end of the Transcontinental Railway shall be, as nearly as possible, coincident?' But for the fact that I want to emphasize that we should not be called upon to advance this money at this time, I do not like to quote what has been so often quoted in this House—the language of the Prime Minister and the Finance Minister in particular as to the position of the Grand Trunk in this matter. On second thought, and I think it is the best thought, I will not do it now. If I hear much more of this repudiation I will be compelled, in justice, to do so. Let me just say at this moment that I will only refer to the expression used a few moments ago by the Prime Minister when he said: 'What was the paramount duty of the government?' The paramount duty of the government was to see to the early completion of this line and of the prairie section so as to bring the grain from the west to enable it to be transported to the sea and then to the markets of the world. Yes, that is a duty, but the paramount duty in this case was to impress upon the Grand Trunk Company that they should keep their contract with parliament. By reason of the laxity of the government in not securing the transportation of this freight over the Intercolonial Railway, instead of having more western freight brought over an all-Canadian line to Canadian ports, more of it than ever will go through American channels, and the declaration which the Prime Minister made with such gusto in 1903 in that respect will be altogether falsified.

Mr. MIDDLEBRO. How does the Minister of Finance reconcile the statement that the Grand Trunk are applying for this loan because they do not desire to place their bonds on the market, with the fact that $7,000,000 has already been raised and is owing by the Grand Trunk Pacific to the Grand Trunk Railway? I would further

ask, if the Grand Trunk do not desire to place their bonds in the market at the present time, why is it that between the date of the letter written by Mr. Hays and the present time they have applied for power to borrow $12,000,000?

Mr. FIELDING. I have no doubt that the loan which they have obtained power to raise will not be placed on the market until a later date when the conditions will be deemed favourable. I do not know how the Grand Trunk Railway obtained the $7,000,000, but I would suppose it was either from the ordinary revenue of the Grand Trunk or through their bankers in the ordinary process. If that be the case, they would have to recoup the bankers by selling the bonds; and to do that they will have to place them on the market at a sacrifice. I do not see any difficulty in reconciling the two things.

Mr. MIDDLEBRO. I assume the company would not ask for power to borrow $12,000,000 more unless they were going to place that loan on the market in the near future.

Mr. FOSTER. There must have been some negotiations between the government, and the Grand Trunk, and the Grand Trunk Pacific, in reference to this $10,000,000 loan; it did not all happen on the same day and that day the 16th of November. In reading over the correspondence, one is struck by the absence of any surprise on the part of the Minister of Finance or of the government that such a request should be made. There is not a single word in the correspondence from the government to ask: 'Why do you need this; what do you need it for; why don't you carry out your contract?' Will the Prime Minister tell me how long before the 16th of November was there actually an understanding between the Grand Trunk Pacific, and the Grand Trunk Railway, and the government that this legislation would be introduced?

Sir WILFRID LAURIER. The correspondence speaks for itself.

Mr. FOSTER. That is a reply which is open to the right hon. gentleman; and it is open to the House and to the country to interpret it and to draw their own inference.

Sir WILFRID LAURIER. This is a free country.

Mr. FOSTER. The right hon. gentleman prides himself on his frankness, and the very fact that he is unable to say that the first intimation came on the 16th of November, tells its own tale. Will the Minister of Finance or the Prime Minister be frank enough to answer this question—when the $10,000,000 loan was mooted between the parties, did the government know or did they try to find out how the money put into the construction before the 16th of November was raised by the Grand Trunk Company?

Sir WILFRID LAURIER. The Minister of Railways might be able to inform my hon. friend, but I certainly cannot.

Mr. FOSTER. It is a great pity the Minister of Railways is not here when we are discussing this very important question. Will the Prime Minister or the Minister of Finance answer another question— did any member of the government or the government as a whole assist the Grand Trunk Railway Company in getting, as accommodation or as an advance, that large amoun of money from the bank to tide them over until this legislation could be put through?

Mr. FIELDING. I do not think there was any such understanding. We were aware that the Grand Trunk Company, no being ready to issue the bonds, was advancing money to assist this enterprise. As to the particular method they took to raise the money I never had any information, nor did I think it necessary to inquire. I cannot answer in any other terms.

Mr. FOSTER. You cannot answer more explicitly?

Mr. FIELDING. No. If I could have done anything to help them I would have been very glad to do so, but there was no need. The Grand Trunk raised the money, but as to the particular manner in which they raised it I have no information. I would gladly assist the Grand Trunk if it were necessary, but so far as I know they got it on their own credit entirely.

Mr. FOSTER. Are we to understand then that the government, the Prime Minister and the Minister of Finance, knew nothing about this, had entered into no arrangement and no agreement at an earlier date than is shown by this correspondence? The government know whether they did or not.

Mr. FIELDING. There was no obligation to raise this money and there is not yet; it is an absolutely open matter for parliament to determine whether we shall raise this money now or not. It was a subject of conversation between representatives of the Grand Trunk and ourselves, and we were aware that they were temporarily raising money and assisting in the prosecution of the work, and we understood they would have to issue bonds to raise the money. The question whether they should issue the bonds, going on the market themselves, or we should do it was discussed and it was decided to bring down this resolution.

Mr. FOSTER. How long before the 16th of November was that quasi-arrangement with the company made?

Mr. FIELDING. I would not consider it a quasi-arrangement. There is no obligation yet which is binding on any one. If this is not a good transaction we are free not to complete it.

Mr. FOSTER. Could the minister tell about what time the negotiations commenced which ended in this arrangement and the bringing before parliament of this legislation?

Mr. FIELDING. I could not tell.

Mr. FOSTER. The minister could not tell?

Mr. FIELDING. No.

Mr. FOSTER. Is money so small a thing, does the minister take so little stock of it and of the obligations which he is placing on the country that a $10,000,000 transaction slips out of his mind and that he does not remember when it was broached?

Mr. FIELDING. There has been no $10,000,000 transaction. Had we assumed an obligation for $10,000,000, there would certainly be some record of it, but that obligation does not yet exist.

Mr. FOSTER. If a neighbour came to my hon. friend and asked him for a loan of $1,000 or $10,000 it would have impressed itself on his memory sufficiently to make a mark and he would be able to tell a month afterwards about what time the friend asked him for the loan. Here comes another friend, a pampered friend, and asks for a $10,000,000 loan. Is he so accustomed to dealing with the country's millions that this made no impression on his great mind and that to-day he cannot tell when it occurred?

Mr. FIELDING. I have told my hon. friend all about it.

Mr. FOSTER. Of course if the Prime Minister had forgotten it is his duty to forget, but it is the duty of the man who has the finances of the country in his charge to remember.

Mr. FIELDING. We still have the money, so there is no harm done.

Mr. FOSTER. I would not say that that is quibbling, because the chairman might object, but it is mightly close to quibbling.

Mr. MIDDLEBRO. I notice in a letter of the manager of the Grand Trunk Pacific that he says the Grand Trunk has already guaranteed bonds of the Grand Trunk Pacific to the extent of $30,000,000. Will the minister say whether or not the guaranty of the present loan will stand on the same footing as the guaranty by the Grand Trunk of the Grand Trunk Pacific bonds as against the Grand Trunk Pacific? Will we have a greater right to payment from the Grand Trunk Pacific than the Grand Trunk will have against the Grand Trunk Pacific?

Mr. FIELDING. I do not like to answer these questions off-hand, but my impression is it will stand in the same position as other guarantees by the Grand Trunk Pacific.

Mr. MIDDLEBRO. So the position we are in so far as the Grand Trunk is concerned is that we have $121,000,000 of guaranteed bonds ahead of us, $19,000,000 of rentals capitalized at 4 per cent and $12,000,000, which we granted them power to issue this year, all of which will be prior to our guaranty, and after that we only stand in the same position as the Grand Trunk Pacific do in respect of their $30,000,000 which the Grand Trunk has guaranteed.

Mr. FIELDING. I presume my hon. friend's figures are correct. I have not made the additions.

Mr. MIDDLEBRO. I understand there are also some $6,000,000 equipment mortgage bonds outstanding against the Grand Trunk which are also a prior lien to the present loan or guaranty.

Mr. FIELDING. I think all these securities are included in the sum which I mentioned at a previous stage of the debate, as the amount which would come ahead of our guaranty and which will leave, as we claim, a surplus which will be ample to protect our guaranty.

Mr. MIDDLEBRO. I do not know whether the $121,000,000 will be sufficient to cover the bonds of the Grand Trunk or not but that certainly does not include the $19,000,000 of rentals capitalized nor the $12,000,000 we have allowed them to borrow this year. That makes $152,000,000 ahead of this guaranty and then we only stand to take our share of anything that remains with the other 30 million bonds that are guaranteed by the Grand Trunk.

Mr. W. F. MACLEAN. I do not see why five years should be consumed in building even the great bridge at Quebec. I believe that bridge can be built in two years or perhaps less. Then other means can be adopted, a ferry can be built and it must be remembered that the Intercolonial is an important factor in the situation and that nothing must be done with the Intercolonial that will prevent it from being utilized. Then it may be possible to cross the river further to the west and so keep the traffic in this country. I would emphasize that we can never depend on private enterprise for the realizing of a great national policy. We have put ourselves, as I have said this afternoon, in the hands of a private corporation to realize a great national policy, a policy that is to build up our own ports and our own country, and to

keep our own traffic in Canada. I repeat that this is bad policy, it is not a true national policy and yet this road was supposed to be built on national lines. The government must find a way to build this bridge in less than five years. Of course if you give it to a commission, and the commission wish to prolong their tenure of office they can extend it over for quite a while. But great bridges now are being built in a year and two years. The river at New York has been spanned twice now by enormous bridges costing $20,000,000 in a great deal less than two years and the same thing can be done in this case. It is imcumbent upon the government to find a way to overcome the situation in the shortest possible time.

Mr. GRAHAM. I fully agree with my hon. friend. In reference to the New York bridges I might suggest that one of them was built but has not yet been used, unless it was within the last week or two, as it was found to be defective.

Mr. W. F. MACLEAN. It was opened the other day.

Mr. GRAHAM. The investigation into the fall of the Quebec bridge led to investigations into that bridge, and it was not accepted, unless very recently. I may say that while I have not taken exception to the suggestion of the leader of the opposition as to the time for the building of the Quebec bridge, the building of the Quebec bridge is under the Railway Department and will be pushed with all possible speed, commensurate with getting a safe substantial bridge. We want a bridge that will stay there when constructed. If it can be completed in two years it will be.

Mr. BURRELL. Is the government aware of the currency of a story that a considerable proportion of the indebtedness of the Grand Trunk Pacific to the Grand Trunk Railway arises out of the fact that material is supplied by the latter to the former? I ask that because it has a bearing on the representations that we are to get a road of exceptionally high standard. But if 80 lb. rails have been taken off the line of the Grand Trunk Railway, to be replaced by 100 lb. rails, and if these old rails are placed on the Grand Trunk Pacific, of course we are being deceived as to the character of the road.

Mr. GRAHAM. I am glad my hon. friend has mentioned that. The only transaction that could give rise to that story is this: I believe that the Grand Trunk Pacific has taken for its sidings some 80 lb. rails, which are in good condition, from the Grand Trunk Railway. The 80 lb. rails are practically just as good as the others for the purposes of sidings. The Grand Trunk Railway is replacing its 80 lb. rails on its main line by 100 lb. rails, and is furnishing the Grand Trunk Pacific with these 80 lb. rails for the purposes of sidings only in a limited quantity.

Mr. MIDDLEBRO. Is any part of the purchase price a part of that $7,000,000?

Mr. FIELDING. I could not say that.

Mr. J. D. TAYLOR. Has this reason been advanced to the government as a reason for making this loan, that the Grand Trunk Railway were embarrassed by the fact that they have undertaken to pay the government upon the cost of the Winnipeg and Moncton division 3 per cent per year, and that since this division is to cost a great deal more than twice the sum they were led to believe it would, their liability is now 6 per cent instead of three per cent on the sum originally estimated, and on which they depended owing to the confidence with which the government made that estimate. It would be impossible for any railway company to pay a rental of 6 per cent on a road when their expectation was that they would only have to pay 3 per cent, when there is no expectation that the traffic will be increased by one ton by this additional cost. Have they come to the government representing that that they are burdened by a liability which they foolishly assumed without knowing the actual cost, and so consequently do not wish to issue bonds upon their own responsibility, but want the government to issue bonds for them. This leads to the further supposition that it must be clear to the government that never will the Grand Trunk Pacific pay the 3 per cent that now stands as part of the contract. We ought to know definitely whether it is contemplated that at a future day we shall be asked to relieve the company of that three per cent.

Mr. FIELDING. No member of the government has ever heard any suggestion or proposal such as my hon. friend has indicated.

Mr. J. D. TAYLOR. Is it the expectation of the government that the Grand Trunk Pacific will, at the proper time, commence the payment of the three per cent?

Mr FIELDING. That is what the contract calls for, and I have never heard them question their obligation. They entered into the contract; it was a pretty hard one. Hon. gentlemen opposite pretended that it was a most favourable contract for the Grand Trunk Railway, and I have never heard that company make any suggestion regarding shirking any obligation under it.

Mr. FOSTER. My hon. friend the Finance Minister says that not a dollar will

be paid for any work done until he has the certificate of his chief engineer. But how far back will the engineer go? Suppose a claim be made for $7,000,000, what kind of a certificate is the engineer going to give? Take the ties, for instance, that go into the road. The engineer is told that so many ties have gone into it and he satisfies himself that that number of ties has really gone into the road. The company say that these ties have cost, let us say 60 cents, and lay the vouchers before the engineer. Does the engineer go any further back or does he simply take these vouchers and base his certificate on them as regards the cost? It might happen that these ties went through three or four hands before being placed on the road. The first contractor might have got the contract at 60 cents. Then he sublets that contract say at 50 cents. The sub-contractor goes a little further down and gets them supplied at 40 cents. Then away down at the bottom, the man who takes them off the stump is paid, say 30 cents. Has the engineer the right to go back and find out what the ties cost from the stump?

Mr. FIELDING. I understand that the ties are obtained by public tender and contract. If tenders were advertised for and contracts awarded after public competition, it would not be the business of the engineer to follow the ties back to the woods. That which is obtained in open competition may fairly be taken as a standard price. Besides, the chief engineer has several assistants who live along the line of the railway and who watch its whole construction and report as often as is necessary. These would know and the chief engineer, even at this distance would, from his long experience, know the value of the ties. In the first place the company present their statement. Then there is an audit made of the vouchers and the books, and the auditor must be satisfied that these amounts are correct, as a mere matter of accounting. If there be an item which should not properly be charged to that service, the auditor from his experience and knowledge criticises that item, and certifies to what is correct. Then comes the question whether the charges are fair and reasonable. The chief engineer, through his general knowledge of railway construction and the information he is continually receiving from his assistant engineers, has to decide that point. He has to decide on the value of the ties, the cost of the rails, the cost of labour, the cost of moving so many yards of earth, and he certifies whether these charges are fair and reasonable. That is the method of auditing and certifying.

Mr. ARMSTRONG. Did the hon. minister say that the sidings were being laid with old rails taken from the Grand Trunk Railway?

Mr. GRAHAM. The statement made was, as I understood, that a certain quantity had to be used in that way.

Mr. ARMSTRONG. Second-hand rails?

Mr. GRAHAM. They might be second-hand rails, strictly speaking, and be absolutely as good for the sidings as new rails. They would have been used for many years if the Grand Trunk had not taken them up to make way for 100-pound rails. For all purposes, they will last longer on the sidings than new rails on the main line.

Mr. ARMSTRONG. But are they second-hand rails? And are they first-class second-hand rails, or what quality are they?

Mr. GRAHAM. I understand that they are rails in first-class condition.

Mr. LAKE. In connection with the statement made by the Finance Minister (Mr. Fielding) just now when questioned as to whether the prices were fair and reasonable, I would remind the committee of a little matter that came before this House a couple of years ago in regard to one of the contracts made by one of the contractors of the Grand Trunk Pacific Railway Company. During the discussion of the Robbins irrigation case, it was shown that an English company had taken over the assets of the company and also the assets of the Grand Forks Cattle Company. Amongst these assets appeared a contract for the supplying of meat to the contractors of the Grand Trunk Pacific Railway Company. When the assets were valued, the valuator spoke of this contract in the following terms:

> I am prepared to say that a very moderate estimate of the value of this contract would be from $50,000 to $75,000.

And the Southern Alberta Land Company actually paid to the Grand Forks Cattle Company $50,000 for the benefit of this contract which they took over, and, I suppose, carried out. It seems to me that that shows that very extravagant prices were being paid at that time. The gentlemen who composed the Grand Forks Cattle Company were Messrs. J. D. McGregor, Brandon; D. A. Ross, Vancouver; A. E. Hitchcock, Moosejaw, and others.

Mr. FIELDING. Was this contract for the construction of a section of the road?

Mr. LAKE. It was for supplying meat to the contractors of the Grand Trunk Pacific.

Mr. FIELDING. It would not, then, touch the company itself. Assuming that the contract is let by tender, whether the contractor pays a high price or a low price for his supplies cannot affect the railway company. We are not concerned in following the case back to find out what the

contractor paid for his supplies. The sum of $50,000 would not necessarily be a large amount of money to make out of a contract in connection with the construction of a railway. Everything would turn on the volume of the business done.

Mr. PERLEY. Have the government discussed with the Grand Trunk Pacific in any way the idea of transferring to the government the stock of the Grand Trunk Pacific to be held by the government until the loan is paid?

Mr. FIELDING. In my judgment, the taking of the stock as additional security would be of no value, as at present the stock has little or no commercial value itself. The common stock of a company building a railway that is only one-half, or less, completed can hardly be regarded as, at the moment, a very valuable security. It may become valuable in time. But should it become valuable, it can only be when the company's obligations have been met, and the meeting of the company's obligations would make our holding of the stock unnecessary. The fact that this stock has become valuable would be the best evidence that the obligations which the company have incurred were paid and the whole concern in a flourishing condition. Therefore, we should not get anything of value to us by taking the common stock.

Mr. PERLEY. I would not suggest that the common stock would now be any security to the government in connection with the loan. At the same time, I do not agree with the Minister of Finance in what he has said. This stock at present has no market value to the government in case these bonds are not paid, but we all know the difficulty there is when there is a default on the bonds of a railway. Proceedings would have to be gone through in order to get possession of the road. That case has arisen many times. The agreements made by parliament, especially in 1904, are very bad in that respect. That agreement provides that if the bonds guaranteed by the government are not paid, a receiver is to be appointed, and the receiver, if he has any money left after he pays the working expenses of the railway, simply has to divide that money pro rata between the holders of the first mortgage bonds and the holders of the second mortgage bonds so-called. In this case, the government is providing further money for this railway, and I do not suggest their taking this stock as security, but as a mere matter of proper care on the part of the government. The fact that, as the Minister of Finance said, the stock is of no present value is no reason, it seems to me, why it should not be transferred to the government to be held until the bonds are paid. Many not only in this House but in the country think that, as the people of Canada have to pay so much, they should have some of the stock of this company, to own it in perpetuity for themselves. That is one question that has been raised. But the question I raise is simply that of taking this stock and holding it until the debt is paid, so that, if there is a default the government may own the stock of the railway subject, of course, to the other liabilities, and may be able to administer it without going through the long course of litigation and trouble in case of default.

Mr. FIELDING. We are of opinion that the machinery to protect the government is all that is necessary, and that the proposition to take over the common stock is of no value to us.

Mr. PERLEY. Would the hon. minister argue that, in case there is default in the payment of these bonds, this $10,000,000 which the government is advancing, the government would not be in a better position to deal with the difficulties and to handle the road if it had this stock in its own name, rather than go through the process of law necessary to have the road foreclosed?

Mr. FIELDING. There are many interests involved in the road, and I think that if we take the usual method of protecting these respective classes of investors, we shall not go wrong. I think the hon. member magnifies the difficulties of enforcing the lien. I have no doubt that under the machinery provided, we can exercise as effective control as we could by the possession of the common stock. Anyhow, the Grand Trunk Company, by statute, is the owner of that stock. I do not think any advantage could come to us by asking the common stock to be put up as an additional security.

Mr. PERLEY. Is the minister right in saying that the Grand Trunk is by statute the owner of that stock ?

Mr. FIELDING. Yes. Originally we required the Grand Trunk to acquire and hold that stock, we stipulated that they should hold it. One criticism that was offered was that it was a scheme by which individuals could get possession of this common stock, and put it on the stock market and speculate in it to their own personal gain, and we stipulated that the Grand Trunk should acquire and hold that stock.

Mr. LENNOX. In 1904 we stipulated something else. The statute of 1904 provided that the Grand Trunk Railway Company could dispose, I think, of more than half of it.

Mr. FIELDING. I had forgotten that.

Mr. R. L. BORDEN. The agreement of 1904 modified that of 1903. That of 1904

merely required that they should hold a majority of the stock; therefore they could dispose of more than $12,000,000.

Mr. FIELDING. Would my hon. friend quote the section?

Mr. R. L. BORDEN. Section 9 of the agreement of 1904.

Mr. PERLEY. The intention at that time was that the Grand Trunk should pay for this stock. The Grand Trunk paid almost nothing for the stock. I submit that the minister should not endeavour to make the distinction between the Grand Trunk and the Grand Trunk Pacific in this matter. There is no difference, so far as we are concerned. The Grand Trunk Pacific Railway undertakes to build this road, and the Grand Trunk undertakes to guarantee it and see it through. Whether this stock is in the hands of the Grand Trunk or the Grand Trunk Pacific, matters not, as we are doing a favour to both of these corporations. I may say that the taking of this stock in the name of the government, in the meantime, does no harm whatever to either the Grand Trunk or the Grand Trunk Pacific. It hurts nobody, because it could be transferred to the government, and at the same time the rights of the Grand Trunk Railway to vote on this stock would be protected, so they would have full control of the enterprise in the meantime. It seems to me therefore that if that stock were transferred to the government it would be a good thing for the government and do nobody any harm. If the government are not prepared to make some such arrangement, I give notice now that I propose to move an amendment on the third reading.

Mr. FOSTER. I would like to ask the Minister of Finance with reference to that stock that the Grand Trunk was to pay for. A small portion of that has gone to the directors, and they have paid a percentage upon it, some $200 or $400 each on the shares they hold. The rest is held by three gentlemen in trust, I suppose, for the Grand Trunk Company. Now it has been stated that $205,000 has been paid. I see that $5,000 was paid by the directors in percentages on their total stock. But I see it stated in certain places that $205,000 has been paid on the bulk of the stock, the 249,000 shares. Does the Finance Minister know how that was paid, on what basis? Is it a percentage on the whole stock, and did that go into the road or into the treasury of the Grand Trunk Company? That is an important thing. The stock was not to go into the pockets of the Grand Trunk for nothing, its proceeds were to go into the road.

Mr. FIELDING. If any money was paid it would go into the treasury of the Grand Trunk Pacific for that purpose. We gave the House the information furnished us by the company, and I presume it is on that my hon. friend is speaking. But I could not tell by what process he reached that basis. It was not covered by the question, and I did not inquire closely into it.

Mr. FOSTER. Then will the Finance Minister, in the audit of what has gone into the road, include that sum?

Mr. FIELDING. Unless there was work to represent it we could not include it.

Mr. FOSTER. Then the minister does not know whether that $205,000 said to have been paid by the Grand Trunk for its stock, went into the construction of the road or not?

Mr. FIELDING. I could not say.

Mr. FOSTER. Should we not have that information?

Mr. FIELDING. It may have a bearing on the question; I have not thought of that.

Mr. FOSTER. I would like the Finance Minister to take that idea up, and have the certificate of the engineer if that $205,000 went into the actual construction of the road. For all we know, it may have gone into the coffers of the Grand Trunk, and we never made them take $25,000,000 of common stock to put into their own treasury, we gave them that stock to be used for the construction of the Grand Trunk Pacific. Then I think we have a perfect right to know whether that $205,000 represented so much cash, or so much material which absolutely went into the construction of the Grand Trunk Pacific. I think we should have that information.

Mr. FIELDING. If the information is accessible. I did give all the information that seemed called for. If the information can be obtained I will be happy to get it.

Mr. FOSTER. The Finance Minister has laid down the principle that none of the money which is provided in the contract, from whatever source it came, was to be idly spent, it was all to go into the construction of the road.

Mr. FIELDING. And for other purposes in connection with it, whatever might be the general expenses of management.

Mr. FOSTER. They have not been managing the operation of the road, they have been constructing it. It is in accord with the legislation that whatever money was paid on that stock, realized from any portion of that stock, should go into the construction of the road. Now, does the government know that it did, or has it taken any means of finding out whether it did or not? Would the minister give instructions

to the chief engineer to see whether that $205,000 went into the construction of the road or not?

Mr. FIELDING. The information I received I gave to the House. I will consider the matter.

Mr. J. D. TAYLOR. With respect to this common stock, what liability attaches to that stock in the possession of the Grand Trunk Railway Company? We are familiar with the ordinary conditions under which a joint stock company may hold its stock on which all the calls have not been paid. If the company get into financial difficulty their creditors can come back on them for the difference between what they paid and the face value. Now, parliament made this arrangement about the common stock on the solemn assurance of the Minister of Justice, as quoted by my hon. friend from Yale-Cariboo yesterday, that this common stock should not be parted with except for value. We find it has passed from the Grand Trunk Pacific for no value. The question occurs to me: What would happen in future if the government or any other creditors wished to realize on their claims against the company, whether they could go back to the Grand Trunk as the owners of this stock and ask them to contribute the difference between what they have paid and the face value or whether they are exempt from that?

Mr. FIELDING. No, I think that if my hon. friend will turn to the Act of 1904, chap. 80, he will find that it is provided that the Grand Trunk shall receive that stock in return for certain services rendered and particularly for their guarantee. I have always thought that the guarantee which the Grand Trunk has given to the Grand Trunk Pacific is the chief service that it renders. The question which my hon. friend puts to me may be a legal one that I am not competent to answer, but my impression is that the stock would be held to be non-assessable and paid up and the chief consideration that the Grand Trunk gave for it was that they guaranteed the bonds of this subsidiary company. A man who undertakes to endorse his neighbour's notes for many millions of dollars, such as are involved in this transaction, renders a very valuable service. The Grand Trunk for the moment gets no advantage from that, because, as the hon. gentleman admits, there is no immediate value in the stock, but if in the process of time the stock should become valuable that is the compensation which the Grand Trunk will receive for the tremendous aid it is granting to the younger enterprise.

Mr. BURRELL. Surely the Finance Minister would regard it as singular that we, who have guaranteed three times the amount, cannot hold that stock as collateral.

Mr. FOSTER. The Grand Trunk like every other railway company is a soulless corporation and is looking not for glory but for dollars and cents like every other business man.

An hon. MEMBER. And they are getting them.

Mr. FIELDING. In reference to that criticism I would just say that no contract that was ever made for a great enterprise in the Dominion of Canada contains so many severe restrictions upon the contracting company as will be found in this contract. Instead of being of great profit to the company I do not hesitate to say that this is a contract which imposes a great burden upon them, and they will have to wait for the progress of years and the growth and prosperity of the country before they will find their reward. But, they are looking for their reward, as all corporations and financial men are looking for it, in the tangible form of profits, if not to-day, to-morrow or a future day. But, the government is not in this enterprise for the purpose of obtaining dividends. The government is in this enterprise for the purpose of aiding in the development of the country and the gain to the government representing the country is not to come in the form of a small percentage upon some common stock, but it is to come from the development and progress of the country.

Mr. FOSTER. That is all very eloquent.

Mr. FIELDING. I did not think it was; I thought it was very sensible.

Mr. FOSTER. I must pay my hon. friend the compliment of saying that it was very eloquent and, as it was intended, it brought a cheer from his followers and turned them away from the very pertinent question that my hon. friend asked. I want to ask the Prime Minister what he thinks of the statement made by the Finance Minister?

Sir WILFRID LAURIER. I thought it was very eloquent and very true.

Mr. FOSTER. I agree with my right hon. friend in saying that it was very eloquent but what did he think of it before the Finance Minister went on with his eloquent periods? What the Finance Minister seemed to say was that this stock belonged to the Grand Trunk and that they could do what they liked with it. They were given that stock because they guaranteed or promised to guarantee certain bonds. Having promised to guarantee certain bonds and having guaranteed certain bonds this was the reward, not now realizable, but at some time in the future. How does the Prime Minister reconcile that view of the case with his own solemn statement made to this House and reiterated everywhere,

that every dollar of the stock was, if it were required, to go into the road for the building of the Grand Trunk Pacific ? Is there anything like consistency and business integrity and straightforwardness in making the investment of $180,000,000 to $200,000,000 in this property as to the basis upon which you induced the country to go into it? Was not that the very prime part of it? The Prime Minister himself, who is supposed to keep his word, who is supposed to have his government in control, who is supposed to be superior even to a corporation, pledges his word as the Prime Minister that every dollar of the stock would go into the building of the road if required, and then, a year, or two, or three years afterwards, we have the statement of the Finance Minister that the stock is not to go into the road but that it is simply the possession of the Grand Trunk Railway Company and that it was given to them in payment for their guarantees in certain directions. The Prime Minister must see that these two positions are diametrically opposed. What does he think about it?

Sir WILFRID LAURIER. I do not think they are at all.

Mr. FOSTER. I had supposed that.

Sir. WILFRID LAURIER. No, my hon. friend will agree with me. I stated in 1903 that this stock would go to the building of the road. The Grand Trunk would put it to the payment of the road. The Grand Trunk have been advancing money for the carrying on of the enterprise. My hon. friend knows that we are in stringent times financially and that it is difficult to finance the bonds. The company therefore have had to come here in order to do their financing. What took place in 1884? I remember the speech which was made a few days ago by my hon. friend from North Grey (Mr. Middlebro). He presented a very eloquent statement and he made a comparison of the securities of the Canadian Pacific Railway Company in 1884 when they came here for a loan of $30,000,000 and the securities which are offered to-day by the Grand Trunk Pacific Railway Company. He stated that on that occasion the Canadian Pacific Railway Company had offered securities which he valued at $200,000.000, consisting of the land grant, 3,000 miles of railway completed, ships and subsidies. I do not think that my hon. friend exaggerated when he stated that in 1884 the Canadian Pacific Railway had securities to the value of $200,000,000 to offer to bankers and financial institutions in order to get the money necessary to complete that enterprise. Yet they could not get a dollar upon those securities. It is a matter of history that the Canadian Pacific Railway at that time went to the banks and financial institutions in Canada, to the banks and financial institutions in New York, London and Amsterdam, offered $200,000-000 of securities to get $30,000,000 and they could not get one dollar. It is a matter of history also that the men who were at the head of the enterprise, George Stephen and Donald Smith, offered their own personal notes to the banks and that they got money upon their own personal notes while the banks would not take the $200,000,000 of securities. Why was that?—because it is well known that the public will not invest in such big enterprises until they have reached a certain stage when they can command confidence. That is the position in which we are to-day. The Grand Trunk Pacific cannot without loss realize upon their bonds at present and that is why the government had to come to the aid of the company, exactly as the government came to the aid of another company in 1884. The Grand Trunk has that stock; it will become valuable, it will be worth more than par and then they will get their profit out of it, and it is only fair and reasonable they should have whatever profit may attach to the enterprise. Is it for profit or glory that men go into an enterprise of that kind? It is for profit, and therefore I see no contradiction between my statement and the statement of the Minister of Finance.

Mr. FOSTER. I thank the Prime Minister for his eloquent period, but what I wanted him to do was to reconcile his position with the position of the Minister of Finance. Now let him pay attention to the plain English of what he did say, and then let him ask himself whether he meant anything or whether he was simply getting off an eloquent period then as he has done to-night. It was at a time when he should have meant something and when he should not have let one word escape him which did not have its definite meaning and its pledge of the honour of the leader of the government behind it.

Sir WILFRID LAURIER. Let me have your reading of it now.

Mr. FOSTER. Yes; this is what the right hon. gentleman said:

> My hon. friend from Hamilton says that the two companies are one and that the stock is to be taken by the Grand Trunk Company, and he asked how is the value to be determined between the two companies. Well, the value is to be determined by the needs of the Grand Trunk Pacific Railway. The Grand Trunk Pacific Railway will require money to carry on its enterprise. If it needs the whole $25,000,000 the amount of the capital stock at par, it will have to get it and can only get it from the Grand Trunk Railway. In such a case the value of the stock will be the par value because that will be the amount which the Grand Trunk Pa-

cific requires in return for its stock, or which the Grand Trunk Railway would have to pay. The value of the stock will be fixed by the needs of the company and cannot be fixed in any other way.

Sir WILFRID LAURIER. I do not think that was badly put at all.

Mr. FOSTER. I think it was very straightly put.

Sir WILFRID LAURIER. Hear, Hear.

Mr. FOSTER. It is not that I quarrel with the right hon. gentleman that he has not put things straight; I quarrel with him because he does not keep straight to the straight way in which he puts things. That is what I have been trying to impress upon him for a great many years, but I have absolutely failed. The right hon. gentleman will get up to-day and he will put a thing as straight as the English language can put it, so that you can take but one meaning out of it, but he does not keep to that. There is no other meaning to be taken from this language than that this stock being in the hands of the Grand Trunk Railway its value was to be determined by the needs of the Grand Trunk Pacific; if the Grand Trunk Pacific needed $25,000,000, par was to be the rate, and it was to be given by the Grand Trunk Railway. The Grand Trunk Pacific needed $9,000,000 of that now. According to the statement of the right hon. gentleman who is the father of the scheme, when the Grand Trunk Pacific needed that money it was to go to the Grand Trunk Railway who had that stock, and on the basis of par it was to demand it. It got its $10,000,000, or nearly so, from the Grand Trunk Railway, but the Grand Trunk Railway has a halter round the neck of my right hon. friend, metaphorically speaking, and the Grand Trunk Railway proposes to keep this stock and to make the government do its financing, and so it pulled the string a little tight at a peculiarly opportune time, with the result that to-day we are finding the money and the Grand Trunk Railway keeps the stock. Why will not my right hon. friend, when he has such shining virtues of expression not add to them the still more sterling virtue of keeping to his word after he has pledged it?

Sir WILFRID LAURIER. The Grand Trunk was to supply the money to the Grand Trunk Pacific I admit, but does the hon. gentleman believe that under present circumstances this stock could be placed on the market and its value realized? He knows it cannot.

Mr. FOSTER. I will answer my right hon. friend.

Sir WILFRID LAURIER. What is the answer?

Mr. FOSTER. The answer is this. Suppose you say to the Grand Trunk Company: 'Such was the basis on which you received the $25,000,000 stock, and now you must give to the Grand Trunk Pacific at par the $10,000,000 which it needs.' If the Grand Trunk Railway would say: 'We are not able at this time to do that and we would like you to do our banking,' then the answer of the Prime Minister should be : 'If you cannot put out par for that stock to the extent of the necessity of the Grand Trunk Pacific for this $10,000,000, we will put up the $10,000,000, but you must give us $10,000,000 of that stock.'

Mr. FIELDING. How much better off would we be when we had it?

Mr. FOSTER. How much better off?

Mr. FIELDING. Not a dollar.

Mr. FOSTER. The Minister of Finance is magnificent in his utter disregard of the value of money and security when he is at work for those he wants to help—and who have helped him. In the second place the Minister of Finance is magnificent as a spender.

Mr. LENNOX. The Prime Minister has asked if we expected that the Grand Trunk Railway could realize upon this stock at the present time. I will read the language of the right hon. gentleman to be found at page 7688 of 'Hansard,' and then the committee can construe its meaning. The Prime Minister said:

It may be asked, if the aid of the government is to be given only to secure the construction of 75 per cent of the road, where is the company going to get the other 25 per cent. The answer to that is this: that it is provided in the contract that the company shall be authorized to issue a second series of bonds which are to be guaranteed not by the government by the old Grand Trunk Railway Company of Canada. May I read here to the House this section, which is an important one.

The Prime Minister read the covenant and followed with this exposition of it:

I need not dwell upon the importance of that covenant on the part of the company. It practically takes away from the guarantee of the government all risk. There is not a dollar to be advanced by the government. We give our credit and nothing else, and our guarantee of 75 cer cent of the construction of the road is to be supplemented by the credit and all the backing of the Grand Trunk Railway Company itself.

As the hon. member for North Toronto says, if they cannot turn that stock over to advantage, let them hand it over to the government or give the government half of it and let us turn it over.

Mr. FIELDING. To whom?

Mr. LENNOX. Let us guarantee it and sell it.

Mr. FIELDING. Guarantee the stock?

Mr. LENNOX. Yes, guarantee it and sell it. Don't we often guarantee the stock of railway companies? If you do not want to dispose of it and raise money on it, raise the money as is now proposed, but let us have a majority of this stock and so let us control the policy of the company so that we can direct the routing of freight as we cannot now. The Prime Minister pointed out then that not only had we the absolute contract that every dollar of that $25,000,000 would be available for constructing the road from time to time as required, but also that the Grand Trunk would guarantee all the bonds beyond the three-quarters guarantee that we were to give and that the country would not be called upon for one dollar.

Mr. FOSTER. I wish to read to my right hon. friend another very clear passage, because line upon line and precept upon precept may impress these things on the right hon. gentleman's mind with some force. At page 2483 of the 'Hansard' of 1904, in regard to the leader of the opposition (Mr. R. L. Borden), he says:

> The reason for inserting this condition of the contract last year was that we wished to prevent speculation in the stock. Well, Mr. Chairman, the Grand Trunk Railway Company must raise money to carry out this enterprise. They cannot build the section from Winnipeg to the Pacific ocean simply upon the guarantee of the government, for that will cover only three-quarters of the cost of constructing this part of the road.

Remember that what the Prime Minister said was that the Grand Trunk Company must raise money to carry out this enterprise, not the Grand Trunk Pacific, but the Grand Trunk, which was in it and of it and the whole of it.

> And then the equipment of the road is also to be raised from the public, and there are only two manners in which that can be done, either by the issue of bonds, or raising money on their stock. The methods we have adopted will enable them to go into the money market and obtain some money with which to carry on the work. Unless we had done that we would have put them in a position in which they would encounter greater difficulties than they should have to encounter in carrying on an enterprise of this kind.

That carries out exactly the doctrine that was enunciated in the other extract I read to the House, and the country took it so. Now neither the House nor the country can take it so.

Sir WILFRID LAURIER. Why not?

Mr. BURRELL. I noticed that twice in this discussion to-day the Prime Minister has harked back to the parallel of the Canadian Pacific Railway. In his last remark he said it was a parallel case and he fully recognized the position of the member for North Grey (Mr. Middlebro) acknowledging that in the case of the Canadian Pacific Railway all these securities were placed in the hands of the government, a first mortgage on the line, the equipment, the steamships, the land and everything they had. These securities were worth nothing in the world's market at that time, but the government advanced money on them. He claimed that this was a parallel case. Let me point out that it would be if his government had not put these most valuable securities, these very branch lines and terminals, out of our power to touch. Every one knows that the Lake Superior branch line and the terminals, and more especially the town sites and other things which this does not cover, would be good securities and that the Canadian Pacific Railway put up securities of that kind. But the right hon. gentleman's government has specifically, in the contract of 1903, exempted all these very things which made the securities put by the Canadian Pacific Railway a real and tangible asset. On his own admission the personal notes and security of the gentlemen interested in the Canadian Pacific Railway were placed at the disposal of the government, whereas here we have the Grand Trunk Townsite Company, formed of Mr. Hays, Mr. Chamberlin, Mr. Wainwright, Mr. Baker and Mr. McHugh, yet none of these gentlemen have offered notes or securities. If we had all these securities there would be no criticism from this side of the House, and, therefore, it becomes all the more necessary that we should at least press for a reasonable share of this stock which hon. gentlemen on the other side of the House think is of no value, but which we think might be of some value.

Mr. MIDDLEBORO. The legislation of 1904, section 11, to which the Prime Minister referred, as as follows:

> The directors of the company elected by the shareholders may make and issue as paid up stock, shares of the common stock of the company, whether subscribed for or not, and may allot and hand over in payment for plant, rolling stock, docks, elevators, wharfs, warehouses, vessels or materials of any kind, or as considerations for rights, powers, guarantees and privileges acquired, or services rendered, other than promotion services, and also for the bona fide claims of contractors and engineers, such an amount of such common stock as is a fair and bona fide value for the propery purchased, or for the rights, powers, guarantees and privileges acquired.

I would point out that the whole section appears to be clouded purposely as though to lead us to assume that the Grand Trunk was going to give valuable consideration in the shape of plant, rolling stock, docks, elevators, wharfs, warehouses, vessels, materials of any kind for the $25,000,-

000 common stock which they got from the Grand Trunk Pacific and the only consideration they exacted for that was the guarantee. That is to say they cloud the whole situation by putting in all these words, when no doubt the only intention was to do as they subsequently did, take over the whole common stock in consideration of guarantees alone. That fully bears out the contention of the hon. member for North Toronto and since that company has got the whole of that common stock—because this section gives the right to transfer the whole of the common stock and I understand they have transferred it for the alleged consideration of $203,000—I would ask the Finance Minister whether or not he knows if that $203,000 includes any promotion services because this section expressly forbids promotion services being a consideration.

Mr. FIELDING. I gave the House the information I got from the company.

Mr. MIDDLEBRO. Does the minister know?

Mr. FIELDING. I could not answer.

Mr. MIDDLEBRO. If there is, it is an express contravention of this section. I think the suggestion of the hon member for Argenteuil (Mr. Perley) is a very good one, especially in view of the fact that the company have paid at the most only $203,000 for this $25,000,000 worth of stock. The Finance Minister does not think that this is a valuable security but I point out that under the present arrangement, in case default is made in payment of the bonds which the government have guaranteed, the only remedy we have under that section is to take possession of the road, and when it becomes a paying concern hand it over to the Grand Trunk Pacific again. So soon as it becomes a bankrupt concern and does not pay its way, it is saddled upon the country. If we have the common stock we can pay the bonds of the company and being the owner of the common stock we would be the Grand Trunk Pacific and have control of the whole situation. In that way we could become the absolute owner of the road subject only to the payment of interest. If we become owners of the common stock and control the company we get a tangible security because we get rid of this onerous condition of having to hand over the road when it is paying. If we had the stock we would be masters of the situation, and if the road did not pay could become absolute owners of it.

Mr. ARMSTRONG. Could the Finance Minister give any definite knowledge of what the Grand Trunk Pacific were offered for these bonds which they could not sell?

Mr. FIELDING. A price offered by whom?

Mr. MIDDLEBRO.

Mr. ARMSTRONG. By the brokers.

Mr. FIELDING. I expressed the opinion that the bonds could be placed at about 90, and did not base it on any actual transaction, but on my knowledge of the money market.

Mr. ARMSTRONG. If the sole purpose of this Bill is to relieve the money situation of the Grand Trunk Pacific to the extent of $10,000,000, why would not the Finance Minister take up $10,000,000 of their bonds as part security and give them the money?

Mr. FIELDING. I am happy to have that suggestion. That is the exact purpose of this legislation :

On section 3,

The issue of bonds to be made by the company hereunder shall be for a principal amount not exceeding ten million dollars, and shall be secured, subject to any prior lien or charge, by a mortgage or deed of trust by way of mortgage of the said prairie section and of the undertaking, equipment and property, tolls, rights and franchises of the company described in the said mortgage, and shall be guaranteed as to the payment of the principal and interest thereof by the Grand Trunk Railway Company of Canada (hereinafter called the 'Grand Trunk Company').

Mr. R. L. BORDEN. The security of that guarantee is a very remote one, as has already been pointed out more than once. The company has other securities which it might give. I shall not allude again to what has been said just now with regard to the advisability of securing stock of the company to be held until its loan is repaid; but there are other assets of the company which might very well be included in the mortgage. Let me allude to two of them. One is the interest of the Grand Trunk Pacific in a corporation which has secured a great number of town sites, namely, the Grand Trunk Pacific Townsite and Development Company. I understand that the Grand Trunk Pacific practically owns the whole of the stock in that company which has received very favourable terms from the government having been permitted to acquire a very large amount of land in western Canada at an exceedingly low rate. There is no reason why that stock, aggregating about $3,000,000, should not be pledged as security for this loan. Then there is another asset which might be very well pledged to the government, particularly in view of the discussion which we have had this evening, and that is the interest of the Grand Trunk Pacific in the Port Arthur branch. No doubt that branch is already covered by a mortgage and of course I would not suggest that we should do anything which would in the slightest degree displace the security of that mortgage. But the Grand Trunk Pacific has

an equity in that branch as I understand it. It has an interest subject to that mortgage. Why should we not take security upon that branch? I understand it is practically completed. A lien upon it would be of the greatest possible benefit to the government. Why is it that these two items of very considerable value—more partcularly, perhaps, future than present value, although the interests in the town sites must be very valuable even at present,—are not included in the mortgage?

Mr. FIELDING. Our judgment is that that mortgage upon the property, remote though it may be, and the guarantee of the Grand Trunk Railway, which has an established value on the market, are adequate security for this loan, and additional securities are not required to protect the public interest.

Mr. R. L. BORDEN. This is a fourth mortgage.

Mr. FIELDING. Not exactly a fourth mortgage, but a fourth lien. There is one intervening, but not in the form of a mortgage.

Mr. R. L. BORDEN. What will be the total value of the liens ahead of it?

Mr. FIELDING. I could not say now, but I gave it at an earlier stage, to the best of my judgment.

Mr. R. L. BORDEN. Well, in making a loan, it is desirable to have the security absolutely unquestioned. The pledging of these securities to make good this loan would be no detriment to the company and it would be of importance to the people.

On section 4,

4. The company, in addition to any powers which it now has in such behalf, is empowered to make such mortgage or deed of trust, and to create and issue the bonds contemplated by this Act, and the power of the company in such behalf shall not be deemed to be limited by the provisions of section 13 of chaper 122 of the statutes of 1903.

Mr. R. L. BORDEN. My hon. friend the Finance Minister referred to the enormous assistance which the Grand Trunk Railway had given this enterprise. We know that in consideration of that assistance, the Grand Trunk Pacific has handed over to the Grand Trunk Railway $25,000,000 in common stock. If the assistance given by the Grand Trunk Railway is large, that given by the country is enormously larger. My hon friend spoke of this contract as if it were somewhat an unfavourable one to the Grand Trunk Pacific. Let me point out that his own colleague, the Minister of Trade and Commerce, Sir Richard Cartwright, said in 1903, page 9361 of 'Hansard':

I believe that a really good bargain may be one which is to the advantage of both parties. I think this is undoubtedly an instance of that sort.

He thus makes the distinct statement that this contract was eminently to the advantage of the Grand Trunk Pacific and the Grand Trunk Railway as well. In 1904 that contract was modified. Let me read what Mr. Alfred Smither who is a very able and influential member of the directorate of the Grand Trunk Railway, said:

Comparing the agreement of 1904 with that of 1902-3, that which we present to you to-day is a much more favourable agreement.

Therefore, the agreement of 1903, according to the declaration of the Minister of Trade and Commerce was one to the advantage of both parties, and the agreement of 1904, according to Mr. Smither, was still more favourable to the company. It cannot then be well said that this is a particularly burdensome agreement so far as the Grand Trunk Railway is concerned. The Grand Trunk Railway gets $25,000,000 of common stock of the Grand Trunk Pacific in consideration of the assistance which it gives to this enterprise. The country is giving to the same enterprise ten times as much assistance. Why not declare at this juncture that, in consideration of the assistance this country is contributing to the enterprise, we shall have an absolute transfer to the government, in trust for the people, of not less than $10,000,000 of the stock of that company. The common stock has already been issued, the preference stock still remains. One is more valuable for investment purposes, or will be in the future, and the other for purely speculative purposes. But, if the assistance given by the Grand Trunk Railway Company calls for a transfer to them of $25,000,000 of the common stock, why does not the assistance given by the country, which is tenfold greater, justify handing over to the country $10,000,000 of the preference stock? The Minister of Finance says it is of no value. Put on the market to-day it may be of no value. Twenty-five million dollars of the stock of the Canadian Pacific Railway had no value in 1882 or 1884. But, if the government had, even with the conditions of the western country at that time, asked that in consideration of the assistance given, twenty or twenty-five million dollars of the common stock of the Canadian Pacific should be handed over to the government, cannot we see what a tremendous asset that would be in the coffers of the government at the present time? So, looking to the future, and not to the immediate present, and realizing that the security of the government in respect of this loan and these guarantees rests upon the success of this enterprise, realizing that we

are taking so great a share of the risk, whatever it may be of this enterprise, are not the people of this country honestly entitled to some share in its success if it shall be, as we hope it may be, a great success in the no distant future.

Mr. FIELDING. The hon. member is going over the same ground as my hon. friend from North Toronto (Mr. Foster). I can only repeat the argument——

Mr. R. L. BORDEN. That was with regard to pledging it, I understood.

Mr. FIELDING. It is as to the profit to be derived from this common stock. The hon. gentleman says that, as we are contributing much more than the Grand Trunk Railway Company, we should have an interest in the common stock. I think that the contribution of the Grand Trunk by way of aid is enormously greater than the proportion he has occasionally indicated. However, we need not dwell upon that now. Whatever the grant is, they get for it only a second mortgage, while the government, for every dollar it puts in by way of its own guarantee, gets a first mortgage and is entirely protected.

Mr. R. L. BORDEN. I do not understand that the Grand Trunk get a second mortgage.

Mr. FIELDING. Yes.

Mr. R. L. BORDEN. The hon. minister is describing the case precisely as it was under the contract of 1903, but he has not described the conditions of the contract of 1904. Under the contracts of 1904, if default of interest shall be made, the government stand precisely on the same footing as the Grand Trunk. A receiver is to be put in charge, the road operated and the surplus earnings given to the government and to the Grand Trunk in proportion to the bonds they are guaranteeing.

Mr. FIELDING. The effect of the legislation of 1904 was not to vary our first mortgage, but to provide that we might postpone the remedy for a certain time. We have, as I understand it, a first mortgage, whereas the Grand Trunk has only a second mortgage.

Mr. R. L. BORDEN. The only remedy provided under the legislation of 1904 is to put a receiver in charge, operate the road and hand over the surplus earnings to the two parties according to the amount of bonds they have guaranteed. I am speaking of the condition in case of default of interest; but that is the essential point, for if the road is operated for fifty years, or whatever the term may be, without default of interest, there would be no question as to first or second mortgage. The essential feature is, what is to be done in case of default of interest? In that case, the Grand Trunk is on precisely the same footing as the government. So, while the government has nominally a first mortgage, it has not a first mortgage in fact.

Mr. FIELDING. For a limited time there would be that distribution. But I think the hon. member will find that, while reserving to ourselves a first mortgage, for a limited time the receiver is appointed and the net receipts distributed pro rata. But our first mortgage remains. The hon. member's argument is that our remedy is only in default of interest and that practically we do not have a first mortgage. But that is only for a limited time—we postpone foreclosure for the time. I speak from recollection.

Mr. MIDDLEBRO. The effect of the legislation is that, for the first seven years, they do not pay interest at all. For three years thereafter they are allowed to capitalize it, and then we are not allowed to do anything for a period of five years. All mortgages are alike until there is default. But, under the 1904 contract with the Grand Trunk Pacific on default, the road is put into the hands of a receiver and the net receipts are divided between the parties in proporton to their claims against the road—75 per cent to the government in respect of its guarantees and 25 per cent to the Grand Trunk. What does that mean? It means that we have no preference. If we had a first mortgage, we could take everything and the Grand Trunk get nothing. But as the net receipts are divided 'pari passu,' it is not a first mortgage because other mortgages would not be entitled to one cent until our claim was paid in full if it were a first mortgage.

Mr. R. L. BORDEN. What the minister (Mr. Fielding) has in mind is that for a period of five years no rights shall be exexercised—default for less than five years does not entitle the goverinment to take action. But, if there is default for over five years, then the government may enter into possession and a receiver be appointed, and, in that case, the government and the Grand Trunk stand upon the same footing.

Mr. GRAHAM. I think that, to a large extent, my hon. friend (Mr. R. L. Borden) is right. The other day, in discussing the matter, an hon. member left an impression on my mind that by the legislation of 1904 we placed ourselves in such a position that during the whole of these five years the holder of the second mortgage could practically step in and do anything he liked. I looked it up, and I find that that is an erroneous view. At no time can the second mortgagee step in ahead of our mortgage. But, after five years, the division will be on the basis of 75 per cent to the government and 25 per cent to the Grand Trunk.

Mr. LENNOX. Practically we were turned into trustees by the contract of 1904. We had an ordinary first mortgage, but in 1904 it was provided that, in default of interest, a receiver should be appointed who should distribute the proceeds in the way mentioned. As soon as they caught up on the interest, the property would go back into the possession of the company. As a matter of fact, we can never take possession of the road permanently.

Mr. R. L. BORDEN. I would like the Bill to remain in committee, in case we should have any further suggestions.

Progress reported.

REGISTRAR OF THE EXCHEQUER COURT.

Bill (No. 98) to amend the Exchequer Court Act—Mr. Aylesworth—read the second time, and House went into committee thereon.

On section 1,

Hon. A. B. AYLESWORTH (Minister of Justice). The whole purpose of this Act is to define anew the status of the registrar of the Exchequer Court. Two years ago an Act was passed with regard to the salary of the registrar of the court, fixing the salary of the present incumbent of the office at $3,000 per annum. As that was a special piece of legislation, it has been considered in accordance with the ordinary rule of interpretation of statutes that the provisions of the special Act would have force and effect instead of the provisions of the general Act with regard to the Civil Service which was passed last session, and the result would be that the position of the registrar of the Exchequer Court would be defined by the terms of the special Act of 1907 instead of falling under the provisions of the general Act with regard to the Civil Service of 1908. The whole purpose of this Bill is to place the present registrar and any future registrar of the Exchequer Court, under the provisions of the general Civil Service Act of last session. It will be observed that in the second subsection of section 2, it is provided that the registrar shall rank as an officer of subdivision A of the first division of the inside service, in or under the Department of Justice. That would be the position to which, in virtue of his salary of $3,000 per annum, the registrar would have been placed in the classification under the Act of last session if that statute had applied to his case. The whole purpose of this legislation, as I say, is to accomplish that result, and have the general provisions of the Civil Service Act apply to the registrar of the Exchequer Court instead of the provisions of the special Act of two years ago.

Bill reported, read the third time and passed.

DEPARTMENT OF LABOUR.

House went into committee to consider the following proposed resolution:

Resolved, that it is expedient to establish the Department of Labour as a separate department of the Civil Service of Canada, with a Minister of Labour in charge of such department, who shall be paid a salary of $7,000 per annum; and that the Governor in Council may appoint in addition to the present staff of the Department of Labour one aditional clerk in the said department at a salary of $1,000 per annum, and a private secretary to the minister at a salary of $600 per annum.—Sir Wilfrid Laurier.

Sir WILFRID LAURIER. moved:

That all the words after 'per annum' in the 3rd line be omitted.

Motion agreed to.

Mr. R. L. BORDEN. As this is merely preliminary to the Bill I have no objection in letting the resolution pass on the understanding that any discussion which might ordinarily take place will take place upon the Bill in committee.

Sir WILFRID LAURIER. Yes.

Resolution reported, read the first and second times and agreed to.

Sir WILFRID LAURIER moved for leave to introduce Bill (No. 165) to establish the Department of Labour as a separate department of the government of Canada.

Motion agreed to, and Bill read the first time.

Sir WILFRID LAURIER moved the adjournment of the House.

Mr. R. L. BORDEN. What may we expect on Monday if government orders are reached?

Sir WILFRID LAURIER. On Monday, if we reach government orders, we will continue these Bills that are on the Order Paper, and I desire to move the House into Committee of Supply in order to give my hon. friend from Maisonneuve (Mr. Verville) an opportunity to speak upon the eight hour labour question.

Motion agreed to, and House adjourned at 11.50 p.m.

HOUSE OF COMMONS.

MONDAY, May 3, 1909.

The SPEAKER took the Chair at Eleven o'clock.

APPOINTMENT OF SPECIAL COMMITTEE.

On the orders of the day being called.

Sir WILFRID LAURIER. I beg to move:

That a special committee of five members be appointed, composed of Messrs. Guthrie, Sproule, McIntyre (Perth), Haggart (Lanark), and Ethier, to consider the recommendations contained in the fourteenth report of the Select Standing Committee on Railways, Canals and Telegraph Lines, to amend rule 87 and 88 of this House, and that the said report be referred to the said committee.

The suggestions made by the Railway Committee are somewhat technical, referring to the practice on private Bills. They call for an amendment to the rules, and I think it better to have them considered by a special committee.

Motion agreed to.

TERM OF OFFICE OF HIS EXCELLENCY THE GOVERNOR GENERAL.

Sir WILFRID LAURIER. As we approach the end of the session I have been asked by a number of hon. gentlemen if it was not the intention to have parliament pass an address to His Excellency Earl Grey and Her Excellency Countess Grey in recognition of their services to Canada and the manner in which they have discharged their official duties. I am happy to say there is no occasion for such an address because the term of His Excellency as Governor General will not come to an end this year.

WESTERN COAL STRIKE.

Mr. McCARTHY. I desire to call the attention of the government, and particularly of the Minister of Labour, to the serious conditions which are being created in the west by reason of the coal strike. I would refer him to an article in the Lethbridge 'Daily Herald.'

Mr. SPEAKER. The hon. member can only put a question at this stage.

Mr. McCARTHY. I shall simply read this article and ask a question of the minister. The article is as follows:

The closing of the Taber mines brings Alberta face to face with a practical tie-up of every domestic coal-producing mine in the southern part of the province. If the situation is allowed to continue without any effort at settlement, Lethbridge and Alberta will be hit hard. Industries may be compelled to close down for lack of coal and citizens will not be able to secure fuel except at famine prices. Farming operations will be given a serious setback, as the absence of a supply of cheap fuel will put the steam ploughs out of commission, and thousands of acres of land that would have been broken will be left untouched.

The Minister of Labour ought to get his Conciliation Act into operation. It is his duty to see that its provisions are enforced. If he allows the Act to become a dead letter in this trouble, he might as well expect it to be a dead letter for all time to come.

Has the minister seen this article and what does he intend to do to bring the Act into operation? I express no opinion on the merits of the claims of the operators and miners.

Hon. RODOLPHE LEMIEUX (Minister of Labour). I have not read the article referred to. As to the situation in the west, the latest reports received by the Department of Labour are of a favourable nature. I communicated on Saturday to my friend the member for Leeds (Mr. G. Taylor) the statement sent me by the deputy minister, and I have nothing to take back from that statement. We expect that within a few days a board will be constituted and that there will be no necessity to prosecute those who have defied the law.

Mr. HERRON. I wish to add to what has been said by the hon. member for Calgary (Mr. McCarthy) that a serious condition has been created on the prairies owing to this strike. From the prairies come reports that coal is very short, that steam ploughs are without coal and that it is feared the seeding operations will be greatly delayed in consequence. I would urge the minister to make inquiries in regard to this serious situation.

PRIVATE BILLS.

ONTARIO AND MICHIGAN POWER COMPANY.

House again in committee on Bill (No. 34) to incorporate the Ontario and Michigan Power Company.—Mr. Conmee.

Mr. BLAIN. Immediately after the discussion of this Bill in the House the other day I forwarded a copy of the original Bill —the correct copy together with the proposed amendments, to the Premier of Ontario. I have before me a letter acknowledging receipt and pointing out that this is a matter that ought not to be dealt with by this House but one coming within the exclusive jurisdiction of the Ontario legislature. The power question is very important in Ontario to-day; the development of power at Niagara and the outcome of the varied works now being undertaken are being watched with great interest by the people of the province. My hon. friend who

introduced the Bill is well aware that matters of this kind properly come within the jurisdiction of the legislature of Ontario as he has had similar measures before that body when a member of it. He is also familiar with the feelings of the people of the province upon matters of this kind. I am sure the people of Ontario will be very much disappointed if this charter is granted, and I will be surprised if the Ontario members of this Cabinet consent to legislation of this kind passing the House. I need not discuss the reasons for opposing this measure as they have been fully discussed in the committee both this session and last. It is true that the Bill has been greatly modified. Originally the Bill declared that this was a work for the general advantage of Canada but it is not now so wide in its scope. Still I do not think this House should interfere in this matter. There are no just provisions in the Bill that could not be dealt with and dealt with more effectively by the Ontario legislature. I think it the duty of the House and the committee to refuse my hon. friend's Bill. Of course I have no feeling against my hon. friend (Mr. Conmee) for introducing such a Bill, my only point being that it is purely a matter for the Ontario legislature and that it should be dealt with by them.

Mr. CONMEE. I have no doubt my hon. friend has the letter to which he refers, but I would point out to the committee that because the hon. gentleman has written a letter which has drawn an answer from the Premier of Ontario adverse to the Bill, that is no reason why this House should consider the matter from that standpoint.

Mr. BLAIN. My letter was a plain, simple letter without any comment——

Mr. CONMEE. I have no doubt about that.

Mr. BLAIN——without any comment at all, and I would be quite willing to have my hon. friend write the Premier of Ontario for a copy of the letter.

Mr. CONMEE. I am not questioning the good faith of the hon. gentleman at all, but I am questioning the propriety of asking the Premier of Ontario in regard to a question of this kind. He is not exactly the governor of this House. He has passed legislation that has been vetoed; so he might go wrong as well as anybody else; and I think that when the Bill came to him with the name of the member for Thunder Bay and Rainy River on it, my hon. friend might expect something like the answer he has got. The hon. member says that I am pretty well acquainted with the conditons in Ontario. Well, I profess to have some knowledge of them and I do not believe that the people of any constituency in Ontario would favour the views of the hon. member. The Premier of Ontario, when leader of the opposition, shortly before he came into power went to the town of Niagara, where there was an issue on the water-power question. The government of that day were charging a rental for the power, and the contention of the opponents of the government was that there should not be any restriction placed on the water-power. Mr. Whitney's language was that water-power in this country should be as free as air; and I do not think he has receded from that. The statutes of the province show that the provincial legislature has incorporated company after company to develop water-power in this very district. They gave to the Current River Water Power Company an Act in 1907 enabling it to develop these same water-powers—any water-power in the district of Thunder bay. So that I do not think there is anything in that contention. But I have some information for the committee which I think will remove this question altogether from the contention that provincial interests are in any way involved. It has been contended, before these amendments were proposed and since, that this Bill in some way or other infringes on the rights or the property of the province. I contend that it does not infringe either upon the rights or the legislative jurisdiction of the province. Confined, as it is, to a boundary stream, where the construction must necessarily go into a foreign country, the Bill cannot be in the exclusive control of the legislature; it must come within the control of this parliament. But it is not alone within the federal control because the dams and other works must include the American portion of the Pigeon river as well as the Canadian, but because the company is asking power to connect its line with foreign lines in the United States and in other provinces. The judges of the Privy Council have pronounced, and it has been read to this committee, that the parliament of Canada alone could incorporate a company with these objects. So that that contention cannot be seriously held. In order to ascertain whether there was a chain reserve that would be interfered with by this development, I wired the registrar at Port Arthur, as follows:

Wire date land patented joining Pigeon river falls. Did purchaser get land to water's edge or was there a chain reserve?

In reply to that the registrar wires:

Date of patent Stewart location adjoining Pigeon river not in Port Arthur registry office. The location appears by maps in my office to go to water's edge.

That was not quite clear enough, and I wired to Toronto to have the records searched in order to get the date of the patent and to ascertain beyond all doubt whether there was a chain reserve when the Stewart locations mentioned in the telegram of the

registrar of Port Arthur was purchased in 1856, when there was no regulation as to the area that might be taken, and this location is, I believe, about six miles square. This is the answer from Toronto:

Stewart patent dated September 13, 1856. No reservation at all except five per cent for roads. Conveyance includes land to water's edge. No chain reserve.

Mr. BLAIN. Who were the telegrams from?

Mr. CONMEE. The first telegram was from J. M. Munroe, registrar of Port Arthur and the second from Mr. Hunt, of Toronto.

Mr. MACDONELL. Is the hon. gentleman aware that the Crown has a right to lay out five per cent reserve as a chain reserve along the water's edge or otherwise?

Mr. CONMEE. I do not happen to know that. If my hon. friend knows it, I think he has knowledge that nobody else possesses. In the first place, it would be impossible to lay out a road allowance along the Pigeon river, because at that point the river is a cataract passing between two walls of rock. That was undertaken by Mr. Mowat in the case of the Kakabeka Falls Power Company. He refused to allow the company to go on because of that five per cent reservation, claiming that he could do as the hon. member suggests, take possession of the land adjoining the water's edge, and thereby become the riparian owner of the land under the water. But he abandoned that position, finding after looking into the matter that it was not tenable.

Mr. MACDONELL. Has the Crown not the right, in appropriating that five per cent, to locate it where it desires in the whole area of the grant?

Mr. CONMEE. The Crown has a right to lay out that five per cent in roads for public use, and I was just going to explain to my hon. friend that the Crown has exercised that right on the Pigeon river, so that there is no right in the Crown now existing. The circumstances were these. The owner of this location was an American Trust company, for the original owner had passed away, the Pigeon River Lumber Company, now the Arrow River and Tributaries Lumber Company were doing business there, and the agent of that company charged $500 a year for the privilege of using the roadway across this reservation, afterwards raising the price to $1,000 and again to $1,500, and they were getting it; but they wanted $2,000. This rather alarmed the other company, which was an American company, and they began to inquire. I happened to be the representative in the local legislature at the time and the matter came to my attention. I advised them to refer the case to the government of the day, and ask them to exercise their right of laying out these roads in order that the public might have the right to travel through this large location, which the reservation in the patent contemplated they should have, and the government did so. The government did so, an inspector was sent up, and two roads were laid out, a road running east and west and a road running north and south. So my hon. friend has not got even that shadow of a pretense to rely on. It has gone, and gone for ever.

Mr. MACDONELL. I would like to ask the hon. gentleman if he has any other evidence with him of the correctness of the statement he is now making, namely, that the Crown has already appropriated this five per cent and exhausted its right, and that that five per cent is not appropriated along the river banks.

Mr. CONMEE. I have made the statement to the House of my own personal knowledge. I was told by the Commissioner of Crown Lands at the time, the Hon. Mr. Gibson, that they could not lay out any more roads through the location because they had exhausted the five per cent. I cannot give my hon. friend any better information than that. He will have to take my word for it or doubt it.

Mr. MACDONELL. Well, the matter rests there. Now the hon. gentleman has said, and correctly, I think, that the Premier of Ontario might regard with suspicion this measure because of the name that was placed upon it in promoting it. I believe in that respect, as in many other respects, the Premier of Ontario would be sustained by the same overwhelming majority he has behind him in other matters.

Mr. DEPUTY SPEAKER. The hon. gentleman appears to be casting doubt on the words of a member of this House. I may have misunderstood him, but if that was not his intention, then there is no breach of order.

Mr. MACDONELL. There was no such intention whatever. The hon. gentleman has dilated upon the fact that the province of Ontario has granted several charters for powers in that same district, with which I quite agree. That shows who is exercising power, namely, the province; the province has, without question by this government, been granting water-powers in that neighbourhood, and in that respect the province of Ontario has pursued very much the same policy that it has with regard to other public utilities and portions of the public domain, namely, that it will regulate and dispose of its powers and its assets as it pleases, and in such a way as to inure to the benefit of the people of the province. That is why they are dealing with these powers, why they are dealing with the power to grant these concessions;

it is because they have the right to deal with them, and because they are dealing with them in accordance with a well conceived policy which is in the public interest. The hon. gentleman has said that the premier of the province has stated that these powers should be as free as air; precisely, as free as air to the people that own them. But the hon. gentleman proposes to chain these powers up entirely, and not leave them free to the people of the province. What do the people of the province get? If the hon. gentleman gets his Bill and gets a valuable concession, what do they get in return? What do the people of the Dominion get in return for this exploitation of a part of the public domain? They get nothing. Therefore the hon. gentleman is seeking to contravene that very policy.

Mr. CONMEE. If the hon. gentleman will look at clause 14 of the Bill he will see that if the company gets these powers and uses them, the province and the Dominion will get the development of resources that are now idle, and they will have perpetual control, through their parliament and through their representatives.

Mr. MACDONELL. This is the first time I have ever heard that public control over a utility brings a compensation to the people as a payment for it, and that is all the public domain has to yield.

Mr. CONMEE. There is no public domain. I have just shown that the land has passed out of the hands of the Crown in 1856. Under the patents of that day the right extended to the centre of the stream. If the hon. gentleman will show by some argument of some effect that the province has any right, even a shadow of a right, he would be making some point, which he has not yet done.

Mr. MACDONELL. The hon. gentleman has not established by any evidence that this part of this river has been granted, I do not understand the hon. gentleman's words even to mean it; because certainly the telegrams he has read contain no such statements. The bed of this river, as are the beds of all the rivers in the province of Ontario, is part of the public lands of the province, and as such is vested in the Crown, in the right of the province, and there has been no grant made of the bed of these rivers, from the statement of the hon. gentleman himself. Then the hon. gentleman says that it is because they are going to export this power that it becomes an international work. It becomes no more an international work than a factory that manufactures furniture, or boots and shoes, or anything else. I cannot see the difference. If it exports power, that is a particular reason why the people of this country should have some control over it. The Bill has been very much boiled down, and many of the notoriously objectionable features have been removed, but that does not touch the vital point of this Bill. I do not care how the hon. gentleman may pare it down, may take out a river here or a river there, or a power here or a power there to export; the fact remains that the hon. gentleman is seeking to obtain from this parliament a grant of what belongs to the people of the province of Ontario. The hon. gentleman argues that this is an international stream. Now with all due deference to the opinion of hon. gentlemen who differ with me, I venture to say that that does not alter the fact. The British North America Act, by section 109, vested in the province of Ontario, at confederation, all this public domain, with its lands, its minerals, its royalties, its mines, its water and so forth, and part of that public domain is the bed of the rivers, which are public lands.

Mr. CONMEE. Does the hon. member contend that the province of Ontario has ownership in the water?

Mr. MACDONELL. I am dealing with that; I say that all those assets formed part of the public domain at the time of confederation. Now the fact that a river divides two provinces, or divides this country from a neighbouring country, makes no difference in the ownership of the bed of the river. It makes only this difference, that in so far as the waters in rivers are concerned, they are international waters, but the province has the same rights over the Canadian portion of that river as it has over a stream in the highlands of Ontario. The province has to police all those waters, it has to regulate them municipally, and has the same control over them that it has over the inland waters.

Mr. A. H. CLARKE. I would like the hon. gentleman to say who he thinks owns the title of this Pigeon river. It is evident from these telegrams that the land next to the edge of the stream has been granted.

Mr. MACDONELL. No.

Mr. A. H. CLARKE. Yes, that is what the telegram says.

Mr. MACDONELL. The hon. gentleman knows, and I will accept his word. He is very fair in these matters, as in all matters. The Crown has reserved a five per cent area out of this whole grant. Now the hon. gentleman tells us that he knows that the Crown has exercised a part of that right—I do not understand him to say the whole of it, by opening up highways. Now the Crown may apply or appropriate any right that it likes. The hon. member for Essex knows well that along all the navigable rivers and streams or lakes in the province

of Ontario, the Crown has reserved one chain along the shore.

Mr. LANCASTER. By general statute?

Mr. MACDONELL. Yes. I will abandon my own argument for a moment and take the hon. gentleman's argument. I will say that the fee of half of the bed of the Pigeon river, that portion which lies in the province, is vested in Ontario. The objection that I am making is that this parliament is attempting to deal with something that belongs exclusively to the province of Ontario. The province of Ontario has asserted its claim. It is to-day, as it were, at the bar of this House claiming that this parliament should not exercise the rights of ownership that the province is lawfully entitled to under the constitution of the country, and appealing to this parliament not to make a grant of a part of the public domain of Ontario, to a band of commercial exploiters who are seeking to obtain, in defiance of the people of Ontario, that which belongs to the people, without paying any compensation therefor. The right hon. gentleman who leads the government, I understand, desires that clause 2 of the Bill should be dropped. That is the clause which declares the work to be for the general advantage of Canada. That very fact is an argument that this is not a Dominion undertaking, but that it is local and provincial in its nature. It is either one thing or the other; it is either a Dominion undertaking or a provincal undertaking. If it is a Dominion undertaking it is proper that it should be dignified as a work for the general advantage of Canada. But, if it is not, that is an argument that the Bill is before the wrong parliament and that the promoters are invoking the wrong jurisdiction. As such I think that logically the whole Bill should fall to the ground. It is shorn of many of its objectionable features because of the abandoning of the Nipigon river from the operation of the Bill. In what way have these rivers been dealt with in the past? Take, for example, the Niagara river, which affords the best precedent and in fact is the only precedent in dealing with international waters. The argument which has been made by those interested in this Bill is that the Pigeon river is navigable and international. The fact that it is navigable in no way vests in this government the fee in the waters or the lands under those waters. So far as navigation and shipping are concerned, under the British North America Act, the right is transferred to this parliament. It has the right to regulate navigation and shipping. That is right, that is admitted and there can be no two opinions about it. Now, we come to deal with the Niagara river. It is navigable from Fort Erie to Chippewa, above the falls, for some distance below the falls and then below that again from Queenston to Niagara-on-the-Lake, and it is international throughout its entire length and divides the province of Ontario and New York state. The first dealing with this water internationally was in 1882, when Lord Dufferin, the then Governor General, conceived the very praiseworthy scheme of forming an international park at Niagara Falls.

Sir WILFRID LAURIER. 1882?

Mr. MACDONELL. Perhaps it was 1872. I think my right hon. friend is right in that. At that time Sir Oliver Mowat was the premier of Ontario, and negotiations were carried on between the government of Ontario and the state of New York.

Mr. CONMEE. Mr. Chairman, I rise to a point of order. I think the Bill is under discussion. I do not think the hon. gentleman is discussing the Bill before the committee. I do not think the question that the hon. gentleman is discussing is germane to the question. I understand we are discussing the first section of the Bill now.

Mr. LANCASTER. Before you rule, Mr. Chairman—

Mr. DEPUTY SPEAKER. I am prepared to rule. The question as to the incorporation of this company involves a very broad view and I am not prepared as yet to rule that the hon. gentleman is out of order.

Mr. MACDONELL. I was just showing the analogy between the dealings of this parliament and the provincial legislature with the Niagara river which is identical in all respects for the purposes of this argument, with the Bill before the committee. The province of Ontario, Sir Oliver Mowat being the Premier at that time, dealt with the state of New York and legislation of this parliament was not invoked at that time. They dealt with the riparian rights on both sides of the river and formed an international park. That was quite sufficient, and no one ever questioned the right of these parties to deal with that river and to dispose of the lands bordering upon it as they did. In 1892 the Niagara Power Company, then exploiting the power on the American side, came to this country and sought charter rights to utilize the power of the Niagara Falls on the Canadian side. It was then an experiment and the company, I presume, felt that if the experiment were successful on the American side they ought to get the benefit of their venture by having certain powers on the Canadian side. At that time the Canadian Niagara Power Company was incorporated by the province of Ontario and eminent counsel both in Ontario and in New York state

passed opinions upon the legality and propriety of its charter rights. The New York state authorities gave the powers on the American side and the province of Ontario gave powers on the Canadian side. The company has been operated from 1892 to the present time under a provincial charter exclusively. That was the pioneer company at the Falls. The Niagara case is exactly similar to that of the Pigeon river. It is an international water and navigable above and below the falls just the same as the Pigeon river. Other companies have sought rights on the Canadian side since then, and I think I am correct in saying that only two companies have been incorporated. One is the Electrical Development Company, of comparatively recent organization, and the other is the Ontario Power Company. What did the companies do when they wanted charter rights? They went to the province of Ontario when, I think, Sir Oliver Mowat was still premier, and they made a bargain with the province for certain power rights. They entered into a solemn compact and agreement with the province and they legislated in Ontario upon that agreement and legalized it. Then they came down to this parliament and this government and Sir Aemilius Irving, as counsel for the province, came on both occasions and presented to this House and this government the joint agreement of the contracting parties, the Ontario government on one hand and the Power Company on the other. They presented their agreement and jointly asked this parliament to confirm that legislation and agreement. Presumably they came here because they wanted wider powers to help their bonding privileges. Any hon. gentleman can see that it was desirable and wise that they should have the legislation and agreement confirmed so that in case of a difference, or dispute, or disagreement at any future time they would have a tribunal to appeal to that had incorporated them and that was not a party to the bargain. That has been the practice in the past and this is an invasion. I do not see how the promoter can expect to have it carried. He has come to this House attempting to exploit the water-powers of the province of Ontario. The province of Ontario has a policy in regard to water-powers and is exacting royalties, as other provinces are, from those who use these water-powers. The provinces at confederation got little enough; the total budget of Ontario to-day is somewhat less than the budget of the city of Toronto, and I think the same thing applies to the province of Quebec and the city of Montreal. The provinces gave up most of their rights at confederation and I think they are entitled to the few rights they did retain, their rights of property, water-powers, &c. Other provinces have sold these powers and are to-day deriving revenues from them. What Ontario asks in this respect is that you keep your hands off her.

Mr. CONMEE. How would this Bill prevent the province from getting a revenue if it has rights? There is nothing in the Bill to that effect. The province of Ontario has to be applied to and has to agree.

Mr. MACDONELL. Then why is the hon. gentleman asking for this Bill here?

Mr. CONMEE. Because the powers cannot be obtained and the securities be dealt with unless they get Dominion legislation.

Mr. MACDONELL. To what clause in the Bill is the hon. gentleman referring?

Mr. CONMEE. Clause 19. Under that clause the province would have to be paid for any——

Mr. MACDONELL. There is no right of royalty or compensation there.

Mr. CONMEE. I beg to differ from the hon. gentleman on that point.

Mr. MACDONELL. The hon. gentleman is mistaken in that. The hon. gentleman said there was a right of royalty reserved in this Bill.

Mr. CONMEE. I did not say anything of the kind. I said if the province had rights they had to be paid for.

Mr. MACDONELL. I accept that, and if they have rights in the water-power and the bed of the river where are they to get compensation for them?

Mr. CONMEE. They cannot be taken without payment.

Mr. MACDONELL. To whom?

Mr. CONMEE. To them, to whoever the owners are.

Mr. MACDONELL. I can hardly believe the hon. gentleman is arguing what he says.

Mr. CONMEE. The government has no more powers to take property from a private individual or any one else than a railway company and a railway company cannot take property without paying for it. The hon. gentleman knows that much about the Bill.

Mr. MACDONELL. The hon. gentleman is asking permission to utilize a water-power. There is no provision for payment or compensation, direct or indirect. He is asking a perpetual franchise for something which the province is selling in other places, as other provinces are. Thus, although the Bill is whittled down, although it is not as fat a proposition as when it first came before the House, it is no less objectionable now than it was then, in principle and in fact. The hon. gentleman

cannot point to any similar Bill passing this House. If we pass this no part of the public domain of any province is safe. water-power is as much a part of the property of the province of Ontario as the parliament buildings at Toronto, the model farm at Guelph or the timber reserves of the province. The question of value is of no consequence, it is a question of principle because if this parliament arrogates to itself the right to exploit the public domain of any province, it matters not how much you take on the first occasion, you admit the principle and we are told in every committee of this House now as a justification for passing Bills that a similar Bill passed last week, or last month or last session. Precedents are created and are followed, and I suppose that is only right and proper, but I warn the government and this committee against creating this precedent.

The premier of Ontario is as stoutly opposed to this legislation to-day as when the Bill was first brought in, and I ask the right hon. gentleman what compensation this House is going to get from openly defying the express wishes of a province in regard to a matter in which it has an absolute vested right. The government of Ontario sent counsel down to the committee and the matter was argued there. It is true that the committee by a large majority sustained the promoter of the Bill but the majority of that committee was not composed of gentlemen from Ontario. I do not think that this matter has been fairly dealt with. The right hon. gentleman and his ministers were not in that committee but they are here in this committee, in the tribunal to which the province of Ontario now appeals and the facts are before them. The province of Ontario is here at the bar of the House, demanding and asking that this legislation be not passed. They say: You are exploiting part of our public domain, of what belongs to the people of Ontario, and vesting it in a band of private exploiters for their own private commercial purposes. Staring that fact in the face, is it right or proper to grant the powers asked for in this Bill? No hon. gentleman can successfully argue that this is not a part of the public domain of Ontario. I trust that the hon. member for Essex (Mr. Clarke) who is a lawyer himself——

Mr. A. H. CLARKE. Will the hon. gentleman say how he distinguishes this from the case of the Winnipeg river at Kenora where it was held that the bed of the river had passed to the owners of the adjoining property? This case was recently dealt with by the Court of Appeals.

Mr. MACDONELL. I do not know anything about that case.

Mr. A. H. CLARKE. That was held to be a navigable river.

Mr. MACDONELL. Here we are dealing with the case of this parliament giving to a private exploiter something that belongs to a province.

Mr. CONMEE. You are assuming that.

Mr. A. H. CLARKE. I think that in that case it was decided that where the land is granted to the water's edge the owners of that land take the ownership to the centre of the river.

Mr. MACDONELL. Not necessarily.

Mr. A. H. CLARKE. That was held in that case.

Mr. MACDONELL. Granting all he says, what has that to do with water-power which is part of the public property just as timber or mines?

Mr. A. H. CLARKE. If they own the bed of the river, do they not own the water over it?

Mr. MACDONELL. No, not necessarily, the Rivers and Streams Bill settled that, and according to the judgment of the Privy Council the water is not vested. The hon. gentleman who is promoting the Bill does not attempt to argue that, he says the waters are vested in the Dominion. The only proper way to dispose of this Bill is to have it withdrawn, and so free this House from the responsibility of raising a question that perhaps cannot be easily set at rest. The hon. gentleman who promotes the Bill says the premier of Ontario has sometimes had his acts disallowed. I would remind the hon. gentleman that the acts of this parliament have sometimes been held to be ultra vires, and I question if this Act is not in its essence ultra vires of the powers of this parliament. So why embark on troubled waters of that character? The proper thing to do is to send this Bill to the province of Ontario which is dealing with similar Bills and has the only just right to deal with them.

Sir WILFRID LAURIER. Perhaps I may be allowed to interfere in this debate at this moment to endeavour to ascertain where we are and what are the questions before us. The first question is that of jurisdiction, has this parliament jurisdiction over this Bill or has it not? My hon. friend who has just addressed the House, (Mr. Macdonell), has stated emphatically that in his opinion this parliament has no jurisdiction over the matters which are now before us. I beg to take an altogether different view from my hon. friend and I think that on reflection he will agree that his opinion is erroneous. This Bill seeks to provide for the incorporation of a company to which power is to be given to develop water-power in a navigable stream,

the Pigeon river, which is a part of the boundary line between Canada and the United States. That is what gives jurisdiction to this parliament.

Mr. MACDONELL. Why does the right hon. gentleman say that?

Sir WILFRID LAURIER. This is an international stream. This is a matter on which the Dominion alone has jurisdiction. On all matters of an international character this parliament and not the local legislature has power. The promoter of this Bill has truly stated that this Bill alone will not effect the object sought. Similar legislation must also be obtained from a foreign country. If there is no legislation from the American authorities my hon. friend will be powerless to go on whether he obtains power from this government or the legislature of Ontario, he would have no right to put dams across the river, he must have the joint control of the two legislatures, and this is the reason why this parliament and not the province of Ontario has jurisdiction in this matter. It is an international stream and even if there was a similar jurisdiction in this parliament and in the province of Ontario, for reasons of policy alone this parliament should assume the jurisdiction in all matters in which it is sought to interfere with navigable rivers which are of an international character. The Minister of Justice gave his opinion that we have power to deal with this matter, and for my part I am disposed to agree that not only have we power, but we alone, the parliament of Canada, have the right to legislate in matters of this kind.

That point being granted there was no difficulty in removing the second section of the Bill, which asserted that the works authorized were for the general advantage of Canada. If these words were necessary to give jurisdiction to this parliament, I would be opposed to these words, but in my humble opinion these words are absolutely unnecessary and do not add to the powers that we propose to give, I believe they are a useless encumbrance and I asked my hon. friend to remove them and he has done so.

Mr. LANCASTER. They do not make any difference if we do pass the Bill?

Sir WILFRID LAURIER. It does not make any difference whether they are in it or not. My opinion and the opinion of the Minister of Justice is that this parliament has jurisdiction to pass the legislation now before us. I stated on a former occasion that the whole point is on the question of expropriation. There would apparently be no objection to the passage of this Bill if the powers of expropriation were removed. This only strengthens the argument I make, that we are losing time in discussing the provisions of the Bill which are not essential. We should come at once to the power of expropriation and ascertain whether the powers of expropriation exceed the powers which we are competent to grant. The whole argument of the hon. member for South Toronto (Mr. Macdonell) has been directed not against the Bill, but against the powers of expropriation, as he says, taking powers from Ontario which belong to it. That will be discussed later on. When the Bill was before us on a former occasion I stated that the position of the government would be that we would not interfere with the legislative powers of the province of Ontario, and acting upon this opinion, expressed by the government, my hon. friend (Mr. Conmee) has agreed to remove from the powers of expropriation the Nipigon river and this is satisfactory to the gentlemen opposing the Bill. When we come to discuss the powers of expropriation which still remain on the Pigeon river, I said to my hon. friend, that I for one would reserve an open mind and I would see whether or not we were invading the powers of the province of Ontario. So it seems to me that all the objections of hon. gentlemen opposite will be met if we come at once to the powers of expropriation because that is the only difficulty there is in this Bill, and the clauses relating to expropriation could be amended or not amended according to their views, that would be a question to be debated later on. At this moment it seems to me we should expedite the business of the House. If we want to secure the blessing of an early prorogation we should come to the real difficulty in the case and not debate what is not in issue.

Mr. LENNOX. My hon. friend from Peel (Mr. Blain) at a moment when the Prime Minister was engaged, called the attention of the committee to the fact that he had a communication from the Premier of Ontario. According to the notice of amendments in the Votes and Proceedings, the amended Bill was to come up for the first time to-day, so we could not expect that the Ontario government, having had an intimation as to the position which the government proposed to take when this matter was under discussion on April 19, would be prepared to present its case to-day for the consideration of the committee. If the rights of the province are to be reasonably safeguarded, it is at least essential that this Bill, being admittedly a measure that may invade provincial rights, the Ontario legislature should at least have an opportunity of presenting its views each time the Bill is presented in an altered form. I understood the position of the right hon. the Prime Minister as enunciated on April 19, in a somewhat broader sense than his suggestion of this morning, and I venture to say that the Ontario government and the members of this House

interpreted it in the same way. I am quite prepared to take the view of the right hon. gentleman as he suggested this morning, possibly what he meant, but I think the language he used on April 19 is capable of a broader interpretation, and I shall read the right hon. gentleman's words in order to strengthen my request to him to allow this matter to stand until the province shall be in a position to properly present its views to the members of the House. The right hon. gentleman, on the occasion to which I refer, dealt with the decision of the Minister of Justice and concluded by saying that for his part, the Minister of Justice, having said that this parliament had jurisdiction, he would be prepared to accept the minister's views rather than the views of other gentlemen who had spoken. Then the right hon. gentleman continued. I understood at the time, as I think the House did, that that was virtually an end of this matter. That he had come to the conclusion that, although parliament had jurisdiction if it desired to exercise it, he wished the promoter of the Bill to understand that this was a matter of fair regard for the rights and interests of the province, and that the jurisdiction of this parliament was not going to be exercised in this case. This is what the right hon. gentleman said:

> But that is not the kernel of the discussion we have had at present. It matters not whether this parliament has jurisdiction, or whether the local legislature has jurisdiction, the point is this: Are there provisions in this Bill which affect the power of the local legislature and the local government? That is the only point which weighs with me. Section 2 of this Bill is a clause with which we are familiar—and it was not invented I may say to my hon. friend from South Simcoe (Mr. Lennox) by the Liberal party; it is a relic of former days, and, perhaps in the case of this as in the case of other relics, we may be wrong in not doing away with them. At all events, the hon. gentleman and I may agree that it ought to be eliminated from the Bill. But the whole discussion we have heard this afternoon has been directed to one point, and one point alone—and that is that the power of expropriation of water-powers belonging to the local government of Ontario contained in this Bill should be eliminated. I think if these two sections were amended, there would not be so much objection to the Bill. I would have some objections to another which I shall come to presently. I was struck by the argument put forward by the hon. members on either side—especially that of the hon. member for East Algoma (Mr. Boyce) that the local government of Ontario has a policy on this question reserving to themselves the exploitation of all water-powers, refusing to give them to private companies.

I may interject here that I understood that the right hon. gentleman subscribed to the doctrine that the policy of the local legislature having been enunciated, that policy would be respected on this occasion. The right hon. gentleman went on to say:

> If we pass this Bill we interfere directly with this principle; and under those circumstances, holding as I have held all my life, to the sacredness, if the word is not too strong, of provincial rights, while we have the brute power to override those powers, it is a question whether we should do so, and it is a question upon which I would invite the serious consideration of my hon. friend who is promoting this Bill.

The right hon. gentleman has always on such occasions, not only to members on his own side of the House, but to members on this side, expressed himself in the politest possible language; and I understood him to give a very definite intimation to the hon. gentleman, though in polite language, that he had better drop the Bill. My impression was that from that time the Bill was dead, as I think it ought to be. But whether that was a correct construction of the right hon. gentleman's remarks or not, the Ontario government are justified in so understanding them, and if we are to act in such a way as to have harmony among the various units which constitute the Dominion of Canada, we must pay some regard to the wishes of the provinces or at least give them an opportunity to present their views to the House before we adopt legislation which is contrary to their express opinion. In that view, with the greatest respect, I urge upon the Prime Minister that whatever may be the ultimate outcome, it is not advisable to press this matter at this time. I am quite prepared to assume that the Prime Minister is just as anxious to promote harmony as myself—probably more so, because he occupies a more responsible position; but I think I can appeal to his judgment and to that of the committee, that it is not wise to press this matter forward without giving the local government an opportunity to present its views in a concise and considered form. In doing that, I think that time will not be lost, but rather gained, and the Prime Minister will be enunciating, even more distinctly than he did on the previous occasion, his adhesion to the principle of provincial rights.

Sir WILFRID LAURIER. I do not think my hon. friend and I are very far apart, but he misapplies what I stated the other day. I said then, and I repeat to-day, that the only difficulty I see in this matter is on the question of expropriation. On that question I feel very strongly. When this matter was before the Private Bills Committee, I understand that the Ontario government was represented there, and that its representative informed the committee that the whole objection of that govern-

ment was to the expropriation clause. I do not understand that they questioned the jurisdiction of this parliament.

Mr. LANCASTER. I have been informed by members of the provincial government that while they referred to the expropriation clause as an illustration, they had strong objection to our dealing with the matter at all.

Sir WILFRID LAURIER. The question of jurisdiction is a question on which we have pronounced already. The Minister of Justice is of opinion that we have jurisdiction.

Mr. BRISTOL. Does the Minister of Justice contend that the parliament of Canada has exclusive jurisdiction or concurrent jurisdiction?

Sir WILFRID LAURIER. I do not know just what he said, as I have not his remarks at hand; but I have no hesitation for my part in saying that if we had concurrent jurisdiction, in all international matters the parliament of Canada should have paramount jurisdiction. The matter of jurisdiction we have settled, rightly or wrongly; we think rightly. Then the whole argument is on the question of expropriation.

Mr. LENNOX. My right hon. friend does me the compliment of saying that we are not very far apart, but I think we are, on one point. On the question of expropriation the right hon. gentleman took strong ground. That is one important feature of the matter; but there has been put forward by the Ontario government a feature which is even of greater importance, and which touches a more vital principle; that is, that the province has the right to legislate on this matter, and has a formulated policy upon it. It was upon that branch of the question that I undertook particularly to address myself to the right hon. gentleman, and to his statement, in effect, that as regards these water-powers the Ontario legislature has adopted a policy which this government is prepared to respect. The Ontario government says: We want to conserve the rights of the province for the people, and therefore we have adopted a certain policy as to water-powers by which we hope to create a great source of revenue for the people and incidentally develop great industries for the province. The right hon. gentleman the other day put it forward as the paramount consideration that we should respect the policy of the Ontario government on this matter; and on that point we have more reason to stay our hand to-day than we had on the 19th of April, because the Bill has been modified since that time, and it was only on Saturday that the modifications were placed before the Ontario government. The Ontario government intimate to my hon. friend from Peel that they want to have a say in this matter. Are we going to proceed in their absence not only to ignore their policy and to deprive the province of its rights, but to refuse even to grant them the courtesy of a hearing through their representative? I have every faith that my right hon. friend will see the expediency of allowing this matter to stand, and of allowing the government of Ontario to present their views before the House.

Mr. BLAIN. I wish to point out that the gentlemen who are asking for this legislation are chiefly from the United States—Thomas Sturgis, of the city of New York, and J. C. Hunter, of the city of Duluth.

Mr. CONMEE. Read all the names. That is only two out of five.

Mr. BLAIN. I am quite aware that there are associated with these gentlemen some very prominent gentlemen from the west, not in the province of Ontario but in the province of Manitoba. I am not undervaluing these gentlemen, but I am pointing out that the chief promoters are gentlemen from the United States who have sharp eyes on the development of power in the province of Ontario. These gentlemen would not be here at all, neither would my hon. friend be promoting this Bill if the province of Ontario had not a clearly defined policy on this question. They were quite aware that they could not obtain all these large powers from the Ontario government, because that government has distinctly stated that none of these powers shall be given away, either to friend or foe, in the province or in any part of Canada or the United States. It regards these rights and privileges as matters of great value which should be retained for the people. Look at the powers asked for by this company:

(d) acquire, develop, improve, maintain and operate water-powers, use, supply and sell water-power for any purpose, by any means of application, generate, by means of water-power or otherwise, electricity, heat, light and any other form of energy, and transmit the same by any means to, and supply and sell the same for use in any manner at, any place in Canada and the United States;

(b) construct, maintain and operate all necessary works, dams, wing dams, canals, intakes, tail-races, channels, conduits, tunnels transmission lines, structures, buildings, machinery, plant, appliances, instruments and devices, and erect and maintain poles and towers, and lay and maintain pipes, cables, wires or other conductors, and connect them with similar lines in other provinces and in the United States;

(c) manufacture, buy, sell and deal in wood, pulp, paper and articles made therefrom, machinery, engines, motors, electrical apparatus and supplies, and engage in a general manufacturing business.

You cannot conceive of anything that these gentlemen do not wish to do. These are all provincial matters, and I do not agree with the Prime Minister when he says that if both this parliament and the provincial legislature have concurrent power to grant legislation of this kind, there is no difference between this side of the House and that side. I may say for myself that there is a difference, for I think that when both legislatures have this power, the provincial legislature should have the exclusive jurisdiction over provincial matters.

Mr. CONMEE. The hon. gentleman is laying stress on the policy of the Ontario government, but he has not told the House what that policy is.

Mr. BLAIN. The hon. member for South Toronto explained it.

Mr. CONMEE. I think I know the policy of the Ontario government as well as most men, and there is no such policy as has been presented to this House. The Ontario government is giving charter after charter to companies to develop water-powers. When the representative of the Ontario government was before the Private Bills Committee at the time this Bill was under consideration, and was asked by one of the members if he claimed that there was the same right in the province as to a boundary water and a stream wholly within the province, his reply was that in the case of a boundary stream the rights of the province were not necessarily ousted, but there was a difference between the Nipigon river and the Pigeon river. When he was asked by myself if the land had long previously passed from the Crown, and if the riparian rights of the river were vested in a private owner, would the provincial policy be in the same position, he said that of couse that would make a difference, but he had no evidence that that was the case. Now, I think this committee has evidence that that is the case. I have refrained all along from criticising or discussing the policy of the Ontario government; but if hon. gentlemen want to draw me into a discussion of the administration of the Ontario government, I do not shrink from the task.

Mr. MACDONELL. Go on.

Mr. CONMEE. I am not going further just now in that direction. My hon. friend laboured to show that there was something in the statement made by the right hon. leader of the House which indicated that the Bill in its present form conflicted with the policy of the Ontario government. That is perhaps correct; I am not going to contravene it just now. The right hon. leader of the House was perfectly justified in taking the view he did; but what I ask is, even if that view be held with regard to the Nipigon river, there is no question of provincial rights involved in the Nipigon river. The Privy Council has held that section 92, now section 5, of the Navigable Water Protection Act, was within the jurisdiction of this parliament. Our courts have held that this parliament, and this parliament alone, has the right to deal with navigable waters. The leader of the House himself, when this Bill was at its second reading, held that the legislature had not the right to create a company to exercise the powers asked by this Bill, much less to give the power to deal with works proposed. Let me point out that this question is entirely in the hands of the government, and that we on this side have confidence in the government. Section 18 provides that nothing can be done until the plans are approved of by the Governor in Council. What is the proceeding, supposing this Bill passes with powers of expropriation as to Pigeon river? Some lawyers tell me there are no powers of expropriation in this Bill, others tell me there are.

Mr. MACDONELL. Subsection (d) of section 8 gives ample powers of expropriation.

Mr. CONMEE. I will take the hon. gentleman's word for it, I am glad to be able to agree with him for once. What I say is this, that under section 18 the procedure is defined. This company must get its plans approved of by the Board of Railway Commissioners, and before it does that it must get them ratified by the Governor in Council. It must submit a book of reference showing who the owners are, and whose rights are affected, without which no ratification will take place, either by the Governor in Council or by the Board of Railway Commissioners. If, at that stage of the proceeding, it is shown that the province of Ontario has interests that are being interfered with in any undue sense, it is entirely in the power of the government of the day to refuse to ratify the plans.

Mr. BLAIN. Is that the time to contest it? Rather would not this be the time to contest it?

Mr. CONMEE. No hon. gentleman on that side of the House has given one tittle of evidence, or quoted any judgment of the courts from which a conclusion can be drawn to support their contention; on the contrary, evidence that should not be disputed, evidence that is palpable, has been produced to show that there can be no possible contention that there are any provincial interests or provincial rights involved.

Mr. LANCASTER. I will accept the hon. gentleman's challenge at once. But first I want to address myself to the Prime Minister in regard to this question of jurisdiction; I want to emphasize what I said on

Friday night about the difference between having jurisdiction and the wisdom of exercising it. The Minister of Justice says that we would have power—power to do a wrong, I daresay, in this matter. But the question of power rightly exercised and the question of jurisdiction, are entirely different things, they are entirely opposite, so far as regards the expediency of our dealing with this matter. The Prime Minister says that if the objection as to expropriation were removed, where would be the reason for not dealing with this Bill? The reason is that we are dealing with a Bill with which we have no business to deal. We are not the judges of what should be the policy of those who are rightly concerned in exercising that policy. We cannot say here what we would do if we were in the provincial legislature, we do not look at this matter with the same responsibility to the people, and therefore we do not have the same rights that the legislature would have. Now my hon. friend who is supporting this Bill just let the cat out of the bag by telling us that he differs from the policy of the provincial government in regard to these matters. That of itself ought to be a reason why we should not interfere with the policy of the provincial government.

Mr. CONMEE. I did not put it in that way; what I said was that the Ontario government had no such policy as the hon. gentleman represented, and that I had refused to criticise them on that ground.

Mr. LANCASTER. The hon. gentleman is talking about a subsequent statement he made. Prior to the statement he has just repeated, he challenged us that if we wanted to discuss the propriety of the policy of the Ontario government in this matter he was prepared to show that it was not a good policy.

Mr. CONMEE. I did not say that.

Mr. LANCASTER. Well, to that effect, that the policy of the Ontario government was not a good policy, which caused me to interrupt him and to say: Is that not why you are here? It must be manifest that the promoters of this Bill are here because they cannot get what they are asking for from the provincial government; that must be patent to everybody who is not a mere child. They would not be here after this legislation if they were satisfied to take what the Ontario government would give them, and I think that is confirmed by what the hon. gentleman has said. Now as to the exercise of this jurisdiction. It is contended apparently, not only by hon. gentlemen supporting this Bill, but I fancy by the Prime Minister, that if this is a navigable stream no power but the Dominion government has control of that stream or any operations upon it for navigation. That is true, I think; and here comes an answer to the challence of the hon. gentleman that we could quote no authority to show that the province had any rights in a stream that was navigable. Let me give the hon. gentleman a couple of authorities that he can find in Cartwright's Cases on the British North America Act. Let him go to the library and look up volume 2, page 542, in the case of MacMillan versus Southwest Boom Company, where the decision is in these words:

Subsection 10, of section 91, of the British North America Act gives the right merely to prescribe rules and regulations for vessels navigating the waters of the Dominion, and not as excluding for all purposes provincial jurisdiction over navigable waters.

Mr. CONMEE. Does the hon. gentleman seriously wish to assert that I have set up any contention of that kind? My argument was that the Ontario legislature has not the power to deal with the question embodied in this Bill.

Mr. LANCASTER. Now, the question embodied in this Bill, so far as jurisdiction goes, is whether the Ontario government has power to deal with this stream, it being admitted to be a navigable stream.

Sir WILFRID LAURIER. That is not the point.

Mr. LANCASTER. I think that is the point. If it is a navigable stream, this government has supreme jurisdiction in reference to navigation. But this case I have just quoted shows that section 91 of the British North America Act does not transfer a river to the Dominion jurisdiction merely because it is navigable, but only gives the right to prescribe rules and regulations for vessels navigating the waters of the Dominion.

Sir WILFRID LAURIER. In my judgment the paramount consideration in this matter is not whether the Pigeon river is navigable—I do not know whether it is or not—but the paramount consideration is that it is an international stream.

Mr. LANCASTER. Before coming to that, I will give another authority to my hon. friend so that he may see there is evidence, and that he need not challenge anybody hereafter to produce it. In the case of the Central Vermont Railway vs. St. Johns, 4 Cartwright, page 331, it is held:

The control over navigation conferred on the Dominion parliament by the British North America Act does not prevent the provincial legislature from exercising municipal and police control on navigable waters.

The principle is the same; there is a certain amount of control and interest vested in the province in regard to any stream

within the province, that is not required to be exercised in regard to the protection of it for navigation purposes. Let us be clear on this point. My hon. friend, or the promoters of this Bill, are not asking for anything that interferes with navigation, that is to say, in regard to the jurisdiction that this government possesses. He is not chartering a line of ships, or wanting to build wharfs or anything else affecting navigation and trade and commerce, things which are meant to be covered by the British North America Act. But he is giving a commercial company power to produce goods, to sell, to produce commodities, to make profits out of them, which he has a right to do, a commendable right to do, or his promoters have, if they go to the proper place for the power. Now it is not necessary for any one to have a Dominion charter to manufacture anything in this country and sell it in another country; it is no more necessary for him to have a Dominion charter to manufacture and sell one thing in this country than another.

The Canadian Niagara Power Company is doing business on the Niagara river to-day under provincial jurisdiction alone. It came to this parliament and asked for a charter but it finally withdrew the application when it found Dominion government legislation was not necessary. It did not want rights that the Ontario government would not give it and it is carrying on practically the same business as my hon. friend's incorporators want to carry on under the powers of this parliament. It is, I fancy, the largest concern there is in this line of business. It is operating solely under provincial charter, upon a navigable river and upon an international boundary —not navigable at the point where it is operating, but certainly international, and when the right hon. prime minister raises the point as to this river being navigable and international, both are covered by the case of the Niagara river. No one can say that the Niagara river is not an international boundary. This company is to-day doing the very kind of business on a very large scale under a provincial charter that the hon. gentleman's incorporators ask us to permit them to do by a Dominion charter. There is no necessity of this charter for the purpose of doing anything over which the Dominion has control, that is over navigation. I repeat that if this charter were being asked for in regard to marine matters, in regard to vessels, shipping or wharfs, or anything having to do with navigation, there might be some reason for saying that we should grant it. But this matter has nothing to do with navigation and therefore our powers in regard to navigation cannot be exercised. Even as the Prime Minister says, if this is an international stream, all they ask to do can be done under a provincial charter. They can manufacture their goods and export them the same as the Canadian Niagara Power Company is doing to-day. They are subject to no Dominion law but one and that is in regard to the exportation of power. They can manufacture it under a provincial charter just the same as any other man can manufacture clothing, or axes, or anything else that he has a charter from the provincial government to manufacture and he does not need to come to the Dominion. There seems to me to be no possible ground left for argument that there is any need to come to this parliament for a charter at all and, holding that view, I think that we ought not to pass even what we think is a harmless part of this Bill. I cannot see how we make it any better by passing clauses which we think do not do much harm. We are not the judges as to whether they do or do not. It is a question for the province as a matter of policy and of knowledge because they must be the best judges of their own affairs. In dealing with provincial assets, with provincial rights, with revenue from royalties and from other assets, the right of manufacturing electricity from water-power, which is certainly a valuable privilege each province has the right to decide those questions for itself and when we are asked to deal with them at all we ought to refuse to do so and not pass such a Bill as this on the simple asertion that it would appear that the clause is harmless.

Mr. MIDDLEBRO. The hon. member for Thunder Bay and Rainy River (Mr. Conmee) seems to be of the opinion that the proprietary interest in the Canadian side of the Pigeon river lies within the jurisdiction of the province. I would like to know if that is his opinion.

Mr. CONMEE. My answer to that would be that it belongs at present to the riparian owners of the land along the shore and that the government parted with any interest they ever had in 1856.

Mr. MIDDLEBRO. If the contention of the hon. gentleman is right then these riparian owners could prevent navigation and shipping. If the proprietary interest in the waters belongs to the riparian owners they might prevent navigation and shipping in any form.

Mr. CONMEE. I would answer that question by saying 'no,' that the riparian owners have not control over the waters. I am advised that there is no such thing as ownership in waters. The Privy Council, in a decision which has been read in this debate, decided that the parliament of Canada alone has the legislative jurisdiction over not only boundary streams but over navigable streams. I will read a sentence here from a judgment of the Supreme Court of Canada on that point. This was the case of the Queddy River Driving and

Boom Company vs. Davidson, 1883, 3 Cartwright, page 243. Mr. Justice Strong in that case, at page 257 of the law reports, used this language:

No one can deny that by subsection 10 of section 91 of the British North America Act, exclusive power to legislate respecting navigation is conferred on the parliament of Canada, and as little is it open to any one to dispute that this power respecting navigation includes the exclusive right to legislate so as to authorize an obstruction in a navigable public river.

Mr. MIDDLEBRO. I thought that the hon. gentleman had come to a wrong conclusion. The hon. gentleman has apparently come to the conclusion, that, because the British North America Act gave the Dominion parliament certain power with respect to navigation and shipping, therefore it gave them a proprietary interest in the waters of the river. The reverse is held to be the case. The law, as I understand it, is that unless you can show a proprietary interest in rivers and waters which have been transferred from the ownership of the provincial legislature to that of the Dominion legislature by virtue of the British North America Act, the proprietary rights which the province formerly enjoyed still remain vested in the province, and that the only right that the Dominion government can assume is in respect of navigation and shipping. It has been held in many cases that under the words 'navigation and shipping' the Dominion does not acquire a proprietary interest in waters but has simply the right to regulate navigation and shipping in those waters. I would point to the case referred to by my hon. friend from Lincoln and Niagara (Mr. Lancaster) of the Vermont Central Railway vs. the town of St. Johns. In that case the town of St. Johns had passed a by-law extending its corporation limits to the centre of the Richelieu river. Across the Richelieu river there had been erected a bridge and the town claimed the right to assess one half of the bridge because they say it lay within the corporation of St. Johns. They did assess it and the company appealed against the assessment on the ground that it was a navigable river and also upon the ground that the corporation had no right to make that assessment. But the court upheld the contention of the town and held that the town was the owner of the river bed to the centre of the river. The Chief Justice in that case summed up as follows, and I would like my hon. friend to follow this:

Navigation and shipping are words used by the British North America Act. That does not mean the river at all. The river itself belongs to the local Crown domain.

That seems to put it quite clearly, that the river itself belongs to the local Crown domain. How do we apply that to the present case? That means that one half of the bed of the river belongs to the local Crown domain, the local Crown domain is the province of Ontario, and once you give this company proprietary or expropriation rights you are interfering with the rights of the province in one half of that river.

Mr. A. H. CLARKE. If my hon. friend is right in saying that was granted by the Crown in 1856, how could it belong to the province in 1856?

Mr. MIDDLEBRO. According to this decision the river itself belongs to the local Crown domain and my hon. friend says a private person can have no proprietary rights in water. That is quite true. Therefore, if private parties can have no proprietary rights in water it still remains that the river itself belongs to the local Crown domain under the decision I have referred to.

Mr. A. H. CLARKE. Cannot the Crown grant it?

Mr. MIDDLEBRO. But even if the right is granted against the province you could not take half of this river.

Mr. A. H. CLARKE. But if the Crown granted it.

Mr. MIDDLEBRO. My hon. friend said the Crown had no right to grant what the individual had no right to own, a proprietary interest in a river.

Mr. CONMEE. Does the hon. member attribute that language to me?

Mr. MIDDLEBRO. I have to accept my hon. friend's explanation but I understood him to say that.

Mr. CONMEE. I never even thought of such an argument as that.

Mr. MIDDLEBRO. I recollect quite distinctly that the other day the hon gentleman argued that because the river was a navigable river, authority over it was exclusively within the Dominion jurisdiction.

Mr. CONMEE. I argued that.

Mr. MIDDLEBRO. Now he says that the river at the point where he wishes to exercise proprietary rights, is bounded on each side by rocky cliffs and therefore cannot be navigable. I thus fail to see how he can give this parliament jurisdiction because it is a navigable river.

Mr. CONMEE. The parliament of Canada in 1856 and 1857 laid out a canal and the levels, profiles, plans and everything in connection with building locks right along this very river are of record in the department here, so it is a navigable river in every sense.

Mr. MIDDLEBRO. Does the hon. gentleman raise any claim to jurisdiction of this parliament because of the Pigeon river being a navigable river?

Mr. CONMEE. My contention all along has been that this parliament, and this parliament alone, has legislative jurisdiction over boundary rivers, and in my judgment over navigable rivers. That has been my argument and I do not recede from it at all.

Mr. MIDDLEBRO. I do not think my hon. friend's contention is in line with the contention of the first minister, who a few minutes ago said he did not place any reliance upon this parliament having jurisdiction because it was a navigable river, he based his contention on its being an international river. With respect to the Pigeon river being an international river I fail to see yet, subject to conversion hereafter, why the mere fact that the Pigeon river is an international river gives this parliament exclusive jurisdiction. I would ask the hon. gentleman opposite if the province of Ontario could not give the promoter of this Bill just as great rights to build his plant to the boundary line between this country and the United States as this parliament can?

Mr. CONMEE. No.

Mr. MIDDLEBRO. It has been done in other cases?

Mr. CONMEE. No.

Mr. MIDDLEBRO. Under the legislation of the province of Ontario my hon. friend could build his lines right to the boundary line, but if he wanted to go one inch further he would have to go to the government of a foreign country to obtain greater powers, just as if legislation was passed by this parliament, and he would then later come before this parliament. In order to give this parliament jurisdiction we have to insert the words 'for the general advantage of Canada,' and if that clause had been retained this parliament would have had jurisdiction; but I am glad to say that the Minister of Justice has seen fit to declare that the work is not for the general benefit of Canada, and not being for the general benefit of Canada we have the right to assume that the company is local in its undertaking. I do not think any hon. gentleman can undertake to say it is not local, and for this reason it cannot gain by authority of this parliament what the province of Ontario can not give it. I grant further that if the company were seeking power to carry lines from one province into another this parliament would have jurisdiction, because we have the right of jurisdiction to legislate and give power to a company to build lines into an adjoining province, but not to go beyond the international boundary. This company is confined exclusively to the province of Ontario, and its works not being declared for the general advantage of Canada why not relegate it entirely to the province of Ontario, to which they beong?

Leaving the question of jurisdiction, we have in Ontario a hydro-electric commission inaugurated for the very purpose of developing such natural resources as are proposed to be given to this company, and can any hon. gentleman say that the province of Ontario will not administer these assets more in the interests of Ontario than would the promoters and members of this company. I take the broad ground that it is beyond doubt more advantageous to the people of Ontario to have the hydro-electric commission administer these water-powers. I fail to see why we should interfere in this matter at all. When the Bill first came up owing to the strenuous objections of members on this side of the House some of the objectionable features were removed, but I contend that we should now leave the matter entirely in the hands of the local legislature and let them deal with it in accordance with their policy.

Mr. MAGRATH. I have a good deal of sympathy for the promoter of this Bill in his effort to hold up his end against legal men on this side. I would ask the leader of the House (Sir Wilfrid Laurier) if the Canadian section of the International Waterways Commission have been asked to pass upon this measure?

Sir WILFRID LAURIER. I am not aware that they have.

Mr. CONMEE. The Bill provides that before anything is done the plans must be ratified by the Waterways Commission.

Mr. MAGRATH. We have the Waterways Commission which was called into existence by an Act of the Congress of the United States of June 13, 1902, which calls upon Canada to join in the appointment of a joint commissioner to deal with the waters which discharge into the Atlantic ocean by the St. Lawrence river. The waters dealt with in this Bill are covered by that Act of Congress. That commission has reported to the government from time to time as to the method of dealing with international waters. I find in a report addressed to the Minister of Public Works in 1906 this statement:

Diversions of international waters elsewhere than at Niagara river or the Niagara peninsula should only be permitted;

(a) For domestic purposes and for the service of locks in navigation canals;

(b) Temporary diversions, where the water taken is returned again, only on the recommendation of the joint commission.

Now that commission likewise in a report to the Minister of Public Works in March, 1908, used this language when dealing with the Niagara Falls situation:

While we think it should be a condition of the charters of all companies hereafter incorporated in Canada that the power generated should be distributed wholly in this country—

There is no misunderstanding that language. We are endeavouring in this Bill to dispose of some waters that belong to somebody. Some gentlemen claim that they belong to the province of Ontario; others claim that they should be dealt with by this House. Assuming that they should be dealt with by this government, I would like to know if there is any department of our government engaged in their administration. They are the most valuable asset we possess. They will last as long as the country lasts; they will furnish us with our power, light and heat in the future. These water-powers must have some value. To some minds they have a very great value; but it appears to me that the parliament of Canada, not only at present, but in the past, has been disposing too freely of the valuable assets of this country. As long as I have a seat in this House I am going to oppose that in every possible way. The waters of this country belong to the people of this country, and they should be conserved for the benefit of the people; and the waters which are within the boundaries of the province of Ontario should be handled by that province. For these reasons I am determinedly opposed to any Bill of this kind. The purpose of this company is to export this power. The government has an opinion from one of their own officials that that should not be done, and in view of that fact, why should the time of parliament be taken up in discussing this matter? The utmost ignorance exists with regard to the extent of this water-power, and I am decidedly opposed to it being handed over to a private company.

At one o'clock committee adjourned.

Committee resumed at three o'clock.

Mr. MACDONELL. We all agree in the Prime Minister's statement that a great deal of time has been taken up with the discussion of this Bill and that it should be disposed of as soon as possible, but the loss of time is the fault not of the committee but of the promoter of the Bill. The Prime Minister contended that because the Pigeon river is an international stream, its waters flowing between Canada and the state of Minnesota, this parliament is, ipso facto, given jurisdiction over it. I do not accede to that statement as there is no authority for such a proposition in either the British North America Act or any judicial decision of which I am aware. I take the view that if these are provincial waters, as I believe they are, the Dominion has no greater rights of an international nature than the provinces would have, that is that the British authority on this side of the line cannot invade the territorial waters or the jurisdiction of the state of Minnesota, and that the Crown in right of the province of Ontario is the proper tribunal to deal with these questions, if it is necessary to have dealings with the United States. The Canadian right in that respect is vested in the province just as it was before confederation, and by virtue of section 109 of the British North America Act the province is continued in its ownership of the land over which the water flows. It seems folly to say that this parliament has the right to grant the powers asked for by this Bill when it is evident upon the face of the legislation that the regulation of all such matters, the regulation of municipal and police matters and the enforcement of law, all fall within the provincial domain. I ask the right hon. gentleman to consider this matter in the same way. I again call his attention to the conditon on the Niagara river where we have the pioneer company, the Canadian Niagara Power Company, originally getting a charter in 1892 from the province of Ontario and operating under that charter ever since.

Mr. CONMEE. I am informed on very good authority that that company has come here and obtained a charter since then.

Mr. MACDONELL. I think the hon. gentleman is mistaken.

Mr. CONMEE. The evidence will show it has done that.

Mr. MACDONELL. There is no such legislation to be found in the statutes of Canada. The Canadian Electrical Development Company and the Ontario Company, which are the only other two companies operating on the Niagara river, went first to the Ontario government and made a bargain with that province before coming here and that is what we ask these promoters to do, to make their bargain with the province of Ontario and then come here as the other companies came to have their bargains ratified and incorporated in our statutes, then if any difference arises between the parties to the bargain, the province of Ontario and the company, the matter can come before a more or less independent tribunal, the parliament of Canada. The elimination of the Nipigon river modifies the intensity of the opposition to this Bill but in its relation to the Pigeon river it is still objectionable.

Mr. CONMEE. The hon. gentleman says that all other companies have acquired agreements from the province of Ontario before coming here. I have here the Act of

the Ontario and Erie Power Company, a company incorporated here, and there is not one word in that Act with regard to any agreement with the province.

Mr. LANCASTER. That company is not in operation at all.

Mr. CONMEE. But its charter was granted.

Mr. LANCASTER. It is not operating and never has operated.

Mr. CONMEE. And that charter has been renewed twice. The hon. gentleman allowed it to be renewed this year and did not say a word against it.

Mr. LANCASTER. It does not contain the same clause as this.

Mr. CONMEE. The same clause exactly from the Railway Act and it gives a great deal wider powers. It gives the company power to take the waters of the Welland river and the Jordan river and to divert them through to Lake Ontario, to widen these rivers and take them out of their regular course. It also gives the company power to take the waters of Lake Erie and to divert them into Lake Ontario. There is no comparison between the scope of their Act and the one now before the House.

Mr. MACDONELL. The Erie Bill passed this House some years ago but the company has never gone into operation. They propose to take water from a system of waters known as the Welland canal. The Welland river is part of the Welland canal waterway, which, as we all know, is a work not only within the jurisdiction of this parliament but constructed by this parliament and they had to come here to obtain power to use the waters of the Welland canal.

Mr. CONMEE. What about Lake Erie and the Jordan river?

Mr. MACDONELL. The Jordan river is practically part of the Welland canal system too.

Mr. LANCASTER. The canal is not only a Dominion work but a Dominion-owned work.

Mr. S. SHARPE. Admitting for the sake of argument—and of course we do not admit it—that this parliament has exclusive jurisdiction to deal with this question and that the provinces have no jurisdiction whatever, should not this government have some policy in regard to this and similar assets? We ought to have a declaration of policy from the govenment. Is it their policy to alienate to private companies these important assets, suppose they do belong to the Dominion? I have heard a great deal about the policy of the Ontario government in an opposite direction, and we ought to have some declaration with regard to the policy of this government. Is it their policy to alienate in perpetuity valuable public assets to private companies?

Mr. BARR. At this late stage of the session, when we are anxious to bring our work to a close, it is very unfortunate that this Bill should be brought up again. When the right hon. gentleman turned it down the other day, we thought we had heard the last of it for this session at least, but we have it popping up again like an irrepressible jack-in-the-box. The legal aspect of the question has been fully discussed, and I do not think it can be seriously pretended that this government has exclusive jurisdiction. Even if the British North America Act be strained to give it some jurisdiction, at least the Ontario government have rights in these water-powers within their own province, and ought to be left free to deal with them. We are told that the Bill passed the committee, but we must remember that it passed at a rather stormy meeting and contrary to the vote of the Ontario members, both Liberal and Conservative. It only passed by virtue of the vote of members from the other provinces who are not directly interested and who were drummed up for that purpose. I know that Ontario members on the Liberal side remained away and refused to vote for the Bill but did not like to appear and vote against it out of regard for my hon. friend the promoter of the Bill (Mr. Conmee). I hope that no one imagines that we on this side oppose the measure because my hon. friend is the promoter. We would oppose it just as strongly if it were put forward by an hon. member on this side. We are opposing it on principle, because we believe it is of vital importance to the province of Ontario that that province should have control in this matter, and if necessary we are prepared to oppose it from day to day and thus prolong this session which we all desire to see brought to an end. I think the right hon. the Prime Minister has been ill advised in giving his consent to have this Bill brought up again. We must remember that the company in question is largely controlled by American citizens, who will no doubt, in the working out of the measure place the interest of their own country first. Let me remind the House that when the Niagara Power Company Bill was brought in a year ago, we took the precaution to provide that only the surplus power should be sold on the other side of the line, but no such precaution is taken in this measure, and the company may sell the greater part of its power in the United States. Under the circumstances, the Bill is a most dangerous one. The Ontario government have appointed an electric commis-

sion which has done good work in the province of Ontario, and that policy has been endorsed by an overwhelming majority of the free and independent electors of that province. If there is one Act more than another of the Ontario government which the people appreciate it is their reserving of these powers for the province. Under the circumstances, it would be a blunder and a crime against the province of Ontario if we should pass this Bill. This House ought not to put itself in a hostile attitude to any province. We ought to remember that our water-powers are the greatest assets which our provinces possess. They are the white coal of the country, to which we look to take the place of the ordinary coal when that is exhausted. Under the circumstances we ought to be very careful not to give a perpetual franchise which will take this power out of the province altogether. This is one of the greatest water-powers we have in that part of the country. Without going into the legal question, it seems to me that the province is better fitted to deal with this asset than is the Dominion parliament. Charters of this kind are usually given by the Ontario government; and if this session be delayed on account of this Bill, the responsibility must rest on this government.

Mr. LENNOX. My hon. friend who is promoting the Bill made two propositions a moment ago, and I think only two mistakes. One of his statements was that the Canadian Niagara Power Company, although refused a charter in the first instance, had come to this parliament again and obtained one. If that is the case it would have been very easy for the hon. gentleman to have proved his statement. But let me point out that when that company applied for a charter the hon. member for South Wellington (Mr. Guthrie) opposed its application, and after having pointed out that he had done so at the instance of a number of influential Liberals and others in his own riding and elsewhere in the province of Ontario, he succeeded in getting a few weeks adjournment, and the Bill never came forward again. The company withdrew its application and so the matter ended as it should have done. That was one of the hon. gentleman's propositions during his last speech. But it did not apply prejudicially to the company, a company carrying on business effectively and successfully, and the largest business of any of the development companies that exist on the Niagara river, and so far as I know, they are experiencing no difficulty. The hon. gentleman also referred to the Ontario Power Company. I think he should have left the Ontario Power Company alone, because we have before us the report of the commission appointed by this government to look after our water-powers and international streams. The commission is composed of Mr. Geo. C. Gibbins, Mr. Louis Coste, and Mr. Wm. J. Stewart. We have their supplemental report; and I would think that the members who support the government and the government would be prepared to abide in the main by the recommendations of their commission. They deal with this Ontario Power Company, and they point out how unfortunate it is that these three companies were incorporated and given such large powers before public attention had been directed to the importance of keeping these great sources of wealth in the control of the provinces. It is important that the government should pay some heed to the statements contained in this report, and I will take the liberty of referring to a few of them. Later on, if the government does not see fit to adhere to the proposition of the Prime Minister on the 19th of April last, and if he is disposed to recede from the position taken that evening, I shall have occasion to refer more at length to the contents of this report. In the meantime they say:

> It is manifest that some arrangement must be arrived at between the two countries with regard to the regulation and use of the boundary waters, otherwise chaos will prevail. At Niagara, on each side of the river, charters had been granted under which water in unlimited quantities could have been taken at points further up the river. On our side it was sought to use the Chippewa river to drain the waters of Niagara into a new outlet—a canal to be built to a point near St. David's. Another Canadian charter sought to divert the waters of Lake Erie to a point near Jordan.

That is the Ontario Power Company.

> On the New York side there was no limitation to the water which could be taken under several charters.

Now here is what these gentlemen say with reference to this matter:

> All these proposed developments would affect, more or less seriously, the level of Lake Erie, and all are objectionable on that account, and wholly opposed to the principle adopted by the commission.

What is the government going to do about it? Are they going to let the recommendations of this committee go for nothing, or are they going to abide by their recommendations? The committee say further:

> The diversion of 10,000 cubic feet per second would have a more serious effect upon the level of Lake Erie than the diversion from Lake Michigan, at Chicago, of a like amount. It would mean the reduction of the lake level by more than six inches.

So we are not here to justify the Ontario Power Company, we are here to show that before the attention of the people had been called to this question, three power companies had been incorporated in reference to the Niagara river, and it is a most unfortunate thing that these three power companies were incorporated at that time. But as they are incorporated, it is for the government to see to it that no further companies are incorporated with a like result. In reference to another proposition that the hon. gentleman and some other hon. gentlemen, have repeated, let me show what this commission says, after speaking of international waters:

> Neither company has any right of property, but only a right of user, in these flowing waters.

Further on they say:

> It, perhaps, would have been wise if development had been limited to the generation of electricity for distribution in Canada.

That is the position I took the other evening, that is the position I take now, and that I intend to maintain, namely: That it is not in the interest of Canada or the Canadian people that we should transmit power to the United States to help build up American industries at the expense of our own development. If, by a proper protective tariff, as has been shown, and I called the right hon. gentleman's attention to it the other day, 134 large firms in the United States have been compelled to plant large industries in Canada, if that is in the interest of Canada, and undoubtedly it is, is it not in the interest of Canada, where we have this God-given power in the great rivers and water falls we possess, that we should keep that power within our own hands, and compel people who want to benefit by the natural resources of Canada to come into our territory, and build up our markets and our country by establishing industries within our own limits? Now they say it would have been wise if development had been limited to the generation of electricity for distribution in Canada, and add:

> In that case we would most likely have had only one corporation up to this time, and, moreover, would have had the Canadian market fully supplied.

Now I particularly desire to direct the attention of the Prime Minister to this position taken by this commission. At page 15 they say:

> The control over one-half of the production would undoubtedly supply all the demands of our Canadian market for many years to come, and it would not be any great hardship upon the companies to compel them to jointly or severally build the necessary transmission lines to care for the same.

The commission is here dealing with the three companies that had already been incorporated, and they are pointing out that although certain rights have been conceded to these companies, it is inadvisable that they should be allowed to other companies making application, or to this company now making application, the first since this report has been brought in. The commission had knowledge of the fact that my hon. friend had a Bill of this class, and they point out that it is not advisable to have any further companies incorporated in Canada. They say:

> While we think it should be a condition of the charters of all companies hereafter incorporated in Canada that the power generated should be distributed wholly in this country, that principle cannot with fairness be applied to these corporations at Niagara Falls.

So the whole result of the argument of the commission is that we cannot apply the proper principle to the three companies who have already acquired vested rights in regard to the export of power, but that to all future companies we should apply the principle that no export shall be permitted to the United States.

> It would be monstrous if all but 40,000 or 50,000 horse-power of the total 400,000 development should find a market in New York State. The public in western Ontario are thoroughly aroused against this threatened injustice.

I do not so much appeal to the right hon. first minister because naturally—and I do not say this offensively—I cannot get his ear to the same extent as can his loyal and faithful supporters. But, whilst I urge upon him most respectfully to take a broader view of this question I also protest against our acting in such a way as shall prevent any province from developing, for the benefit of its own people, the natural resources of that province.

Mr. S. SHARPE. I would like to press my question upon the first minister. Admitting, for the sake of argument, the exclusive jurisdiction of the Dominion, admitting, that the province has no power at all, is it wisdom on our part to alienate these water-powers to a company in perpetuity without providing for some compensation, or for the right to collect royalty, or without regulation of any kind except as provided in this Bill? What is the policy that should actuate us in dealing with these water-powers and other natural resources and in disposing of them to private companies?

Sir WILFRID LAURIER. I have expressed more than once what the views of the government are on this matter and I am sorry if I have failed to make myself understood. As to the question of jurisdiction we claim that it is vested in this par-

liament. I have said again and again that I thought we had the power to deal with this Bill. The question which is in the mind of my hon. friend (Mr. S. Sharpe) is the question of the right of expropriation. Shall we allow this company to expropriate these water-powers or not? That is a matter which would not logically come up under this clause. I have stated to the promoter of the Bill that on this point I have an open mind and that I would not decide the matter one way or the other. Until we reach this point I do not think it is proper for me to offer any advice. I keep a perfectly open mind. The government have not formulated a policy upon this matter because we have had very little opportunity of dealing with such questions. It is admitted that in dealing with the Nipigon river, though a navigable stream, we should defer to the provincial government, but with regard to an international stream we certainly have the control in our own hands. Whether or not we should allow this company to take the power of expropriation is a matter as to which we should reserve our views until we come to the discussion of the question.

Mr. MEIGHEN. Mr. Chairman, the Bill before the committee has been discussed at very great length and I have no doubt that all that can be said on the subject has been said. The argument that is of compelling force, to my mind, has, however, not been put as expressly as I would hope to put it. If I can succeed in presenting it I shall be very brief and I trust that I shall have the ear of those who are closely concerned with this measure. I fancy the right hon. first minister (Sir Wilfrid Laurier) misapprehends, in to a very great degree, the basis upon which the hon. Minister of Justice (Mr. Aylesworth) founds his claim to exclusive jurisdiction in this parliament. The Minister of Justice founded his claim upon an asseveration that this Bill embodies in its form an assertion of power to export the product that the company proposes to manufacture; that is to say, that by virtue of the power embodied in the Bill to export power to other provinces and across the line, by virtue of that clause and that clause alone, this parliament has jurisdiction. If the first minister will look at the speech of the Minister of Justice he will find that it was on that ground that the Minister of Justice based his assertion and his conclusions that this parliament alone had jurisdiction. The Minister of Justice, in pressing that claim, admitted that if this company, promoted by the hon. member for Rainy River (Mr. Conmee), had gone to the provincial government of Ontario and had obtained a charter, leaving out entirely the clause which asks for power to export to other countries and other provinces, the company would, having obtained its charter, have, by virtue of what is called in the legal profession, the comity of nations, power to export to other provinces and other countries just the same as if the clause had been included. The position of the Minister of Justice then is that the inclusion of this clause in the Bill confers on us exclusive jurisdiction, but that if the clause were out and the Bill then went to the legislature of Ontario, which, in that event, would have the exclusive jurisdiction (because there is no such thing as concurrent jurisdiction), then the company would have the power which my hon. friend claims for it. Well, if that is so, if the argument of the Minister of Justice is right, the only reason for the inclusion in the Bill of this particular clause asking for power to export to other provinces and other countries is to confer upon this House exclusive jurisdiction. It is admitted that if that were not there those powers could be granted, aside entirely from what I might call the obiter dicta of the Minister of Justice in his remarks, by the Ontario legislature and they alone and the company would have all the powers they desired and could exercise them just the same as if this Bill had passed this House.

Now, the Minister of Justice, in opening his remarks, about two weeks ago, stated that in his opinion this work was not for the general advantage of Canada, and he said that in his opinion it was unwise and not right for this parliament to insert what was on its face incorrect, and consequently that he had advised the hon. member for Rainy River to leave that out. He deprecated the principle of importing into a Bill a fiction for the purpose of giving this parliament jurisdiction. I accept that principle in its entirety and I think all the members of this House will accept it as far as it goes. But, press it a litle farther and what is the effect of it? The hon. member for Rainy River brings exclusive jurisdiction into this parliament by includng in this Bill a clause asking for power to export to other countries and other provinces. Is not that a fiction? The Minister of Justice told us that we had no right, now that the Bill had passed the committee, to question the bona fides of the promoters of the Bill, to question the bona fides of their intention to export power to other countries and other provinces. I do not question their bona fides, but no matter what company comes here and asks for power it can, with equal bona fides, place in its Bill an application for power to export to other provinces and other countries. That can be put in with equal bona fides by all companies. Therefore, I say it amounts purely to a fiction. There is no necessity of giving any opinion whatever upon the admission of the Minister of Justice. The Minister of Justice and

the government are quite willing to lay down the principle that it is not right, that it is bad policy for this House to import one fiction into a Bill for the purpose of giving it jurisdiction, but that it is all right to import another. I, as one member of this House, would wish to exercise no jurisdiction that is based upon such a flimsy excuse as that. It would simply amount to this: that we, by virtue of a clause which any company in the world would be justified, in all good faith, in inserting in its Bill, could, in every case, assert to ourselves exclusive jurisdiction and make that, not a reason because it would not be a reason, but simply an excuse for passing such Bill in this House.

Mr. CONMEE. How does the hon. member deal with the fact of the development being upon an international stream and that the works must extend from side to side of the river so that the water must be affected on the American as well as on the Canadian side.

Mr. MEIGHEN. I quite appreciate the point raised by my hon. friend, and I appreciate also his anxiety to get away from the point I am now discussing. The Minister of Justice did mention that, but at present I am simply arguing that the basis laid down by the Minister of Justice as bringing into this House the exclusive jurisdiction was not a basis on which it was within the domain of this House to act.

Mr. CONMEE. Where do you find that in 'Hansard ?'

Mr. MEIGHEN. The hon. gentleman has experience in questioning members on this side of the House as to what appears in 'Hansard' but he seems not to have profited by the experience. On page 4592 'Hansard,' April 19, the Minister of Justice stated:

I have not made my meaning clear to my hon. friend if he thinks my remarks do not apply to the Nipigon river. This Bill proposes, as I have pointed out, to incorporate a company to manufacture electric energy by water-power on the Pigeon river and on the Nipigon river, and the electric energy so manufactured, no matter whether on the Nipigon or on the Pigeon, this Bill proposes that the company shall have the power to transmit and sell for use at any place in the United States. There is no distinction, on the face of the Bill, between the power to be manufactured by the water of Pigeon river and that which is to be manufactured by the water of the Nipigon river. I speak without knowledge but my supposition is that the company do not intend to distinguish at all, in their operation, between the power manufactured at the one place and that manufactured at the other. The Nipigon is some 60 miles to the eastward of the cities of Port Arthur and Fort William, the Pigeon river is some 40 or 50 miles on the other side.

To abbreviate, the Minister of Justice goes on to argue that there is no distinction between one river and the other; basing his argument on the fact that the power to export is included, and, at page 4593 'Hansard,' in answer to a question by the member for West Algoma, the Minister of Justice said:

The hon. member for West Algoma (Mr. Boyce) asks me if in my opinion the fact that this Bill empowers the company to sell its products beyond the boundaries of the province gives this parliament exclusive jurisdiction over it. If I am to answer that question exactly as it is put, I would say yes. At the same time it is a legal question by no means free from doubt and one which has been recently under consideration.

He goes on to argue that it will likely not be until it comes before the Privy Council in England that that question will be finally decided, although he gave his opinion without qualification to this House. It is true, as the hon. member (Mr. Conmee) has said and is just about to say again, that on the same page of 'Hansard' the Minister of Justice does state that because the Pigeon river is an international stream this House has exclusive jurisdiction.

Mr. CONMEE. Does my hon. friend not see—without using any offensive language—that his argument is unfair. He is picking out from the remarks of the Minister of Justice a reply to a question put by the member for West Algoma with regard to the export of power. That is only incidental to the argument of the Minister of Justice and not a part of it.

Mr. MEIGHEN. It is the whole basis of his argument, and that is why the question was put by the member for West Algoma. In the body of his argument the Minister of Justice did state that the fact that the Pigeon river was an international stream gave exclusive jurisdiction to this parliament, but the hon. member (Mr. Conmee) will also see that in the body of that argument the Minister of Justice goes into no details. He gives nothing on which he bases that conclusion whereas in the other case he built up the entire construction of the speech he made to this House and goes into the most explicit details. But, supposing that we were to grant that this is an international stream and that consequently for certain purposes exclusive jurisdiction is in this parliament, will the Minister of Justice, or will any lawyer on the other side of the House deny that the province of Ontario would have power to incorporate a company that would build a dam, at least to the international boundary in the middle of the stream. Certainly, Ontario would have that power. Has this parliament of Canada any further power? Has this parliament of Canada any power to incorporate a company to build past the middle of

the stream? Surely not. Surely there is jurisdiction in the province of Ontario in so far as the purposes of a purely local and commercial undertaking are concerned to go just as far as the Dominion of Canada in that respect. Now then, to get to the kernel of the contention of the hon. gentleman—if there is any kernel to his contention—if after this company has obtained from the province of Ontario power to build to the middle of the stream; after they have obtained from the adjoining states to the south power to build to the same point from the American boundary, then, if any power to connect so as to utilize the two together be necessary to come from this House, which I very much doubt, then doubtless this company can come to this House and get that power. In that way we will grant all the power that it is necessary for us to grant and we will not interfere with the policy of the Ontario or any other province. If the hon. gentleman (Mr. Conmee) only wants to come to this House for power to connect, and that is all he can come to this House for without interfering with provincial rights; if he wants to come to this House for such legislation then probably he would succeed because the principle of provincial rights would be in no way impaired thereby. The company he wishes power for would get at least all the power that the province of Ontario under their well endorsed policy could give them and that is all this company has any right to have or that this parliament has any right to give them. I have said as much as I intend to say on that point. I have not perhaps gone into this question quite as fully as my hon. friend (Mr. Conmee) but sometimes by simply listening to his argument and by simply watching the very many beautiful manœuverings of my hon. friend (Mr. Conmee) one can come to a conclusion perhaps more quickly and just as sound as he could by going into the authorities for himself.

Mr. CARVELL. I have listened to this argument and have read pretty carefully the debate which took place on the 19th of April, and I am forced to the conclusion that this seems to be a dispute between the supporters of the Ontario government on the one side and the hon. member for Rainy River on the other. But there are other members in this House who are compelled to vote upon this question and we are therefore justified in giving our reasons for our belief. I think my hon. friend (Mr. Meighen) has not done himself justice this afternoon, and I want to say that he is usually very fair and very logical in his arguments. He cited from the speech of the Minister of Justice, but he only cited from that speech the remarks in reference to the exportation of electricity. I do not think that was fair, because had he gone to the bottom of the same page he would have found the reason upon which the Minister of Justice had based his conclusion and which was this same subsection 10 of section 92 of the British North America Act, which contains certain exceptions as to the authority of the local legislatures, one of which exceptions is:

> Local works and undertakings, other than such as are of the following classes:—
> (a) Lines of steam or other ships, railways, canals, telegraphs, and other works and undertakings connecting the province with any other or others of the provinces, or extending beyond the limits of the province.

The Minister of Justice went on to explain this point, and in his judgment it came within the exceptions of subsection 10 of section 92, because it was a work extending beyond the limits of the province of Ontario, and therefore the jurisdiction could only be in this parliament. I will read his words:

> At all events that is the proposition on the face of the Bill, and the observations I have made apply as much to the water-power at Nipigon as to that on the Pigeon river. I cannot understand how water-power could be utilized on the Pigeon river otherwise than by the construction of a dam across that river, which would have one end necessarily on American soil, and this parliament alone would have the power to incorporate a company for that purpose.

Had my hon. friend quoted that portion——

Mr. MEIGHEN. I beg the hon. gentleman's pardon. I stated clearly that the minister had made that statement.

Mr. CARVELL. Well, I will leave the House to judge whether the hon. member read that as he started to do, or whether after he was challenged he made a statement somewhat along those lines. However, that is a small matter, the question is to get at the facts. We are told that the Pigeon river is about 300 feet across, and that there is a water-fall at that point; so that in order to develop power it would be necessary to erect a dam across the river. I cannot make the argument any stronger than the Minister of Justice made it. In view of the fact that to develop a water-power it would be necessary to build a dam across the river, it is certain that the legislature of Ontario has no jurisdiction and that this parliament alone has jurisdiction. I am content to take the ground taken by the right hon. first minister, that when we are dealing with international rivers, this parliament should have jurisdiction and it should not be relegated to any provincial legislature. I believe the underlying principle of our constitution is that certain rights are given to the provinces and the residue remains with the federal govern-

ment; that is the distinction between our constitution and that of the United States.

Mr. MEIGHEN. Does the hon. gentleman contend that this parliament can create a company to build a dam all the way across a navigable river?

Mr. CARVELL. Certainly not; but if this work can only be carried on by building a dam across the Pigeon river, it comes under subsection 10 of section 92, under which this parliament only has jurisdiction.

Mr. MEIGHEN. Just to connect the two ends.

Mr. CARVELL. My hon. friend tries to get around that, because, if I understand his argument, it is that the incorporators should get power from the province of Ontario to build across the Ontario half of the river, and then get power from the State of Minnesota to build the other half, and then they would have to come here to get that ratified. He admits by his argument that the final jurisdiction over this work rests in this parliament. Then our friends say that we are interfering with the avowed policy of the province of Ontario. Personally I do not believe in public ownership. If the people of Ontario want their water-powers managed and controlled by the province, I have no quarrel with them; but I would like to know if the followers of the Ontario government go so far as to contend that all water-powers in the province, whether owned by the province or by private individuals, should be controlled and operated by the province. I cannot conceive that that is the policy of the Ontario government, otherwise they would be taking away vested rights that must have existed for a hundred years.

Mr. LANCASTER. Those powers must be under some parliamentary jurisdiction. What other than the province?

Mr. CARVELL. I imagine that there are hundreds of water-powers in the province of Ontario which are being managed without a charter from anybody. The owners got the powers because they owned the land on which those powers are situated.

Mr. LANCASTER. But the province could confiscate them.

Mr. CARVELL. Does my hon. friend say that the Ontario government has adopted as part of its policy the right to confiscate private property?

Mr. LANCASTER. No, I do not say that they ought to confiscate it, but I say they have power to confiscate it if they chose to possess it.

Mr. CARVELL. I admit that they have power to confiscate anybody's private property, but is that their policy?

Mr. CARVELL.

Mr. LANCASTER. No.

Mr. CARVELL. My hon. friend says no, but they have done it.

Mr. BLAIN. When the Whitney government came into power, they found that a great many of these provincial rights had been given to private individuals, and they decided that they would reverse the policy of my hon. friend's party, and that in the future all these rights should be retained by the government for the people.

Mr. CONMEE. That policy was in vogue ten years before the Whitney government came into power.

Mr. CARVELL. I am discussing whether it is the policy of the Ontario government, I will not say to confiscate, which is a harsh term, but to expropriate or acquire the private property of persons who happen to own water-powers. I am not discussing what the Ontario government did in the past; I am discussing what is their policy at the present time. The hon. member for Lincoln says that he understands that it is not their policy to confiscate or expropriate the property of private parties. Then I understand that the whole burden of this discussion so far goes by the board, because it was based on the statement that there is a property here that belongs to the province of Ontario, and that this parliament ought not to interfere and take from the province a right which it enjoys. If we can believe the statements given by the hon. member and the telegrams read here this morning, we must conclude that the title to the six square miles, including this water-fall now under discussion, was granted in 1856 by a patent which extended down to the water's edge.

Mr. MACDONELL. Will the hon. gentleman state whether in the evidence submitted or in the statement of the promoter of this Bill there is language to the effect that a water-power has been granted to this individual? I did not hear it.

Mr. CARVELL. I stated that the land—and I used the word in its broadest sense—the land facing on this river was granted by the province of Ontario in the year 1856 to a man named Stewart down to the water's edge.

Mr. MACDONELL. That does not include the bed of the river.

Mr. CARVELL. It does include the bed of the river absolutely, and I am surprised that a gentleman of the legal attainments of the member for South Toronto should make such a statement in this House when he has before him the decision of the Court of Appeal of Ontario in 1908, in the case of the Keewatin Power Company versus Kenora. My hon. friend should

have read this case. He would find that as late as 1908 the Court of Appeals of Ontario have in explicit terms decided that the grant to the water's edge carries with it the ground to the centre of the stream.

Mr. MACDONELL. It depends upon the stream.

Mr. CARVELL. I shall read the head note in this case. It applied to the Winnipeg river, which is a much larger river than the river under discussion. Here is the head note:

Where a grant of land is made bordering on a river, if a tidal river, the title to the bed is presumed to remain in the Crown, unless otherwise expressed in the grant; whereas if non-tidal, whether navigable or not, the title in the bed ad medium filum aquæ is presumed prima facie to be in the riparian proprietor.

Where, therefore, lands were granted by the Crown bounded by the Winnipeg river, a non-tidal river, the title to the bed of the river ad medium filum aquæ was held to have passed to the riparian owners by virtue of the grant to them, there being nothing in the grants, particulars of which are set out in the case, to rebut the presumption.

I do not think that my hon. friends will dispute that the Court of Appeal there held that in the case of the Winnipeg river the title went right to the centre of the stream and, therefore, I think the same Court of Appeal would hold that the grant of land to the edge of the water on the Pigeon river would go to the centre of the stream.

Mr. MIDDLEBRO. Who owned the water?

Mr. CARVELL. My hon. friend is not serious in that question.

Mr. MIDDLEBRO. Yes, I am quite serious. Who has the proprietary interest in the water?

Mr. CARVELL. It is an elementary principle of British common law, something the student learns before he takes his first examination, that the water belongs, for the time being, to the man over whose land it happens to be, subject to the rights of the public to navigation over it; and the owner, so long as he does not divert it and take it away, has a right to use it over his own land and turn it into the stream again so that the next riparian below him may have the use of it. Surely my hon. friend was not serious in asking for information on as elementary a matter of law as that. I contend that under this decision Stewart or his assignee is the absolute owner of that land out to the centre of the stream and the absolute owner of the use of that water so long as he does not divert it from the stream. If that is the case, the province of Ontario has no rights in this property or water-power, and, according to the admission of the hon. member for Lincoln (Mr. Lancaster), it is not the policy of the Ontario government to expropriate or take away from private parties the rights which they own, so they have not any intention of taking this water-power to themselves, and if they did they would have to pay the owners for it. Thus they have no right to say that we should not grant legislation allowing these people to utilize the water.

Coming to the question of expropriation, the amendments grant no right in regard to the Nipigon river beyond the right to establish pole lines. The right of expropriation is continued with regard to the Pigeon river. If I am correct in my assumption that this is not the property of the province of Ontario but of Stewart or his assigns the province of Ontario then has no legal right to come here and interfere unless this parliament lays down the principle that no man in Ontario has the right to own or look at a water-power except with the consent of the provincial government of Ontario. Coming from another province I am not prepared to assent to that, and I doubt if hon. gentlemen from other provinces are prepared. I am myself interested in a number of water-powers; my father was in the business before me and I presume other members in this House are similarly interested. I certainly will not subscribe to the doctrine that any province has a right to come in and take my property without my consent unless they pay me a pretty big fee. Considering that we have jurisdiction, considering that the province of Ontario does not own the land, considering that if this communicates with works going across the river we have the only jurisdiction, I think we are justified, not only justified but compelled if we are to be logical, to vote for this Bill and pass this legislation. Why should we go to Ontario and then in the end have this company come back here to have their works ratified?

Mr. MACDONELL. The hon. gentleman has taken a few liberties with the House that perhaps it would be as well if he had not taken. He says that the property where it is proposed to work this water-power or erect a dam in connection with the power is private property belonging to a man named Stewart, or granted to him at a certain time. There is not the slightest evidence before this committee of this fact. The hon. gentleman who promotes this Bill has read a telegram from a certain authority in the parliament buildings at Toronto that simply says that in connection with a certain part of this river a certain grant was made in 1854. There is no evidence that the particular spot in the river mentioned in the telegram is the place where

this power plant is proposed to be erected. The Bill is wide open as to the right of selection which this company will have, as to where it will erect its power on this large stream. There is nothing in the Bill tying this company down to erecting its works at the point where it says it owns land. Now that the promoter says he proposes to erect the power works on the private property of this person Stewart, to whom it was granted in 1856, I assume that he will have no objection to having it specified in this Bill that his works are to be erected there and at no other place on this river. Then we will see where we are at and we will know that we are dealing with land owned by a private individual; but as a member of this committee I refuse to support or to allow to pass through unopposed, a noxious Bill that allows a company to make its own selection on the whole course of the river. I suppose my hon. friend who is promoting this Bill, will have no objection, in view of his own statement that the company are going to erect their works on this particular spot and not on Crown property or property expropriated from other people, to stipulate that in his Bill

Mr. CONMEE. Will my hon. friend accept the Bill provided I agree to his proposition? If he will, I will accept it.

Mr. LANCASTER. No doubt the hon. gentleman would be very glad to get his Bill through on any terms at all.

Mr. CONMEE. Will my hon. friend kindly answer me?

Mr. MACDONELL. If the hon. gentleman is going to get his Bill through—and it looks as if he were, from the attitude of the government—then it should specify where the works are to be erected. If we cannot get the Bill thrown out by the House, we must get for the people the best that we can.

Mr. LENNOX. My hon. friend who is promoting the Bill, must not ask us what we will do, in case he makes a certain proposition. Let him make his offer and then we will consider whether it is a proper one or not.

Mr. CONMEE. The hon. member from Toronto (Mr. Macdonell) seems to think it would be a fair proposition to say that this development should take place in the location mentioned in the vicinity of Pigeon River falls, mentioned in this telegram. I am willing to agree that the company should be tied down to a specific place and that the Bill should name that place. I know the locality. My telegram was sent to the registrar at Port Arthur asking him for the date of the patent of the land adjoining Pigeon River falls.

His reply was that the date of the patent was not known in his office, but the locality was the Stewart location and the plans showed that the rights of the patentee went to the water's edge. Then I wired to Toronto to have the records searched, and I have a reply stating that the Stewart location was deeded in 1856, so that we have perfect identification of the land as being at the Pigeon River Falls where the intention is to develop the power. There is no other point in the minds of the promoters, and I am quite willing to have that defined in the Bill, if that will meet the views of the hon. gentlemen.

Mr. LANCASTER. The hon. gentleman is of course anxious to get some Bill, but the objection is that we have no right to interfere in this sort of legislation at all. The hon. member for Carleton, New Brunswick (Mr. Carvell) has shown the best reason why the Bill should be withdrawn; and as our advice has not been listened to, perhaps my hon. friend from Rainy River (Mr. Conmee) will accept the logical results of the argument of the hon. member from Carleton. That hon. gentleman argued that because the property is privately owned, therefore the Dominion must assume jurisdiction over it.

Mr. CARVELL. I object to being quoted as having said something I did not say.

Mr. LANCASTER. The logical result of the hon. member's argument was that we need not trouble any more about this, because the property, which runs to the water's edge, has passed into private hands, and therefore the province has no more control over it.

Mr. CARVELL. Yes.

Mr. LANCASTER. My hon. friend will revise that opinion if he thinks it over. According to that the property I own in St. Catharines, the province of Ontario has no control over.

Mr. CARVELL. Does my hon. friend understand me to have said that because the property had passed into private control, the province of Ontario had no control over it?

Mr. LANCASTER. That is what I understood.

Mr. CARVELL. The hon. gentleman is in error. The province of Ontario would have no legislative control over it unless they attempted to expropriate it or take it for their own use.

Mr. LANCASTER. But they have legislative control over it because if property has passed from the province of Ontario to a private owner, it does not follow that

the province has still not the right to tax it or expropriate it.

Mr. CONMEE. How does this Bill interfere with any of those rights?

Mr. LANCASTER. One at a time. Has not the province of Ontario still jurisdiction over property and civil rights in the province? The very fact that the title to that land has come down—and I am not admitting that it has—to the present private owner and that these works are going to be built there, is the very reason why this Dominion parliament has no right to exercise jurisdiction in the matter. These parties propose to build on property which is subject to taxation and expropriation and every other power the province has the right to exercise with regard to it.

Mr. CARVELL. Does my hon. friend say that if this Bill were to pass, and this company were incorporated, we would be taking away from Ontario the civil rights reserved to the province under the British North America Act?

Mr. LANCASTER. I do not say so, but that would be the result of my hon. friend's argument. He said that because private people owned this land, the Dominion parliament can do no harm in allowing this charter to go through. But we do not know what rights the province of Ontario may choose to exercise over this property. The hon. gentleman says we are not concerned with the past, but only the present policy of the Ontario government. Well, we are concerned with its present policy and its future policy as well, and we have no right to tie up by our legislation the hands of the Ontario government. Because the province has done nothing which would be an obstacle to our passing this Bill, are we to assume that it might not do something in future to which the passage of this Bill might be a hindrance? I understand that the Ontario government has a policy which involves expropriation of these water-powers under certain conditions by a certain commission in compliance with certain rules, and we should not do anything here which would hamper the provincial government in the carrying out of that policy. I have not heard any one in this House declare what is the best policy for Ontario. What we have said is that the province of Ontario must be left alone to deal with this matter itself, and that we must not interfere with its power, past, present or future.

Mr. LENNOX. I think a word might be said with reference to the question interjected by the hon. member for Carleton, New Brunswick, (Mr. Carvell) as to whether it would be possible, if this Act were passed, to interfere with the right of expropriation of the province of Ontario. I am inclined to think that it would materially effect all the rights of the province in reference to that matter. The province of Ontario has enunciated a policy.

Mr. CARVELL. Does my hon. friend contend that the passing of this Bill would affect the legal rights of Ontario as to expropriation, or simply affect the policy of the Ontario government?

Mr. LENNOX. I compliment myself that I have a habit of making reasonably clear what I intend to say. I am inclined to think that if we pass this legislation we entirely hamper the action of the Ontario legislature.

Mr. CARVELL. From a legal standpoint?

Mr. LENNOX. From a legal, a moral and a physical standpoint, or any other you like. The policy of the Ontario government is to control its water-powers.

Sir WILFRID LAURIER. What water-powers?

Mr. LENNOX. All water-powers in the province which are of advantage to the public in their locality. I do not think the word would apply to an ordinary mill pond. Any stream that is in the general interest of the public to develop, that would be a source of revenue to the province, of general advantage to the province, I think it is the policy of the Ontario government to control such rivers and streams. Now we have enunciated that policy, we have acted upon it, and in 1907 we passed an Act in reference to expropriations, where questions of this kind arise. The hon. member for Carleton (Mr. Carvell) asked, if we passed this legislation will it interfere with the right of the province to expropriate? Why, the foundation of expropriation is gone, we have given it to the member for Rainy River, instead of reserving it to the public.

Mr. CARVELL. After the member for Rainy River has exercised his rights of expropriation under this Bill, does my hon. friend then contend that the province of Ontario has not the right of expropriation?

Mr. LENNOX. I am going to show my hon. friend, if he will give me time. I was saying that in my opinion this Bill does interfere with the policy of the Ontario government, and with their right to expropriate. Has the hon. gentleman forgotten that this Bill, in its amended form, proposes to incorporate the provisions of the Electricity and Fluid Expropriation Act passed by this parliament in 1907? If we turn to the provisions of that Act we will find that not only is the export of electricity regulated by it, but if any one contravenes the provisions of that Act he is made subject to a penalty. The Ontario government

find that on this river there is an opportunity to develop power for the benefit of the people. They inaugurate measures for the purpose of developing that power, and they have, as I said, taken to themselves, a year ago, the powers of expropriation. They propose, we will say, to import the surplus, and they come to our legislation and they find by section 7 :

Every person who exports any such power or fluid contrary to the provisions of this Act shall, for each day on which such export takes place, be liable to a penalty not exceeding $5,000 and not less than $1,000.

They are about to make regulations as to the manner in which the development is to be governed. And for you, by that provision, to usurp that jurisdiction, is to invite a conflict with the Dominion government the end of which no man can foretell. Turn further. They are about to license certain persons to act in a certain way, and they find this:

Every person who contrary to the provisions of this Act, constructs, places or lays in position any line of wire or other conductor for the exportation of power, or any pipe line or other like contrivance for the exportation of fluid, shall for each such offence be liable to a penalty not exceeding $5,000 and not less than $1,000.

And they are about to make regulations under the authority of their Act, and they are about to expropriate under the provisions of their Act, but they are confronted by our Act, which says that the regulations and provisions of the Railway Act shall govern, and here we come into direct conflict with them. And still the hon. member for Carleton asks if there is any member on this side of the House who believes that the provisions of the grant to these gentlemen will interfere with the powers of expropriation, or a moral right or a legal right of the Ontario legislature. I do not believe any hon. gentleman on this side of the House is so dense as not to see that it is an entire infringement of the right of the Ontario legislature to expropriate. Then there are the regulations by the Governor in Council, a violation of which will subject to a penalty. Then there is a right to tax exports. This parliament can tax exports as they see fit. If the Ontario government develops this power, proposes to utilize it for the benefit of the people, does my hon. friend from Carleton contend that the rights which the Ontario government propose to exercise are not confined and controlled by the action of this parliament in granting this charter ? But I come back to the proposition I made this morning. It is not so much a matter of technicality as a matter of policy, a matter of propriety, a matter of justice, a matter of wisdom. What is the wise course of the federal parliament at this time, when we are all the time approaching the danger of creating a conflict between the provinces and the federal government? What is the wise policy? Is it a wise policy, using the words of the right hon. gentleman himself, to attempt by brute force to control the Ontario legislature? Is it wise, on the other hand, that we should not recognize that the province, in the interests of its people, have enunciated a policy, have set to work to carry out that policy, and in the development of that policy are now extending it year by year, and have done it in good faith, in the interest of the people? We are the federal head, and would it be wise for us to interfere with the rights of the province? For what? Why, the rights of the province for the sake of a speculative company, a company that does not profess to act in the interest of the people. If it did, I would have my doubts, I would have a mental reservation about it. But it does not profess to come here in the interests of the people. It comes year after year with dogged determination. Turned down two years ago, and turned down a year ago in the Senate, still this company crops up again with dogged pertinacity. Not in the interest of the people, but for the benefit of the speculator and the exploiter, not for the purpose of carrving power or light so much to the people of Ontario as for the purpose of exporting power, that great source of wealth, into a rival country, this company comes forward and asks for this right. Is it for that that we will invite a conflict between the elements of the Dominion, the provinces and the federal government, is it for that we will jeopardize the harmony that should prevail between the Dominion and the various provinces, is it for that that we shall say to a province: 'We will turn you down and ignore your rights, your interests and your wishes? I say it is not wisdom, it is not statesmanship, and I hope that it is not what, in the end, this government will do. I will be amazed and I will sincerely deplore it, entirely aside from political considerations, if the premier of this Dominion, at a time when he is finishing his work——

Some hon. MEMBERS. Oh, oh.

Mr. LENNOX——very nearly finishing it——

An hon. MEMBER. Not quite so soon.

Mr. LENNOX——should so far forget what is due to the provinces, what is due to himself, what is due to Canada, as to say that we will turn down a province for the sake of a speculative company. Surely there never was a better opportunity for the right hon. gentleman, who says that he has had several opportunities of distinguishing himself, to distinguish himself still more and to signalize his real adherence to what

used to be a very old war cry of the Liberal party—provincial rights.

Sir WILFRID LAURIER. Notwithstanding the blandishments with which my hon. friend (Mr. Lennox) has so kindly referred to me, I must tell him, as I have had occasion to say many times to my Conservative friends, that when they talk of provincial rights they talk of a subject upon which they have very little knowledge, and whatever love they have for it is of very recent importation. There was a time when they ignored provincial rights. I welcome their conversion and I rejoice that they now recognize the error of their ways. We are all at one upon the question of provincial rights. But if it is not fair, if it is not conducive to harmony that the Dominion government should invade the rights of the provinces, neither would it be conducive to harmony that the provinces should invade the rights of the Dominion. The province of Ontario have a policy, and it is the preservation of their water-powers. With regard to their water-powers what right can the province of Ontario claim? If I hold from the province of Ontario 200 acres of land in one of the northern townships, in Algoma or Thunder Bay, if there is a stream or a water-power upon that land have the province of Ontario power to take that away from me? I do not think they have. They have undoubtedly the right of eminent domain and could take it away from me by expropriation. But that is not what I understand to be the policy of the Ontario government today. Nor do I understand that the Ontario government contemplates taking away water-powers which may be on such land. What I understand the Ontario government want to do is to keep in their own hands water-powers on their own Crown lands. That is the policy which they adopted, and properly so. I commend them for it. My hon. friend says, however, that we want to control the rights of the provinces on navigable streams. Well, that is perhaps a doubtful power, but as far as I am concerned I said to my hon. friend the promoter of this Bill (Mr. Conmee) the other day that he should not attempt to exercise power on the Nipigon river, that there is a conflict between ourselves and the province of Ontario, and as I am a great believer in provincial rights, much more so than those recent converts on the other side of the House who seek to champion the rights of the provinces, I asked him to eliminate that portion of the Bill and he did so. But, when we come to the Pigeon river we have to deal with the case of an international stream. To whom should the power belong to control the waters of an international stream? I have not had the opportunity for a very long time of knowing personally the hon. member for Portage La Prairie (Mr. Meighen) but he seems to be endowed with a logical mind, although I believe he has not quite apprehended the argument of my hon. friend the Minister of Justice on this subject. He said that the Minister of Justice had imported into this debate an element which should, properly speaking, have nothing to do with it, that is to say that the Minister of Justice claimed that we had jurisdiction to deal with this Bill because it allowed the exportation of electrical energy to the other side of the border line. I have not read the speech of my hon. friend the Minister of Justice to-day, but I would observe to my hon. friend from Portage La Prairie that the exportation of electrical energy is not carried on in the same way as would be the exportation of wheat, oats or any other commodity. There is only one way by which electrical energy can be exported from one country to another, and that is by works from one side of the boundary to the other.

Mr. SPROULE. What works are necessary?

Sir WILFRID LAURIER. There must be a wire from one part of the country to the other.

Mr. SPROULE. How do they distribute it all over Canada and attach it to houses?

Mr. CONMEE. By wires and cables.

Mr. SPROULE. No, in cans and by wagon loads.

Sir WILFRID LAURIER. If my hon. friend thinks that we export electrical energy in cans, I would tell him that that means of exportation is altogether inadequate.

Mr. SPROULE. What I said was in answer to the statement of the right hon. Prime Minister that there was only one way in which it could be exported.

Sir WILFRID LAURIER. By this Bill?

Mr. SPROULE. Yes.

Sir WILFRID LAURIER. Certainly. I know my hon. friend from Rainy River too well to believe that he will undertake to export electrical energy by cans. He has bigger ideas than that. He wants to do a work of an international character. Upon that question the jurisdiction remains with this House, and my hon. friend from South Simcoe (Mr. Lennox) will surely agree with me that it is right, proper and conducive to harmony that the Dominion and not the province should exercise jurisdiction.

Mr. SPROULE. I do not know whether I may touch on some questions that others have already dealt with——

Sir WILFRID LAURIER. Dear me, I thought everything had been touched upon in this debate.

Mr. SPROULE. But notwithstanding that, I have my views upon the question and therefore the right to present them. This is not the first time that there seems to have been a conflict of jurisdiction between the provinces and the federal authority. We have had many such conflicts in regard to which cases have been taken to the courts and carried to the highest court in the empire. In each case where a finality was reached there was a decision in favour of one side or the other. That has, to some extent, accentuated the feeling on this question in regard to who owns and who should control these rights. The provinces have become somewhat sensitive upon the question and are growing more and more so every year, especially in view of the fact that there are inroads being made upon their rights almost every year by legislation put through the federal parliament. We have had several contests between the provinces and the Dominion and invariably the provinces came off best. At one time it was claimed that the timber on certain lands belonged to the Dominion, but that claim failed before the tribunals of the land. At one time it was claimed that the federal authority had the right to control the minerals, but the decision was that all the minerals except gold and silver belonged to the provinces. Again, the Dominion asserted control over the fisheries, but the decision was that while the Dominion could control the mode of catching fish and declare what should be a close season and what should be an open season, yet the right in the fish themselves belonged to the provinces and that, while the province could not delimit where the license-holder should work, yet the province had power to issue licenses, and to-day the province of Ontario can issue licenses to fish in the Georgian bay, or in Lake Superior, or any of the inland waters. The question as to jurisdiction over streams was carried to the Privy Council, and the right of the provinces in the streams was established. Is it not the streams that make the water-powers, and I have no doubt the decisions of the courts will be that the water-powers should be controlled by the province. Up to the present time we have never had the contention raised that the water-powers belonged to any other authority than the provinces, but now it is said that this parliament has the power to incorporate a company to utilize these water-powers and to take their control away from the provinces. In future, it is to be laid down, that companies which get their entity from the federal parliament will be able to supplant the provinces in these rights. I venture to think that if the time should come when this question will be fought out in the highest court of the empire, the decision will be that the province of Ontario is supreme.

In pursuance of their undoubted right the province of Ontario has established a Hydro-electric Power Commission and that commission has entered into contracts to sell power to municipalities and to manufacturers and to others who desire to use electricity. The Ontario government hope to develop a large part of that electricity from the latent water-powers that belong to the province and which it is their intention to develop. It is said by those who have given the subject attention that there are water-powers enough in the province of Ontario to turn every spindle in every machine, to keep every factory running, to light every town and village and city, to supply every manufacturer with motive power and all the farmers with power to run their threshing machines and to light their residences and barns. The policy of the Ontario government is to utilize that power and to regulate it so that justice may be done to all and injustice to none. But the object of this company which we are asked now to incorporate is to invade the sacred rights of the province and to interfere with their policy in that respect. Is this parliament to be a party to allowing this company to dispoil the province of what belongs to it. This question of federal and provincial rights is a burning question in the different provinces, and if this government continues its policy of interfering with provincial rights the time may come and undoubtedly will come when a bitter fight will arise between the provinces and the federal authority. In the United States interference by the federal authority with state rights led to the secession of many of the states from the Union. Who knows that we will not bring about the same condition of affairs in this Dominion if this parliament year after year pursues the policy of invading the rights of the provinces. The present government by its improper interference, and I say it advisedly, with the rights of Manitoba, has almost driven Manitoba into revolt against federal authority. The province of Manitoba sent to this parliament a majority of members opposed to the government because the government has interfered with her undoubted rights.

Sir WILFRID LAURIER. When was that ?

Mr. SPROULE. With regard to the extension of the provincial boundaries, with regard to the educational rights of the province, and with regard to other things, the result of which has been to create in Manitoba a distinctly unfriendly feeling against the Dominion government. The same thing has occurred in British Columbia. The absolute refusal of this government to submit the claims of that province to a competent and independent tribunal, and in-

terference with the province on the question as to who shall have the right to occupy her territory, has almost driven British Columbia into a revolt against the federal authorities and a large majority of the representatives from that province have been sent here to oppose this government. Notwithstanding that experience in the case of these two very important provinces, this government seems anxious to invite the antagonism of the great province of Ontario by depriving her of authority which she has the right to exercise. I say that this government is driving Ontario as well into revolt, and if this insane policy is pursued it will not be long before the present government will find that Ontario will be as solidly arrayed against them as are British Columbia and Manitoba. The conduct of the government is inviting this contest. It is said that if you tread on a worm it will turn, and I say that this government is tramping on an authority that is too great and too powerful not to be reckoned with in the future. If the government continues this fatuous policy in the interest of speculators or spoilators, I do not care which you call them, there is a threatening day coming when rupture will result and when the Dominion of Canada as a federation will suffer. I warn them that they are treading upon dangerous ground, and the premier would be well advised if he would call off his friends who are driving this on regardless of all consequences, knowing that they are dealing with what the province believes to be its undoubted right.

Mr. MACDONELL. Just a word to put my hon. and learned friend from Carleton (Mr. Carvell) right on one or two points. Extreme zeal to advance the interests of his desk mate has carried him a little beyond the legal position he attempted to maintain. The hon. gentleman was not in his seat this morning, or he would have heard the answer I made to the statement that the fact that the ground came down to the water's edge gave this grantee the entire area, because, as I pointed out, in the grant from the Crown there is a reservation of at least five per cent for roads and highways, out of which the Crown could make its own selection anywhere it chose on this property.

Mr. CARVELL. Is my hon. friend aware that it has been stated by the hon. member for Rainy River that that option had been exercised and that the Surveyor General of Ontario told him that the Crown could not go any further?

Mr. MACDONELL. The hon. member for Rainy River made no statement further than this, that certain areas had been opened up on this property, but he did not make the statement that the Crown had exercised that five per cent provision.

Mr. CONMEE. The hon. member evidently did not catch my words. I gave the circumstances under which the Crown was called upon to exercise its right of laying out public roads and utilizing the five per cent reserve in the patent, and I pointed out that they had made two main roads from which one or two branches went to the water's edge. They were requested to make other roads, and the answer of the Minister of Crown Lands, the Hon. Mr. Gibson, was that the Crown had exercised its right because it had utilized the five per cent reserve.

Mr. MACDONELL. I accept the hon. gentleman's statement, but I would like to know if he has ever heard that it was not that five per cent that was used.

Mr. CONMEE. It could not be any other.

Mr. MACDONELL. In the second place, the hon. member for Carleton laid great emphasis on the case of the Keewatin Power Company against the town of Kenora; the hon. member for South Essex, (Mr. A. H. Clarke) also referred to that case. In reading the case carefully, both of these hon. gentlemen will observe that it merely decides that in the case of ordinary rivers flowing through the country, the presumption is that the bed of the stream to the middle of the stream is vested in the patentee from the Crown. That is only a presumption liable to be rebutted by evidence or practice. But it does not apply to the case of an international river. Chief Justice Moss, in giving his judgment, said :

> But in this case we are not dealing with the great lakes nor with a river forming part of the international boundary.

And so on through the whole case. Rivers forming the international boundary are especially excepted from the consideration of this case. So the whole argument of my hon. friend from Carleton is just as good as if it had never been made.

Mr. BLAIN. When this matter was before the Private Bills Committee, the Ontario government sent a special representative here to present their views. Notwithstanding the statement that was made on behalf of the Ontario government, the committee adopted the Bill as introduced, with all the objections which my hon. friend (Mr. Conmee) has since ventured to suggest should be removed. Therefore I think it only fair that the Ontario government should have another opportunity of appearing before the committee. Surely my hon. friend will not say, after having ignored altogether the representations of the Ontario government, as presented so well by Mr. Blackstock, that it is fair to the Ontario govern-

ment that this Bill should be pressed through the House without that government having another opportunity to be heard. I appeal to the Prime Minister to say whether that is fair as a champion of provincial rights. Those of us who come from the province of Ontario are specially interested in this matter. We heard the right hon. gentleman's party for many years in the province of Ontario claiming to be the only champions of provincial rights. While they were doing that, they were taking care of the rights of their own supporters. While professing to fight for the rights of the people of Ontario, they were granting special rights to their own supporters in that province. They took the ground at one time that timber in the province of Ontario applied for by people in the United States could be taken across to the United States and cut into lumber there, and while doing that they were championing provincial rights. That matter was brought up in the legislature by the Liberal Conservative party while my hon. friend was there, and the Liberal Conservative party took the ground that the timber should not be taken out of the province and cut into lumber in the United States, but should be cut into lumber in Ontario, and my hon. friend voted against that resolution when it was introduced into the Ontario legislature. That question was fought out between the two parties in the province and when the people understood what the policy of the Liberal Conservative party was on that question, the legislature was compelled to adopt it, and the timber was no longer allowed to be taken to the United States to be cut into lumber, but was required to be cut into lumber in the province of Ontario. However, that is beside the question. I only point this out in answer to the Prime Minister and to remind the Minister of Railways who was then in the legislature and was also a noted champion of provincial rights.

Mr. GRAHAM. My hon. friend's history is all wrong.

Mr. BLAIN. Oh no, it is not. Will my hon. friend deny that the policy of compelling the manufacture of timber into lumber in Ontario was first introduced by the Conservative party.

Mr. CONMEE. What timber?

Mr. BLAIN. Crown timber. I challenge the Minister of Railways to deny that statement.

Mr. GRAHAM. If my hon. friend will study the case he will find that it was Mr. Miscampbell who under certain circumstances introduced a resolution in the legislature and not Mr. Meredith.

Mr. CONMEE. Long after Mr. Meredith left the House.

Mr. GRAHAM. It was a resolution introduced in the House under particular circumstances which was voted down as many others are. The Liberal party took up the question some time later and put on the statute-book an Act which compelled the sawing of logs in this country.

Mr. BLAIN. I will accept that statement. The Liberal party put it on the statute book, but year after year they allowed the timber to go out of the province, and according to the admission of the hon. gentleman it was a conservative and not a Liberal who first introduced that policy in the Ontario House. The policy was adopted by the Liberals of Ontario under pressure of the Conservatives.

Mr. GRAHAM. Nonsense.

Mr. BLAIN. My hon. friend knows that very well.

Mr. CONMEE. No, I deny that. It was a subject of discussion for many years before that.

Mr. BLAIN. I suppose he will deny that his party were granting special rights to his friends, such as timber limits to Captain Sullivan.

Mr. DEPUTY SPEAKER. Order. The clause before the committee is clause No. 1. It allows a great deal of latitude in discussion and I am not disposed to prevent that, but any argument used by the hon. gentleman must be applied to clause 1 in some way and matters brought before the House must not be discussed for themselves alone unless in relation to this clause.

Mr. BLAIN. I bow to the Chairman, I am only answering the right hon. gentleman.

Sir WILFRID LAURIER. In discussing Mr. Miscampbell you are missing the point.

Mr. BLAIN. The right hon. gentleman introduced the question of the policy of the two parties on provincial rights and I was answering that point.

Mr. GRAHAM. You did not answer it very well.

Mr. BLAIN. I do not wish to carry it further; my point is that it would be fair for this committee to return the corrected Bill to the Private Bills Committee for their consideration, so that the Ontario government might have an opportunity to have their representative present and give their views upon this Bill. This is undoubtedly an interference with the policy of the provincial government of Ontario. The very changes that have been made in the Bill since its first introduction show that. I

am quite sure the Prime Minister wishes to be fair with this House and with the province of Ontario, and that he would not be a party to pressing through the House a Bill of this kind without first giving the province an opportunity to appear before the Private Bills Committee, for the amended Bill has not been before that committee. This House should not adopt a Bill of this kind which is taking away the rights of the people of Ontario and conferring them on a speculative concern.

Mr. MIDDLEBRO. From the arguments of hon. gentlemen opposite it appears that the claim of jurisdiction of this parliament to enact this legislation is based very largely on the theory that the power we are giving to this company to export their product to the United States, gives exclusive jurisdiction to this parliament. The hon. member for Carleton (Mr. Carvell), the Minister of Justice, and the Prime Minister have taken that view. As a matter of reason I do not think it was intended by the British North America Act that jurisdiction should be given to this parliament by the mere fact that we put into a Bill the right to do something which we ouselves cannot enforce, and which the persons to whom we give that right cannot do. Our saying that this company may export their power to the United States does not give them the right to go into the United States and carry on that exportation and we ourselves cannot compel them to do what they say they have the right to do. In other words we cannot give any more legal authority to this company to export into the United States than can the province of Ontario. The right hon. gentleman says that because this company may incidentally require to erect some poles and lines beyond the limits of Ontario and in a foreign country that fact in itself gives power to this parliament. The right hon. gentleman will agree that if a railroad company authorized by a provincial legislature to build a railway which is intended to go into the State of Maine can give that company authority to build that railway, that is a much stronger case than the case of simply allowing transportation lines to be built into the United States to export power. I quote a case on that point. In the province of New Brunswick some years ago power was given by the provincial legislature to a railway company to commence and build a railroad in the province of New Brunswick, the intention being that it would be extended on into the state of Maine. It was extended on into the state of Maine and the company obtained corporate authority from the legislative assembly of Maine to build and did build a section of that railway in that state. A shareholder, in an action, set up the plea that the provincial legislature had no right to grant that authority to that railway because it was a railway extending to a foreign country and the question came up on that direct issue: had the provincial legislature power to incorporate that company, knowing it was going to extend its railway into Maine. The Court answered the question in this way:

> The fact of the legislature of a foreign country authorizing the construction of a line of railway in that country for the purpose of connecting with a provincial railway does not in any way affect the authority of the legislature of the province to legislate with respect to the railway within the bounds of the province.

We cannot legislate for a foreign country, and the fact that authority to extend transmission lines in the United States of America, is mentioned in this Bill, would not prevent the parliament of Ontario from granting to this company all the rights, powers, and privileges which they could enjoy within the province of Ontario. If you are asking for the power to transmit your electricity from one province to another, the jurisdiction would be in this parliament, but we have not jurisdiction in the case of transmission from a province to a foreign country. If my hon. friend from Carleton (Mr. Carvell) will look at the wording of the subsection he quotes, namely, 'Local works of the provinces other than such, are of the following class,'—that is to say all local works are within the exclusive jurisdiction of Ontario except the following classes—

> Lines of steam or other ships, railways, canals, telegraphs, and other works and undertakings connecting the province with any other portions of the province or extending beyond the limits of the province.

The words 'extending beyond the limits of the province,' I take it, mean extending into some unorganized district, because this Act was passed in 1867 and there were other territories then within the Dominion, outside the provinces, so that the exception was intended to apply to cases where you would extend your railway into some unorganized district, but not into some foreign country. Take the next exception:

> Lines of steamships between the provinces and any British or foreign country.

That would apply to a line running into the United States, which the province would have no right to authorize.

Mr. LENNOX. There was a proposition made by hon. friend from Peel (Mr. Blain) a few moments ago which has not received the attention it deserved, and that is that this is practically a new Bill.

Sir WILFRID LAURIER. Hear, hear.

Mr. LENNOX. I know there are some people who do not realize what that means. If it were a new Bill, shorn of all its objectionable features, we could understand that it would not probably be necessary to give the Ontario government an opportunity of presenting their views upon it before a committee of this House. But this new Bill not only eliminates certain features, but is introducing others. According to the notice of the amendments which we had, it is provided that we shall incorporate the whole of this Electrical Expropriation Bill which was passed in 1897, and it is therefore just as important, as before, that the government of Ontario should have the opportunity of being heard with regard to it. It embodies provisions just as dangerous, even more so than those we had in the old Bill. The Ontario government are the best judges of what seriously affects that province. Whether our hon. friends opposite like it or not, people of Ontario have, by an overwhelming majority, committed their affairs to the keeping of Sir James Whitney and his cabinet; and these representatives have the right to be heard. When the first Bill was introduced the hon. gentleman who is promoting it, said it was all right in every particular, just as emphatically as he is now doing in the case of the present Bill. That first Bill having been bowled out on the 19th of last month, he now comes with an entirely new proposition, thereby admitting that he was wrong then. Well, I am strongly of the opinion that he is equally wrong now. We have the statement of the Prime Minister, not two weeks old, that he will respect the rights of the provinces, but he has abandoned that position to-day. Surely it is only right when the progressive policy of the Ontario government with respect to water-powers is being invaded, as it is by this measure, that the government should have the right to appear before this parliament or in committee and state its case. Ontario, besides being one of the old and large provinces, is the province which stood the brunt of the fight for provincial rights; and after having established its rights as a province through a long series of litigation; it comes now and asks that this parliament shall not, now pass a measure, such as this, which infringes on those rights. My hon. friend says he is a champion of provincial rights.

Sir WILFRID LAURIER. Hear, hear.

Mr. LENNOX. I do not wish to rob him of any of his laurels and I should be sorry to see him cast any shadow upon his reputation in that regard, but whoever may have fought most gallantly for provincial rights, it was the province of Ontario that waged the battle.

Sir WILFRID LAURIER. Hear, hear.

Mr. LENNOX. It was the province of Ontario that won the fight, and it is the province of Ontario, of which my hon. friend of Thunder Bay is a distinguished representative in this House, whose rights are threatened now. To-day it is Ontario, to-morrow it may be British Columbia or Quebec. Let the right hon. gentleman who leads this House recollect that this is a question in which both provincial and federal rights are concerned. Again I say that if we are going to develop Canada we can only do it by seeing that the rights of every portion of the Dominion are respected, not only their rights but their prejudices, and so far as possible, the will of every part of the Dominion. We are to-day at a critical point in our history. I am convinced that no more dangerous question comes before this House than the question of provincial rights. Look at the geographical position of this country, see how diverse are the interests of Canada, and do not shut your eyes to the fact that there is dissatisfaction in many of the provinces to-day at the action of the government. Day after day the friction increases, and some day it will reach such a point that the strain can no longer be endured, and we shall see some of the provinces wishing to get out of the confederation in which they cannot have due recognition of their rights. I do not think it will be Ontario. I do not think it will be Quebec; I think the greater danger is in regard to the western provinces. I urge again on the Prime Minister not to ignore the appeal of my hon. friend from Peel (Mr. Blain). Do not throw this objection aside with a wave of the hand, saying, I have great respect for committees which send these Bills before us. In this case that argument does not apply. The Bill now before us is, practicaly, a new Bill, it is practically new legislation, adopting a new principle, and is it fair that the government and the people of Ontario should be excluded from an opportunity of appearing before this parliament and presenting their views?

Sir WILFRID LAURIER. It is quite true that it was the province of Ontario which fought the battle of provincial rights, and it is quite true that my hon. friend did not help very much in that battle. It is also true that he and his friends were against us in that battle, and the glory of the victory belongs to the Liberals of the province of Ontario. But my hon. friend is welcome to his tardy conversion, and after delivering to us an eloquent speech he has ended with the old refrain, Ontario, Ontario. My hon. friend says that I should give some heed to the request made by the hon. member for Peel (Mr. Blain). If I did not heed the request of the hon.

member for Peel, it was not through discourtesy for that hon. member. My hon. friend says we have a new Bill to-day. It is true we have a new Bill, but the old Bill has been amended to meet the requests of the representatives of the Ontario government who were before the committee.

Mr. BLAIN. The Ontario government still objects to the Bill, notwithstanding the amendments and changes.

Sir WILFRID LAURIER. Does the Ontario government object, for instance, to this second section of the Bill:

The works authorized by this Act are declared to be works for the general advantage of Canada.

I understand that Mr. Blackstock took strong objection to that. Does my hon. friend say that the government of Ontario want those clauses restored now?

Mr. BLAIN. No.

Sir WILFRID LAURIER. Then the government of Ontario objected to the powers of expropriation being taken away in regard to the Nipigon river. Does my hon. friend want those to be restored also? In fact, the Bill has been amended in the line desired by the province in everything, and I am not sure that we shall not also agree to the request of the province when we come to consider the power of expropriation as regards the Pigeon river. This is the only question before us, and when we come to the power of expropriation on the Pigeon river, we shall see whether or not the rights of the province are being infringed upon. If the rights of the province in the Pigeon river are being infringed upon, we will consider that matter when we come to it, and I will see whether I am able to support my hon. friend.

Mr. BLAIN. The right hon. gentleman has asked whether I object to clause number two declaring that the work authorized by this Act are works for the general advantage of Canada. My right hon. friend states correctly that this was in the original Bill that was passed by the committee. But according to the amendment of my hon. friend who has introduced this Bill, that clause has been taken out of it. I will say on that point that it is certainly in accordance with the policy of the Ontario government, and for myself I am in accord with it. But my right hon. friend forgets the all important point—these others are all minor points—the all important point for the provincial government, the all important point in the discussion this afternoon as contended on this side of the House, is that this federal government is attempting to legislate on a matter that the Ontario government alone should legislate upon. That is the whole point.

Mr. CONMEE. I may remind the hon. member that the hon. member for Algoma (Mr. Boyce) gave notice of an amendment, and I think it is fair to assume that that hon. member discussed this amendment with representatives of the Ontario government, and they were satisfied with it.

Mr. BARR. I submit that this is one of the most important measures that have been brought before the House this session, and I venture to say that the end is not for the general advantage of Canada that as soon as the iniquity was pointed out, the government consented to remedy it. We pointed out that this work was not for the general advantage of Canada from the fact that it was only a waterpower on one part of the river. The Minister of Justice declared that it might be for the general advantage of Canada, and it might not. The result was that that part was taken out. Why was it taken out?—because this side of the House fought it not only in committee but in the House. It was found to be a very glaring objection and the result was that the promoter of the Bill was willing to cut it out. The hon. member for Rainy River is satisfied to cut it down in any direction. All he wants is to get the Bill through and then he imagines that he can come forward next year and get just what he requires. If he can only get in the thin edge of the wedge and succeed in dividing the jurisdiction between this House and the province he will have accomplished his object. I am somewhat surprised to find the Prime Minister claiming that he has always been the champion of provincial rights. When I was in the provincial House and when we were fighting the question of provincial rights we always stood shoulder to shoulder with the government.

Some hon. MEMBERS. Oh, oh.

Mr. BARR. There was never a time when the Mowat government were in the right that we were at variance with them. On every occasion we gave them all the assistance we could and we said to them: We want you to fight the question out in the highest tribunal not only in the Dominion but in the British empire. If the First Minister was then zealous of provincial rights he has certainly fallen from grace. Now, a fair offer has been made by my hon. friend from Peel (Mr. Blain). He asks that this Bill go back to the committee in order that the government of Ontario may have the right to present their case. They have no right to be heard upon this Bill at the present time, and it is not one iota less objectionable than the old Bill which was rejected after a hard fight by hon. gentlemen on this side of the House. By this new Bill we are usurping a power which we have no right to usurp.

We are endeavouring to pass one of the most important Bills that has ever been before this House without placing it before a committee in order that all parties outside of the House interested in it may have an opportunity of expressing their views, and, if necessary of opposing the Bill. Outside of the members of the House no person has any right to be heard on this question. It is a principle of our British institutions that all Bills before the House should be sent to a committee so that those whose rights are affected shall have an opportunity of going before that committee and of stating their objections. This right has been denied in this case. The proposition has been made but hon. gentlemen opposite say that they cannot accede to it. Why? Are they afraid of the people? Are they afraid of the Ontario government? Why should we depart from the usual custom? What is the urgency in connection with this Bill? If this Bill is allowed to pass, and if we accept the statement of the Prime Minister, any Bill affecting the water-powers or assets of the province of Ontario can be passed by the Dominion parliament so long as the incorporators join with some other company in the United States or other foreign land. If that is the case every water-power in Ontario can be taken over by the Dominion. We are anxious to preserve these water-powers. The Ontario government have accomplished more in the last two years in connection with the preservation of water-powers, by forming a commission for the purpose of developing these powers than any government has done since the days of confederation. If any person can bring in a Bill of this kind affecting any water-power in the province of Ontario the result will be that the hands of the Ontario government will be tied. The work of the last few years will be set aside and this House will be usurping a power which was never intended to be exercised by it. Under these circumstances we are quite justified in exerting our strength and power in the effort to enforce our rights. The promoter of this Bill tells us that there are no rights affected, that the government have exhausted their one fifth in connection with the road because they have made two roads, one going north and the other south. But, has he given us the evidence that they have exhausted their one-fifth? Have we not reason to believe that the government have yet in reserve much of that one-fifth? Have the government even put a road along the water's edge or any part of it? The result of the passage of this Bill will be an immediate conflict between the province and the Dominion. We do not know who is the owner of this property that we are handing over by this Bill. We are on clause 2.

Mr. BARR.

Mr. LENNOX. No, clause 1.

Mr. BARR. Well, we come next to clause 2. What do we find? There is only one of the incorporators who resides in Ontario. All the rest of them, or at least three of them, are from the United States and one from Manitoba. I submit that we would proceed much faster if the government would act in the way they do in connection with many other Bills. I submit that we would make much better progress if this Bill were to go back in accordance with the suggestion of my hon. friend from Peel so that we could discuss it in committee.

An hon. MEMBER. Carried.

Mr. BARR. Calling out 'carried' will not put this Bill through the House. There are two or three hon. gentlemen on the other side of the House who seem to think that the object their constituents had in sending them here was to call out 'carried' If we were to inquire what they had accomplished in this House we would find that they had not done much more than call out 'carried'. This Bill is too important to be rushed through the house as hon. gentlemen are endeavouring to do. We have settled the question that the provincial government have all the power that is required to enable this company to unite with interests in the United States to operate a power plant. It is the provincial government which knows best whether or not it is in the interest of the country that such a Bill as this should pass. I appeal to hon. gentlemen from the other provinces to hesitate before supporting this Bill. The time may come when the rights of other provinces will be infringed upon and then they will require the assistance of the Ontario members who have always shown themselves ready to stand up for provincial rights. It must not be forgotten that Ontario is the banner province of this Dominion, that it is growing faster than any other province, and that it will demand its rights. When the Liberals were in power in the province of Ontario their boast was that they stood up for provincial rights and demanded justice for their province, but their friends in this House seem to have gone back on these principles.

Mr. BRISTOL. I understand that, rightly or wrongly, the province of Ontario object on principle to the passage of this Bill, and the Prime Minister tells us that very important changes have been made in the Bill since the authorities of that province had an opportunity to consider the measure. Now, I do not know anybody who is more anxious to have good feeling exist between himself and the various provinces than the right hon. the Prime Minister, and I really am at a loss to un-

derstand how it is that he, on a matter of such very considerable importance to the province of Ontario, should not at once have acceded to the suggestion to allow the Bill to stand for some days, when, by doing so, we might have been saved all this discussion. I would also remind the right hon. gentleman that no member of the House has a copy of the printed Bill as it appears before us to-day. Under these circumstances and in view of his own record and the dignity which attaches to his position as Prime Minister, I think the right hon. gentleman could very well afford to be even more than courteous to the province of Ontario. I do not argue on the question of jurisdiction; I am quite prepared to believe that there may be and there probably is concurrent jurisdiction, but I have felt very strongly on Bills of this kind which have from time to time been presented to this House and I have come to the conclusion that there should be some basic principle upon which this parliament should act. I have ventured the suggestion that that principle should be practically what is laid down in the British North America Act, namely, that undertakings which are local in their nature should be left to the local jurisdiction, except, if it should become necessary to render effective such local works, then they could come to this House for legislation to the extent that might be necessary to render them so effective. I would point out, however, to the Prime Minister that the legislation we are asked to pass here is a case of the tail wagging the dog, because the smallest part of this undertaking are the wires that would connect with the United States. The only possible suggestion in the Bill which would give this parliament authority to legislate under the British North America Act is subsection (b) of clause (a), which enables them to connect their cables, &c., with similar lines in other provinces and in the United States.

Mr. CONMEE. What about the construction of the works across an international stream?

Mr. BRISTOL. The real part of this undertaking are the buildings, works, dynamos, and machinery that will be constructed, and which will cost millions of dollars. They will all be located in Ontario. The most trifling part of the undertaking, and the only thing which brings it under the authority of this parliament, is the wire which carries power across to the United States, and that I now believe can be dealt with under the general Act passed in connection with the Niagara Power regarding the exportation of electricity. I would remind the Prime Minister that we are a young country, that we hope to have the best part of the British empire here in 100 years, and that this Dominion parliament should not want to be bothered with local undertakings. There are big enough questions before this parliament and before this country to last during the lifetime of the right hon. gentleman and the rest of us without bothering with local undertakings, beyond what we can avoid. I do not want to obstruct the progress of this country, and this is not a personal question with me; but it is a question of principle and a question as to what are the best interests of the Dominion. If you adopt the principle that the province of Ontario, the province of Quebec, the province of Nova Scotia and the other provinces shall deal with their electrical undertakings and water-powers, and that we should deal with the question of the export of power when it is to be exported, then I think you will be on safe ground. If the principle of provincial authority had been adopted with respect to many of the electrical railways which we have incorporated in this parliament, we would have been rid of a great deal of legislation that we do not want. That is the true principle of provincial rights as fought for by the right hon. gentleman and his political friends; and I compliment them on the fight and I am glad they won. If we proceed on that principle we will have harmony. If we adopt the principle of putting these local works and undertakings in the provinces and then giving them such legislation in this parliament as is necessary for the purpose of what I might call foreign relations we will be confining our legislation to what properly comes within the purview of this parliament, and we will be dealing with these questions in a broad and statesmanlike manner.

Sir WILFRID LAURIER. My hon. friend (Mr. Bristol) was not here when this matter first came up, and when the province of Ontario was heard upon these questions. I sympathize with the object of the authorities of the province of Ontario in so far as they want to keep control over the water-powers of the province, but I must qualify that, if qualification is necessary, by saying that in the case of works of this kind which are to be constructed on international streams the jurisdiction belongs to the Dominion parliament, and I think my hon. friend (Mr. Bristol) will agree with me in that. I understood him to say that when it became a question of the export of power across the boundary, the jurisdiction must be in this parliament.

Mr. BRISTOL. What I said was that the company could obtain from the legislature of Ontario all the necessary legislation they required for the development of water-power unless they wished to export it. That was as far as I went.

Sir WILFRID LAURIER. But I do not see how any power could be developed on

the Pigeon river except by the joint authority of the United States and Canada, and that is why this Bill has come to us. The government of Ontario has been heard before the Committee on Private Bills, and I hope they agree with us on the question of jurisdiction; if not, I would have to take issue with them.

Mr. LANCASTER. How does the Prime Minister account for the fact, carefully not answered by the gentlemen supporting the Bill, that the Canadian Electric Company has been doing all that these people want to do on an international stream, and doing it for years, under a provincial charter? The right hon. gentleman says they could not do it, which is like the lawyer who told a man that they could not put him in jail for what he had done, and the man replied, 'But I am in jail.' So the Canadian Electric Company has been generating power on the Niagara river and exporting it under a provincial charter, for many years.

Sir WILFRID LAURIER. If the man was in jail, the lawyer should have tried to get him out. I do not want to be put in jail in this instance.

Mr. CONMEE. The hon. member for Lincoln (Mr. Lancaster) knows that there is no comparison between the two cases. Assuming that the Canadian Electric Company is acting under a provincial charter, though my information is that it is not——

Mr. LANCASTER. I know that it is. It applied for a Dominion charter, and withdrew its application.

Mr. CONMEE. Assuming that the hon. gentleman is correct, there is no dam required in that case. There is no other stream in America on which power can be developed on the one side or the other by perpendicular shaft sinking such as there is at Niagara Falls. In its practical working out, this scheme is entirely different.

Mr. ARMSTRONG. The right hon. the First Minister is aware that the premier of the province of Ontario has seriously objected to this Bill being passed in its present form. The Bill has been changed very materially, and I would like to ask what objection the First Minister has to allow it to remain over for a few days until we hear from the government of Ontario.

Sir WILFRID LAURIER. I have heard that the Prime Minister of Ontario objected to the Bill as it was introduced. I have not heard that he objects to the Bill as it is now modified. I do not see how he can do so, because the modifications are all along the line he himself has advocated. If he objected to the jurisdiction of this parliament to pass the Bill, I would have to take issue with him.

Sir WILFRID LAURIER.

Mr. BLAIN. I may say that I produced a letter this morning from the Prime Minister of the province of Ontario in which he objected to the Bill. I sent him the original Bill, a corrected copy and the proposed amendments, and he wrote in reply that he was altogether opposed to the Bill even with those changes.

Mr. SPROULE. The Prime Minister says that this parliament is the sole authority to authorize the company to export power from the country. Therefore we give them the right to take what belongs to the province, and assist them to carry it out of the country. Is that not very much like a man stealing something belonging to you, and not being able to get out of the country with it, you help him to do so?

At six o'clock committee took recess.

After Recess.

Committee resumed at eight o'clock.

Mr. ARMSTRONG. I am utterly opposed to this Bill in its present form and I believe it would be wise for the government to send it back to the committee and allow the premier of Ontario to send representatives here to place before the committee the ideas of the Provincial government. I am satisfied that the day is not far distant when the people of Canada will forbid the export of electrical power to the United States in any form, when they will realize that it is necessary for us to conserve that power for our own benefit instead of sending it across the line to help develop American factories and enable them to produce goods at a cheaper rate than our factories, so that they can undersell us. I would again ask the First Minister were he here what objections he has to allowing this Bill to remain over for a few days. I understood him to say that he did not know that the hon. member for Peel (Mr. Blain) had a letter from the premier of Ontario opposing this measure. I cannot but feel, after listening to the debate this afternoon, that hon. gentlemen on this side of the House are perfectly right and justified in their opposition to the Bill. The promoter of the Bill (Mr. Conmee) and the hon. member for Carleton, New Brunswick, (Mr. Carvell) are practically the only government supporters who are upholding this measure. I am surprised that government supporters from Ontario are not defending it and cannot, but think, that the promoter must feel humiliated at not being able to obtain the support of government members to this measure. One would expect a number of prominent Liberals to defend the Bill but in the light of their action in this committee, I am forced to conclude that this

measure does not receive the unanimous support of the Liberal members of the House.

Mr. CARVELL. I need not enter into an argument in reply to my hon. friend, because all his points have already been replied to. I merely rise to call the attention of my hon. friend from South Toronto (Mr. Claude Macdonell), and the committee to the case I cited this afternoon as found in the Ontario Law Reports for 1908, the Keewatin Power Company versus Kenora. I read the head note of the case but at that time I had not read the body of the judgment. My hon. friend said I was wrong in my assumption and claimed that the law as laid down in this case did not apply to a boundary or international river. During the recess I have had occasion to look at the case rather particularly, and I am satisfied that on consideration he will agree that he is in error in his conclusion. He read a sentence or two from the judgment of Chief Justice Moss at page 190 in which the learned chief justice says:

That is the case in many instances in England, occasionally in tidal streams and not infrequently in non-tidal navigable streams. Whichever prima facie presumption is applicable, it may yield to some extent or wholly to other circumstances. In this case we are not dealing with the great lakes nor with a river forming part of the international boundary. But in these instances the prima facie presumption would probably be not difficult of rebuttal.

Had my hon. friend read down he would have found:

I am not mindful of the fact that in a number of instances there are found expressions of very learned and able judges strongly favouring the view that the rule of the common law is inapplicable to the great lakes and rivers of this country. But, while there are these expressions, there has been no actual decision on the direct point.

He then enters into a discussion of two cases lately decided by the Court of Appeal and the Court of Chancery in England in which they laid down the law of England and on the next page Mr. Justice Moss says:

And apparently the rule applies as well to the Detroit river as to other navigable streams.

Mr. MACDONELL. The court there is stating the law of the State of Michigan with regard to the Detroit river.

Mr. CARVELL. No, I am not; I am giving the opinion of Mr. Justice Moss.

Indeed, as the learned trial judge mentions, it has been expressly held to apply to the St. Mary's river, a large navigable stream forming part of the international boundary.

And a little further on:

In my opinion, the rule of the common law as to the presumption of title in the beds of the streams, whether navigable or non-navigable, still prevails in this province, and is to be applied in the first instance. Whether there exist circumstances or conditions sufficient to repel the presumption is a question to be dealt with in the particular case.

I also call attention to the judgment of Mr. Justice Meredith as found at page 198. He says:

But in this case, as in all other cases in which the question is raised, we are confronted with two bogies, now so familiar that, if familiarity rightly breeds contempt, they ought not to be viewed with much awe. The one is international complications, the other the great lakes and rivers.

He goes on and refers to the fact that there are 1,000 miles of international boundary line and says:

The fact that in the great lakes the land line would be under water would hardly make it more inflammable. But if there were anything in the point, it would be a ground for legislation, or for taking the case out of the rule, not for the exclusion of the rule by adjudication, because incompatible with the circumstances of this continent.

He then enters into a discussion as to whether or not the Great Lakes are tidal. At page 200 Judge Meredith sums up his finding:

The law of England, therefore, is the rule for the decision of this case, the statute so requires, and the courts have no more right to endeavour to evade than they have to defy that enactment; and even if that were not so, and if the courts were at liberty to formulate any other general rule, I am not able to suggest a better one, nor have I heard of a better one suggested by any one else. Arguments based upon suggestions of inapplicability are but attempts to evade; so, too, arguments based upon the fact that in England, in one sense, only tidal rivers are navigable rivers. The rule has been adopted, and must be applied, for better or for worse, until legislation intervenes.

I think it only fair to the committee that I should cite this case in order to show that I am correct in my contention. Here is an authority which declares that the bed of this particular river, if granted to an individual, is beyond the control of the province.

Mr. MACDONELL. My opinion as to the interpretation of that decision is entirely at variance with that of my hon. friend. Nothing he has said or quoted can disturb the view which Mr. Chief Justice Moss took in his judgment, namely, that in so far as the great lakes and international streams are concerned, there is no property in the beds thereof in the owner of the riparian rights to the water's edge.

Mr. LENNOX. We ought to come to some arrangement regarding this matter. There ought to be some accommodation by

one side to the other. This is not a question of a technical ruling but of paying reasonable deference to the expressed opinion of the government of the province. The right hon. the Prime Minister said at six o'clock that he had not understood that the Prime Minister of Ontario objected to this Bill in its present shape, but my hon. friend from Peel (Mr. Blain) told the House this morning that he received a letter from the Premier of Ontario, in reply to one sent him by my hon. friend inclosing a copy of the Bill as now reprinted with the amendments, saying that he was very much opposed to it. I would ask my hon. friend the Finance Minister, who is leading the House, to give an opportunity to the leader of the Ontario government to state his objections before the Bill passes. My hon. friend from Thunder Bay (Mr. Conmee) thundered at us this afternoon the statement that we are not governed by the Prime Minister of Ontario. Certainly not, but that ought not to prevent us giving him a hearing and doing what is right. I do not want to obstruct this measure, but I do not think any great calamity will result to the people of Ontario in particular or the Dominion as a whole if this Bill should stand over until another session. I am not at liberty to quote the language of the 'Globe' with regard to it.

An hon. MEMBER. Why not?

Mr. LENNOX. Because my hon. friend from Rainy River and others would not like it and would raise another point of order.

Mr. DEPUTY SPEAKER. The hon. gentleman must not refer to the ruling of the Chair.

Mr. LENNOX. I am not referring to or questioning the ruling of the Chair and have no reason to question it. I am merely saying that I cannot give some opinions I would like to quote. And there are other opinions in the press, which are equally pertinent, but which I am not at liberty to refer to as they are couched in language too strong, according to the ruling of the Chair. If we could get this matter disposed of in this amicable way, we could go on to another Bill which is exciting a good deal of interest. If the Finance Minister is prepared to announce that he sees the reasonableness of acceding to the very moderate proposition I make, namely, that we shall have a drawn battle for the time being and begin again in great amity to consider the various complicated conditions of the Bill, I think we would be expediting public business.

Mr. FIELDING. As we are not likely to make much progress on the present lines, and as I understand the suggestion to be that, in view of the objections raised by the Prime Minister of Ontario, there should be several days delay to enable him to present his views, I am prepared to accept that suggestion provided that assurance is given that the matter will then be dealt with without further difficulty according to the discretion of the House.

Mr. LENNOX. My hon. friend does not mean that we shall be precluded from legitimate discussion?

Mr. FIELDING. Provided that discussion be short and quite within reasonable limits. But if it shall be a discussion—I do not want to use the word obstruction—such as we have had to-day, I do not think the suggestion a fair one.

Mr. LENNOX. Speaking for myself and probably all the other members, I can assure the hon. minister that there will be nothing in the nature of obstruction.

Mr. BLAIN. It will be understood that a meeting of the Private Bills Committee will be convened.

Some hon. MEMBERS. No, no.

Mr. BLAIN. Well, yes. But how would it be possible for the representatives of Ontario to appear before the House.

Mr. FIELDING. I think that the gentlemen representing Ontario will have abundant opportunity of presenting their views through my hon. friend, or anybody else who might be interested in the matter.

Mr. GEORGE TAYLOR. I might also say that we reserve the right to divide the House upon it.

Mr. CONMEE. I understand, from what the Minister of Finance and other gentlemen have said, that it is not to be assumed that if the reply from the Ontario government is unfavourable, that is to be made a ground of still further opposition, similar to what we have had before.

Mr. BLAIN. Would not that be good ground?

Mr. CONMEE. It may be in the opinion of my hon. friend, but not in the opinion of other hon. gentlemen. I am merely saying that I do not understand the arrangement in that way, or that any reference to Ontario's power is to be set up, and I want to know if it is so understood across the House.

Mr. FIELDING. I do not so understand it. Hon. gentlemen might feel as strongly as they do now on the subject, but I do not understand they would consider it a ground for delaying the matter in order that it might be dealt with in a reasonable time.

Mr. LENNOX. I understand that we are to confine our discussion within reasonable limits. But I cannot absolutely say as to what lines we shall take. We shall

present in the best way we can the views of the Ontario government.

Motion agreed to and progress reported.

CONSIDERED IN COMMITTEE—THIRD READING.

Bill (No. 123) respecting certain letters patent of the American Barlock Company. —Mr. Macdonnell.

CANADA LIFE ASSURANCE COMPANY.

Mr. HENDERSON. I understand that this is a proper time to present a motion which I now desire to submit, as I could only do so while you were in the Chair.

Mr. SPEAKER. What Bill does the hon. gentleman refer to?

Mr. HENDERSON. I refer to order No. 4.

Mr. SPEAKER. We have not reached it yet.

Mr. HENDERSON. I understand you are going to put a motion that you now leave the Chair. If you do, I wish to move an amendment.

Mr. CALVERT moved that Mr. Speaker do now leave the Chair for the House to resolve itself into a Committee of the Whole on private Bills.

Mr. HENDERSON. It is my desire at this stage to move the following motion, and I shall make my remarks after reading the motion:

That order No. 4 be discharged, and that Bill (No. 56) respecting the Canada Life Assurance Company as amended by the Select Standing Committee on Banking and Commerce, be referred back to the Select Standing Committee on Standing Orders for further consideration and report as to the sufficiency of the notices given thereunder.

I make this motion because I understand that the notices that were last published by the Canada Life Assurance Company have never been before the Standing Orders Committee. I may briefly review the proceedings in order that hon. gentlemen who may not have followed that Bill may know exactly what has been done. On the 22nd of March the following motion was made by the hon. member for North Ontario (Mr. Samuel Sharpe):

That the order made this day for the further consideration in Committee of the Whole on Bill (No. 56) respecting the Canada Life Assurance Company, be discharged, and that the said Bill be referred to the Select Standing Committee on Standing Orders for further consideration as to the sufficiency of the notices given therefor.

Now in obedience to that order of the House, the committee met, deliberated and considered the Bill in question, drafted their report, and presented it to the House in the following words:

Mr. McCraney, from the Select Standing Committee on Standing Orders, presented the third report of the said committee, which is as follows:—

Pursuant to the order of the House of the 22nd inst., your committee have considered Bill (No. 56) respecting the Canada Life Assurance Company, as reprinted and amended by the Select Standing Committee on Banking and Commerce, and find: first, that sections 1 and 3 are clearly within the terms of the notice published; second, that the wording of the notice does not sufficiently indicate the nature of the orders to be granted under section 2; and third, that sections 4 and 5 are not mentioned in either the notice or the petition.

The effect of this report was that the notices given by the Canada Life Assurance Company for their purposes were, so far as clause 2, the important clause, was concerned, entirely sufficient. As a result, the promoter of the Bill, and those interested in the Bill, afterwards decided to publish new notices, which was done. Before the expiration of the five weeks allowed for publication of the notices, the hon. member for South Essex (Mr. Clark), who is in charge of the Bill, moved:

That the order for further consideration in Committee of the Whole of Bill (No. 56) respecting the Canada Life Assurance Company, be discharged, and that the said Bill be referred back to the Select Standing Committee on Standing Orders to inquire and report to this House what notice has been given to the public and to the policy-holders concerning said Bill.

Hon. gentlemen will observe that this resolution did not authorize the Committee on Standing Orders to make any inquiry as to the sufficiency or insufficiency of the notices, but simply to report back to the House what notices had been published. The committee, therefore, in considering their report, simply named the notices that had been published, but expressed no opinion as to whether those notices were sufficient or not. I will read, for the information of the House, a portion of the report, and it will show clearly that what I have stated is contained in the report. The report was presented on the 27th April by Mr. McCoig, in the absence of the chairman, and it is as follows:

Mr. McCoig, from the Select Standing Committee on Standing Orders, presented the fourth report of the said committee, which is as follows:—

Pursuant to the order of the House of the 19th instant, your committee have inquired as to what notice has been given to the public and to policy-holders concerning the Bill (No. 56), and Act respecting the Canada Life Assurance Company, and find as follows, viz.:—

1. That the following notice was published in the 'Canada Gazette' on the 9th, 16th, 23rd, and 30th days of January and the 6th day of February, 1909; in the Toronto 'News' on the 22nd and 29th days of January, and on the 5th, 12th and 19th days of February, 1909; and in the Toronto 'Monetary Times' on the 23rd and 30th days of January, and on the 6th, 13th and 20th days of February, 1909, viz.—

Notice is hereby given that application will be made to the parliament of the Dominion of Canada, at the next session thereof, for an Act to amend the Acts relating to the Canada Life Assurance Company by changing the date of the annual meetings, and making necessary changes as to notice of meetings consequent thereon, and providing for any further changes in the date of such meeting, defining the provisions as to division of profits, extending the powers of the company as to holding real estate in Ontario, and for other purposes.

ALEXANDER BRUCE.

The House will observe that this notice was practically set aside by the Standing Orders Committee as being entirely insufficient, because, so far as the important clause of the Bill was concerned, it did not define distinctly and clearly the objects of the petition or of the Bill. Consequently, we are not called upon now to deal with that notice and we must rely upon a subsequent notice that was published. That notice was signed by Alexander Bruce, solicitor of the company. It is as follows:

Canada Life Building,
Toronto, Ontario.

Dated at Toronto, this 4th January, A.D. 1909. 28-5.

2. That the following additional notice was published in the 'Canada Gazette' and in the Toronto 'News' respectively, on the 27th day of March, and on the 3rd , 10th, 17th and 24th days of April, 1909, viz.:—

Additional Notice.

Notice is hereby given that application will be made to the parliament of the Dominion of Canada, at the present session thereof, for an Act to amend the Acts relating to the Canada Life Assurance Company (1) changing the date of the annual meeting and making necessary changes as to notices of meetings consequent thereon, and providing for any further changes in the date of such meeting; (2) declaring that, in accordance with the uniform practice of the company, the profits in which the participating policy-holders are entitled to share are those realized from the company's life assurance business exclusive of the interest earned on paid up capital and on other moneys at the credit of the shareholders arising from interest so earned or from the shareholders' proportion of profits; (3) extending the powers of the company as to holding real estate in Ontario ; (4) reducing the denomination of the shares of the capital stock of the company from one hundred pounds (Canadian currency) or four hundred dollars to the denomination of one hundred dollars each.

ALEX. BRUCE,
Solicitor for the Company,
Canada Life Building, Toronto.

Dated this 25th March, 1909. 39-5.

3. In addition to the foregoing notices, which were published in accordance with the requirements of rule 90, sections 1, B 2 and C 2, your committee find that the following circular as well as a copy of the Bill as amended by the Select Standing Committee on Banking and Commerce, were mailed to each of the participating policy-holders of the company in Canada, Newfoundland, Great Britain and Ireland and the United States, between the 29th day of March, 1909, and the 6th day of April, 1909, in the manner set forth in the declaration of Alexander Gillespie hereto attached.

Then the report gives a copy of a letter addressed to the participating policy-holders by John Hoskin, vice-president of the company, and also a copy of a letter or certificate by A. G. Ramsay in reference to the intention of the company when the Act of 1879 was being applied for. It also contained a declaration of Mr. Alexander Gillespie as to the mailing of the copies of the Bill and the copies of these letters. My reason for asking that this Bill be referred back to the Committee on Standing Orders is the fact that no declaration has yet been made, either by the examiner of private Bills or the Committee on Standing Orders, as to whether these notices were sufficient for the purpose or not. I need not read or refer to the rules of this House concerning the notices required io be given. All the members of this House are familiar with the fact that notice must be given and that a reference must be made either to the examiner of private Bills or the Committee on Standing Orders to inform this House whether or not these notices are sufficient for the purpose of the Bill. I might here remark that it is alleged that thirty years ago an error was made in the legislation that took place, and I submit that it would not be wise for this House now in dealing with this Bill to commit what I regard as a manifest error in overlooking the important requirements of the House in regard to the notice and the character of the notice. I submit that as a fair proposition, and I would say that it would be wise for us to refer the Bill back and get a report from the Standing Orders Committee as to whether these notices were sufficient or not.

But, I have another matter to which I desire to refer for a moment. We have this afternoon been discussing the question of provincial rights. There is no doubt that the provinces have a good deal to say with reference to policies of insurance. I believe that the Privy Council has held in a considered judgment, or perhaps in con-

sidered judgments, that an insurance policy comes within the words 'property and civil rights.' Property and civil rights, we must all admit, must be dealt with by the provincial legislatures, and therefore, in addition to any notices that have been given, I submit that notices should be sent to every province in the Dominion of Canada where policies of insurance are held. I desire now to read an order in council that was passed by the Ontario government only a few days ago. I regard it as a very important protest from that government, and I shall place it on 'Hansard' so that every member of the House will be able to read it for himself and have notice of its contents:

Copy of an order in council approved by His Honour the Lieutenant Governor the thirtieth day of April, A.D. 1909. The committee advise that the annexed report of the honourable the Attorney General with reference to the Bill respecting the Canada Life Assurance Company now before the Dominion parliament be approved of by Your Honour and that a despatch be forwarded to the Secretary of State, Ottawa, accompanied by a copy of the said report for the information of the government of the Dominion of Canada.

Certified, S. Lonsdale Capreol, clerk, Executive Council .

I am privately advised that a copy of this order in council was on Saturday last sent to a member of this government, presumedly the Secretary of State, so that I have no doubt the government are now in possession of it, and in all probability may have considered its contents. The order in council reads:

To His Honour the Lieutenant Governor in Council:—

The undersigned has had under consideration the Bill respecting the Canada Life Assurance Company now before the Dominion parliament and respectfully recommends that a despatch be forwarded to the Secretary of State, Ottawa, regarding the said Bill to the following effect:—

The Bill now before parliament regarding the Canada Life Assurance Company, if it becomes law will in effect alter the contract of every policy-holder on the participation plan and largely reduce the amount that he is legally entitled to out of the profits under the existing law. The extent to which such policy-holder will suffer if the Act is passed will be very greatly increased by the action of the directors and their shareholders in having unnecessarily increased the amount of the paid up capital stock from $125,000 to $1,000,000 (see the report of the Royal Commission as to this). An opinion with regard to the law has been obtained by some policy-holders from Sir Robert Findlay. It is his opinion that the payments of dividends to the shareholders since 1879 in excess of 10 per cent of the profits of the business of the company have been ultra vires, there being in his opinion no ground for the contention that the shareholders are entitled to interest on capital and also to ten per cent of the profits, or to a sufficient part thereof to make up $80,000 a year to be paid them as dividends. A large number of the policy-holders in the company reside in the province and their property and civil rights which are within the jurisdiction of this province would be interfered with by such legislation as is proposed in the present instance. The Bill having only recently passed the Standing Orders Committee, there is not sufficient time now that the session is approaching its close to fully consider the matter, and it is respectfully submitted that the government should procure the postponement of the consideration of the Bill until next session. The rights and the jurisdiction of the province are involved and ample time should be given to the provinces of the Dominion to consider the matter and decide what course should be adopted by them.

It also appears that many of the matters involved in another Bill (the Life Insurance Bill) now before the House of Commons deal with matters within the exclusive jurisdiction of the province, as it is respectfully submitted that this Bill should also not become law during the present session.

(Signed) J. J. FOY,
Attorney General.

Toronto, 30th April, 1909.

In view of what the Minister of Finance said only a few moments ago I think I can make an appeal to him to pursue in the case of this Bill a course similar to that which he advised in reference to the Michigan Power Company Bill. I submit that this Bill which we are now considering be deferred, that it should not be proceeded with hastily, and that an opportunity should be given to the government of Ontario to be heard. I do not know any better way to enable a representative of the Ontario government to be heard than to refer this Bill back to the Standing Orders Committee, to notify the Ontario government of the day on which that committee will meet, and allow its representative to appear and enter a protest along the lines of the order in council which I have read. I think this is a reasonable proposition. I therefore submit this motion to you, Mr. Speaker, in the confidence that the government will give it fair consideration, that they will permit all parties to be heard, and that they will not do anything hastily. I am only now dealing with the point as to referring the Bill back to the Committee on Standing Orders in order that it may be dealt with in the usual way.

Mr. A. H. CLARKE. I submit that the hon. gentleman (Mr. Henderson) has shown no reason why this Bill should be referred back to the Committee on Standing Orders. His argument that it should be so referred in order to have the question determined whether the province of Ontario or the Do-

minion has jurisdiction in the matter, is rather a strange one.

Mr. HENDERSON. I trust the hon. gentleman does not desire to misrepresent me. I certainly stated as plainly as I could that this Bill had only been dealt with by the Standing Order Committee to the extent of preparing a list of the notices. But the committee in no way gave an opinion as to the sufficiency of these notices and I asked that the Bill be sent back to enable the committee to deal with it in that respect.

Mr. A. H. CLARKE. One reason given by my hon. friend (Mr. Henderson) for referring back the Bill was that the committee might consider whether or not sufficient notice had been given, and the other reason given by him was that an order in council had been passed by the Ontario government in reference to the Bill. I now understand my hon. friend to say that he does not set up that order in council as a reason why the Bill should be referred back, and if that is so I will have nothing more to say on that point.

Mr. HENDERSON. If the Ontario government or the policy-holders, or the members of this House, desired to say whether or not they had sufficient notice, it would give them that opportunity.

Mr. A. H. CLARKE. No person knows better than my hon. friend whether or not the notice contemplated by the rules has been given or not, and I am surprised at this stage of the session, when every person wants to get away, when this Bill has already been twice referred to the Standing Orders Committee, and when it has been before this House for two months, that my hon. friend desired to again retard the passage of the Bill by having it referred back to the Standing Orders Committee. He has not pointed out a single irregularity in the notice. He is a member of the Standing Orders Committee, and he knows well whether or not the notice was sufficient. It seems to me that there has never been before the House a Bill in regard to which more care has been taken to give public notice, or in which the rules of the House have been more fully complied with.

Mr. SPROULE. Does the hon. member regard the rules of the House as having been complied with when the Standing Orders Committee has reported to this House without saying whether or not the notices were according to the requirements? They have not reported that they examined the Bill and find that the notices have been ample. So that their report is equivalent to no report at all.

Mr. A. H. CLARKE. The Standing Orders Committee have reported exactly what this House asked them to report, nothing more nor less. It is not the duty of the Standing Orders Committee, in the first instance, to report whether or not the notices are sufficient.

Mr. SPROULE. It is the duty of that committee to report whether the notices are sufficient or not.

Mr. A. H. CLARKE. I would be very glad if my hon. friend, when he speaks of the duty of a committee, would refer to some authority other than his own ipse dixit. I do not find that the rules require that. Rule 95 says:

> Petitions for private Bills, when received by the House, are to be taken into consideration by the examiner, who shall report to the House in each case the extent to which the requirements of the rules regarding notices have been complied with.

When that is done in the case of any Private Bill, it is put on the Order Paper. A Bill does not go to the Standing Orders Committee at all unless the examiner finds that the rules have not been complied with. In this particular case, the examiner, who is an officer of great experience, found that the rules had been complied with, and so reported to the House. Therefore the Bill came properly before the House and was placed on the Order Paper. Some hon. gentlemen then said that in their opinion the notice was not sufficient, not because it was not inserted in a sufficient number of newspapers or a sufficient number of times, but because the notice relating to some section of the Bill was not sufficiently full to have made the policy-holders and others acquainted with the exact nature of the Bill. Therefore the House sent the Bill back to the Standing Orders Committee, and that committee reported that in their judgment the notice regarding a certain section of the Bill was not sufficient. Thereupon a new notice was given, and the Bill was then sent back to the Committee on Standing Orders to report what had been done. That committee has reported that the notice was inserted for five weeks in the 'Canada Gazette,' and in the newspapers, and was sent to every participating policy-holder in Canada, the United States and Newfoundland, and that copies of it were sent to England to be transmitted to every policy-holder there. I would like the hon. member for Halton to suggest what notice ought to have been given that has not been given.

Mr. HENDERSON. What I said was that the Standing Orders Committee has not reported to the House whether the notices have been sufficient or not. It has expressed no opinion to guide the House, and my own impression is that the notices have not been sufficient. I do not want to discuss that now, because I think the Com-

mittee on Standing Orders is the proper place to discuss it. But my hon. friend will find that if he is going to proceed with a Bill asking for retroactive legislation, there has been no notice to that effect.

Mr. A. H. CLARKE. The committee has reported to this House what the House asked it to report. It did not ask the committee to report whether the notices were sufficient or not; it simply asked it to report what notices were given. The committee has done that. The rules of the House say what notice shall be required—five weeks in the 'Canada Gazette,' and one other newspaper at the place of the head office. The committee reports that that has been done. I do not understand that there is any complaint about the particularity of the notice in regard to clause 2 of the Bill which says:

Declaring that, in accordance with the uniform practice of the company, the profits in which the participating policy-holders are entitled to share are those realized from the company's life insurance business, exclusive of the interest earned on paid-up capital and on other moneys at the credit of the shareholders arising from interest so earned or from the shareholders' proportion of profits.

I think no hon. member will say that that is not full notice, indicating clearly what that particular section of the Bill was to be.

Mr. LANCASTER. Could my hon. friend give us the exact language of the House in referring the Bill to the Committee?

Mr. A. H. CLARKE. I have not the page before me, but I remember quite well what it was. It referred the Bill back to report what notice had been given. I submit that we have abundant evidence of ample notice having been given. Therefore it is child's play to refer the Bill back to the Committee at this stage.

Mr. LENNOX. I do not think the hon. member who is usually pretty fair, has correctly apprehended or presented what the hon. member for Halton contends for. It is this, if I understand him rightly, that a certain duty is cast upon the Standing Orders Committee, and that duty has not been discharged, and by reason of that the matter should be referred back in order that they should report in accordance with the standing rules and orders of the House. Incidentally and very properly the hon. member for Halton (Mr. Henderson) pointed out that the manner in which the Standing Orders Committee discharge their duty is not a trivial or unimportant matter but a matter of great importance to the people generally. I am not inquiring as to whether or not they are to blame, but I am rather inclined to think they are not. That is not of so much concern as whether everything has been done that will safeguard the interests of the policy-holders who are so extremely concerned in this matter. The rule as stated by Bourinot at page 749 is:

Under rule 53 of the Senate and Commons, 'petitions for private Bills, when received by the House, are to be taken into consideration (without special reference) by the Committee on Standing Orders, which is to report in each case whether the rule with regard to notice has been complied with.'

I am not losing sight of the fact that we have modified the rules since this was written. But under our present rules, when a matter of this kind is referred to that committee, then the rule as here laid down by Bourinot applies. Under the present rule these petitions do not go to the Standing Orders Committee if favourably reported on by the Examiner of Petitions for Private Bills, and in this case that officer reported that everything required for public safety in reference to a Bill of this kind had been complied with. In this way the Bill came before this House and was referred to the Committee on Banking and Commerce where it was investigated. It was only when it came back to this House that attention was called to the inadequacy of the advertisement in reference to section 2 and the absence of advertisement with reference to sections 4 and 5. The House then referred the Bill back to the Standing Orders Committee on the 22nd of March. The item in the votes and proceedings is:

On motion of Mr. Sharpe (Ontario), it was ordered, that the order made this day for further consideration in Committee of the Whole of Bill (No. 56) An Act respecting the Canada Life Assurance Company, be discharged, and that the said Bill be referred to the Select Standing Committee on Standing Orders for further consideration as to the efficiency of the notices given therefor.

That is what the Standing Orders Committee is for, not to report to us as to the facts which come before it, because we can consider those facts as well as they can, but to consider whether or not, as a matter of procedure and of law and justice the notices, which have been given are sufficient. We were then beginning to get on the right track through the efforts and the astuteness of the hon. member for North Ontario (Mr. Sharpe) and on March 25 we find this in the Votes and Proceedings:

Mr. McCraney, from the Select Standing Committee on Standing Orders, presented the third report of the said committee, which is as follows:—

Pursuant to the order of the House of the 22nd instant, your committee have considered Bill (No. 56) respecting the Canada Life Assurance Company, as reprinted and amended by the Select Standing Committee on Banking and Commerce, and find:

Now you will see what the duty of the Standing Committee is, and they recognized it at this time when they reported back to the House.

That sections 1 and 3 are clearly within the terms of the notice as published.

That is they give their findings as a court, they give their judgment and find that sections 1 and 3 were within the notice.

2. That the wording of the notice does not sufficiently indicate the nature of the powers to be granted under section 2.

That was the important section, so that down to that point you have it that there had not been sufficient notice of what the company were applying for under their very important section No. 2, and

3. That sections 4 and 5 are not mentioned in either the notice or the petition.

Thus we have the rule I have read, we have the recognition of that rule in the order made on March 22, and again in the report made on March 25. Thus from the time that the hon. member for North Ontario took it in hand until March 25, the matter was regular, it was getting on the right track again but it went wrong again and the next proceeding, I am sorry to say, was on motion of my hon. friend from South Essex (Mr. A. H. Clarke), and I must say that although it was not noticed at the time, probably this led to the difficulty we are in now, not of course intentionally, but I would suggest to my hon. friend that since he got us into this difficulty he is in duty bound to try and get us out of it again. His motion speaks for itself. We know that in the meantime certain advertisements had been printed and certain steps taken to publish what it was then said was the object of the company. I am not prepared to admit that this notice was in any shape sufficient. A colorable notice, a notice calculated to lull and deceive, a notice which could never have been intend to apprise the public of what was actually wanted by the company, was again issued and the hon. member for South Essex (Mr. A. H. Clarke) asked that the Select Standing Committee on Standing Orders should deal with that question. We knew that we had to refer it to them. What ought we to do? We had practically a new Bill. Two provisions of that Bill had never been advertised before. One of them, the most important one, it was found had not been sufficiently advertised and so having come to this House it was necessary it should then go to the Select Standing Committee on Standing Orders. Why should it not go to that committee according to the rule I have referred to? It was not sent to them in that way and until it was sent to them in that way this House had not done its duty by the public.

Mr. TALBOT. That is all right.

Mr. LENNOX. I am glad to have for once concurrence of my hon. friend. On the motion of the hon. member for Essex (Mr. Clarke), the order for the further consideration in Committee of the Whole of Bill (No. 56) respecting the Canada Life Assurance Company was discharged and referred back to the Select Standing Committee on Standing Orders to inquire and report to this House what notice had been given the public and policy-holders. The order was not to inquire and report on the sufficiency of the notice, but to tell us what we could have found out by going to any newspaper, what we knew before that order was made, namely, what had been advertised in the press. There was the beginning of the second difficulty and that is where we are now. The Select Standing Committee might have done better, but we cannot complain of them because probably they might have done worse. In fact, they did nothing. They reported to us, in the terms of that order, that certain advertisements had been made, giving the dates and a copy of the notice. I called the attention of the right hon. gentleman who leads the House to the fact that on the 25th of March the committee reported that no sufficient advertisement had been made. The matter was then at an end, so far as the progress of this Bill is concerned. It had to begin over again, if the Bill was to be dealt with. The Insurance Company then, of its own motion, began to advertise; and after they had done so this resolution was introduced, which does not comply with the rules of the House. The company did not present a new petition. They simply advertised, as they saw fit, and I can show to my right hon. friend that this second advertisement was no more honest than the first. Under these circumstances, there can be no doubt as to the duty of this House. Our duty is to send the Bill back to the Committee on Standing Orders and have that committee report to us regarding the sufficiency of the last notice issued.

Mr. PORTER. It occurs to me that if the House proceeds with the motion now before the Chair and goes into committee on this subject, it will be defeating the very object for which notice of this kind of legislation is given. The first notice was passed upon and found insufficient. The company then went on to give further notice. What is the object of the rule requiring notice to be given? It is that the parties interested should have an opportunity of being heard regarding the proposed legislation. There are two parties interested, the company and the policy holders. The company has been heard. But we

are asked to move the House into committee to consider the Bill without giving the policy-holders any opportunity of giving their opinion upon it. If we are to proceed with this measure without giving that opportunity, we shall be defeating the very object of the notice. In all justice and fairness, the Bill ought to be referred back to the Committee on Standing Orders in order to give the policy-holders interested, or the provincial government on their behalf, an opportunity of discussing the provisions of the Bill. The hon. member for Halton (Mr. Henderson) has offered a fair and reasonable opportunity to accomplish that object, by asking that the Bill be referred back to the Committee on Standing Orders, in order that that committee may report whether sufficient notice has been given, and if the provincial government or the policy-holders should see fit to appear before the committee and represent their case, a special report might be made, although that report would not be binding on this House.

Mr. SPROULE. I venture to suggest that, although this Bill was referred back to the Committee on Standing Orders, to ascertain whether the notices were sufficient or not, that committee has not reported. The duty of that committee was to report whether or not that notice was sufficient. Under our new rules, the first procedure is to present a petition and have that taken into consideration by the examiner of petitions, whose duty it is to report to the House in each case the extent to which the requirements of the rules regarding notice have been complied with. It transpires that the House was not satisfied that the proper notice had been given and that the rules had been complied with. After the consideration of that by the House it was referred back to the Standing Orders Committee for further examination. Now if the examiner of petitions were not satisfied the rule says:

> In every case where the notice is reported by the examiner to have been insufficient or otherwise defective, the petition shall be taken into consideration without special reference by the Committee on Standing Orders, who shall report to the House recommending the course to be taken in consequence of such insufficiency of notice or other defects therein.

Now did they do that? Did they recommend to the House what should be done in consequence of insufficiency of notice or other defects? They evidently did not. Then if they did not, the Standing Orders Committee did not do what the rule lays down that they should do, and therefore the House has a right to refer the Bill back to the same committee and ask them to report recommending the extent to which the requirements of the rules regarding notice have been complied with. Now it is quite clear, because they say so themselves, that the notice was not sufficient, that a proper notice was not given, but they did not recommend to the House what the House should do in consequence thereof. Now in view of the fact that we have not such a report recommending the House what to do, nor have they reported clearly that the proper notices were not sufficient, or partially sufficient, then I say we have a right to refer it back to them, and get a proper report. Bourinot says that the House shall appoint a standing orders committee whose duty it shall be:

> The said committee shall be empowered to examine and inquire into all such matters and things as may be referred to them by the House.

All these petitions were referred to that committee by the House previously to the change in our rules. If that committee found these petitions defective in any way, the committee are to report from time to time their observations thereon. What observations? Whether the notice has been complied with or not? Did they give their opinion as to whether that rule had been complied with? Not at all. They gave us the report of their observations, and their observations were to the effect that the rule had not been complied with, because they referred to certain clauses of the Bill of which no notice whatever was given in the 'Gazette,' and they referred to other clauses where there was not a strict compliance with the rule. Therefore their observations and opinions thereon were not given fully to this House. It is therefore, in my opinion, the duty of the House to refer it back to that committee and ask them to make a proper report to the House as to their observations or findings, whether the rule requiring public notice to be given has been complied with in that second notice.

Mr. J. D. REID. I understand it is necessary under rule 90, subsection C, that all such notices, whether inserted in the 'Canada Gazette' or in a newspaper, shall be published at least once a week for a period of five consecutive weeks. But the five weeks was not allowed to elapse before the Bill was up before the Standing Orders Committee. I think this House should consider whether we are to allow Bills to go through in that way. I take it for granted that five weeks means that five full weeks must elapse before the Bill can be properly presented before the committee. The fifth week was only started, only one day had passed when the Bill was presented here. I think this Bill is a very important one. There are thousands and thousands of policy-holders throughout the Dominion to whom this notice was perhaps sent; but what time have they had to consider the importance of the Bill? One gentleman states that he never got a notice; at the

same time where a Bill like this is going to affect so many policy-holders and so many heirs that might receive benefits from this, I think the Canada Life Assurance Company should have given the policy-holders longer time, should have given them some months in which they might thoroughly understand what it meant; let them get together and give them an opportunity of stating their position before a committee of the House. The whole thing has been rushed through. If we allow this Bill to go through without the full five weeks notice, I think we will be establishing a very dangerous precedent. I cannot see where the Canada Life are going to lose anything by letting it stand over until another session. By that time every policy-holder in the Dominion will understand exactly the situation, and know that at the next session of the House the matter may come up again and be threshed out after ample notice has been given to the policy-holders. I think the government should allow it to stand over until the House meets in November, and then every policy-holder in Canada will have had ample notice. I do not understand exactly how this Bill affects the policy-holder, but I judge from the opposition that is being made to this Bill, that it is unfair to rush it through at this late date in the session. I hope the government will accept the motion of the hon. member for Halton, and let the Bill be withdrawn.

Mr. GEORGE TAYLOR. With regard to serving notices on every policy-holder. I may say that I am a policy-holder and I received no notice.

Mr. SAMUEL SHARPE. There are a number of gentlemen on both sides of the House who regard the additional notice as insufficient. But that question should not occupy the time of the House, that is particularly the function of the Standing Orders Committee to look into. Consequently I think that this motion is well put, and that the Bill should be referred back to the Committee on Standing Orders to consider the sufficiency or insufficiency of the notice. It is true, as the hon. member for South Essex says, that the committee reported all that the House ordered them to report, but the House did not order them to report enough. It was on the motion of the hon. member for South Essex that the specific reference was made to the Standing Orders Committee and that reference was not sufficient, because it did not ask the Standing Orders Committee to report upon the sufficiency or insufficiency of the notice. The time of the House should not be occupied with the consideration of the question of whether a notice is sufficient or not. We would have to examine the notice, we would have to examine the report of the committee brought down, and that might occupy some hours of the time of this House. I think the proper course to pursue is that which has been suggested by my hon. friend from Halton, that we send it back to the Standing Orders Committee to report upon. I venture to express the opinion that the promoter of the Bill would make more progress if he proceeds along the lines of least resistance, because, if he attempts to railroad this Bill through the House, he will find considerable opposition. This company has been the same as it is now for the past thirty years, and I do not see why there should be such undue haste in order to legislate the rights of 35,000 policy-holders away and transfer their profits into the pockets of the shareholders. I think the House should adopt the motion of my hon. friend from Halton and refer this Bill to the Standing Orders Committee for a proper report.

Amendment (Mr. Henderson) negatived.

Mr. LENNOX. Before you leave the Chair, Mr. Speaker, I wish to move another motion.

Mr. TALBOT. He is not leaving it.

Mr. LENNOX. If hon. gentlemen desire to facilitate the business of the House they should try to observe some rules of decorum. It is all right to have a few jokes but there is business to be done. It would be just as well if some hon. gentlemen would behave themselves. I only desire to say a few words in support of the motion which I am about to make. It is an important one, and I think it is even more important than the one which was moved by my hon. friend from Halton a moment ago I propose to move that:

Order No. 4 be discharged and that Bill (No. 56) an Act respecting the Canada Life Assurance Company, as amended by the Committee on Banking and Commerce, be referred back to the Select Standing Committee on Banking and Commerce for further consideration and report.

It will only be necessary to say a few words in support of this motion, although it is one that involves a good deal. A few weeks ago it was decided in this House that the advertisement had not been sufficient, that as regards the most important clause in the Bill no sufficient notice had been given and that, as regards two other clauses, no notice at all had been given. It is of the essence and fairness of a parliamentary contract, such as is now proposed, that every shareholder should have an opportunity of knowing exactly what the company propose and should have ample opportunity of presenting his views to the committee which has the matter in charge. That is the Select Standing Committee on Banking and Commerce. We know that in this House there is no opportunity for any per

son to come and present his views, but that in the committee, now that certain notoriety has attached to this Bill, there will no doubt be a great number of people who will want to present their opposition to this proposed legislation. Be that as it may, I need not elaborate the argument, which is this. There would be no object in further advertising this Bill, no object in giving notice to the public, unless we gave the public an opportunity to be heard. It would be the veriest farce to insist upon the most elaborate advertisement and then give no opportunity to interested policy-holders to present their views. It is said that this is the most perfect advertisement that possibly could be given, although I find three hon. gentlemen in this House within reach of my hand who say that they received no notice, notwithstanding the fact that they are policy-holders. It is said that the most elaborate advertisement has been published in this case, but it would be idle to have that advertisement given if there were no opportunity given the public of coming before a select standing committee and enunciating their views. Only one word more in reference to this. I think my right hon. friend the leader of the House (Sir Wilfrid Laurier) will agree in the propriety of giving the policy-holders an opportunity of being heard. I think he will agree that now that the advertisement is said to have reached a great number of policy-holders, these policy-holders shall have an opportunity of coming before the Committee on Banking and Commerce and saying whether or not they think this legislation ought to pass. They have never had any opportunity.

I am sorry, inasmuch as we have rather forced the views of the Ontario government upon the House to-day, that I have to refer again to the attitude of the Ontario government in this regard. Why should not the Ontario govenment be the special guardian of the interests of the people of Ontario? They surely have a mandate to act in that capacity. They have a sufficient majority at their back to make them astute in endeavouring to safeguard the interests of the people whom they so abundantly represent. I will not read the whole of the order in council that has been referred to to-night, but I will read a clause or two that I specially wish to draw to the attention of the House. In the first part it is set out that it has been transmitted to the Dominion government. Therefore it is the less necessary that I should read the whole of it, but they say that:

The undersigned has had under consideration the Bill respecting the Canada Life Assurance Company now before the Dominion parliament, and respectfully recommends that a despatch be forwarded to the Secretary of State, Ottawa, regarding the Bill to the following effect:—

The Bill now before parliament regarding the Canada Life Assurance Company if it becomes law will in effect alter the contract of every policy-holder on the participation plan and largely reduce the amount that he is legally entitled to out of the profits under the existing law.

The extent to which such policy-holders will suffer if the Act is passed will be very greatly increased by the action of the directors and their shareholders in having unnecessarily increased the amount of the paid-up capital stock from $125,000 to $1,000,000 (see report of Royal Commission as to this). An opinion with regard to the law has been obtained by some policy-holders from Sir Robert Findlay.

They then proceed to set out in substance the opinion given, which I need not read to the House at this stage. The order continues as follows:

A large number of the policy-holders in the company reside in the province, and their property and civil rights which are within the jurisdiction of this province will be interfered with by such legislation as is proposed in the present instance.

Property and civil rights and provincial rights ! There is no more serious way in which we can invade the civil rights of a people than by saying that after a solemn contract has been entered into and has been sanctioned by parliament and has existed for thirty years, a few people may come before the House of Commons and before the Select Standing Committee on Banking and Commerce and endeavour to put through a Bill which shall deprive these people of their rights and declare that which is known not to have been the law is the law.

Mr. SPROULE. Alter the contract?

Mr. LENNOX. Alter the contract.

The Bill having only recently passed the Standing Orders Committee, there is not sufficient time now that the session is approaching its close to fully consider the matter, and it is respectfully submitted that the government should procure the postponement of the consideration of the Bill until next session. The rights and the jurisdiction of the province are involved and ample time should be given to the provinces of the Dominion to consider the matter and decide what course should be adopted by them.

That order in council was passed on the 30th April and said to have been forwarded to the Dominion government, so that I presume the government is in receipt of it. Well, if I am to assume from the Prime Minister that the government has not received it that only emphasizes the extreme haste with which this legislation is being promoted. I shall take the liberty of sending this order in council over to the Prime Minister.

Sir WILFRID LAURIER. As my hon. friend (Mr. Lennox) has appealed to me I must tell him I am very sorry I cannot

agree with any of his arguments. This Bill was referred to the Banking and Commerce Committee; it was examined by that committee and found satisfactory. When it came back to the House it was suggested by some members that the notice to the policy-holders had not been sufficient and that it was advisable to again refer the Bill to the Standing Orders Committee. I must say that it seemed to me that the original notices were amply satisfactory and quite sufficient for any intelligent man to ascertain what was the purpose of this Bill. However, some members of the House thought differently, and I did not interpose my own personal opinion to prevent the Bill being referred to the Standing Orders Committee. The last argument of my hon. friend (Mr. Lennox) is that the Ontario government has sent to us an order in council in which they say that this is a matter of provincial rights.

Mr. LENNOX. No.

Sir WILFRID LAURIER. Then I do not understand it.

Mr. LENNOX. They represent that this Bill affects a large portion of the people of Ontario; it is a matter of civil rights.

Sir WILFRID LAURIER. Yes; it concerns a certain number of the people of Ontario and also a certain number of the people of Quebec, and of Nove Scotia, and of New Brunswick, and of all the provinces, but I do not concede that the Ontario government has any right at all or any reason or any power to interfere in this matter. The Ontario government has the right to look after the business of the province of Ontario, which is confided to it by the British North America Act. I have been a friend of provincial rights in Ontario, and I had to defend them in my own humble way with the support of my friends around me, against the aggressions of hon. gentlemen opposite. In this matter the Ontario government has no standing at all, and it seems to me that the appeal made by my hon. friend (Mr. Lennox) cannot be entertained.

Mr. LANCASTER. Let me ask the right hon. gentleman if it was anything more than a farce to have fresh notices given to the public if the public were not to be allowed an opportunity to be heard on this Bill. If you advertise the sitting of a court you state where the court is to be held, in order that the parties may appear there, but in this case what was the use of advertising if the people affected were not to be given an opportunity to appear. The Prime Minister told us he did not consider it necessary to give new notices, but he was an assenting party to that procedure and being an assenting party he should now give the people an opportunity to be heard. The only place they can be heard is before the committee or at the bar of the House, and nobody suggests that. As to the standing of the provincial government in this matter, I apprehend that in the other provinces, as in Ontario, the provincial governments are the guardians of the infants in each province. The rights and claims of the widows and orphans against the Canada Life Assurance Company are naturally in the guardianship of the provincial governments, and in that aspect the provincial government has something to say as to the amount of insurance that should be recovered on the death of the bread winner of a family. What possible excuse can there be for saying that an opportunity should not be given to some one to represent before a committee of the House that large class of people who are interested in this matter. Notice was given for five weeks to the world at large, and the province of Ontario is a large part of the world at large, and the government of Ontario have taken action. Unless this Bill is referred back to committee, the whole procedure of ordering new notices to be given is ridiculous. I cordially support the motion of my hon. friend (Mr. Lennox).

Mr. TURRIFF. I am opposed to this Bill and to the principle of the Bill, and I am specially opposed to its being forced on the House at the present time when the policy-holders—the men who are most interested in the Bill—have not had an opportunity of coming before this House and presenting their views. The Bill was referred to the Committee on Banking and Commerce, where it was dealt with to a certain extent; it came back to the House and it was found that no notice had been given, that any shareholder could become cognizant of, that it was proposed by the Canada Life Assurance Company to ask for legislation that would be retroactive and that would impair every contract that had been made with the 40,000 policy-holders during the last thirty years. It was decided that the Bill had not been properly advertised. It was sent back to the committee, and, as the last speaker has pointed out, it has been re-advertised; and if this Bill is not to be referred back to the Banking and Commerce Committee, why was it advertised? Simply as a farce to deceive the policy-holders? Is this government going to be responsible for that sort of thing—to advertise a Bill, and not give the men interested in it an opportunity to come before a committee of this House and lay their case before it? To my mind it is a most peculiar proceeding. What is the great haste to push this Bill through the House? It has been on the statute book for the last thirty years and

the Canada Life has been doing business under it for that length of time. Will it hurt the Canada Life to wait six months more? In the ordinary course this House will be called together again in six months from now. We are in the dying days of the session. Why not let the Bill stand over till next session, and then give the policy-holders an opportunity to get together and organize and come before the Banking and Commerce Committee and present their views? If they are given that opportunity, and cannot put up a good case, I for one will not have any further opposition to offer to the Bill. But, Mr. Speaker, it seems to me that the Bill is bad in itself. There are contracts that have been made by this company during the past thirty years. Is there one word in either the first or second advertisement that would give the ordinary policy-holder to understand that this legislation proposed to be retroactive and took away the rights he was supposed to have had during all those years? I have the word of the president of the company that there are about 40,000 policy-holders, and there are hundreds and thousands of these who believe that they are being robbed, that their profits are being switched from them and taken by the shareholders. I am not going to say that that view is correct. I am not going to say that the views I hold, and they are pretty strong views, are correct. But I am going to say that when there are thousands of men who believe that they have a grievance against the company, and this government comes in and says to those men that they shall not be allowed to come before a committee of this House and state their grievance, every one of those men will always bear in his mind the impression that he had a grievance. I have here a couple of policies of my own, and I believe the profits have been taken from those policies which should have come to them; and if this government passes this legislation this session without giving me and other policy-holders an opportunity to come before the Banking and Commerce Committee and place our views before it, there is no power on earth that will make me believe in the future that I have not been robbed. And I do not stand alone in this matter. During the last month, since my name has been to a certain extent connected with the opposition to this Bill, dozens of policy-holders of this company in this city have come to me and have presented their views. I do not say that all the policy-holders share these views. There may be many who are perfectly satisfied; but outside of the members of this House, I have not heard one man who is a policy-holder express himself as satisfied with the conditions—why? Because during the past fifteen years, since this company has come under the present management, the profits of the policy-holders have simply dwindled down year after year; and these policy-holders would like to have some proper explanation of why a policy which twenty or twenty-five or thirty or forty years ago would earn $25 of profits in a year can now earn only $10. That is something the company ought to explain. That is something that if not explained will always stick in the minds of the policy-holders; and if the government does not give the policy-holders an opportunity to present their side of the case, the government will come in for a great deal of very adverse criticism. Why should this company be given all the consideration and the policy-holders none? Is there any good reason why the 40,000 policy-holders should have no consideration at all at the hands of this government or this parliament and this company get all the consideration? Just let me contrast two cases. A few years ago we had a Royal Commission on insurance, which made a report and submitted a draft Bill. The government, some three sessions or two sessions ago, introduced that Bill into the House. What would you have thought if an attempt had been made to rush that Bill through the House without giving the insurance companies an opportunity to come before the Banking and Commerce Committee and present their side of the case? Are the 40,000 policy-holders of this company entitled to less consideration at the hands of the government than this company and other insurance companies? I hope that that will never be said. What consideration has been shown to these insurance companies? In compliance with their request, this insurance Bill has been put off from year to year. It has been before the Banking and Commerce Committee for weeks and months; we have spent the last two sessions working at it, and the company now under discussion has during this session had four men here for weeks and months working to get that Bill into proper shape. I quite agree that they are perfectly right, and I will be just as ready to oppose any idea of passing a measure by shutting them out as I am opposed to shutting out the policy-holders on this occasion. There is the treatment that has been accorded to the companies and why should less good treatment be accorded to the policy-holders? I think they are entitled to some consideration

If this legislation is passed this session without giving the policy-holders an opportunity to appear before the committee and represent their views, then so far as I am concerned politically, it will put me out of business. I have the honour or misfortune, whichever you like to call it, of

representing a constituency that has a Conservative majority and I have no hopes in the future of helping it out by redistribution simply because I am bounded on one side by the United States and on the other by the province of Manitoba and with the increase of population all I can do is to have the Liberal end of my constituency cut off. I was offered another constituency but I preferred to take the hard end and take the hard fight and I did it. If this resolution is passed and hundreds of my supporters on both sides are done out of their right to come before this House and before the Banking and Commerce Committee and present their views, even if they are wrong, every one of these men will have a grievance against the government and will vote against me. That puts me out of business. That of course is a very small matter and I do not mention it as of any great importance but I wish to tell my hon. friends on this side of the House there are a good many others in the same position.

Mr. TALBOT. Not many.

Mr. TURRIFF. When the hon. member gets through I shall try to go on. There are a good many members in exactly the same position. A matter of a hundred votes makes a great difference and it is well to consider that phase of the question. We are piling up a grievance now that these men will remember, and I can assure you from what I have heard in the past month that this matter sinks far deeper into the minds of policy-holders of the Canada life than you have any idea of. I have men, men who did not wish their names mentioned, and you would be surprised at some of them, who have told me that they look on this Bill as a most iniquitous piece of legislation. One man told me that if this legislation passed he would want to sell his policy for what he could get for it, because he could have no confidence that this company would not come farward in ten years time asking for legislation and getting it that would deprive him perhaps of more than they are taking from him at this time. I think that is an extreme view and do not take that view, but it is held and I repeat that if you do not give these men an opportunity to present their claims they will have a just grievance and nothing will remove from their minds the feeling that they have been improperly dealt with. There can be only two reasons for pushing this through. One is that if it is not pushed through now it will be more difficult to get it through next session.

Mr. G. TAYLOR. Perhaps this is the dividend year.

Mr. TURRIFF. If that is the case it is a very good reason for delaying it. If the Bill is as good as the Canada Life people say it is, what is their objection to having it go before the Banking and Commerce Committee, and allowing the policy-holders to present their views. If their contention is right and fair and just, the Bill will go through, and there will be no difficulty, but if the Bill is such that a thorough investigation into it and a thorough presentation of the case of the policy-holders would prevent it going through, is the government justified in pushing it through in the dying days of this session, without giving the policy-holders a single opportunity to come before the committee and present their views? That is the strong ground I take, not on the merits of the Bill. I have no uncertain feeling on the merits of the Bill but it is not on that ground that I am opposing its passage. These policy-holders, 40,000 of them, are depending on these policies for their wives and their children when they have passed over the great divide. There will be 40,000 widows probably one day depending on these policies, and there will be over 100,000 orphans——

Mr. TALBOT. All on one day?

Some hon. MEMBERS. Order.

Mr. TURRIFF.—Depending on these policies. Surely in a matter of such importance it is not asking too much—and I appeal to the fairness and the good sense of my honoured leader that it is surely not asking too much to request that this particular Bill stand over until next session and that the policy-holders should be given an opportunity to come before the committee and present their views of the case. I have heard it said: If this Bill is not passed this session, why there will be litigation! The only logical conclusion you can come to from this is that if this company has been doing wrong, has been going contrary to the law for thirty years, then you should pass legislation to make their course right for the past thirty years, give them the right to do wrong for all time to come and prevent for ever anybody taking action to obtain redress of their wrongs. The Minister of Justice the other day dealt very fully with this question and either he or some other member stated, while we were discussing the Cobalt Mining Company's deal, that the government of Ontario had no right to step in and pass legislation to do away with litigation between two parties, and I heard the statement—I will not say by the Minister of Justice—that the provincial government had no more right to pass legislation that would prevent any man who felt aggrieved from going into litigation than to interfere in a case that had already been started. In this case litigation has already been started so if we apply the rule laid down by the Minister of

Justice the government has no right to step in and prevent that litigation. If they have no right what right has this government or any government on earth to stand between me and the men who I believe have done me an injustice? I believe they have done me an injustice. Give me an opportunity next fall with other shareholders to place my views before the Banking and Commerce Committee and if I can be shown that no injustice is being done, that this is right, then I shall have nothing more to say. This is not the first time I have been up against this company in trying to get some information. For the last seven or eight years I have been trying to get some satisfactory answer to the question why the dividends on my policies have been cut down to almost nothing. I have never been able to get any satisfactory explanation. I could get a lot of smooth talk by insurance men who knew all about the subject while I did not know very much about it, but I never could get any reason that appealed to my sense of justice. I may be altogether wrong, but I want them to explain to me and their policy-holders how it is these profits have been so small. A great many of the policy-holders have made this complaint to me. Take the president of this company alone—and he is the president of half a dozen other companies and on the directorate of as many more—he draws a salary of $20,000 a year.

An hon. MEMBER. What has that to do with this Bill?

Mr. TURRIFF. I propose to discuss this Bill in my own way. That $20,000 comes out of the pockets of the policy-holders, who otherwise would get the benefit. That is what it has to do with this Bill. And the president has two sons in this company, one of whom draws $15,000 a year and the other $20,000, making $50,000 per year to one family. That is what many of the policy-holders object to. What would this country think of the Prime Minister, if he voted himself $20,000 a year and then gave his two nearest relatives $15,000 and $20,000 respectively, and our Prime Minister devotes all his time to the work and works hard. What would this side of the House say, if the leader of the opposition should come into power and immediately vote himself $20,000 a year and his two nearest relatives $15,000 and $20,000 per year? Would we not make the House resound with our denunciations? Why we would raise the roof off it and make every platform ring from the Atlantic to the Pacific. And remember there are over a million voters to pay those salaries, and those men to whom they would pay them give all their time to the work, whereas there are only 35 or 40 thousand policy-holders paying these other men who do not give up all their time to their particular offices. That is one reason given by policy-holders why their profits have been so small during the past fifteen years. There is a general feeling among the policy-holders of the Canada Life that things have been manipulated in a very nice, smooth way, but in such a manner that the profits that should go to the policy-holders do not go to them. That is the feeling abroad and that feeling will not down until those policy-holders are given the opportunity to organize and put their case before a committee of this House; and that they cannot do this session. They could not even do it properly if this Bill were referred to the Banking and Commerce Committee. There would be a small opportunity then to do something, but it would only be a makeshift. What I ask is that this legislation be allowed to stand over. If the Bill be a good one, as the hon. member for Essex (Mr. Clarke) says it is and as the government claim, there will be no trouble in putting it through then; but if it be forced through now there will be a great deal of dissatisfaction, as many of us will have reason to know before the next general elections. A good deal has been said about the increase of capital. In 1900, the capital was increased from $125,000 to $1,000,000. At that time there was no need of more capital. The company had millions to its credit, it has millions invested, and remember that all that money is the money of the policy-holders, and only 10 per cent of the profits really belongs to the company. There were millions to the credit of the company, and the shareholders had their $125,000 paid up and were drawing 30 per cent to 70 per cent per annum on it. Was that not good enough? Should they not have been satisfied with that? And remember that the men who are drawing these big salaries own over 50 per cent. of the stock. Surely they ought to have been satisfied, but no, they increased their capital. They claimed that it was necessary, not so much on account of the money, but to have a better standing in the old country and the United States. Possibly there was something in that claim, but at all events they paid in this extra money, and a good many policy-holders believe that was done to benefit the shareholders at the expense of the policy-holders. I am inclined to that belief myself, but I am not sure that I am right. If the case were put before the committee and explanations made, I might be easily convinced that in that respect I am altogether wrong. I feel strongly on this question because I have a large number of policy-holders in my constituency, and it is not individually or personally that I ask my right hon. leader to put this measure off until next fall, but on behalf of the 40,000 people I represent in this House. It is in their interest I ask that this legislation be delayed until next ses-

sion. Remember this is a matter of vital importance to thousands of people in this country—men on salaries who have paid in all their savings of a life time, whose savings are locked up in policies in this company. They are the men who feel aggrieved and who want to be represented. Why treat the corporations with one kind of justice and the policy-holders with another? Why not give even-handed justice to both? This is just a little trouble between the policy-holders and the company, why should not the government leave us alone to settle our own difficulties without interfering? We will settle them and there will be very little trouble about it. All we want is a good explanation. I want to make that point as clear as possible. I am not discussing the Bill on its merits at all, but I am insisting on the right of the policy-holders —the men who have put up the $33,000,000 invested by the company—to be given a hearing before the committee. I leave it to the fairness of the Prime Minister to say whether or not this legislation should stand over for six months. The company have worked for 30 years under their present incorporation, why not let them work under it six months longer? I ask the right hon. the Prime Minister to consider this carefully and see whether he cannot let this legislation stand until six months, and I venture to say it will go through then with one-tenth part of the difficulty it will take to put it through now.

Mr. MEIGHEN. I have a few observations to make on this motion, and in so doing I purpose to keep religiously away from discussing the Bill on its merits. If the House will do me the credit of believing that I can for a moment discuss a question entirely apart from partisan consideration, I assure them that is my intention. If I understand the right hon. the Prime Minister correctly, and that he is determined to force this Bill on the consideration of this House, aside from the Banking and Commerce Committee, that is a course the most utterly inexplicable on the part of the government since I have been a member. Some few weeks ago when this Bill was before us and was referred back to the Standing Orders Committee, and when they reported the Bill had not been sufficiently advertised, who would have understood when a further advertisement was ordered by this House, that that advertisement had no purpose at all? There might have been some difference of opinion as to the last motion, it might have been of a technical character; but, surely, on this motion that, after this Bill had been advertised for the purpose of making its contents known to the public, surely on this motion that proposes to give them a chance to be heard, there should be no difference of opinion. No. hon. gentleman has ever attempted to answer the query as to what object there could have been in advertising this measure to the country if the country is not to be heard. The Prime Minister avoided that point in his speech. Now where does the government stand? The government of Ontario come before this House, and they present a protest against this Bill. I do not conceive the government of Ontario in doing so made any claim to this House by passing the legislation embodied in Bill 56 invaded at all provincial jurisdiction, but really acted on the principle of the government of Ontario is in a sense the custodian of the civil rights of the citizens of Ontario, and as such custodian it protests against this Bill, which they claim is an invasion of those civil rights. Now the Prime Minister says, we will not go before the Banking and Commerce Committee, we will not let the policy-holders be heard there. If that is the decision of this government, then by what method could the government of Ontario ever be heard before this House, except by the very method they have adopted? If we are to shut out all representatives before the Banking and Commerce Committee, which I understood was the medium by which the public could be heard before parliament, then the method adopted by the government of Ontario is the only method any government or any individual could adopt to make its or his opinions known in this House. Therefore the government are in this position: If a provincial government comes to us by petition asking that this legislation be not passed, we resent it and we also deny to the people represented by that government the right to come before us in any other way. Surely that is tyranny personified. I say the action of the government in this respect is inexplicable to me, and I hope some good reason will be given for it before this matter is disposed of.

Mr. A. H. CLARKE. I am glad to have heard the argument of my learned friend from Assiniboia (Mr. Turriff), and also of the other hon. gentlemen who are so strongly opposed to the Bill before the House. A good many speak of it as being inexplicable. From my understanding of the question, it is inexplicable to me that a Bill designed to do a simple and ordinary act of justice, as this Bill is designed to do, should be resisted in the vicious manner in which this Bill is being resisted by certain parties.

Mr. MEIGHEN. I did not say the Bill was inexplicable, I said the action of the government was inexplicable.

Mr. A. H. CLARKE. I was not referring to my hon. friend. I was saying that it

appeared inexplicable to me that where people do understand the Bill, they are putting up such a strenuous opposition. I have not heard, even in the heated argument of the hon. member for Assiniboia, one cogent reason against the passing of this Bill. He has made many strong statements about what the policy-holders say; I have heard just as strong statements from the policy-holders saying the government would not do its duty, saying it would be a great loss to and undoing of the policy-holders, if the present Bill were not passed, and giving strong reasons why it should pass at this session. Now what is this Bill for? The object of the Bill is a simple one. The Canada Life Company come to this parliament, which created the company, the only legislature, the only tribunal which can deal with the matter, and say that in the legislation which was passed in 1879 at the instance of the company, words were used which, in the opinion of an eminent counsel in England, it is said, do not bear the interpretation which it was intended they should bear by the company who promoted it. Now if there was a mistake, if the interpretation of Sir Robert Findlay is correct, I entertain not the slightest doubt, I am positively convinced, that the interpretation which is sought to be put upon the Act of 1879 is absolutely foreign to the intention of any person present at the time, foreign to the understanding of the directors and of the policy-holders from that time to the present.

Mr. LANCASTER. Would not the courts so decide, and then what is the need of your Bill?

Mr. A. H. CLARKE. I will come to that point presently. I was saying that I am convinced that there is a mistake, and that to pass this Bill is to do an act of simple justice. If the legislation were not a statute, if it were a contract, the terms thereof could be reformed by the court, because in that case the court would have jurisdiction to reform. I am satisfied also, not only that it is an act of common justice to the shareholders, but it is an act of the greatest importance to the policy-holders of this company.

Mr. LANCASTER. If that is so, why not let the Banking and Commerce Committee hear the policy-holders say that for themselves?

Mr. A. H. CLARKE. Will my hon. friend wait till I make my argument? I am satisfied that, however much this Act is in the interest of the shareholders of the Canada Life Company much more is it in the interest of the policy-holders; because if there is some temporary disarrangement in the dividends paid to the shareholders, that is a matter in which the shareholders can protect themselves and recoup themselves. But if the directors or shareholders refuse to exercise the rights which they have and decline to declare profits in the future, or if, having cut down the dividends, an incentive to make a successful company does not exist, then it is the policy-holders in respect of their profits that must suffer, because the amount of profits they receive is intimately bound up in the success of this company. Now, let us look at the history of the company in Canada.

Mr. GEO. TAYLOR. I rise to a point of order. Is it pertinent to the question before the Chair for the hon. gentleman to give a history of the company?

Mr. SPEAKER. The motion before the Chair is to refer this Bill to the Select Committee on Banking and Commerce. The hon. member is giving reasons, I presume, why that should or should not be done. I do not think a detailed discussion of the Bill would be in order at this stage.

Mr. A. H. CLARKE. It was my intention to adduce arguments why this Bill should be proceeded with at once. If I go too wide of the mark, of course I will be called to order. I did not hear my hon. friends, who were so enthusiastic when my hon. friend from Assiniboia spoke, call him to order.

Mr. GEO. TAYLOR. He did not discuss the merits of the Bill.

Mr. A. H. CLARKE. When he was talking about the high salaries being paid, or about the paid-up capital stock, had that nothing to do with the Bill? There was no objection whatever at that time, and I am a little surprised that my hon. friend should be so partial to my hon. friend from Assiniboia that he will not listen to me with as much grace as he listened to him. I will not trouble the House very long. I think it is well, however, that we should have a thorough understanding of this Bill, because the opinion which has been expressed by a great many people is something so foreign to my understanding of the Bill that I cannot understand the opposition which is being offered to it. In 1847 this company was incorporated by a deed of settlement. In that deed of settlement there was a provision with respect to profits. It provided that for the first two years no profits should be paid to the policy-holders, but thereafter the directors were empowered—they were not compelled but empowered—to declare profits from the participating business only and the profits were to be declared in the proportion of 75 per cent to policy-holders and 25 per cent to the shareholders. In 1849 the first Act was passed. The company came to this parliament and got an Act of incorporation. When you speak about vested rights, if there has ever been any case of interference with vested rights in connection with this company, it was in 1849, because, prior to that time upon a

division of profits, the policy-holders were entitled to 75 per cent, but by the Act of 1849, that limitation was removed and the directors were empowered to allot such a proportion of profits as, in their judgment, they saw best.

Mr. LENNOX. The hon gentleman has surely disclosed quite clearly the line that he is pursuing. If anything can be manifest it is that he is discussing the merits of the Bill on the motion that this matter be referred back to the Banking and Commerce Committee. This motion does not in any sense involve the question of the merits of the Bill pro or con. I submit that the hon. gentleman cannot delay the passage of the Bill or the adoption of the motion in this way. It is simply a matter of obstruction. Although I do not want to interfere unduly with the hon. gentleman I think he should be called to order. I ask for the ruling of the Chair.

Mr. SPEAKER. The question before us is very plain. It is a motion to refer the Bill to the Banking and Commerce Committee. I am not the judge of the reasons that any hon. gentleman may give for or against this measure being adopted, but if the hon. gentleman proposes to discuss the details of the Bill upon this motion it is certainly out of order. The main motion is that the House go into committee on a number of Bills this one included.

Mr. BRODEUR. Do you not think, Mr. Speaker, that if there is a motion for the House to go into committee on a Bill you may discuss the merits of the Bill, and if some body else moves in amendment that the Bill should be referred to some committee it would not preclude the discussion of the general principle of the Bill.

Mr. SPEAKER. The difficulty is that the main motion asks me to leave the Chair so that the House may go into committee on a number of Bills not only upon this one. Of course, if the contention of the hon. Minister of Marine and Fisheries is correct, all the other Bills could be discussed in the same way. The main motion is merely pro forma, because, under the new rules, it is generally adopted without discussion so that the House may immediately go into committee on these Bills. I think the hon. gentleman (Mr. A. H. Clarke) had better limit himself to the motion before the Chair.

Mr. A. H. CLARKE. Of course, I cannot make my argument complete unless I go into the merits of the Bill, because I want to lay the foundation for the argument I intend to close up with ; that is that so great a delay would be most dangerous to the interest of the policy-holders. I cannot do that properly unless I give the House my views on the merits of the Billl generally. Now, I was pointing out——

Mr. A. H. CLARKE.

Mr. ARMSTRONG. May I ask the hon. gentleman a question?

Mr. A. H. CLARKE. Certainly.

Mr. ARMSTRONG. Would the hon. member for Essex be good enough to tell the House in what way the opposing of this measure or allowing it to stand over would injure the policy-holders?

Mr. A. H. CLARKE. I am coming to that just as soon as I can and in logical order. I was saying, in giving a history of the legislation in regard to this company, that in the Act of 1849 there was no limitation whatever of the proportion of profits to be divided amongst the policy-holders and shareholders. The parliamentarians of that day did not think they were interfering very seriously with vested rights because prior to that Act the policy-holders were absolutely entitled to 75 per cent of the profits, which right was entirely taken away by the Act of 1849. After the Act of 1849 they could be allotted one per cent, or two per cent, or no per cent at all, if the company were so advised. So that we have the strongest precedent for the measure which is being brought in dealing with a distribution of profits between them. Notwithstanding the Act of 1849 the practice of the insurance company was to divide the profits in the proportion of 75 per cent to 25 per cent. This was continued down to 1879 when the Bill which is causing the present difficulty was brought before the House. What was the reason for bringing that Bill before the House? This is not a matter only between the company and the policy-holders. There is also a matter between the shareholders and the directors. Up to that time the directors had been——

Mr. LENNOX. Mr. Speaker, I rise again to a point of order. I am going to endeavour to see if we are to have any rules of procedure at all. The hon. gentleman, for ten minutes more, has gone on with the history of the legislation of this company. This has no reference whatever to the motion before the Chair. I ask you, Mr. Speaker, to rule, and to insist upon your ruling being observed.

Mr. SPEAKER. I can only repeat what I have said that the discussion of the Bill is at the present time, out of order. The question before the Chair is simply whether this Bill should be referred to the Standing Committee on Banking and Commerce. The main motion asks the House to go into committee on a number of Bills on the Order Paper.

Mr. MACDONALD. I would like to suggest that the House ought to be in possession of the facts that would enable hon. members to arrive at a conclusion whether or not we should go into committee on the Bill. The negative of the motion of the

hon. member for Simcoe is quite as pertinent as the positive side of that motion. Those of us who want to know what are the facts in connection with this matter ought, on this motion, or on the motion of which my hon. friend has moved in amendment, to have ample opportunity to know what the merits of this Bill are and which motion should be adopted. It is perhaps germane to this question of order to point out that my hon. friend who quoted from a minute of the Attorney General of Ontario as to the interest of the policy-holders might perhaps consider the question as to the right of policy-holders who are members of this House to vote upon or discuss perhaps a measure in which they are personally interested.

Mr. LENNOX. The matter is simply this: It has been brought to the attention of the House that certain advertisements were issued, and if these advertisements are to be effective the matter should be referred now to the Banking and Commerce Committee to reconsider the question of whether this Bill should be passed or not or whether we should hear the parties who may come before the committee so that they can report the matter back to the House. Under these circumstances, Mr. Speaker, I submit that any discussion as to the history of the legislation, the history of the company, the merits of the Bill, is utterly irrelevant. The only question is should the Bill go back to the Banking and Commerce Committe or should it not?

Mr. SPEAKER. Bourinot says:

It has been frequently decided in the English House that on a motion for the Speaker to leave the chair a member is at liberty to discuss the main provisions but not to proceed in detail through the clauses in order to discuss amendments to the same, until the Bill is regularly in committee.

That is what I have held.

Mr. A. H. CLARKE. That is precisely what I understood and what I was intending to do. My hon. friend from Simcoe (Mr. Lennox) does not seem to like to hear me, but I have listened to a great many speeches from him to-day and I think he might return me the compliment for this one speech. In 1879 an Act was passed which the present Bill is intended to rectify.

Mr. SPROULE. Chair.

Mr. SPEAKER. The hon. member (Mr. Clarke) is an old member of the House; he understands what the ruling is and I am quite sure he will abide by it.

Mr. A. H. CLARKE. The whole difficulty has been caused by the anxiety of the framers of the Bill of 1879 to include the profits of non-participating policies as well as of participating policies, and they use the words which, according to the opinion of Sir Robert Findlay, go beyond the intention and practice of every other insurance company doing business in Canada.

Mr. SPROULE. What words do you refer to?

Mr. A. H. CLARKE. 'All the profits.' Up to 1879 the directors were not authorized directly by the statute then in force to divide among policy-holders the profits arising from anything but participating policies. That is to say, profits arising from annuities or from the non-participating branch. The directors were not authorized by the Act of 1849 to distribute amongst the participating policy-holders. That being so it was competent for any stockholder to find fault with the action of the directors for exceeding their authority. If the stockholders were not unanimous any one of them would have the right to say to the directors: You have no right to distribute these profits on non-participating policies amongst the participating policy-holders, but they should be paid in dividends to the stockholders. One of the objects of the Act of 1879 was to give authority to the directors to do what they had in practice been doing, although they were not expressly authorized to do it. In the preamble they use the words which are the vital point in this discussion. That preamble says:

Whereas, the Canada Life Assurance Company have by their petition represented that in carrying on their business heretofore the directors have allotted and divided among all persons assured upon the participation scale 75 per cent of all the profits.

That is the important part of it.

Realized from the entire business of the company.

Mr. SPROULE. It says 'all the profits from the entire business.' That means from every source.

Mr. A. H. CLARKE. The recital says they have been doing that.

Mr. SPROULE. That is an allegation of fact, and upon that allegation policies were taken out.

Mr. A. H. CLARKE. The allegation is that they have been dividing heretofore all the profits of the insurance business.

Mr. SPROULE. From the entire business; not from the insurance business That includes the capital as well as the insurance.

Mr. A. H. CLARKE. I will read it again:

All the profits realized from the entire business of the company.

The statement of fact in that Act of 1879 is that theretofore they had been dividing all the profits from the entire business of the company. If up to that time they had been dividing the profits derived from the investment of the capital stock then they would have no right to come here and say there is any mistake. But what they say is that that was not intended to mean what it is now said to mean, namely, that the interest on the capital stock should be treated as part of the profits of the business. The evidence is abundant and cannot be controverted, because every person who knows anything about it says that such was not the practice before 1879. Mr. Ramsay, who was president of the company at the time and who was president almost all his life; the actuaries who looked into it; Mr. Bruce who was the solicitor for many years——

Mr. S. SHARPE. Were these gentlemen called before the Banking and Commerce Committee to give their evidence?

Mr. A. H. CLARKE. Mr. Bruce was there.

Mr. S. SHARPE. Did he make a statement before the committee?

Mr. A. H. CLARKE. I am not a member of the committee and do not know, but I have the certificate of Mr. Ramsay which was distributed to the policy-holders.

Mr. S. SHARPE. That is not a statutory declaration.

Mr. A. H. CLARKE. Well, you can accept Mr. Ramsay's word just as well as you could a statutory declaration. Very well then, you have the statement of all these people that never in the whole history of this company have they distributed amongst the policy-holders any part of the interest on the capital stock, so that, if in the recital of the Act of 1879 you construe the words 'all the profits' as meaning the interest on the capital stock, then certainly the allegation is a mistake, because they never have been doing that at all. I find fault with the statement of the case which was submitted by Mr. Laidlaw, of Toronto, who has been very active in opposition to this Bill, to Sir Robert Findlay. Mr. Laidlaw says:

It is, therefore, not necessary for the purposes of the opinion to refer to any payment of dividends or allotment of profits before the passing of the Act of 1879. The company is bound by the recital in the preamble to the Act of 1879, and clause one of the Act, inclusive, of the said proviso.

That is the kernel of the whole matter. I would judge that in submitting to counsel a statement of facts it was of the utmost importance to have pointed out to Sir Robert Findlay that up to 1879, what the Act of 1879 calls 'all the profits' did not include the profits arising from the investment of the capital stock.

Mr. SPROULE. Whatever may have been the practice before the Act of 1879, when this Act was passed with that preamble in it, would not the parties who took out policies after that date be correct in understanding that the division of the profits was to be on the entire business, and that that entire business included the earnings on capital as well as the earnings on policies?

Mr. A. H. CLARKE. If he did not know what the practice of the company was, I think it might be open to that construction.

Some hon. MEMBERS. Hear, hear.

Mr. A. H. CLARKE. My hon. friends say 'hear, hear,' but if it were not for that fact we would not be here to-night. If it were not for the opinion given by Sir Robert Findlay we would not be here with this Bill; it was because of that opinion the doubt was raised. He has said, upon the statement rendered to him, that the meaning of the Act is not what every one intended it should mean, and so the company has come here to make the meaning plain.

Mr. LENNOX. Did my hon. friend hear the member for Hamilton state in committee that there was no doubt at all but that in a court of justice the opinion of Sir Robert Findlay would be sustained?

Mr. A. H. CLARKE. If the opinion of Sir Robert Findlay is sustained, that is the best answer I can give for coming here before the high court of parliament. Hon gentlemen shake their heads, but I can refer to much higher legal authority than I am. If they look at the case of Richards vs. McBride, in England, they will find it decided that if the draftsman has made a mistake, it is for the legislature to rectify it.

Mr. LANCASTER. That mistake would have to be mutual; that is to say it must not deceive the policy-holders. You must not say that because you have made a mistake, the policy-holders must suffer for it.

Mr. A. H. CLARKE. I will come to that. The question I am discussing is, is this the proper tribunal to rectify a mistake? The difficulty here is that the courts have such a high opinion of parliament that they treat it as not making any mistakes. It is pointed out in one case that the legislators are ideal persons who never make a mistake, and we do not want to undeceive them on that point.

Mr. LANCASTER. Would not we make a mistake if we took away the rights of the policy-holders on the representations of other people?

Mr. A. H. CLARKE. That is a question of opinion which each member of the House must decide for himself. Unless I have heard more than I have heard yet, I am of opinion that we would be doing a decided injury to the policy-holders if we did not pass this Bill. I have pointed out that the Act of 1879 has been asked for by the company. If there was anything in the history of that Act to show that the capital stock was to be invested for the benefit of the policy-holders, it was never suggested in the House. The Bill was introduced by Mr. Robertson, of Hamilton, in a very simple statement, which you will find in 'Hansard' of 1879:

Mr. ROBERTSON (Hamilton) explained that, according to the original Act of incorporation, the company had power to divide its profits between the participating policy-holders and the shareholders in the proportion of three-fourths to the policy-holders and one-fourth to the shareholders. This Bill proposed to extend this proportion to not less than ninety per cent to the participating policy-holders, and not to exceed ten per cent to shareholders. The only persons who could possibly object to this would be the stockholders, and they, at a general meeting called for the purpose, resolved to carry out the suggestion of the directors.

He did not suggest for a moment that the character of the profits that had been divided theretofore was to be altered, but simply that the proportion of the profits were to be altered. I have pointed out that those profits did not include the investments in the capital stock, and I have not heard in all the discussion on this Bill any person say that it would be just to the Canada Life Company to impose upon it the interpretation which it is said the Act of 1879 ought to bear.

Mr. LENNOX. We have not come to that yet.

Mr. A. H. CLARKE. We have come to it in other Bills in this very session, which required the companies to do only what the Canada Life has done. The legislation put through this session requires the companies to divide amongst the participating policy-holders only the profits arising from the participating branch.

Mr. LANCASTER. They have not made any contract to the contrary.

Mr. A. H. CLARKE. That has nothing to do with it. I venture to say that there is no company in Canada and no British company doing business in Canada that does what the Canada life has been doing during the last thirty years with respect to its profits. You will look through the Acts of incorporation of the different companies in vain to find one which provides that the company shall divide amongst the policy-holders both the participating and the non-participating profits. If you look over the report of the Royal Commission on Insurance, you will find that in every instance the companies have done precisely what the Canada Life has done, that is: First divide the interest on the capital stock among the shareholders before they make the division among the policy-holders. The Canada Life has gone further than other companies in this respect. Let us look at the Sun Life and see what it has done.

Mr. SPEAKER. Does not the hon. member think this discussion would be better in committee? The question before the House is whether this Bill shall be referred to the Banking and Commerce Committee, and on that motion the authorities say that a general allusion may be made to the measure, but the details cannot be discussed. All that the hon. gentleman has said could be said in committee.

Mr. A. H. CLARKE. I listened attentively to the authorities cited, and I understood the details there referred to the sections of a Bill and not to the argument.

Mr. SPROULE. The original motion is that the House go into committee on several Bills. This amendment refers to another Bill.

Mr. BRODEUR. As I understand the situation, the orders of the day are read, and the motion is made that these Bills be referred to the Committee on the whole. On this motion a general discussion might take place as to their general provisions, as stated by Bourinot and May. Then when an amendment is made that one of these Bills should be referred to the Committee of the Whole it will not preclude discussion on the general provisions of the Bill. That is what the hon. gentleman is doing now and Bourinot states further that the details of the Bill should not then be discussed. I interpret this provision of Bourinot to mean that it is not in order to discuss the special clauses of each Bill but that the general provisions can be discussed. The House has been discussing the merits of the Bill and the hon. member for Essex is now discussing its general provisions, without going into the details, the meaning of the special clauses or the drafting or special words included in each clause.

Mr. SPROULE. If that be held to be correct, there will be three or four Bills before the House at the same time and it will be equally the right of the House to go into the provisions of every one.

Mr. BRODEUR. Yes.

Mr. SPROULE. It would be an utter absurdity. Therefore I do not think that is the intention in framing the rule.

Mr. BRODEUR. That is the way the rule is drafted.

Mr. LANCASTER. As I understand the authority which has just been read it refers to what can be spoken to on a motion to go into committee on the Bill. We have got past that motion, we have an amendment before the Chair that a certain Bill. embraced in the general motion, should go to a certain place for discussion, and I submit that the discussion must be limited to the amendment. Gentlemen on this side who have spoken, gave in very short language reasons why the Bill should go to committee.

Mr. BRODEUR. No. There is only one case where discussion is limited to the amendment, that is on the motion to go into Supply to which there is an amendment to discuss a special question. The authorities lay down the rule that we must then discuss only the subject of the amendment. In all other motions which come before the House, if an amendment is made, we have the right to discuss not only the amendment but also the main motion.

Mr. LANCASTER. Before the amendment is negatived?

Mr. BRODEUR. Certainly.

Mr. LANCASTER. I would like to see the authority.

Mr. BRODEUR. It is clear that in the case of any other motion to which an amenndment is moved, we have the right to discuss not only the amendment, but also the main motion.

Mr. LANCASTER. I do not dispute you have a right to discuss both while the Speaker is in the chair, but you have not the right to discuss them together. The amendment is put and after it is negatived the main motion is discussed.

Mr. BRODEUR. My hon. friend is mistaken. He will see the rule is well laid down that when there is a main motion and an amendment we have a right to discuss both the main motion and the amendment. What have we in this case? We have a motion to go into committee on a certain Bill and an amendment is made that this Bill should be referred to a committee. On this motion and the amendment we have the right to discuss not only the amendment but also the main motion.

Mr. SPROULE. Which includes the Hudson Bay Railway, the Algoma Central Railway and the Canada Central Bill. Does not the hon. gentleman see the absurdity of this?

Mr. LENNOX. This has ceased to be a question of order.

Mr. SPEAKER. My ruling is plain. The main motion is that I should leave the Chair for the House to go into committee on eight Bills which are on the Order Paper. The amendment is that one Bill be referred to the Committee on Banking and Commerce. We are not discussing the merits of that one Bill. I decide that on that question the hon. gentleman was out of order in discussing the details of the Bill. The hon. member sees clearly the position. It is whether the Bill should be referred to the Committee on Banking and Commerce. The hon. gentleman is not to discuss the merits of the Bill on this motion.

Mr. BRODEUR. How about the main motion?

Mr. SPEAKER. The main motion is put.

Mr. BRODEUR. No, the amendment is now before the House.

Mr. LANCASTER. Certainly.

Mr. SPEAKER. I have decided that way.

Mr. MACDONALD. Might I——

Mr. SPEAKER. The ruling cannot be discussed.

Some hon. MEMBERS. Order.

Mr. MACDONALD. I merely wish to ascertain just what His Honour, Mr. Speaker, has ruled. Do I understand, Sir, that you have ruled that on a motion to send this Bill to a committee it is impossible to discuss the alternative of the proposition, namely, that this Bill should go to the Committee of the Whole House?

Mr. SPEAKER. I have decided that the hon. gentleman is not at liberty to discuss the details of this measure on this amendment.

Mr. BRODEUR. He may discuss the main provisions of the Bill.

Mr. SPEAKER. That is what he has been doing for some time.

Mr. BRODEUR. I suppose he may discuss the main provisions of the Bill.

Mr. SPEAKER. I have decided that the hon. gentleman may not discuss the details. That is what he has been doing. He can give reasons why the Bill should or should not be referred to the Standing Committee on Banking and Commerce.

Mr. A. H. CLARKE. The reason I was going into the matter at considerable length was that my fellow members who had not studied the Bill carefully were anxious before voting on this motion to have a thorough understanding of the case. If I am precluded from explaining, of course, they will not have the benefit of the light I hope to shed around them and will have to vote without it. I will have to abandon a good deal of what I wish to say. My reason for opposing its being sent to the Banking and

Commerce Committee is the urgency of having it passed this session. This is the year when the profits will have to be apportioned to the policy-holders if there are to be any profits this year. The custom of the company has been to divide these profits every five years. In 1904 the profits which had been earned in the five preceding years were divided amongst the policy-holders, some having them added to their policy, some having them go in the reduction of the premium and some receiving the benefit in cash. The time for another division comes this year. As a policy-holder, I have a very strong objection to putting this company in such a position that the profits on my policies will be cut off. The company has now got to a position when the profits ought to be very materially increased. Ten years ago they were very considerably decreased, because at that time they had to put up the main part of the reserve which was required by the government. Five years after that the profits were considerably increased, that is at the last quinquennial division. That reserve having been put up, it is reasonable to expect that this year there will be a considerable further increase in the profits. If we are to prevent the company from getting this legislation and they are left in a position of uncertainty, with the prospect of lawsuits. I think any sane directors will say: We will not declare any profits until we know what our position is. They are not bound to declare any profits, to be divided amongst policy-holders, they need not declare them from now until kingdom come. Many members have an entire misapprehension of what these profits mean. There is no law, by contract or statute, which requires the directors to give any profits to policy-holders.

Mr. TURRIFF. What would the company under these circumstances do with the profits?

Mr. A. H. CLARKE. The company under these circumstances would accumulate the profits. The effect of this would I think be to ruin the company. If you are going to reduce the dividends from 8 per cent to less than 4 per cent, you will not find any directors enthusiastic about making the business profitable for the benefit of the policy-holders who put them in that position. It will be easy for them to say: we will quit business, let your policies expire, and settle with the policy-holders as their policies mature from time to time. This year, in the natural order of things, they would divide profits, but as business men, they are certainly not going to take the risk of dividing profits with this claim hanging over their heads. The result, therefore, would be that every policy-holder would be up in arms because he was not getting any profits at all. Those who are now getting $10 on small policies would get nothing; and those with large policies would suffer more still. You would then find that instead of the Canada Life asking for this Bill, the policy-holders would be swarming around us insisting that it should be passed. The hon. member for Assiniboia (Mr Turriff) talked of meeting these angry men. Well, I have met them—as good business men as you will find anywhere—in my own riding. They were not satisfied with everything. They thought that the directors paid up that reserve sooner than they needed, and that the salaries in some cases were too high, but that has nothing to do with the Bill. They realized that if the company were going to pay any profits, it must do a profitable business. But if you are going to cut the company down, so that it cannot do a profitable business, that may be a temporary inconvenience to the shareholders but the ultimate loss will come from the pockets of the policy-holders. Every argument that has been raised to-night, every argument that can be raised, was raised before the Banking and Commerce Committee, and it would not be complimentary to the policy-holders who were then heard, to say that others can present better arguments than they have been able to do.

Mr. SPROULE. With regard to the power of the company, to withhold a division of the profits is it not a portion of their contract and included in each policy that the company will divide the profits periodically?

Mr. A. H. CLARKE. No, not a word of it, the company did not agree to anything of the sort. Let the hon. gentleman read his policy.

Mr. SPROULE. I have no policy in the company.

Mr. A. H. CLARKE. I have.

Mr. SPROULE. If that is not the case, is it not a fact that their agents represent to the people they try to induce to go into the company, that this was the invariable rule and would be done?

Mr. A. H. CLARKE. No. I have been canvassed by as many agents as most people, and I know the contrary. The statute does not bind the company nor does the policy. The policy-holders will accept such profits as are allotted to them. There is nothing that compels the company to allot profits to the extent of one cent. If they do allot profits, the proportions are fixed but they are not bound to.

Mr. SPROULE. What is the interpretation of the word 'may?'

Mr. A. H. CLARKE. The directors are authorized by the shareholders. The stat-

ute says that the directors have the power to allot profits. Before 1879 they did not have that authority. This statute says: They may, and that shows the importance of proceeding at once. Surely everything that can be urged, has been urged, and it seems to me that the course we are asked to take would be absolutely the undoing of the policy-holders; and as a policy-holder myself I protest against people who claim to be our friends taking a course which is going to work mischief to our detriment. I submit that the Bill should not go back to the committee. It has been fully discussed and the Committee of the Whole is fully competent to deal with it.

Mr. SPROULE. I have a letter here from a policy-holder who has written me several times and who tells me he has entered suit to recover his rights under his contract.

Mr. A. H. CLARKE. What is his name?

Mr. SPROULE. His name is Chadwick and he is from Toronto. His letter is dated the 27th of March, and in it he says that the writ was issued a few days ago and was served on the company yesterday. He says further that other writs are to follow and he intends to prosecute his suit until it reaches the highest court in the Dominion. Surely, he says, the government are not going to confiscate what belongs to me under the contract.

Mr. A. H. CLARKE. I have the writ before me. It is against the Canada Life Assurance Company and asks the company to pay back all those dividends which have been paid the shareholders. How do you expect the company to be able to pay any profit to anybody if they have to pay the back dividends?

Mr. SPROULE. The question is whether we should interfere with the civil right of any one to prosecute a suit for the purpose of compelling a delinquent to carry out his contract. That is where the provincial government comes in. This is part of the civil rights of the people. The province is charged with the responsibility of looking after the rights of infants and orphans not able to look after their own. This is part of the civil rights, and my correspondent says: Am I to be denied the right of going before the Banking and Commerce Committee and submitting my case? I replied that the only way was for him either to appear before the bar of the House or before a committee of the House, which method parliament has devised as the most convenient. I replied further that I believed this Bill would be sent back to the Banking and Commerce Committee, after it was considered by the Standing Orders Committee, that is, if it should be taken up again this session, and that then every policy-holder would have the opportunity of going before that committee and convincing parliament through it that his rights in that contract should not be taken away. But that now is denied, and the farce is to be perpetrated of having a notice published in the 'Gazette' and then not allowing the interested parties to whom that notice was given to appear before the committee and vindicate their grievances.

Mr. GOODEVE. The right hon. the Prime Minister in giving his reason for not allowing this Bill to go before the Banking and Commerce Committee, said that it had already gone before the Standing Orders Committee and that committee had said that the necessary advertising had been done. As a member of that committee, I wish to say that the ground there taken was that the committee was not authorized to adjudicate whether sufficient notice had been given, but only to report what notice had been published. One of the members of that committee cited cases to prove that the notices given were not sufficient, but the objection was taken and that objection prevailed that the committee was not empowered to consider that matter but only to report what notices had been given. I personally asked that a rider should be added to the report of the committee asking that the Bill be sent back to the Banking and Commerce Committee in order that the policy-holders might be heard. There is no necessity for me to reiterate the arguments which have been made to-night. There can be no doubt to my mind that it would be an absolute farce for this House as a Committee of the Whole to dispose of this Bill. The Bill was sent, as I have said, to the Standing Orders Committee. They reported the Bill back, not saying that the notice was sufficient, but merely saying what the notice was. The hon. member for South Essex (Mr. Clarke) said that the company had readvertised the Bill. Then I ask what was the object of readvertising that Bill if it were not that the policy-holders might be heard in regard to it. All we are asking here is that they may have the privilege and advantage of that readvertising, that all the parties may be heard. The hon. member for South Essex says that no argument has been advanced from this side of the House or by the hon. member for Assiniboia (Mr. Turriff) why this Bill should not be gone on with. Well, if they have not advanced any such argument, then I say it is impossible to understand any force in reason and logic. There was one particular point raised by the hon. member for Assiniboia which I think is of vital importance. He intimated that there is a general feeling abroad that when the interest of the people comes into conflict with the interest of corporations, it

is the interest of the people that goes to the wall. If that is so, then I say that no more important question has been raised in this House since the session commenced. It is vitally important that the country at large should be satisfied that we are here as defenders of the public interest, and not of the interest of any corporation or individuals. I am not going to undertake to answer the arguments of the hon. member for South Essex, though I think they could be easily answered, but I want to keep within the ruling of the Speaker. I am now simply speaking to the question whether the amendment before the House should be adopted, or whether this Bill should be referred to the Banking and Commerce Committee in order that the people may be heard. As a member of that standing committee I may say that they took the view they were not there to adjudicate on the merits of the Bill, but simply whether it should be referred to the Banking and Commerce Committee, and on that ground we reported it. I would ask that every member in this House, realizing the claims of the great public, should give them another chance to be heard. There is no doubt a feeling of unrest throughout the country, which is shown by the rise of socialism and other fads based on the contention that justice is not being done to the people in dealing with matters such as this. It is therefore of the utmost importance that we should give every opportunity to all the interests to be heard on this question, and on that ground I ask that this Bill be referred to the Committee on Banking and Commerce in order that every man and woman interested in it may feel that parliament is looking after their rights.

Mr. GUTHRIE. I would like to say a word in regard to the amendment that this Bill should be referred back to the Select Standing Committee on Banking and Commerce. I am opposed to that course, and for reasons which I believe are impartial. I have no interest in the matter, except that of a holder of a participating policy in the Canada Life Assurance Company. I was present during the discussion in the Banking and Commerce Committee, and I may say I think we had a very full and free discussion on the Bill without discussing whether it had been advertised as fully as it should have been or not. It was very fully and ably discussed by the hon. member for Halton (Mr. Henderson), and to some extent by my hon. friend from Portage la Prairie (Mr. Meighen), and ably discussed by the hon. member for East Hamilton (Mr. Barker) and others. The company had its representatives there. Most of those who took part in the discussion were policy-holders and interested parties, and I think I am within the mark when I say that every man who saw fit to attend the sittings of that committee when this Bill was under discussion had every opportunity to come to a conclusion. After an unprejudiced and impartial discussion, without any partisanship, without any political feeling, the hon. member for Halton, who undertook the chief part of the discussion, did not see fit to divide the committee upon the question. Then it came back to the House. On the 22nd of March it was fairly well discussed in this House, until somebody took the point that insufficient notice had been given, or that the notice given was not sufficiently explicit. Then the Bill went back to the Standing Orders. We know what the Standing Orders Committee reported, and what they were authorized to report. What I fear now is that if this amendment carries this Bill will not be advanced this session. I do not doubt the bona fides of the hon. member for South Simcoe (Mr. Lennox) in his amendment, and certainly my hon. friend from Assiniboia has made it quite plain what his object is. He does not want the Bill advanced during the present session, but postponed until next fall. I take the ground as a policy-holder on the participating plan that that course will injure the policy-holders and injure the company, and that anything which is an injury to the company will be an injury to the policy-holders. It is idle to say that the policy-holders as interested parties cannot be heard in response to the notice which has recently been given. It is open to the policy-holders to be fully heard before the bar of this House, either in person or by counsel. All their grievances can be heard. It is open to them to be heard by petition, and they can be heard through their representatives.

Mr. LANCASTER. Why not in the usual way before the ordinary committee?

Mr. GUTHRIE. My only objection to that course is that a reference again to the Banking and Commerce Committee will involve delay and the defeat of this Bill for the present session. I am aware of the technicalities which are sometimes employed to delay a Bill. I do not, as I say, doubt the good faith of the hon. member who has moved this amendment, and the hon. member for Assiniboia has made his view quite plain. He says he and his friends want it put off until next fall. I think it would be disastrous to put it off. If the Bill goes to the Banking and Commerce Committee the discussion there may be interminable, and the Bill will not be advanced during the present session, if the present session is going to come to an end within a reasonable time.

Mr. LANCASTER. Who would suffer?

Mr. GUTHRIE. I think that probably chaos would follow. Actions would be brought against this company by the policy-holders, or by the company against the directors, and this would involve the credit of the company and would materially affect the profits. The policy-holders would suffer as a result of postponement. I believe it is in the interest of all parties that this Bill should be considered and considered now.

Mr. SPROULE. Does the hon. gentleman think it is the right and the duty of parliament to legislate men out of court?

Mr. GUTHRIE. No, I do not as a general rule think they should be legislated out of court, but I think it is the duty of this parliament, if a wrong has been done in the past by legislation, to put that wrong right at the earliest possible moment. I do not desire to discuss the merits of the Bill. I have examined it, I have considered it, and I have come to my own conclusion upon it. When the Bill comes up for discussion in the House I certainly intend to exercise my judgment in regard to it without expressing what that judgment shall be at the present time. But I think it is the duty of hon. members in the interest of the policy-holders and of the company to advance this measure and not retard it as they would by the adoption of the motion of the hon. member for South Simcoe.

Mr. LANCASTER. Does the hon. gentleman realize that the course he advocates will prevent an investigation as to whether there is a wrong being done by this Bill or not?

Mr. GUTHRIE. No, I do not take that view of it. I think hon. members are quite capable of investigating that matter in this House. I think that forty or fifty per cent are policy-holders and interested parties and that they will take care of the interests of the policy-holders at large.

Mr. MEIGHEN. Following on the question asked the hon. member for East Grey (Mr. Sproule), if the hon. gentleman believes as he does that it is not in the interest of the policy-holders to so embarrass the company by suits, does he think it is any part of the duty of this parliament to say to the policy-holders that it is not in their interest to sue the company or are not the policy-holders the best judges of that?

Mr. GUTHRIE. I think the House will be able to judge of that when the Bill is discussed.

Mr. HENDERSON. I assume that the House is anxious to divide upon this question and I shall only say a few words. I have not heard one substantial argument for refusing the motion which is before the House now. It is claimed by the promoter of the Bill (Mr. A. H. Clarke) that a mistake was made in 1879. It was claimed by the hon. gentleman who spoke last that a wrong had been done. I want to draw the attention of the House to these statements. These matters came before the committee and I want to explain why I think it is a proper thing that the Bill should go back to the committee again. It is on account of the very discussion that we had in the Banking and Commerce Committee before. It was alleged in the Banking and Commerce Committee that a mistake had been made. So strong was the assurance that many of us in the committee really thought that some mistake had been made. A letter was even produced from Mr. A. G. Ramsay, who had been manager of the company for a long time, and who had been a director on the board. That letter was read hurriedly and then stowed away in the valise of the solicitor and the committee were not able to see it again. When I inquired for it of the clerk of the committee on the following day I found that it had never been handed in. I was under the impression that Mr. Ramsay was responsible in some way for the statement that an error had been made. I am surprised now to find, since I have received a copy of that letter and have had an opportunity of reading it carefully, that Mr. Ramsay makes no such statement. There is no evidence whether such a mistake was made in 1879. I am satisfied that no person could contend that. The solicitor of the company present at the Banking and Commerce Committee meeting, to the best of my recollection and I think I am right; and there are many hon. members who were present, could not get up and say that there was a mistake made. I have never found that any such mistake was made in the legislation of 1879. I believe that Mr. Ramsay is the only living director at the present time, and I am surprised that this matter should have remained quiet so long until the men who knew all about it should have passed off the scene of action. I say advisedly that the committee was practically misled by the solicitor when he made the allegation that an error had occurred in the legislation of 1879 and that we were called upon to rectify that error. That was strongly impressed upon the committee and it very materially influenced the committee. A strong impression was made upon the committee that a mistake had been made in the legislation and that that mistake ought to be rectified. I am satisfied now, after having studied the whole question, that no mistake was made in the legislation of 1879, or yet in the preparation of the petition asking for that legislation. The matter having been pressed so strongly on the committee practically without evidence, but just on the statement of

the solicitor, I say that and that alone is a strong reason why the Bill should go back to the Committee on Banking and Commerce in order that they may deal with it more intelligently, knowing the facts now which they did not know before. I am strongly in favour of sending it back, however, that any interested party, be he policy-holder or whatever he may be, if he has an interest in this legislation, may be given an opportunity of stating his case. I could not conscientiously refuse any man that right. I can hardly believe that this House is going to refuse any policy-holder that right. The argument advanced by the hon. member for South Wellington (Mr. Guthrie) that if it goes back to the Banking and Commerce Committee it will defeat the Bill for this session is not justified. Why should it be so? I think there is perhaps power enough behind the Throne to put this Bill through even if it does not go through to-night. I am not afraid but that there will be a way found of putting this Bill through after a week's or a few day's delay. Therefore, I do not think that the argument will have any force or weight with any hon. member. I know it will have no force or weight with me. I am going to do justice to the policy-holders, although we have to delay the passing of the Bill for a whole week. I have many policy-holders in my own constituency. I am bound to protect their interests, and that practically is all the interest I have in it, because I am only a policy-holder in the company for a very small sum. It is my duty as well to protect the policy-holders all over the country wherever they are. I propose to remain here for the purpose of doing that, and I hope and trust the House will see the propriety of adopting the motion proposed by my hon. friend from South Simcoe and of giving the people who are entitled to it the right to say whether they have a grievance or not before we undertake to deal finally with this Bill.

Mr. NESBITT. As a member of the Banking and Commerce Committee I desire to say that this Bill was discussed when it was before the committee and we considered that the notice had been properly given. I consider now that the notice, as printed in the Votes and Proceedings, was properly given in the first instance. If we sent the Bill back to the Banking and Commerce Committee, we would only quarrel over it for two or three days more and we would only arrive at the same conclusion that we arrived at the other day. I would not like the members of the House to be carried away by sensational statements about high salaries and the rights of policy-holders. I represent a section of the country where, in proportion to its population there live as many policy-holders of the Canada Life as in any other section of Canada. The company has been well represented there for a great number of years and there are a great many policy-holders in the district. This agitation has been going on now for three months; it has been published in the papers, and the gentleman from Toronto who is at the back of it has been active. There was no discussion by the policy-holders before the Banking and Commerce Committee and the probability is that unless you go out and seek for it there will be no discussion there if the Bill is referred back. I was home for seven or eight days during the Easter recess and recently from Saturday morning until Sunday morning, and although the papers were full of this thing there was only one man among all the policy-holders in my section of the country who asked me anything about the Bill. He telphoned and asked me what it meant and I told him and he was perfectly satisfied. I am sorry to have to say it, but it is true, that many of the statements that have been made here to-night are pure sensationalism. There must be some reason for the opposition that does not appear on the surface because what the Canada Life asks in this Bill is to do what every insurance company doing business on the stock principle in Canada is doing to-day. I state here that the Canada Life Company has paid as good profits ever since its inception as any company doing business in Canada. That is a broad statement but I challenge any man to get up on the floor of this House and deny it, and if he does I can prove the truth of my statement. I think it would be ridiculous to send this Bill back to the Banking and Commerce Committee to have a reiteration of the same discussion that was carried on for two days already in that committee.

House divided on the amendment. (Mr. Lennox).

YEAS:

Messieurs

Ames,	Magrath,
Armstrong,	Marshall,
Arthurs,	Meighen,
Barr,	Middlebro,
Blain,	Owen,
Bradbury,	Paquet,
Bristol,	Porter,
Broder,	Price,
Burrell,	Rhodes,
Campbell,	Schaffner,
Chisholm (Huron),	Sexsmith,
Crocket,	Sharpe (Lisgar),
Daniel,	Sharpe (Ontario),
Donnelly,	Smyth,
Edwards,	Sproule,
Elson,	Stanfield,
Fraser,	Staples,
Goodeve,	Taylor (Leeds),
Henderson,	Taylor (New Westminster),
Herron,	Thoburn,
Hughes,	Thornton,
Jameson,	Turriff,
Lake,	White (Renfrew),
Lancaster,	

Lennox,
Lortie,
Maddin,
Wilson (Lennox and Addington),
Wright.—52.

NAYS:

Messieurs

Allen,
Aylesworth,
Beauparlant,
Béland,
Bickerdike,
Black,
Borden (Sir Fred.),
Boyer,
Brodeur,
Bureau,
Calvert,
Carrier,
Carvell,
Cash,
Chisholm (Antigonish),
Chisholm (Inverness),
Clark (Red Deer),
Clarke (Essex),
Congdon,
Conmee,
Currie (Prince Edward),
Delisle,
Demers,
Dubeau,
Dugas,
Ecrément,
Ethier,
Fielding,
Fisher,
Fortier,
Fowke,
Gauvreau,
Geoffrion,
German,
Gervais,
Girard,
Gladu,
Graham,
Guthrie,
Harris,
Hunt,
Kyte,
Lachance,
Lanctot (Laprairie-Napierville),
Lanctot (Richelieu),
Lapointe,
Laurier (Sir Wilfrid),
Lavergne,
Law,
LeBlanc,
Lemieux,
Loggie,
Lovell,
Low,
Macdonald,
MacNutt,
McAlister,
McCoig,
McCraney,
McGiverin,
McIntyre (Perth),
McIntyre (Strathcona),
McKenzie,
McLean (Huron),
McMillan,
Marcile (Bagot),
Martin (Montreal, St. Mary's),
Mayrand,
Michaud,
Miller,
Molloy,
Nesbitt,
Neeley,
Papineau,
Pardee,
Parent,
Pickup,
Proulx,
Pugsley,
Rankin,
Reid (Restigouche),
Richards,
Rivet,
Robb,
Ross,
Savoie,
Sealey,
Seguin,
Sinclair,
Smith (Middlesex),
Smith (Nanaimo),
Smith (Stormont),
Stratton,
Sutherland,
Templeman,
Tobin,
Tolmie,
Turcotte (Nicolet),
Turcotte (Quebec County),
Turgeon,
Warburton,
White (Victoria, Alta),
Wilson (Laval.—103.

PAIRS:

Messieurs

Ministerial.	Opposition.
Gordon (Kent),	Russell,
Meigs,	Roche,
Martin (Wellington),	Wallace,
Martin (Regina).	Gordon (Nipissing).

(Pairs on this division not a party vote.)

Mr. GEO. TAYLOR. The hon. member for Centre York has not voted.

Mr. NESBITT. I am paired with the hon. member for North Wellington. If I had not been, I would have voted for the amendment.

Amendment negatived, motion agreed to and House went into committee.

CANADA LIFE ASSURANCE COMPANY.

On the order for the consideration of Bill (No. 56) respecting the Canada Life Assurance Company.—Mr. A. H. Clarke.

Mr. LENNOX. I submit that we ought not to go on with this Bill at this hour of the night. It is a very important Bill, the merits of which have not been discussed at all on this side of the House. It is a Bill that is vital to the interest of 40,000 policy-holders, representing about 200,000 people. We have been sitting here almost continuously since eleven o'clock this morning, it is now past twelve o'clock, we must meet again at eleven, some of us have work at ten, and it is not fair to ask us to take up this Bill at this hour of the night. If the government insists on going on, we will have to discuss it as well as we can. It will take some time. I submit to the First Minister that although we could probably clear the Order Paper of most of the other private Bills, we ought not to be asked to take up this Bill now.

Sir WILFRID LAURIER. I think the sense of the House is certainly in favour of this Bill. I think my hon. friend will admit that. We do not want to press the matter unduly. My hon. friend says that he wants to have discussion of the Bill. If the Bill is not unfairly dealt with, we certainly will endeavour to meet his wishes; but if we want to have prorogation soon, the business of the House must be proceeded with, and as the House has decided in favour of this Bill, I think it ought to go on.

Mr. LENNOX. The probability is that the First Minister is right in saying that the sense of the House is in favour of the Bill, in the sense that the majority are inclined at present to put it through. It may be that our discussion of the matter will be ineffective; but we will not assume that for the present. There are a number of gentleman on this side of the House who feel that it will be their duty to discuss this matter somewhat fully. I do not think there is any desire to prolong the discussion beyond what is necessary. Speaking for myself, I will only say what I believe to be in the interests of the public; but the Prime Minister must recognize that although the majority may be in favour of the Bill, yet the minority have a right to have a reasonable opportunity of expressing their views as forcibly as they possibly can.

Mr. GEO. TAYLOR. Might I suggest to the Prime Minister that there are a great many Private Bills on the Order Paper that ought to be put through, and these could be run through in a very few moments. There will be an hour for private Bills to-morrow evening, when Mr. Conmee's Bill and this Bill could be dealt with, and we can clear the Order Paper with the exception of these two Bills.

Mr. A. H. CLARKE. I do not care to give way to other Bills. There is no reason why a Bill that has been discussed as much as this has been should stand over.

Mr. TURRIFF. I think better progress will be made with the Bill if it is allowed to stand over.

Mr. TAYLOR. We on this side of the House want to do everything we can to bring the session to a close at the time stated; but my right hon. friend knows that if we get up a little fight, it might last all night, and we would make no progress. I suggest to him to accept the suggestion on this side of the House to clear the Order Paper of the other Bills, and let the two Bills referred to stand over.

Mr. LANCASTER. The very negativing of the motion just voted on has forced upon us on this side of the House the necessity of taking a great deal more care before we let this Bill pass. We have prevented the public at large from coming before the ordinary committee of the House to present their views, and therefore it devolves upon us to be all the more careful to sav everything they could possibly have said before the committee. Personally, I feel it incumbent upon me to investigate this Bill very thoroughly on the floor of this House, seeing that we have prevented the ordinary public from going before the Banking and Commerce Committee. We will now have to take the whole responsibility and of necessity we must discuss it at greater length. More time will therefore be consumed than would otherwise be required, and I do not think that in the long run we will gain anything by proceeding to-night.

Sir WILFRID LAURIER. I appeal to my hon. friends on the other side. I would not press the Bill unduly; it is not a government Bill, but it is in charge of a private member. If it were a government Bill I know the course I would take, but as it is not I cannot do anything.

Mr. G. TAYLOR. I move that the committee rise, report progress and ask leave to sit again.

Some hon. MEMBERS. Order.

Mr. G. TAYLOR. If my hon. friend who has charge of this Bill desires to meet the wishes of the House on both sides and does not want to sit until 6 o'clock in the morning, he will consent to have this Bill stand. We have an hour for private Bills to-morrow night, when the leader of the opposition will be here, and then it can come up again on Friday night.

Sir WILFRID LAURIER. Can we conclude this Bill on Friday?

Mr. G. TAYLOR. I will not say that, but the leader of the opposition will be here then and there will be a better chance of concluding it if we do not get into any trouble over it.

Mr. A. H. CLARKE. If it goes over until Monday the Senate will have no time to discuss it.

Mr. G. TAYLOR. They will have a week and a half. Our friends on this side are as anxious to conclude the session as hon. gentlemen opposite, but unless this course is adopted we will not get through on the 19th.

Some hon. MEMBERS. We don't care.

Mr. G. TAYLOR. We don't care on this side either; I move that the committee rise, report progress and ask leave to sit again. I think it is unreasonable to press the Bill now. I appeal to the Prime Minister to prevail on his friends to accept this reasonable proposition, clear the Order Paper of all these Bills, some of which are important, and let them go to the Senate. This Bill should not delay all the others, and it is not reasonable to expect members to remain here from 11 in the morning until after 12 at night. We have not yet made a start on this Bill and the chances are we will not.

Sir WILFRID LAURIER. I want to be reasonable also. This is not a government Bill but a private Bill, and the promoter of the Bill is the best judge of his own interests. If my hon. friend were to accede to the suggestion I made that we could dispose of this Bill during the present week, I would advise my hon. friend to agree to that, but I am met with a negative. If hon. gentlemen would say that we will dispose of it this week, I would advise my hon. friend (Mr. A. H. Clarke) to agree.

Mr. SPROULE. I think the Prime Minister should be content to accept the assurance of members on this side that we have no desire to delay the Bill beyond a reasonable and fair discussion, and in all human probability it seems to me most likely it would get through this week, at the latest it will certainly get through next Monday. If the leader of the House would exercise his influence over one of his followers there would be little difficulty in controlling him to the extent of having the Bill delayed to-night

If, on the other hand, it is forced on against the wish of a large number of members who desire to have rest and to assist the leader of the House in closing the session, the experience of the past has been that we do not under such circumstances make the headway we ought.

Sir WILFRID LAURIER. My hon. friend and I are old parliamentarians and we know that we can make progress and dispose of a matter in an hour's time or we can consume a great deal of time without making any progress. If he will say that the Bill will be put through this week I would say to agree.

Mr. G. TAYLOR. On Friday night there will be an hour. If we do not finish tomorrow with a motion to complete the private Bills on Friday night.

Sir WILFRID LAURIER. Very good, we will do that.

Mr. G. TAYLOR. You might take all Friday night.

Progress reported.

MANITOBA RADIAL RAILWAY COMPANY.

House in Committee on Bill (No. 141), respecting the Manitoba Radial Railway Company.—Mr. Molloy.

Mr. A. H. CLARKE. I did not understand that motion to carry. I think the majority was here.

Mr. DEPUTY SPEAKER. If the hon. member had asked for a division I would have granted it. I gave ample time before declaring the motion to report progress carried.

Mr. A. H. CLARKE. I never heard it. I ask for a vote on it.

Mr. DEPUTY SPEAKER. I cannot grant a vote on that. My hon. friend understands that I have declared it carried.

Mr. A. H. CLARKE. I ask five hon. members to stand up and ask a vote.

Mr. DEPUTY SPEAKER. It is too late.

Mr. SPROULE. I appeal to you for your ruling.

Mr. DEPUTY SPEAKER. I gave ample time after asking whether it was carried, and I declared the motion carried. I cannot at this time when I have called the title of a new Bill reopen the question.

Bill reported, read the third time and passed.

THE THESSALON AND NORTHERN RAILWAY COMPANY.

House in committee on Bill (No. 104) respecting the Thessalon and Northern Railway Company.—Mr. Smith.

Mr. SPROULE.

Mr. CONMEE. There are some questions with regard to this Bill which I would like to discuss and I do not want to discuss them to-night. I move that the committee rise, report progress and ask leave to sit again.

Motion agreed to, and progress reported.

THE PRUDENTIAL TRUST COMPANY.

House in committee on Bill (No. 91) to incorporate the Prudential Trust Company. —Mr. Macdonell.

Mr. CONMEE. This is a contentious Bill, and I would move that the committee rise, report progress and ask leave to sit again.

Mr. LANCASTER. It appears that only Bills are allowed to go through which stand in the name of the hon. gentlemen on the other side. This is the second Bill from this side which is objected to. We ought to know where we stand. Both can play that game. We came to an understanding to clear the paper provided the Canada Life Bill were held over. But now it seems that that understanding is not to apply to Bills from this side of the House. Bills standing in the name of supporters of the government are to pass, but those promoted by members of the opposition are to stand. We are certainly not going to submit to that sort of thing.

Mr. CONMEE. This is a Bill incorporating a trust company. So far as I am concerned, I am opposed to it, and I do not feel disposed to discuss it at this late hour. I was not aware that it was the hon. member for South Toronto (Mr. Macdonell) who was promoting this Bill, and I am objecting to it on that account.

Mr. LANCASTER. What is your objection?

Mr. MILLER. This Bill was before the Banking and Commerce Committee and was referred to a special committee and is probably the most contentious Bill that has come before a committee this session. Some of us have to meet at ten o'clock tomorrow morning for other business, and it seems too bad that we should have to take up a contentious Bill.

Mr. LANCASTER. Some fifteen or twenty minutes ago the hon. gentleman was one of those who sang out the most loudly to rush through the Canada Life Bill.

Mr. MACDONALD. What were you saying ten minutes ago?

Mr. LANCASTER. I was saying that we should not deprive the policy-holders in the Canada Life of an opportunity of being heard against the Bill. But in the present, case there can be no objection of that kind. This Bill was thrashed out in

committee and all heard. The hon. member from Rainy River (Mr. Conmee) does not want to deal with this Bill to-night. Well, we shall play the game all along the line. The hon. gentleman is breaking the arrangement made with the Prime Minister.

Mr. LENNOX. We came to an understanding with the Prime Minister that every Bill on the Order Paper was to be cleared except the Canada Life. If any hon. gentleman was not content with the arrangement he should have said so at the time. If we are not to be kept faith with, we shall know what to do. We have passed several Bills on that clear understanding, and it is absolutely unfair that the hon. member for Rainy River should act as he is doing. He first took objection to the Bill in the name of the hon. member for Algoma (Mr. Smith). This hon. gentleman who is so anxious to get his own Bill through moves that the committee rise. Then we come to another Bill, we do not know who is promoting it. Does the Prime Minister think we are going down through all the other Bills after that? We are going to do nothing of the kind.

Sir WILFRID LAURIER. My hon. friend puts the case in a manner which is not warranted by the facts. I suggested to the promoter of the Canada Life to postpone it until Friday evening, and to allow the Order Paper to be proceeded with. That does not mean that every Bill on the Order Paper must be taken up.

Mr. LENNOX. The proposition was not made by the First Minister, in so many words, to clear the Order Paper; but the proposition of the hon. member for Leeds (Mr. Taylor) was that we should proceed and clear the Order Paper, and that was assented to so far as silence could give consent, and I presumed that was the understanding. The leader of the government did not express dissent, nor was any dissent expressed by any member of the House. If these Bills require considerable discussion, I can see a good reason why they should stand over.

Mr. GRAHAM. Personally I think it is a good reason, when the chairman of such an important committee tells us this is a contentious Bill, and the promoter is absent as well, that it should stand over. Now, my hon. friend has asked on several occasions, when the promoter was absent, that we should not proceed with the Bill.

Motion agreed to, and progress reported.

CANADIAN NORTHERN QUEBEC RAILWAY.

Mr. GEOFFRION moved that amendments made by the Senate to Bill (No. 38) respecting the Canadian Northern Quebec Railway Company be concurred in.

Mr. LANCASTER. I would like to know what the recommendation is here. The Order Paper says the Bill is reported with a recomendation.

Mr. GRAHAM. The amendment proposed by the Senate is this:

The Canadian Northern Quebec Railway Company may construct a line of railway from a point on its line at or near Hedleyville, thence in a generally easterly direction to a point on the Montmorency river near the mouth of the River Laval.

4. The limit to the amount of the securities which the Canadian Northern Quebec Railway Company may issue and secure under sections 136 and 146 of the Railway Act, both inclusive, should be a total of $30,000 per mile of the line hereby authorized and of all lines heretofore authorized to be constructed, or constructed by the company or its predecessors by amalgamation, including the amount of securities heretofore authorized; and such securities may be issued only in proportion to the length of such lines of railway constructed or under contract to be constructed.

Mr. LANCASTER. That provides for an additional line and it may not have been covered by the notice which came before the Standing Orders Committee. It is a pretty serious thing to increase a line of railway in the Senate. without a new notice.

Mr. DUBEAU. This Bill was referred to the Standing Orders Committee, the committee made a report to the House, then the Bill was referred to the Railway Committee and the Standing Orders Committee reported that the notice was sufficient. The representatives of a company who were opposing the Bill before the Railway Committee did not object to this provision.

Mr. LANCASTER. This seems to be an additional line of railway added by the Senate that was not provided for in the Bill as it passed the House of Commons. Did it come back to the House of Commons for consideration after the Senate assumed to make an amendment?

Mr. GRAHAM. Yes, it came before the Railway Committee after the Senate had approved of it.

Motion agreed to.

MANITOBA AND NORTHWESTERN RAILWAY COMPANY OF CANADA.

Consideration of amendment made by the Senate to Bill (No. 81) respecting the Manitoba and Northwestern Railway Company of Canada.

Mr. CASH. I am opposed to this amendment. The amendment provides that ten miles shall be constructed this summer.

This is contrary to what has been done with other Bills and I do not see any use of it. This is a Bill of the Canadian Pacific Railway and they are asking to construct ten miles.

Mr. SPEAKER. Stands.

SECOND READINGS.

Bill (No. 157) for the relief of John Denison Smith.—Mr. A. K. Maclean.

Bill (No. 158) respecting the Bank of Winnipeg.—Mr. Molloy.

Bill (No. 160) to incorporate the Canadian Red Cross Society.—Mr. Macdonell.

Bill (No. 161) to incorporate the Equity Fire Insurance Company.—Mr. Macdonell.

CONSIDERED IN COMMITTEE—THIRD READINGS.

Bill (No. 140) respecting the Grand Trunk Pacific Branch Lines Company.—Mr. Turriff.

Bill (No. 124) respecting the Ontario, Hudson Bay and Western Railway Company.—Mr. Schell.

Bill (No. 125) respecting the Algoma Central and Hudson Bay Railway Company.—Mr. Schell.

Bill (No. 138) respecting the Quebec Oriental Railway Company.—Mr. Geoffrion.

Sir WILFRID LAURIER moved the adjournment of the House.

Mr. SPROULE. What business will be taken up to-morrow?

Sir WILFRID LAURIER. The Grand Trunk Pacific Bill.

Motion agreed to, and House adjourned at 12.55 a.m. Tuesday.

HOUSE OF COMMONS.

TUESDAY, May 4, 1909.

The SPEAKER took the Chair at Eleven o'clock.

REPORT OF CENTRAL RAILWAY COMMISSION.

On orders of the day being called.

Mr. FOSTER. If my right hon. friend would allow me, I intended to make a motion. I move for leave to lay on the table of the House a copy of the findings of the Royal Commission appointed by the government of New Brunswick to look into the Central Railway affairs and report thereon.

Mr. CASH.

Sir WILFRID LAURIER. I do not think that is in order. That is not in order; this is not a public document.

Mr. FOSTER. It could be moved by the unanimous consent of the House.

Sir WILFRID LAURIER. That is not in order.

Mr. FOSTER. If there is any objection, I will let it go as a notice of motion.

Mr. SPEAKER. I am informed that notice must be given of a motion of that kind.

Mr. FOSTER. I shall let it go as a notice of motion.

Mr. HENDERSON. A couple of days ago a private member on the other side of the House was permitted to make a motion without notice.

Mr. FOSTER. It depends on whose ox is gored.

Mr. SPEAKER. Would the hon. gentleman kindly state what motion was made without notice?

Mr. HENDERSON. The hon. member for Maisonneuve (Mr. Verville) was allowed to move to drop an order from the Order Paper.

Sir WILFRID LAURIER. He was allowed not to add to the load on the Order Paper, but to remove an item from it.

Mr. HENDERSON. The motion was out of order without notice.

Sir WILFRID LAURIER. It depends on the object.

Mr. SPEAKER. I asked if the hon. member had the consent of the House to make the motion.

Mr. HENDERSON. I am not objecting to your action, Mr. Speaker; I think you were quite right. What I say is, that the right hon. gentleman should not give consent in one case and not in another.

Sir WILFRID LAURIER. It depends on the object altogether.

Mr. J. D. REID. And the man.

GRAND TRUNK PACIFIC LOAN.

House again in Committee on Bill (No. 128), to authorize a loan to the Grand Trunk Pacific.—Mr. Fielding.

On the preamble.

Mr. FOSTER. I asked several questions of the Minister of Finance when we were last in committee, and he said he would endeavour to get the information. I asked whether the $205,000 which is mentioned as having been paid on the Grand Trunk Pacific stock went into the actual construction

of the Grand Trunk Pacific, and how it was paid.

Mr. FIELDING. While reference was made in the debate to a number of points, I do not recall that any specific question was put on which I was expected to procure additional statements, but I shall have the matter looked into further.

Mr. FOSTER. Several questions were asked about the $9,000,000 said to have been invested in the railway by the Grand Trunk Pacific, and whether that included the $9,000,000 invested in equipment or rolling stock? The minister was not sure, but he was of the opinion that the rolling stock could only be provided for by an issue of equipment bonds, and that, therefore, it could not be called an investment.

Mr. FIELDING. I did not understand I was to get further information. I gave my hon. friend the information I had, and thought with that he was content; that is to say, that the rolling stock was provided by an issue of equipment bonds, and that, therefore, it could not refer to the item which he mentioned. The chief engineer of the government informs me that is his idea of the matter also. I would not consider that an investment by the company of the company's funds; it is an investment by the people who purchased the bonds.

Mr. FOSTER. Then, the $9,000,000 would be the amount of money invested by the Grand Trunk Pacific in the construction of the road. Does that $9,000,000 invested in the construction of the road include the advance of the Grand Trunk Pacific of more than $7,000,000, and when this Bill is passed and the loan got, and the Grand Trunk is repaid by the Grand Trunk Pacific, will the Grand Trunk Pacific then have $9,000,000 of an investment, or will it own $9,000,000 minus this $7,000,000, which may be simply in there as an advance they have got from the Grand Trunk? It makes a great deal of difference. We want to know what this Grand Trunk Pacific, with its moneyed men, its immense influence and its great resources, has actually put into this road, and we do not know that at present.

Mr. FIELDING. I do not understand that the Grand Trunk corporation—we are not dealing with individuals, but with the corporation—are expected to put in, out of the Grand Trunk treasury, a single dollar. What they agreed to do was to guarantee the Grand Trunk Pacific Company's bonds, to assist the subsidiary company in raising money. If they have in the meantime advanced any money out of their treasury, as would seem to be indicated by the papers, I would regard that as a temporary advance, and not as a contribution of the Grand Trunk to the enterprise. All the Grand Trunk agreed to do was to guarantee the bonds of the Grand Trunk Pacific Company, within certain limitations. That is what they have been doing, that is what they are still doing under this legislation, and therefore, I would not consider that in the sense I understand my hon. friend's question, they have contemplated any investment at all.

The investment they are to make is not an investment of funds of the treasury of the Grand Trunk Railway Company. It is the credit of the Grand Trunk Company which they pledge by way of guarantee, and the proceeds of that guarantee go into the railway. I do not understand that the Grand Trunk Railway Company ever intend or propose to aid the railway in any other way.

Mr. FOSTER. The Finance Minister has hardly caught the drift of my question. We have incorporated the Grand Trunk Pacific Company—I am not now talking of the Grand Trunk Company at all; they have their directors, their shareholders, their influence. The statement is made that the Grand Trunk Pacific Company have invested $9,000,000. Now what I wanted to know is whether they have invested $9,000,000 outside of the advance which the Grand Trunk Railway Company made to them of over $7,000,000, or if, when this loan Bill is passed, and when the money is paid over to the Grand Trunk Pacific Railway Company, and the Grand Trunk Company gets back its advance of $7,000,000, the minister will be able to say that the Grand Trunk Pacific Railway Company has invested $9,000,000 in it, or whether he will have to say that they have invested $9,000,000 minus this advance which they will have paid back to the Grand Trunk Railway Company; that is, will their investment then be $9,000,000 or less.

Mr. FIELDING. The investment of which company?

Mr. FOSTER. Of the Grand Trunk Pacific Railway Company.

Mr. FIELDING. I do not understand that the Grand Trunk Pacific Company have any $9,000,000 invested except the money that was raised by issue of public securities. Certainly I have had no such understanding.

Mr. FOSTER. The Minister's answer says that the Grand Trunk Pacific have invested $9,000,000.

Mr. FIELDING. No, I think not. I think the investment my hon. friend mentions must refer to the Grand Trunk Company itself and not to the Grand Trunk

Pacific Company. The Grand Trunk Pacific Railway Company moneys are derived almost entirely, except as respects a moderate sum, from the issue of public securities, one set being guaranteed by the Dominion and one set by the Grand Trunk Railway Company. I do not understand there are any other funds available. My hon. friends opposite asked a number of questions which did not seem to me to be of very great importance; nevertheless I have brought down the information as desired. I do not in every case admit that it is essential to the discussion of this question, but I thought it desirable to meet so far as I could the questions of my hon. friend. I think he will find that it has relation to the investment of the Grand Trunk Company. But I have sent for my officer, and I will have the papers in a moment.

Mr. FOSTER. The company, as I understand it, is the National Transcontinental Railway Company, and the answers must be in reference to that company. I find in this statement one of the answers is as follows:

Mr. FIELDING. Is that an answer to one of the questions asked?

Mr. FOSTER. No, not in this case. But there was a question on the Order Paper, and those two answers were given. There is an answer about the investment of rolling stock; the amount expended in rolling stock by the Grand Trunk Pacific was said to be $8,273,000. But I am quite certain that the question with reference to the total investment was as to the investment of the Grand Trunk Pacific Railway Company. I am quoting now the answer to one of these questions from the statement brought down by the minister on page 2. Now, the minister says that the Grand Trunk Pacific Railway Company has made no investment in it. Money has been raised for the Grand Trunk Pacific Company and paid over to that company, and that becomes the Grand Trunk Pacific Company's investment, though raised by bonds guaranteed by the Grand Trunk Company. They are primarily Grand Trunk Pacific bonds, they are therefore Grand Trunk Pacific bonds when guaranteed after they have on them the endorsement of the Grand Trunk Railway Company, and when the bonds are transmuted into cash it is the cash of the Grand Trunk Pacific Company, and therefore it is an investment of the Grand Trunk Pacific. I want to know whether the $9,000,000 the minister said the Grand Trunk Pacific Railway Company had invested, includes the advance of the $7,000,000 made to them by the Grand Trunk Railway Company, which advance has been paid back.

Mr. FIELDING. My hon. friend's question now would have relation rather to the amount of the bonds that have been issued by the Grand Trunk Pacific Railway Company, guaranteed by the Grand Trunk Railway Company, and in this sense I think the question was last framed. If he will turn to page 2 of the information, he will see a statement of the bonds issued. The first item, 3 per cent government guaranteed bonds outstanding, does not bear the guarantee of the Grand Trunk Company. The next two items, however, are the Grand Trunk Company's guaranteed 4 per cent series 'A' bonds outstanding, £2,100,000; and the 4 per cent series 'B' bonds, outstanding £1,354,000; amount owing to Grand Trunk Railway, $7,094,044.30. Now the $9,000,000 to which my hon. friend refers would cover the $7,000,000 which the Grand Trunk Pacific Company have invested, in the sense that they have borrowed it from the parent company. They owe to the parent company this indebtedness, and in the sense that a man borrows money and pays it somewhere it is an investment, but it is money borrowed from the Grand Trunk Railway Company, which in due course the Grand Trunk Railway Company will receive back. But the obligations which the senior company have incurred are shown in this information on page 2. As I stated before, the 4 per cent 'A' bonds outstanding amount to £2,100,000, and the 4 per cent 'B' bonds to £1,354,000. This information was correct on the date at which it was given; but I think some additional bonds have been issued.

Mr. FOSTER. The question was asked by the leader of the opposition and answered by the minister. I find it quoted on page 5406 of the 'Hansard' by the hon. member for North Grey (Mr. Middlebro):

> Mr. MIDDLEBRO. In reply to a question put by the leader of the opposition the following answer was given by the government:—
>
> The company state that the total amount invested by the promoters in the undertaking is $9,597,149, and that the total amount invested in the rolling stock is $8,273,454.

Now, what I desired to know was whether that $9,597,149 invested by the promoters in the undertaking includes the advance of over $7,000,000 made by the Grand Trunk Railway. I imagine that it does.

Mr. FIELDING. The question is: Does the $9,700,000 odd include the $7,000,000 advanced by the Grand Trunk Company? I understand that it does. Now, on the rolling stock I desire to confirm my previous statement that the rolling stock is purchased by a separate issue of bonds, and I do not understand that it is referred to in that item at all.

Mr. FOSTER. That is what I took it to be. We have that answered satisfactorily.

Now, can the minister give me any more satisfaction than he has heretofore as to the amount invested in the rolling stock, which is $8,273,000? That is raised by equipment bonds and that is the rolling stock which has been loaned or leased to the Grand Trunk on the conditions which have been named? I suppose that is a fact?

Mr. FIELDING. Yes. My hon. friend's present question relates entirely to the rolling stock?

Mr. FOSTER. Yes.

Mr. FIELDING. The Grand Trunk Pacific Company have issued the following equipment stock:

'A' first issue, £1,000,000 in May and July, 1907.
'B' second issue, £1,000,000 early part of 1908.
'C' third issue, £1,000,000 February, 1908.

There have been £3,000,000 issued for this purpose. They state that there has been expended up to December 11, 1908, out of the proceeds of the two former of these issues $8,273,454.80. So that the issue of stock for that one purpose represents £3,000,000 out of which, up to the date mentioned, they had expended $8,273,454.80.

Mr. FOSTER. That is satisfactory. Now, if the minister can tell me equally satisfactorily how that $205,000 is got at I would be very glad. I understood before that there are certain directors who got a certain amount of stock and paid up a small percentage upon it—$5,000 odd being the total amount paid, while $249,000 worth of shares stands in the name of Smithers and some others. I suppose that is held in trust?

Mr. FIELDING. Yes.

Mr. FOSTER. The statement is made somewhere that on that $205,000 has been paid. How has that $205,000 been paid? Has any portion of the stock been sold or has any portion of it been given as security on which $205,000 has been raised? How has the $205,000 been got and once it was got where did it go to?

Mr. FIELDING. I find that my officer has asked one of the officers of the company for information which would enable us to answer that as far as possible and that he has not received their reply. I would hope to have it during the day.

Mr. BLAIN. May I ask the Finance Minister if he can supply the committee, either to-day, or at some early day, with a list of the directors of the Grand Trunk Pacific Railway Company, of the Grand Trunk Railway Company and of the other companies that are connected with this undertaking? There are four or five companies.

Mr. FIELDING. It would help me very much to get the information if the hon. gentleman would kindly enumerate the companies the names of whose directors he desires to know. As to the directors of the Grand Trunk Pacific we have that information before us. The names of the directors of the Grand Trunk Railway Company can easily be found. There was an annual meeting a few days ago and the directors were chosen. I could get it from the public press if my hon. friend has not seen it. What others does he desire?

Mr. BLAIN. The Grand Trunk Pacific Townsite Company?

Mr. FIELDING. I am informed that information has already been given in the House in answer to a question. The directors of the Grand Trunk Pacific Townsite Company are Chas. M. Hays, E. J. Chamberlin, Wm. Wainwright, W. H. Biggar and E. H. Fitzhugh. These are all officials of the Grand Trunk Railway Company.

Mr. BLAIN. Now the Grand Trunk Pacific Branch Lines Company?

Mr. FIELDING. I presume the Act incorporating them would give the provisional directors. I really do not know what steps have been taken in that respect. If my hon. friend regards it as important I will ask the company to give the names of the directors of the Grand Trunk Pacific Branch Lines Company. I would expect to find these companies composed of the principal officials of the Grand Trunk Railway Company. Are there any other companies in regard to which my hon. friend desires information?

Mr. BLAIN. Yes, the Grand Trunk Pacific Construction Company, whose directors are members of the Grand Trunk Railway Company.

Mr. FIELDING. I will be glad to get them, but I am sure my hon. friend will find that they are composed of the principal officials of the Grand Trunk Railway.

Mr. MIDDLEBRO. We also desire to know who are the directors of the Grand Trunk Pacific Telegraph Company.

Mr. FIELDING. All right.

Mr. BLAIN. I suppose we might expect to have these names brought down before the third reading of the Bill?

Mr. FIELDING. If I do not get the information before the third reading I will promise to give it to my hon. friend afterwards. I do not suppose the point is of sufficient importance to delay the measure.

Mr. BLAIN. No.

Mr. MIDDLEBRO. If there are any other Grand Trunk Pacific companies my

hon. friend the Minister of Finance might bring down the names of the directors of these companies as well.

Mr. FIELDING. I am afraid my hon. friend will have to give me the names.

Mr. JOHN HAGGART. I do not clearly understand the financing of the Grand Trunk Pacific Railway as stated by the Minister of Finance. All the assets of the Grand Trunk Pacific, as I understand it, must be derived from the sale of bonds or stock. The total amount that has been realized and belongs to the Grand Trunk Pacific, according to the returns brought down, is about $9,000,000. The sale of the bonds alone amounts to nearly $9,000,000. How could the $9,000,000 include the $7,000,000 which is owing to the Grand Trunk Railway?

Mr. FIELDING. The seven million dollars do not represent bonds.

Mr. J. HAGGART. I understand that perfectly well. The $9,000,000 includes, the minister states, $7,000,000.

Mr. FIELDING. Yes.

Mr. J. HAGGART. If it includes the $7,000,000 the Grand Trunk Pacific do not get credit for the amount of bonds they have sold.

Mr. FIELDING. That is a separate account.

Mr. J. HAGGART. But you say they are the same.

Mr. FIELDING. I have given my hon. friend the particulars of it.

Mr. J. HAGGART. Yes, but I cannot understand it. The whole of the assets of the Grand Trunk Pacific must come either from the sale of stock or of bonds?

Mr. FIELDING. Surely.

Mr. J. HAGGART. The total amount realized by the sale of bonds amounted to about $9,000,000. The amount sold for the purpose of building the prairie section and a part of the mountain section realized in the neighbourhood of $9,000,000.

Mr. FIELDING. Yes, for one section.

Mr. J. HAGGART. Then the total amount that the Grand Trunk Pacific have put into the construction must be the amount of bonds they have sold, plus the amount that they got from the sale of stock, which is a small amount.

Mr. FIELDING. That is shown in the information.

Mr. J. HAGGART. Yes, but the minister stated, in answer to my hon. friend from North Toronto (Mr. Foster), that the $9,000,000 of bonds includes the $7,000,000. It cannot possibly include it.

Mr. MIDDLEBRO.

Mr. FIELDING. My hon. friend is mistaken; there are two sums mentioned in these papers which each happen to be about $9,000,000 but they are not the same sum at all. The $9,000,000 referred to under the issue of bonds is shown on the first page and it certainly does not represent the same sum as the $9,000,000 shown farther on. They are two different things although they happen to be about the same amount of money.

Mr. FOSTER. That brings us to another query. What other resources has the Grand Trunk Pacific out of which it has realized $2,000,000? If the $9,500,000 are investments of the Grand Trunk Pacific, not including the proceeds of the bonds, and if the $9,500,000 include the $7,000,000 of an advance, that means that $2,500,000 have been invested by the promoters and that this money has been got from some other source. What other source?

Mr. FIELDING. I would naturally assume it was got by borrowing on the credit of the Grand Trunk Pacific for the various forms of its work. That is the most natural explanation. It is an investment in the sense that the company has raised the money and owes it. We know that they have no sources for deriving money except those mentioned by the member for Lanark (Mr. Haggart) but in the meantime, like any other business enterprise, can raise money through banks and financial arrangements.

Mr. FOSTER. Does it seem reasonable that the Grand Trunk Pacific, having no securities, has been able to raise $2,500,000 as a loan? What securities can it give? Is that also an advance from the Grand Trunk Railway which has to be paid out of the $10,000,000?

Mr. FIELDING. The information, of course is not in the possession of the government; it had to be obtained from the company. As we were not asked to cross-examine them and find out the details which my hon. friend asks, I am not able to give the information. I give my hon. friend my own impression of how they would raise it, by the ordinary commercial methods.

Bill reported.

Mr. FIELDING moved the third reading of the Bill.

Mr. FOSTER. Before the Bill is read the third time I desire to make a few remarks, not having said much on the Bill during its progress through committee but having tried from close attention to the questions and answers to find out from the government the exact position of affairs. It seems

to me, speaking generally, that the government shelters itself in certain ways from criticism in this House and in the country. It shelters itself first behind the name of a Transcontinental Railway and in answer to criticisms of great expense or any cognate criticism it simply gives the general answer: 'Oh, we are engaged in building a great transcontinental railway.' That appeals to the imagination of the people and stifles the proper voice of the people and to a certain extent their criticism as to the ways and means by which the Transcontinental Railway is being built. Then again, I think the government shelters itself behind what they call the 'on all-fours' position with the loan made to the Canadian Pacific Railway in 1883 and 1884. It needs nothing but a mere statement of the facts to show that there is no all-fours comparison between the loan made to the Grand Trunk Pacific Railway in the year 1908-9 and the loan made to the Canadian Pacific Railway in the year 1883-4. Not only is there no parallel in the conditions prevailing then and now, but there is no parallel between the securities that were given by the Canadian Pacific Railway in 1884 and the securities given by the Grand Trunk Pacific in 1909. It seems sufficient to say: 'Oh, the Conservatives made a loan of $30,000,000 to the Canadian Pacific Railway and we are only making a loan of $10,000,000 to the Grand Trunk Pacific.' That disarms criticism and shuts the mouth willing to be shut, of the partisan, and confounds to a certain extent the criticisms of the man who is not a partisan. Then the government shields itself behind the argument of national necessity. The Minister of Railways took a leaf in a humble way, from the book of the Prime Minister in 1903 and in 1909 he urged as a condonation of the offence, if offence it be, that there was a great national necessity. He even went so far as to employ the argument made by an hon. gentleman in this House not long ago that it was an instrument of national defence. I think some one in the House calculated the $180,000,000 of our country's contribution to this road, divided it by ten and came to the conclusion that it is equal to building eighteen 'Dreadnoughts' and putting them on the North sea as a first line of defence, against any attacks that might be made on British supremacy.

Sir WILFRID LAURIER. Hear, hear.

Mr. FOSTER. So the Minister of Railways at this late hour revamped the argument of the necessity of this road on the ground of defence. I think it well to let in a little light on that. I suppose that if a line of railway is to be of value as a means of defence it must be from some pre-eminent conditions inherent in it which are not inherent in the lines we now have. Let us see what these are? In the first place, the Grand Trunk Pacific road commences at Halifax, at St. John or at Moncton, as you please. It passes again at Quebec, if you please; it touches the great city of Winnipeg and then goes to Edmonton, and so through. If a road is to be of value as a line of defence it must be partly because it possesses some advantages in the way of the seaports with which it connects, but the very same seaports of Halifax, St. John and Quebec and a similar seaport on the Pacific coast, in a similar condition of lack of defence or ability for defence, are connected by the Intercolonial, the Canadian Pacific Railway and the Canadian Northern. These railways in their branches and connections commence at the same ports on the Atlantic and end at similar undefended ports upon the western shore. Then a railway might have value as a means of defence, owing to its being situated in the interior of the country, remote from the frontier. If the minister will take the outline map of the Grand Trunk Pacific he will find that it is not the northernmost railway, that from Moncton to Quebec the Intercolonial lies further north than west of Winnipeg, the Canadian Northern is really the railway which goes farthest north, so that whichever way you look at it, as a line of defence there is no force in the argument of the Minister of Railways that it is of sufficient national value to justify this House in criticising it lightly, or to lead the people to bear the burden of this heavy debt without repining. But the great defence of the government and their followers is silence. No matter what criticism is made, they meet it by silence or calling: Carried. No matter what extravagance is shown, they meet it by silence or crying: Carried—the more active ones being the ones who cry: Carried. No matter what argument is advanced with reference to the carrying out of the project, they meet it by utter and absolute silence. Show the Prime Minister that the statement he made in 1903 was as absolutely outside of the mark as a statement could be, he meets it with silence. There is not even the poor penance of repentance, even although it be tardy, made by the minister who deceived this House in 1903 and 1904 by making a representation of conditions which have been proved to be absolutely unreliable. And so silence in the last is the resort. But the Prime Minister and the government must believe themselves that in respect to all these things it is the duty of the opposition and of the country to criticise the methods by which this great scheme has been put on to the country, the methods by which it has been carried on and the

ultimate result which we see in part now, but only in part, which every year reveals to us as something more grievous, more burdensome and more menacing. Thus the duty of the House and the country is not to be misled by the glamour of a great railway or statements as to lines of defence and the like of that. their duty is not to be diverted from the proper and healthy and sane criticism of the methods by which it was conceived and the methods by which it has been carried on, and the ruinous result in some respects in the ultimate fulfilment of the project.

Let me draw the attention of the government and of the House to one thing. Suppose that in 1903 the government, or the Prime Minister representing it, had stated to the House the whole facts of the case as they are to-day deployed in the public light and a matter of record. Does my hon. friend the Prime Minister think that the country would have taken that scheme from him at that time and would have put it through? If the Prime Minister had stated at that time that a simple business proposition had been made to him and this government to aid the construction to a reasonable extent of a railway from the Great Lakes up to Winnipeg and out through a portion of the Northwest, already more or less settled and more or less served by existing and constructing railways, and if he had stated all the facts connected with the scheme which he introduced, the difficulties to be overcome, the unproductive nature of a large portion of the district to be traversed, would he have received the acclaim of the House and the support of the country? I do not think he can convince himself that this would have been the case. The fact is simply this: The first statement of a proposition is apt to carry the mind of the country. Once that is made and the country fully imbued with that statement, you can afterwards undermine that first statement until there is scarcely a vestige of the original scheme left and you cannot overtake the first impression that was made. It was under the glamour of that first impression that the Prime Minister carried his scheme. Neither this parliament nor the country would have given adhesion to it if he had stated it in all its bare nakedness in 1903 and 1904 when he brought this proposition before the House. Would he have received support if he had stated, for instance, not only that a business proposition had been made to him which could have been carried out with the minimum of public investment and with but a small amount of obligation by the country, which would have done everything that this costly project has done or can do for many years? Would he have received support if he had said in addition that although some man might rise and declare that $13,000,000 would measure the amount the country would have to expend, he must dissent from that statement as being 300 per cent too small? Here is the Prime Minister's own statement on that point:

> The sum total of the money to be paid by the government for the construction of the line from Moncton to the Pacific will be in the neighbourhood of twelve millions of dollars or thirteen millions of dollars and not a cent more.

He went to the country with that statement and he meant that statement to go to the country for in the hand-book of the Liberal party, on which they ran the elections of 1904, we find:

> A Transcontinental Railway for $13,000,000.

And in the text this authorized publication says:

> It is an actual fact, an indisputable fact, that $13,000,000 will cover every cent of the country's expenditure in connection with the railway.

That is the statement made first by the responsible minister to the House, and made known by the minister's assent to the country on the eve of a general election, in each case positive, in neither case qualified, in each case an absolute pledge to the country that that road would be built and cost the country not one cent more than $13,000,000. Suppose that the Prime Minister in 1903 had said: 'Any man who says that it would cost this country only $13,000,000 to build this road is either a lunatic or an ignorant man; it will cost this country before we are through with it, not $13,000,000 but $180,000,000 or $200,000,000; if the man's statement is that this $13,000,000 will not be the whole advance and amount but only the balance of cash that the country will have to pay, it is equally absurd, for the balance the country will put up in the end will be nearer $50,000,000 than $13,000,000.' Suppose that the Prime Minister had stated that in 1903, would he have been able to put his scheme through as easily? But look at it again. In support of this scheme the Prime Minister took an unusual course; he went behind the responsible Minister of Railways, he hatched this scheme without the knowledge of that minister. After it had been hatched and the chicken was able to run about and make itself visible, it was introduced to the notice of the then Minister of Railways (Mr. Blair), whereupon that minister declared that the product was too costly, that the undertaking would cost this country $139,000,000, and he took the course—the course of a man who knew his responsibility as Minister of Railways in my right hon. friend's cabinet—of resigning from the cabinet and

going back to his seat as a private member. If the Prime Minister had not deceived the House at that time, if he had made it apparent as his Minister of Railways did, that this scheme would cost $139,000,000 at least, would he have got his scheme through so easily?

My right hon. friend had another argument. He declared that this country was under the imminency of dire peril. The United States, our powerful neighbour to the South, were threatening us, he said, with the extinction of the bonding system. We were not safe, and he prayed God that we might not have delayed too long in taking action, because even then, we had delayed almost too long. If he had stated what he knew to be the truth that there was not the slightest vestige in existence of any threat or menace from the United States in that respect, and no ground for our anticipating any national peril or calamity from that quarter, he would have been lacking in another of his strong arguments in favour of his scheme.

Another plea which he made use of was that it would open up a new route through our rich prairie regions in the Northwest, He said this knowing quite well or he should have known the contrary to be the case. There can be no doubt about his having used that argument. The impression he left, the impression he meant to leave, on the members of this House, the impression he intended to create in the country, was that this railway would give us an entrance into an undeveloped portion of our great heritage in the Northwest and open to settlement an immense area of virgin territory. But if he had told the truth, he would have told parliament and the country that that railway, starting from Winnipeg, lay in and out along the lines of existing railways, for every mile of its course, until it reaches Battle river. But in that case, he would not have got through his scheme on the glamour created by this prospect of opening up a new great prairie region. Take the map lately published by the Railway Department, take the railway map issued by the Department of the Interior, and follow the course of this railway after it touches Winnipeg. When it goes into the Northwest from Winnipeg, it runs thence to Portage la Prairie, from Portage to Saskatoon, and from Saskatoon to Battle river and along every mile it is cheek by jowl with railways already built. It is not the opener up of a new country. The road which opens up the new country north of the River Saskatchewan is the Canadian Northern. But the statement of the Prime Minister was that we were undertaking this burden in order to open up a new zone in the Northwest. My right hon. friend cannot shelter himself behind the statement that this railway scheme of his has opened up a new country in the provinces of Ontario and Quebec. It was not launched on that ground. The main thing it was to do was to open up new territory to provide homes for thousands of new settlers in the west. Its main object was to open up new wheat fields in remote and unutilized portions of our western territories. which would contribute to the wealth, progress, and prosperity of this country. But had he stated exactly what was going to happen, he would have been bereft of that very strong position which he took before the House and the country.

So much with reference to the inception of the scheme. But when we come to its working out, let us look at the Laurier work in that respect. All through the late campaign the cry raised by the right hon. gentleman's supporters was that Laurier should be allowed to finish his work. What was that work? It was the construction of a National Transcontinental Railway. That was the monument which my right hon. friend was building for himself and which he desired to finish. Let us then look at the work of the right hon. gentleman, not only in its inception, but in its carrying out. I have shown that every bit of the edifice built so far is built upon a false foundation. Let us come now to the working out of his scheme. My right hon. friend told this House and the country over and over again that the liability of Canada would be protected, that the advances of Canada would be secured, and that the security would be a first guarantee upon the undertaking. That was to be one of the first things provided for in the legislative work. To a certain extent that was provided for in the first contract. But the first contract was not signed by the Grand Trunk Pacific. It was signed only by the government; and in 1904 the chief work of my right hon. friend, the builder of this great monument, was to undermine and lessen the securities of Canada for her advances and increase the advances she was to make. There can be no doubt about that. The first mortgage we were to have had was entirely taken out. The second mortgage is now on a parity with the first. The preference of the first mortgagee was entirely eliminated from the Bill, yet my right hon. friend had gained the support of the House and the country on the ground that we were to be protected as first mortgagee and not as second. What was done? Our liabilities were raised by subsequent legislation. At first we were only to guarantee three-quarters of the actual cost in the mountains beyond the prairies, and that actual cost was limited by a maximum sum, but the legislation introduced later raised our liabilities to three-quarters of the actual cost, unlimited by any maximum sum, with the exception of the prairie section. It raised our liabilities by millions of dollars in both the prairie

and mountain sections as well. Not only were they raised in that way, but in addition, the rights we had as first mortgagee were postponed and depreciated until they became virtually of no effect. Under the legislation, as it exists to-day, this is the condition of Canada. In the first place we pay interest on the mountain section for seven years. In the second place, the Grand Trunk Pacific can make default of interest three years after that seven years have expired, and that can be capitalized and added to their indebtedness. That makes ten years, and then, after that ten years is over, they have a period of five years during which, if they are in default, we cannot take over the road. The only recourse we have is to put in a manager to administer it; and if there be not sufficient income to pay for the management, the people have to foot the deficit. We can put in a receiver, it is inconceivable that we can allow that road to stop, and if the income be not sufficient to operate it, who pays the difference? The Dominion government. It is the people who are responsible. But if it should pay a surplus, then we have to divide that surplus between ourselves and the Grand Trunk Railway bond-holders. If it should become paying, then our receiver hands it back to the Grand Trunk Pacific. And so on ad infinitum until every vestige of our rights as mortgagee has passed away entirely under the constructive policy in the legislative line of my right hon. friend the Prime Minster. Every step of that policy adds to the responsibility of Canada and takes away from the security which Canada in the first instance had. Again, by the legislation of my right hon. friend, we are bound to build the eastern section, and when we had built that section, professedly in connection with one great transcontinental line, that legislation failed to provide that the Grand Trunk Pacific should lease that eastern section which we built. And I contend to-day, as I have always done, that if after this eastern section is built, the Grand Trunk Pacific do not choose to exercise their option of leasing and operating the road and paying us three per cent on its cost, there is no power in that legislation to compel the Grand Trunk Pacific to exercise its option and to enter into a lease of that eastern section or any part of it. They are given the option to take out any portion they please and run that portion and leave any portion they please. That is the position in which my right hon. friend, in his constructive work as a legislator, has left this country after we have built the eastern section from Winnipeg to Moncton.

Let us go a step further. If the right hon. gentleman was strong in anything, he was strong, in his inception of the legislation and in his canvass before the country on this point, that what he wanted to do was to open up the Northwest and bring the great traffic of the country down through Canadian channels to our own seaports. That was a good drawing card. That was a very mesmeric policy to lay before the people. We have been spending many of our precious millions on east and west lines of communication with the idea of ultimately building up our seaports and our Canadian merchant marine; and my right hon. friend said to the House and the country: 'Here is a scheme by which we propose to tap the great Northwest and bring its rich products through Canadian channels and through Canadian seaports, to the benefit of our own people and our Canadian marine.' He there stuck a good cord which sounded sweet music to the people. But how has he carried that policy out? Why, he absolutely refused to complete that idea by the legislation necessary. Although this side of the House urged him to do so, he brought his political support to the point of refusing any legislation which would make it certain that that stated principle, upon which he founded his scheme and the immense burden the country was to assume in regard to it, would be fairly carried out. What happened? He entered into a contract with the Grand Trunk Pacific that, with the exception of freight routed by the shippers of their own stuff, the Grand Trunk Pacific was, to the best of its ability, to see that western freight should go through Canadian channels and Canadian ports. But then what happened? No provision was made to meet the very important position taken by the Grand Trunk Railway. The Grand Trunk Railway taps the Grand Trunk Pacific at the junction north of Lake Superior 220 miles. Every ounce of freight which is gathered up in the Northwest and which is unrouted when it comes down to Lake Superior junction, goes directly over the Grand Trunk Railway to that company's terminals, and ports, on the lakes. Every ounce of it. The moment it leaves the Grand Trunk Pacific line and goes into the transportation system of the Grand Trunk Railway, the Grand Trunk Pacific is not of the slightest account as regards the direction of that traffic. There is no provision against that in the present legislation. Will my right hon. friend hazard, in the light of his preceding statements, the further assertion that in the years to come the greater part of the products of the Northwest will go over the Grand Trunk Pacific system on its long overland route through the north of Ontario and the north of Quebec and the portion of New Brunswick which it traverses? Will he hazard the statement that such products will take that route? Will it not, on the contrary, the moment it reaches the Lake Superior junction, take the short cut off to the water,

and thereafter be in the hands of and at the will of freight carriers over whom we have no influence whatever. The Prime Minister was asked by us to make good his original proposition by binding the Grand Trunk Railway under the same conditions as the Grand Trunk Pacific, so that when the Grand Trunk Railway received its rich freights from the west at Lake Superior junction, it should be bound to send all, except the routed freights, through Canadian channels to Canadian ports. He refused to do this. This year he was given another opportunity to do the same thing. This year he is granting a favour to the Grand Trunk Railway. The Grand Trunk Railway, according to his statement, was to receive $25,000,000 as capital stock from the Grand Trunk Pacific. According to his statement, that stock was to be used for the construction of the Grand Trunk Pacific, so that when the Grand Trunk Pacific wanted money, it could call upon the proceeds of that stock at par for the money it needed.

My right hon. friend stated that, he adhered to that, he went to the country on that. and got his election on that, in connection with other things. Now he comes into the House, and his Finance Minister states in so many plain words: 'Not a dollar of that stock need be called upon, or ought in equity to be called upon, to supply money to build the Grand Trunk Pacific Railway; that stock belongs to the Grand Trunk Railway, and is a payment for guaranteeing the bonds which, under contract, it has agreed to guarantee.' Now what can be made of a position so diametrically opposed to the position of pre-election times? And what becomes of the solemn statement of the Prime Minister when, a few years afterwards, he has the absolute contradiction made to it by his own Finance Minister, and he himself by his legislation coincides with that contradiction of the Finance Minister? So that to-day he is doing for the Grand Trunk Railway a favour by becoming their banker, under that condition of things loading up the country with $10,000,000 more, because he repeatedly stated in this House that we would not be called upon for another cent, that the Grand Trunk Railway was a responsible company, the Grand Trunk Railway got the stock, and got it for the purpose of financial aid, and our liabilities were limited by the contract, and whatever other money was necessary would have to be provided by the Grand Trunk Railway Company, which was able, responsible and bound by the contract to carry it out. To-day he nullifies his statement by his legislation, he loads the country in the interest of the Grand Trunk Railway Company. Now when he comes to-dav with a favour to the Grand Trunk Railway Company, and is asked again: 'Will you put in a clause now by which the Grand Trunk Railway Company will be bound to forward all unrouted freight through Canadian channels and through Canadian seaports,' what is the answer of my right hon. friend? Mr. Speaker, will I be out of order if I say, a quibble, and nothing better than a quibble? He says, 'Oh, this is not the time to do it.' Is it not a time at which it could be done? Are we not doing a favour to the Grand Trunk Railway Company over and above everything we were bound to do? When a $10,000,000 loan is made as a favour, when the invitation is held out to the same company, by the Minister of Railways and Canals and by the Minister of Finance: 'Come again next year if you are in difficulties, and we will do the same,' is it not an opportune time when, if my hon. friend were honest in his desire to assure the passage of the great west products through Canadian territory and out of Canadian ports, he could make that certain in the only way in which he could make it certain? But he will not do it, this is not the opportunity.

Then he went one step beyond what was necessary, a case of a witness volunteering more than the simple answer to his question, and he said, 'There will be an opportunity.' When? When the lease is made by the Grand Trunk Pacific for the entire portion of the eastern section. But when a lease is made for the entire portion of the eastern section, with whom is that lease made ? With the Grand Trunk Pacific Railway Company and not with the Grand Trunk Railway Company. And though you duplicate the present arrangement when you make that lease with the Grand Trunk Pacific, what power have you got over the distributor of this freight, which is the Grand Trunk Railway Company itself? So he knew, if he knew the law, that when that opportunity came he would be absolutely powerless to tack on any condition binding the Grand Trunk Railway Company. He will be making a lease with the Grand Trunk Pacific, and the only thing he could do would be to try to modify their contract. But their contract is plain in that respect now, and he could not make it any stronger than it is at present. So that an apparent answer was really deceptive to the people of this country and to the House. That is the condition in which we are to-day, and to-day I charge upon the right hon. gentleman that his main argument that the rich products of the west should be directed through our own seaports and our own Canadian channels, is not guarded or guaranteed by any legislation to that effect, and the right hon. gentleman refuses to guarantee it, now when he has the op-

portunity of his life for attaching a condition to the great favour we are giving to the Grand Trunk Railway Company.

Let me go a step farther and let me ask my right hon. friend, as he has been asked by the leader of the opposition, to view the situation of things in the east, and my right hon. friend did not deign to answer. It was put up to him as specifically, as categorically, as any man could put it. What did he propose to do in view of the condition of things in the east, with the Quebec bridge nowhere, not to be finished until 1915, a part of the eastern section almost entirely built, and which will be finished within a year's time—what did he propose to do in that condition of things? What was my right hon. friend's answer? 'It must not surprise the House,' he said, 'if I inform them that I and my colleagues have been thinking that matter over.' Well, perhaps it might not surprise the unthinking portion of the House, but even that might surprise some of the members in the House who are cognizant of the haphazard way in which my right hon. friend entered into this great scheme, and into cognate schemes in reference to it. He has been considering it. But when he came to give a definite idea as to what would be done, the right hon. gentleman had not an idea; he simply said, 'I do not know what can be done; somebody has mentioned a ferry—' and he stopped there. Nobody had mentioned anything else, but somebody had mentioned a ferry, but he did not know what could be done about it, and in the end he took the ground of non-possumus: 'I cannot say what we will do, I have not any plans, I can only say that we have been considering it.' But it does not strike my right hon. friend that there is trouble in store for him there? Would it not have been the part of a cautious man, of a man who was husbanding the resources of this country, to have been very careful as to how he spent thirty-five million dollars of the people's money on that end of the road from Quebec down to the city of Moncton? What was the condition of things? You had a government road into which we had put $80,000,000 or $90,000,000 of the people's money; you had a road which was under almost annual deficits. due to lack of trade, or lack of management, and it would be clemency to my right hon. friend to say that it was due to lack of traffic. $80,000,000 or $90,000,000 of the peopl'es money invested in a road from Levis down to Moncton, St. John and Halifax. Would it not have been the part of caution to go very slow, not duplicating that road until a necessity had been shown therefor? But my hon. friend would not wait, would not be cautious, would not consider the matter at all, and the thing was carried through. Start it, build it, think about it, ponder about it afterwards. Now what did my right hon. friend do? When it was objected that that ought not to be duplicated, he said: 'Distance is the essence of the matter, we will save from 120 to 140 miles from Levis to Moncton.' Did my hon. friend say that?—no doubt about it. Did it go to the country with his impress?—no doubt about it. Did it help to elect him?—no doubt about it, in connection with other things. My right hon. friend had not even the reasonableness to take time enough to put a tape line over the country before he involved the country in an expense which is now amounting to $35,000,000. How does it come out after a tape line has been put on? What did you want to get? You wanted to get a four-tenths grade. The whole argument was—no good without a four-tenths grade. Will my right hon. friend be surprised if I tell him two things? First, that, as the road has been decided upon, he does not save 120 to 140 miles, but he saves only 29 miles. Will he take the other fact that if he had carried out his provision of having a four-tenths grade his road would have been two miles longer than the present Intercolonial Railway? How did he avoid the making it two miles longer? How did he save his 29 miles? He saved it by the device of murdering the grade. He has no road and never will have with a four-tenths grade, for the accomplishment of which he pledged his word and pledged the money of this people. An arithmetical calculation will have to take place. You have saved 29 miles, you have sacrificed your grade, you have to have two pusher grades of 10 and 12 miles and you have the permanent and perpetual cost of the operation of the pusher grades. Just the mere precaution of laying the tape over the ground would have told my hon. friend that he could not have saved 140 miles. But, he refused to wait for that. Now, what have we?—just what I have stated. I will put a question which was put before and to which we have had no reply. Would it not have been wise, when my right hon. friend saw the immense expenditure which was being put upon this country, to have gone slow upon that Quebec and Moncton end? Has he gone slow? When the Quebec bridge fell and he knew that it would be five, six or seven years before it could be built and of no use to him or to the road, would it not have been reasonable then to have gone slow? But my right hon. friend did not go slow. Up to this date he has spent $28,000,000 on that end. He told this House that it would not cost more than $10,000,000; yet, when it is finished, it will cost $35,000,000. In a year's time my right hon. friend, who is constructing a monu-

ment for himself, will have a disconnected end of a road through a locality which will give little or no local traffic, and a road which will compete with and starve to the extent that it gets traffic the government railway, into which we have put $80,000,000, and he will have it there at a cost of $35,000,000 more of this people's money. What will he do with it? Well, there are different kinds of monuments, but that is a kind of monument that I would not like to have pressing down on my remains. At the end of next year it will be built. Does my right hon. friend propose to put rolling stock upon it? That will be another great expense to the country. Does he propose to run it and have another parallel Intercolonial railway with another parallel and still greater deficit in proportion to its length? So then we will have this delightful alternative, either to let it remain there silent, useless and depreciating or to work it at a loss, find the rolling stock, make all the expenditure and add again by deficits to the burden of the country. That is the simple alternative. Why, a man of business instinct and of business methods would have stopped that great expense even although a few millions had been spent, until the road had been brought within the reach and purview of practical operation. However, there my right hon. friend is. Just a little while ago a deputation waited upon him asking for aid for the Georgian Bay canal. Other deputations have asked for great public improvements which would have done good to the country. That section of territory had the Intercolonial Railway through it. My right hon. friend is only saving 29 miles and that at the expense of two costly pusher grades. He has taken $35,000,000 of the people's money, tied it up there forever, and he has to turn the cold face and the cold hand to propositions for the real and active development of this country in useful ways. There it stands. What is my right hon. friend going to do about it? How much better would it have been if he had taken a few millions of money and made the Intercolonial Railway just as good a road for freight hauling as he is making that new road from Levis down to Moncton. Why was not that done? That was our road, we had $90,000,000 or $100,000,000 in it, it was a burden upon us and a source of deficits, and it was that because of the lack of traffic and the difficulty of transport over it. Why would it not have been the part of prudence to have made it for all time to come a road, in grades and curves, which would compare with any Canadian railway and so utilize it, feed it and fatten it by the product of the west, which would be trained over the 500, 600, or 700 miles of our own road? Why would not that have been the part of prudence? But instead of that my right hon. friend has got what he has got. Now, I must hurry on, but I want to call the attention of my hon. friend the Minister of Railways and Canals (Mr. Graham) to an argument that the Minister of Railways and Canals made and which was incidentally made by my right hon. friend as well. The Minister of Railways and Canals says that the paramount thing is to get the products out from the west. The Minister of Railways and Canals made a fine and flowery argument just about as near to the point as Timbuctoo is to the capital of this country. He said: 'Look at the homesteads which have been taken up in the Northwest; 13,000—15,000 homesteads have been taken up. Look at the people who are going into the Northwest; look at the grain that they will be raising for the sometimes starving peoples of the world in keeping with the advancing rate of wheat bread consumption.' It did not occur—or did it?—to my genial friend the Minister of Railways and Canals to inquire if there would have been one single homestead less taken up in the territory traversed by the Grand Trunk Pacific if never a dollar had been expended upon the eastern extension from Superior down to Moncton, which has involved us in $30,000,000 or $40,000,000 or $50,000,000 of absolute expenditure. Has a single homesteader gone in there because the country is spending $35,000,000 to parallel the Intercolonial Railway in the provinces of Quebec and New Brunswick? Not a single one. Will a single bushel of wheat be raised other than is raised now by the fact that we are building that road there at enormous expense? It all comes back to the fatal error, the error was this, that when a business man put before the Prime Minister a business proposition, the political instinct got the better of the business instinct and a political rather than a business railway was built.

A few million dollars in cash, maybe only a few million dollars of guarantee, would have built every mile of that line from the Great Lakes through to Winnipeg and through to the Pacific ocean, would have built every mile of it and we would have had everything that we have to-day with reference to the development of the west and the carriage of freight. This vast burden of $150,000,000 or more which was then assumed lightly and without forethought, to-day weighs upon us and burdens us, with no benefit commensurate with the expense. These northern regions of Ontario and Quebec might have been opened up but they might have been opened up later and gradually, and to the great benefit of Canada. For what

happpens to-day? To-day the Prime Minister has put clogs on the free feet of this Dominion—and heavy clogs they are. The Prime Minister went into this with a statement that $13,000,000 would build the road and yet before it is completed he will have added $180,000,000 to the debt of this country, he will strain the credit of this country, he puts himself and the country into this position that in order to carry out such a wild goose scheme he is sealing up the coffers, paralyzing the power of the Dominion of Canada to go on in other and useful ways of development. For many years to come there will knock at the gates of the Cabinet propositions which would be of the utmost benefit to us, demanding aid, and the Prime Minister's answer will have to be: 'Impossible. We have incurred such an enormous expenditure with reference to this eastern section that we cannot aid you, we cannot aid you.'

Suppose that the alternative had been something like this: Take a few millions and make your Intercolonial Railway a good road. Take a few millions more if you like and subsidize the Grand Trunk Pacific from the lakes to the Pacific ocean —guarantees would have done it, there is not a foot of soil after that road leaves Winnipeg until it reaches almost the Rocky Mountains, there is not a mile of country which it passes through that will not, the moment it is opened, give the road its paying commerce. Hon. members talk about this loan being on all fours with the loan to the Canadian Pacific Railway. Why, you have put this line right in between two great lines of communication from Winnipeg west. The road is built through a country which in the main would have been served and served well by existing lines. But the point I wish to make now is that you put it through a country which was rich and which would offer traffic the moment that the transport was ready for it. A few millions of dollars would have done both of these things, a scratch of the pen on Mr. Hays' proposition to you would have put the traffic, when it came out of the Northwest, at the disposal of your Intercolonial Railway. Is there any doubt about that? There is Mr. Hays' proposition, there is what the Grand Trunk was willing to do, and to pledge itself to. That is what the hon. gentleman refused to have done. By adopting that plan you would have had the traffic secured, a line secured from the waters of the Great Lakes out to the Pacific and you would have it secured with very little pressure upon this country financially. Then if the Georgian Bay canal is a great economic and national undertaking, which would redound to the great benefit of this country in opening up deep water carriage from the west down to the sea, if that is admitted, and if $100,000,000 would have built that canal, put that amount on one side. Then there is a demand that the Welland canal shall be deepened to a proper depth so as to accommodate the commerce on these lower lakes. That would cost somewhere about $40,000,000 and the two $140,000,000 against $180,000,000 or $200,000,000 that the government have bound around the neck of this country and for what outside of the great western branch of that line? You would have been able to contemplate that great line of internal canal transportation by the Georgian Bay canal and the southern line by the Welland canal, and you would still have been $40,000,000 better off than you are with neither of them completed, and with this burden of the eastern section upon the shoulders of this country. Can any one doubt as to which would inure most to the development and the benefit of Canada. The cheapening of the transport of the products of the great west, in this time of world-wide competition, which makes a cent a bushel almost the consideration which shall impel trade and which shall make the profits for the people who produce the grain, is a problem of the greatest national importance. But instead of that you have this useless burden.

Let me make clear before I sit down, one point. Let no man say that my argument is an argument against the building of this line into and through the great Northwest and to the Pacific ocean. That is a matter about which there was no difference of opinion. It was the political ends that were tacked on to the project that we have objected to. They entailed great expense and were ahead of their time, they were not productive and will not be productive. What local products, from Moncton up to Quebec, will feed a railway? What local products from Quebec up to Lake Superior Junction will feed a great railway which in its maintenance and operation will be the most costly of any of the great railways of the Dominion? All that has been gained in the opening up of the great Northwest, in providing means of transportation and increased markets for Canadian products, would have gained by the alternative project of which I have spoken. Later on these adjuncts might have been built, but the country will ponder, more and more as the years pass on, the question whether it was necessary that this costly addition, this costly duplication, should have been made at this time. One word more and it is this. If my hon. friend had not the privilege of being a member of this House and were carrying on this enterprise outside, if he were simply the promoter of a great company to build this road, and if, in his prospectus, he had stated the alleged facts that he has put

forth with reference to this great national undertaking, and had signed his name to that prospectus as he signed his name and gave his imprimatur to the public measure before the House, and had induced people to invest their money to the tune of $200,000,000, he would have found himself in the clutches of the law for issuing a prospectus entirely falsified by the facts. There are some advantages in being a member of parliament and, my right hon. friend will never have occasion to cease thanking his stars that he launched that scheme under the shelter of the privileges of parliament instead of outside parliament as a director and promoter.

Sir WILFRID LAURIER. The course taken by my hon. friends opposite is not at all a cause of surprise to me, nor, do I believe, to any body else. It is in keeping with their attitude from the first towards the great work in which we are now engaged. That attitude has been one of hostility and blind hostility, and it is manifest that the results of two elections have not yet opened the eyes of these hon. gentlemen. When in 1903 we brought into this House a Bill for the construction of another transcontinental railway, the object of which was to connect the waters of the Atlantic and the Pacific, every inch of which would be on Canadian ground, we were met from the other side with a storm of objections — objections to the terms granted, objections to the route selected, objections to the expenditure, objections to everything. They objected to the spirit and the letter of the Bill, to every line and every word of it, from the first to the last syllable. These objections were urged on this House, but they failed to make any impression. We were then told, however, that if we only dissolved the House and consulted the people, our project would be torn to pieces by an indignant electorate. When that legislation was completed in 1904, we thought that, in a project of this magnitude, it was due to the country that we should, before entry upon it, ask the opinion of the people. We dissolved parliament and then we had the question fought over again on the hustings as it had been on the floor of this House. All the arguments which had been urged in parliament against the project were urged on the hustings and with no greater success than before parliament. All the objections were thrust aside, and the public answer came clear, decisive and emphatic: go on with the work. With this high sanction, we started the enterprise; but as the work progressed, we found that we would have to revise our estimates. We found that our calculations had been too low and that the obstacles were greater even than we anticipated. The matter came up more than once in the House. It has been this session the subject of more than one debate, and my hon. friend, the Minister of Railways (Mr. Graham) frankly admitted that the cost would be much greater than we expected. Again we dissolved parliament and went before the people. Again the subject was discussed. Again all the new calculations were made before the public; and with all these facts before them, the electors gave the emphatic, decided answer: go on and finish the work. We thus have a double verdict. That verdict, twice given, ought to convince my hon. friends opposite that the people believe as we do and as we asserted in 1903, that this road is a political and a commercial necessity. And my hon. friend who has just spoken (Mr. Foster), and who has put the case in as false a colour as he could, has not been able to say that our scheme was ill conceived, that it is not a good commercial enterprise. All he could say was that it was premature, that there was no immediate necessity for the line from Moncton to Quebec or from Quebec to Winnipeg. He did not say that it should not be built. On the contrary, if his argument amounted to anything, he said that it must be built. And in concluding his remarks he said: 'Let me be understood as not hostile to the enterprise; all I say is that it came too early; we might have put our money into building railways more likely to pay dividends and later on build the line from Quebec to Winnipeg.' His whole argument was to that effect. If we had come, he said, to the House with a scheme for a continuation of the Grand Trunk Railway system from North Bay across the prairies to the foot of the Rockies, or across the Rockies to the Pacific ocean, the opposition would have gladly supported it. Well, I have only this to observe, that this mongrel idea of his was not the spontaneous inspiration of the moment. It came at a time when the opposition realized how deeply our scheme had gone into the minds and hearts of the people, and my hon. friends had to suggest something to save their faces. It was not the spontaneous act of the moment, but whether it came late or early, we would not accept the proposition. The proposition was made by the Grand Trunk Railway that we should favour a scheme to extend their railway from North Bay to the Pacific ocean. But we were opposed to that idea. Must I point out that the Grand Trunk Railway was built some 60 years ago, and built, not with regard to the future, but simply the needs of the moment. If we had adopted that suggestion, we would have had, not a national railway, but a hybrid railway, half Canadian and half American. The Grand Trunk Railway was built some 60 years ago simply for the needs of the day without any

thought of the morrow, and we are told that we should be as blind to-day as they were 60 years ago and commit the same grave errors. If that be the policy of hon. gentlemen opposite, it is not ours. Our policy is to have a national railway all through Canadian territory from the Atlantic to the Pacific. That was the idea we put before the people, and that is a policy which should appeal to hon. gentlemen opposite. Our policy is to bind the east and the west — the east, which was the cradle of the nation, and the west, which is now the hope of the nation—by means of that tie which commercial relations always create. Hon. gentlemen opposite do not favour that policy. Why? Because, in their opinion, a part of the route to be traversed by this road is not as good land as the prairies, because a part is barren, uninviting, unfit for settlement and incapable of maintaining a population. But, even if it were, would that be an argument against the scheme? In that case you never would have a national railway crossing the continent because the continent is not all fertile prairie. There are mountains, morasses and swamps, but the national idea is to have a Canadian railway from one ocean to the other. At all events that is our policy.

At one o'clock the House took recess.

House resumed at three o'clock.

Sir WILFRID LAURIER. Mr. Speaker, I may be pardoned if I repeat the last thought to which I gave utterance before the recess, to the effect that the argument put forward by the opposition against the building of the Transcontinental Railway is no argument whatever. I stated that if it were an argument we never should have built a transcontinental railway; if it were a valid argument it was a mistake to build the Canadian Pacific Railway, since the section of that railway around Lake Superior runs for hundreds of miles upon a bed of granite rock upon which, as every body knows, there is not soil enough for grain to germinate or for trees to obtain firm root. If this were an argument we would have to consent submissively and impotently to take a position subordinate to and dependent on a foreign country. In the face of all this, I repeat that the policy which we adopted six years ago for the building of a transcontinental railway, is a commercial and a national necessity and if it suits the convenience of hon. gentlemen on the other side of the House to contest and deny this proposition they are welcome to do so, and the more they deny it the more welcome they are to it. Is it true, as a matter of fact, that the whole section of country between the valley of the St. Lawrence and the prairies of the west, is, as has been represented, barren, uninviting, unfit for settlement, unable to maintain a population? We have heard this before, this position was taken a few years ago when we first discussed the project we have now in hand. The answer to this question runs in the streets, everybody knows to-day that in the northern section of the country, north of the Laurentian ridge where the road has been located, there is a vast section known as the clay belt which for soil and fertility is equal to the valley of Lake St. John or of the St. Lawrence. Perhaps my words will not make any impression on hon. gentlemen opposite and I may remove their doubts if I quote to them from a report which has been laid before the House, coming from the Transcontinental Railway Commission, describing the character of the country through which that section of the road runs. The report is to this effect:

I may state that from time to time I have received reports from district and other engineers in regard to the nature of the country and timber along our line in western Quebec and northeastern Ontario. I have had these summarized, and a map explanatory of same prepared, which I attach. The land fit for cultivation in district 'C' commences at a point about 4 miles east of the Bell river, and extends westerly to the Ontario boundary. The extent of this land north and south is shown on the accompanying map. Most of this land will be fit for cultivation, being a good clay soil easily drained. No doubt this arable land extends much farther north than shown on the map, but we only report on the country as far as explored by our engineers. On this tract, as shown on the map of district 'C,' there are about 5,800 square miles, or 3,712,000 acres, and of this amount it is said 2,500,000 acres will make good farming land, and most of the rest can probably be drained afterwards.

The timber from the Bell river to the Hurricanaw river is principally spruce, balsam and jackpine, running from 6 to 18 inches in diameter. From the Hurricanaw to the Ontario boundary it is second growth, principally of balsam, birch and spruce, though there is some good spruce in the southern part of the tract as marked.

On the Hurricanaw there is good navigable water for steamboats 60 or 70 miles in a southerly direction towards the height of land. All this country is well watered, and interspersed with fine lakes and rivers.

District 'D.' In district 'D,' commencing at the Ontario boundary, or the 114th mile on the attached map, to the 185th mile, there are about 2,100 square miles, or 1,344,000 acres of land. The percentage of arable land fit for cultivation upon clearing may go up to sixty per cent, although there are long swamps near the line between the 155th and the 175th miles, but these can be easily drained, as they are not deep. Timber is small, except in the valleys.

From mile 185 to 285, there is an immense tract equal to any agricultural land in Canada, being a succession of long ridges, interspersed with swamps which can be easily

drained. The country is well watered, and has an abundance of water-power.

There are 7,500 square miles, 6,000 of which, or 3,800,000 acres, can be considered good arable land.

The timber is small, consisting of spruce, balsam and white birch, except on the southern end of Ground Hog river, where there is some white and red pine. From the 285th mile to the 325th, the soil is of a more sandy nature, though the valley of the Missinabie river contains some excellent land. The area would be about 2,000 square miles, containing probably 500,000 acres of good arable land, 300,000 acres of medium quality, and the balance of pasture and rocky land well wooded. The green tinted area south of the 170th mile to the 190th mile is also good land, but would require more drainage. The country here is very flat, covered with moss swamps, with low clay ridges, but all with a good substratum of clay. According to reports this clay belt extends much further north than shown on the map, bct the area shown has been put in from personal observation and reports of the engineers.

District 'E.' From the 325th to the 355th mile, there is a good wide range of agricultural land which would make an area of about 2,000 square miles or 1,000,000 acres. This is a good sandy loam, well watered and timbered with small spruce, birch and balsam.

From the 355th mile west to mile 475 the area of arable land is much more restricted as far as our reports go, being confined more to the valleys of large rivers. There are probably 1,000 square miles or 600,000 acres in this tract. West of the 470th mile there is very little land fit for cultivation.

This report ought to be satisfactory to hon. gentlemen opposite and should prove to them that the impression they had that this country was absolutely barren and unfit for settlement is entirely erroneous. I can scarcely hope that I can satisfy my hon. friends on the other side if they will persist in their heresy. They are skeptics upon almost everything. Skepticism is perhaps the least of their many faults and I will not quarrel with them over that because after all they are not alone, there have been many skeptics in this land. Is there, for instance, an inch of our country, even the most fertile portion of it, which has not been at some time or other, derided and decried, I will not say by its enemies, but by its friends, its well meaning though misguided and short-sighted friends? In the olden time, in the early days of the colony, its progress was long retarded because the early voyageurs, the early settlers who came here, finding climatic conditions so different from those of their native land, believed it was not possible that there could be a country as fertile as we know it to be under climatic conditions such as they found here. It is on record that Sully, the first minister of Henry IV. of France, and one of the ablest men of his generation, gave it as his opinion that the continent of North America, north of the 40th parallel, was unfit for white men. This would include not only Quebec, Ontario and the maritime provinces, but even New York, Illinois, and the northern tier of the American Union. Without going so far back as that, if we go to days almost within our personal recollection, we find similar expressions. For instance, when the Grand Trunk Railway was commenced in 1852 or 1853, we find that the same kind of hostile criticism was urged against the project as is to-day urged against the Grand Trunk Pacific project.

I have asked a friend to look up for me the literature of that day as it appeared in the newspapers, and it certainly makes very strange reading. One critic said he was violently opposed to the extension of the railway from Toronto to Sarnia because, not only was it his opinion, but he was certain there would be no wheat for export from that section; whereas, we know that for 30 years that section of the country was the granary of Canada. Another critic was violently opposed to the extension of the railway to Georgian Bay because, to use his own language, that country was an impenetrable and barren desert. Now, I say that if the early pioneers of Canada, the early settlers who hewed out the forests in Quebec and Ontario, were to come back and see the present condition of things, they could not credit the testimony of their own eyes. Instead of the forests with which they were familiar in their days, they would now find golden harvests of wheat, they would now find the land given over to fruit, to dairy and other similar products. They would find wheat grown in a section of the Northwest which, in their youth, was supposed to be forever ice bound in the frozen north. Only as late as 1869 Archbishop Taché, who was certainly a man of great intellect and beautiful character, a man who had 20 years experience in the Northwest, who had roamed over the whole continent from the Lake of the Woods to the Rocky Mountains, from the American boundary up to Lake Athabaska, and who knew the country as well as any one could know it, as late as 1869 Archbishop Taché wrote a pamphlet wherein he asserted that what is now Alberta, what is now Saskatchewan, what is now Manitoba, was absolutely unfit for agriculture. He gave it as his opinion, over his own signature, that the valley of the Red River, the valley of the Saskatchewan, the valley of the Assiniboine never could produce wheat, whereas, we know that only last year those plains produced no less than 100,000,000 bushels of wheat. Archbishop Taché lived long enough to know how far he had been mistaken, and he frankly acknowledged his error, like the true man he was. And, Sir, I venture to predict, though I very seldom

predict, and never in election time, that the day is not far distant when the skeptics whom I see before me will also have to acknowledge the error of their way; but I am not certain whether they will do so or not.

But, Sir, even since we have started this project the events which have taken place amply justify the policy which we introduced nearly six years ago. Since 1903, when we introduced the grand project of building a transcontinental railway which should pass north of the Laurentian mountains, there has been, in those very mountains at Gowganda and at Cobalt, a discovery of minerals the like of which has never been found perhaps in any other part of the world. We have been accustomed to hear of the wonderful silver mines of Mexico, of Colorado, of Nevada, but what are they compared with the silver mines of Cobalt and Gowganda? And is it to be supposed that nature has exhausted her efforts in Gowganda and Cobalt? Is it to be supposed that she has not in her womb other Gowgandas and other Cobalts. Why Sir, the geological formation in which Gowganda and Cobalt are situated extends for hundreds of miles in all directions, and it is certain that we shall find other similarly rich districts. Already you have railways built or contemplated to reach those mineral claims, already you have railways running south and north to reach those valuable deposits. Suppose we had no transcontinental railway, those mines would have no permanence, they would have no outlet; but now they will be connected by railway communication with the Grand Trunk Pacific which runs east and northeast, and the cycle will be completed.

All these remarks apply in a like manner to other sections of the road, the section between the St. Lawrence and the maritime provinces, or to put it in exact words, the section between Quebec and Moncton. This is the section that has been made the special point of attack as absolutely useless, as a waste of money. I confess to some disappointment in the abbreviation of the distance over the existing railway; it is not as large as I had expected, it is not as large as I had believed. Looking over the map, which my hon. friend referred to this morning, I confess to some disappointment in that direction. Although the abbreviation is not as large as we had expected, still there is no reason to regret our enterprise. It is beyond doubt that the section of country which is to be covered by this railway is of the same character as the section of country which I have described. It is not all good, but there is in it some very valuable land. All this section which is in the counties of Levis, Dorchester, Bellechasse, Montmagny, L'Islet and part of Kamouraska, is a character equally as good as the best part of the eastern townships. It has the same formation, it has the same range of mountains, the Alleghanies, which traverse the eastern townships; and what you have to-day in the eastern townships you will have in that section of the country, that is to say, fruit, dairy and cereal products, and valuable timber, everything which an agricultural community requires. In the counties of Kamouraska and Temiscouata, I understand, the country is rougher. In New Brunswick the country is fairly good. I cannot do better at this point than to give you the testimony of the engineer, which the chairman of the Transcontinental Railway Commission has kindly furnished me at my request. Mr. Foss, one of the engineers, writes as follows:

Report of the nature of the country and soil through that part of New Brunswick traversed by the Transcontinental Railway.

Generally the soil is fairly good and the country well fitted for agriculture.

From Moncton to Chipman, mile 0 to 59, about 10 miles, is through a cultivated region, and the balance is fairly well wooded, with a mixed growth of soft and hard wood, soil for the most part fairly good. From Chipman to the crossing of the Canada Eastern Branch of the Intercolonial Railway, mile 57 to 97, about 10 miles, through a cultivated country, the balance fairly well wooded with a mixed growth of soft and hard wood, soil for the most part fairly good.

From the Canada Eastern Railway to the Tobique, mile 97 to 165, through a heavily wooded country, with soft wood in the low lands and heavy hard wood on the ridges. These ridges are good farming land, and the hard wood of value as soon as the railway is built. From the Tobique to Grand Falls, mile 165 to 197, about 12 miles, through farming lands or skirting along the edges of farms, the balance through heavy timber and land of mixed growth, the most of it excellent farming and grazing land.

From Grand Falls to the boundary of Quebec, mile 197 to 266, mostly in the St. John river valley, through a well settled country, with good soil.

This report is based on the personal knowledge of the writer, who has travelled over nearly every foot of the line in New Brunswick.

Very respectfully submitted,

(Signed) C. O. FOSS,
District Engineer, District A.

This is as satisfactory as it can be. This is not, however, the reason why we built that section of the line, it was not for the development of that section that we built it. We built it rather for commercial and national reasons, because we believed, as I said, that this transcontinental railway, to be effective, must extend from one Canadian

water to the other Canadian water. I gave some of these reasons when I introduced this project in 1903, and one of the reasons which I gave at that time was that we wanted to become absolutely independent of the bonding privilege, which at the present time makes us dependent upon the United States. This reason then put forward by myself has been strongly attacked; it was attacked this morning by the hon. member for North Toronto, it was attacked the other day by my hon. friend the leader of the opposition, who no doubt thought he had demolished my statement, at least to his satisfaction. In order to do him no injustice I will quote the very language which he made use of. I will give it just as it is in all its pointedness:

Six years have passed, and in the interim, as the right hon. gentleman well knows, we have not heard the slightest whisper or word about the repeal of the bonding privilege, and so it is that two-thirds of the speech which the right hon. gentleman then made before this parliament in reference to this matter stands as mere idle wind, designed as an excuse for undertaking this enterprise with such haste and such want of consideration.

It is very true that during the past six years there has been nothing to mar our good relations with the United States, but, is that a reason why we should not guard against the danger always existing, even although it is not always imminent? I might go much farther than the language of my hon. friend. It is very true that we have not had any trouble with our neighbours in the last six years. It is even truer, and I am glad of it, that our relations never were more cordial or more friendly than they have been in the last six years. It is also true, and I am proud of it, that since we have been in office we have had no difficulty with our neighbours. We have had sometimes small bickerings, which will occur occasionally in the best families, but we have had no serious conflict. We have had no serious quarrel with any one, and yet we are spending every year millions of dollars to defend our territory against a possible invasion. We spent $6,000,000 last year, and we have been spending $6,000,000 a year for some years past. I never heard this policy challenged by anybody. If I may refer to a past debate for a moment I might remind the House that my hon. friend from Nanaimo (Mr. Smith) spoke against the frills and feathers but, as to the substance of the expenditure no one has ever ventured to crititcise it. More than this, the hon. member for North Toronto, who, this morning, repeated this argument, introduced a motion into this House in order to induce us—to compel us—if possible, not only to provide for our defence on land but for our defence on sea as well. I agree with him that it is part of the duty of the nation to provide for its defence both by land and on sea. But, is it any less a duty that we should secure our commercial independence against any possible interference with it? That is the motive which has impelled this course, and if my hon. friend takes issue with me upon this question, all I can say is so much the worse for my hon. friend.

Then, another reason why my hon. friend challenged our action in this respect was, that, in his estimation—at all events this was the statement which was made by him, this was the position which was taken by him and his friends when we introduced this project, the line which we are building between Moncton and Quebec will be absolutely barren of results, that it will be absolutely useless, that when the trade from the west had reached Quebec it would be as near Portland as it would be St. John. This sentiment was also shared by my gallant friend from Victoria and Haliburton (Mr. Hughes). I would have expected that sentiment from anybody else but himself, but I am sure that I was shocked and scandalized when I beheld the hon. member for Victoria and Haliburton taking such an unpatriotic attitude. I would have hoped that he would have stood by Canada and that he would have insisted that Canada should have an independent line to the sea.

Mr. HUGHES. Will the right hon. gentleman be good enough to show where, either directly or indirectly, I have ever failed to stand by Canada? I have never gone to Washington and been kicked out.

Sir WILFRID LAURIER. I will show why, I think, the hon. member put the question he did a moment ago.

Mr. HUGHES. I was admiring the attitude of the Prime Minister.

Sir WILFRID LAURIER. But, it has been stated that this line would be of no avail because the Grand Trunk would turn away the trade from Quebec towards Portland. The Grand Trunk Railway Company, like everybody else, is animated by interest, and if we make it to the interest of the Grand Trunk, if we have a better railway than it can have from Quebec to Portland, I am sure that it will not prefer the inferior road. It is true that the railway does not come up to the standard that we had expected, but we are building from Quebec to Moncton a railway which generally will have a 4-10ths of one per cent grade. There is a pusher grade one way and a pusher grade the other way, but a train would be able to ascend the ridge with the help of one more engine—that is all—it is only for a short distance. So, on the the whole, we have a better road. But, is that the only way we can force trade through our own territory? We have already taken measures to have trade pushed in our own territory. Two years ago this House pass

ed a resolution unanimously, with the concurrence of the hon. the leader of the opposition (Mr. R. L. Borden), with the concurrence of the hon. member for North Toronto (Mr. Foster) and the concurrence of everybody who had a seat in this House, to this effect:

That on and after a date to be mentioned by the Governor in Council the British preference shall apply only to goods brought into Canada if shipped through a Canadian port.

That is a measure we have taken to compel trade to come to our own ports. Parliament has not exhausted its powers in this respect, and all I have to say upon this point is that the question of confederation has not been dealt with on geographical lines. It has been dealt with in a manner to give effect to the national idea, the political idea, the idea being to found upon this zone of the American continent a new nation endowed with British institutions, and everything that stands in the way of a realization of that idea must be overcome. That is the policy of this government.

Another objection which I did not hear to-day but which I heard some few years ago from my hon. friend the leader of the opposition was that we did not make use of the Intercolonial Railway. Yes, I also heard it from my hon. friend from North Toronto to-day, He asked: Why did you not make use of the Intercolonial Railway in order to extend the Transcontinental Railway to the maritime provinces? Why did we not make use of the Intercolonial Railway? For the same reason that the Conservative government of that day refused to make use of the Intercolonial Railway to extend the Canadian Pacific Railway to the maritime provinces? It is a matter of history as well that when the Canadian Pacific Railway had been extended from Callandar to Ottawa, from Ottawa to Montreal and from Montreal to Quebec, great pressure was brought to bear upon the government of that day to have the new National Railway extended from Quebec to the maritime provinces. The pressure was strong upon the government of the day and a legitimate pressure it was. They had to give way to it but did they take advantage of the Intercolonial Railway to carry out this extension of the National Railway to the waters of the Atlantic in Canadian territory? No, instead of that they subsidized a new line from Montreal to a maritime province port and subsidized it through the state of Maine. Why did they do that? Because it was found that the Intercolonial Railway was unsuited to the purpose of the Canadian Pacific Railway. What existed then exists to-day, and what was a good condition for the Canadian Pacific Railway is an equally good consideration for the Grand Trunk Pacific. Now, Sir, this is the justification of our policy, and I believe it is a sufficient and reasonable answer to all the objections which have been raised under this head.

A new objection is now brought to our attention. We are told: 'You are giving a favour to the Grand Trunk Pacific Company, you are modifying the contract which you entered into with them in 1903 and 1904, and therefore it is legitimate that you should ask a price, that you should ask a compensation from the company for what you are giving to them. I have to repeat here what I stated a few days ago: that by this loan which we contemplate granting, we have made no modification whatever of the contract. We have not in any way modified the terms which were granted to the Grand Trunk Pacific Railway Company in 1903 and 1904. My hon. friend the leader of the opposition stated that it was not a formal but it was a practical modification of the contract, and my hon. friend from Simcoe (Mr. Lennox) went further—he never does anything by halves—and he stated it was not only a modification of the contract but a repudiation of the contract.

Mr. LENNOX. Hear, hear.

Sir WILFRID LAURIER. My hon. friend adheres to his opinion?

Mr. LENNOX. That is what I say.

Sir WILFRID LAURIER. Well, if the idea which my hon. friend has in his mind, but which he has not given utterance to be correct; and if this be a clear gift to the Grand Trunk Pacific Railway Company, then my hon. friend is right that this would be a modification or a repudiation of the contract. But if it be not a gift but a loan; if the money is repaid, as I feel sure it will be repaid, what modification or repudiation of the contract will there be? I know my hon. friend's argument; he has stated that there is a repudiation of the contract because the Grand Trunk Pacific Company has not undertaken to provide for the building of the railway out of their stock. He says they have $25,000,000 worth of stock, that they do not use that stock for the carrying out of the enterprise and that therefore it is a repudiation of the contract. But, as I said in 1903 I say now: time will not wait; we must go on with the enterprise. Does my hon. friend believe that in the present state of the money market the Grand Trunk Pacific Railway Company would be able to raise a great deal of money upon that $25,000,000 of stock? Does he believe that if they were to put it on the market now they would be able to raise sufficient capital to carry on the enterprise? Why, the hon. gentleman knows that at the present time the stock would possibly not be saleable, and therefore the company has to wait until the market has sufficiently appreciated to make it to its interest and

to the interest of the country to realize upon it. Under such circumstances, and in view of the existing financial crisis the only manner in which the company could carry on the enterprise upon fair terms was to do what was done by the Canadian Pacific Railway in 1884 and come to the government and ask for the credit of the country to raise the necessary money. My hon. friend (Mr. Lennox) stated this morning that this operation was not on all fours with the operation in 1884. What is the difference, let me ask him? In 1884 the Canadian Pacific Railway Company found themselves in exactly the same position that the Grand Trunk Pacific Company find themselves in to-day. The Canadian Pacific Railway Company could not raise the money on the market and it therefore had to come to the government and to ask the credit of the government to carry on their project. I was struck with the argument used the other day by my hon. friend from North Grey (Mr. Middlebro), and I shall refer to that argument now. By way of showing how much better were the terms that the government in 1884 made with the Canadian Pacific Railway than the government of to-day is making with the Grand Trunk Pacific Company, he went on to give the value of the securities which were placed in the hands of the government at that time by the Canadian Pacific Railway Company, and he used these words:

In the case of the Canadian Pacific Railway contract, we had a first mortgage on 3,393 miles of railway, at, $50,000 a mile equal to $170,000,000; we had 21,000,000 acres of land, at $1.50 an acre, $31,500,000, a total of $201,500,000. Against that there was only a mortgage in respect of the Canada Central and other branch lines of $5,333,000; and land bonds outstanding to the net amount of $1,123,000; making a total encumbrance of $6,456,000. Deducting this from the total value of the security received, leaves $195,044,000 of clear absolute security for the loan of $30,000,000. In addition to that, we had a first lien on the company's postal subsidies, on their steamships, on their after-acquired land, on the branch lines that they might thereafter build, and Dominion, provincial, or municipal subsidies, and upon all the property that they owned. So I think I am safe in saying that we had a security valued at $200,000,000 on which we proposed to lend $30,000,000.

I have not a word to say against that statement; I have not the slightest exception to take to what the hon. gentleman says there; I believe that the securities which were offered to the Canadian government at that time are fully worth $200,000,000 to-day. But what were the conditions that faced the Canadian Pacific Railway Company in 1884? It was a young company composed of able and active men, and yet it was offering $200,000,000 in securities in order to borrow $30,000,000, and notwithstanding that company sought in vain to borrow one dollar from all the financial institutions of the world. It is a matter of history that in Montreal they exhausted their credit, that they went to New York without avail, that they went to the money markets of London and Amsterdam without success, and that having exhausted all their efforts they had to come to the government of Canada, and Canada had to lend them its credit to extricate them from the difficulty in which they found themselves. Is it extraordinary, therefore, that if in 1884 the Canadian Pacific Railway Company could not raise $30,000,000 upon securities valued at six times that amount, that the Grand Trunk Pacific Railway Company should to-day find it better financing and better business to come to the government and ask the credit of the govenment rather than to put their securities on the market at a very substantial loss. It seems to me that this is an argument which will appeal to the fairness and the common sense, even of my hon. friend from North Grey, and I feel sure he will apologize to the House for the very bad argument he made upon one point, even though he made a good argument on another point. It is true that we have not from the Grand Trunk Pacific Railway Company the same amount of securities that the government obtained from the Canadian Pacific Railway Company. Well, if we had been as generous to the Grand Trunk Pacific as the government of that day was to the Canadian Pacific Railway we might also have lots of securities to take as a pledge. If we had given to the Grand Trunk Pacific Company 25,000,000 acres of land; if we had given to the Grand Trunk Pacific some hundreds of miles of railway already built; if we had built for them the mountain section and the section along the north shore of Lake Superior, then we could have had from the Grand Trunk Pacific Company far better security than they are able to give us to-day. But, nevertheless, though they cannot give us their own security they give us an endorser in the person of the Grand Trunk Railway Company of Canada, which I think is quite solvent and quite able to answer for the amount which we are going to loan. I have heard this matter discussed; I know that there are skeptics on the other side of the House—I stated a moment ago that bad as it is, skepticism is the least of all the faults of hon. gentlemen opposite. For instance, my hon. friend from South Simcoe (Mr. Lennox) is satisfied that this loan will never be repaid, although it is guaranteed by both the Grand Trunk Pacific and the Grand Trunk Railway Company itself. Does my hon. friend believe for one moment that the Grand Trunk Railway Company will make default on these bonds? They will be honoured, every cent of them.

Mr. LENNOX. I did not assert in any shape or by any inference that this loan would never be repaid; but if my right hon. friend asks me the question, I say, judging from the experience of the past, that there is great doubt whether it will ever be paid or not.

Sir WILFRID LAURIER. That is exactly what I meant. I was sure my hon. friend would say that. I do not pretend to be a mind reader, but it is not difficult to read his mind. We know his way of thinking, and therefore the conclusion is not difficult to reach.

There is only one question as to which I think we can have reasonable discussion: it is as to the cost of the road. As to this there may also be some unreasonable criticism. The road is far more expensive than for my part I had calculated; but I will ask hon. gentlemen to name one of the great enterprises that go beyond the ordinary business of every day, in regard to which the estimates of the engineers have not been exceeded. It seems as if these gigantic enterprises, in the immensity and variety of their details, are never fully conceived in the minds of engineers, and almost invariably experience shows that there have been obstacles which were not thought of at their inception. The last century has been prolific in great enterprises, and I think I am safe in saying that it is not possible to single out one of them in which the estimate of the engineers has not been greatly exceeded. Perhaps the greatest work conceived during the last century was the digging of the Suez canal. The estimate of the engineers was that it would cost $20,000,000, and the canal was commenced in 1859 and was to be completed in 1864. It was not completed until 1869, and its cost turned out to be $80,000,000. In England one of the great works of the country was the building of the bridge over the Firth of Forth, which was built by two of the most eminent engineers of England, which of all countries is perhaps the most eminent in engineering science—I refer to Sir John Fowler and Sir Benjamin Baker. The estimate of the cost in our money was $6,400,000, and the cost of the work when completed exceeded $10,000,000. Coming to the United States, we find that the bridge over the East river between New York and Brooklyn cost 47½ per cent more than the original estimate. If we come to Canada, the Victoria bridge is a monument of scientific engineering, a work of which we have reason to be proud, built by that eminent engineer, Robert Stevenson, and its cost was 35 per cent more than the original estimate. My hon. friend the leader of the opposition, in discussing this matter the other day, referred to the Panama canal; he also alluded to it a moment ago. It so happens that there is in the current issue of 'McClure's' magazine an article on the Panama canal from the pen of no less a person than President Taft himself, who, as we know, had a good deal to do with that great work; and this is what he has to say as to its cost:

> The second circumstance is with reference to the cost of the work. The estimate of the cost of the canal, exclusive of the interest during construction, sanitation, and expense of zone government, and the $50,000,000 paid Panama and the French Company, was $139,705,200. The present estimate of the cost of the canal as now projected, exclusive of the same items, is $297,766,000, or a grand total of $375,000,000.

So that the present estimate of the cost of the canal is over 100 per cent more than the original, and the canal is not built. When it is built, we shall know its real cost.

As I have said, the cost of the Transcontinental Railway has been in excess of what we had anticipated, but my hon. friend the Minister of Railways has given to the House what I think is the paramount reason for this. This road has been built upon a different plan altogether from the plan on which such roads are usually built. Railroads have usually been built first of all in as cheap a manner as possible—with heavy grades, inferior curves, wooden trestles and light rails; and afterwards the road is built and rebuilt. In this case the company has thought it better, and I believe it is wise economy on their part, instead of building a cheap road at first, to build at once a solid permanent road, instead of rebuilding the road three or four times over as the Canadian Pacific Railway Company has done. That is the reason the cost of the road has been greater than the estimate. I do not say this as an excuse, for whatever the cost of the road is, we must go on with the enterprise; but I am glad to say that there has been no extravagance, that every dollar of the money has been honestly expended. If we compare the cost of this road with the cost of similar enterprises, we find after all that the cost has not been excessive, but absolutely normal. A friend of mine, an engineer, has collated for me the following figures as to some other great roads:

Railway.	Mileage.	Total cost.	Average cost per mile.
Southern Pacific Railway	9,834	711,000,000	$72,400
Southern Railway	6,051	293,000,000	48,900
St. Louis and San Francisco Railway	6,000	280,000,000	46,600
Atchison, Topeka and Santa Fe Railway	9,430	534,176,000	56,600
Great Northern Railway	6,636	319,000,000	48,000
Northern Pacific Railway	6,284	500,000,000	79,000

I understand, however, that the cost of this railway, as finally adjusted, will not be $79,000 a mile, but about $60,000 a mile.

Mr. GEORGE TAYLOR. That includes watered stock, I presume.

Sir WILFRID LAURIER. I have deducted the watered stock when I say that the cost will be $60,000 per mile instead of $79,000. Comparing the figures on our road with those, there is no reason why we should not be satisfied. These figures show that it compares very favourably with the standard railways.

Before I sit down, I wish to allude once and for all to the statement, which has been repeated for the thousandth time, that when I introduced this scheme I said all the road would cost would be $13,000,000.

Some hon. MEMBER. Hear, hear.

Sir WILFRID LAURIER. There are men who assert in all seriousness that I said we were going to build a railway from the Atlantic to the Pacific, on the western section of which we were to contribute a guarantee for three-quarters of the cost, and build the eastern section from Winnipeg to Moncton, and that all this would be done for $13,000,000. My hon. friend (Mr. Foster) repeated that this morning without a blush or a smile. He was quite serious; well, if he did not deceive anybody, perhaps he deceived himself, and I am not sure of that either. I said in laying the project before the House that we were going to build the eastern section ourselves and lease it to the Grand Trunk Pacific for 3 per cent of the cost; we were going to assist in the western to the extent of three-quarters of the cost and for this also we were going to receive 3 per cent, but that on the two sections, we would give the company an abatement of interest for seven years, and that would represent the amount which would eventually come out of the Canadian people. Let me read the words once more to my hon. friends, not that I expect that they will change their tune, but to see if there be any sense of decency left in them:

> When completed the company will lease the road and pay us a rental at the rate of 3 per cent per annum upon the cost of construction, whatever that may be. The same abatement of rent is provided also as in the case of interest on the western section. During seven years the company will be exempt from the payment of rent. For three years the company will be bound to pay the revenues and the tolls of the road if they amount to 3 per cent, and if they fail to amount to 3 per cent, then the difference between the revenues gathered and the 3 per cent will be capitalized and added to the cost of construction, and the company will pay interest upon it. So that here again the whole of the liability which is incurred by the government for the building of that section from Moncton to Winnipeg is simply seven years of interest.

We had to advance the money but all the treasury would be mulcted for in the end would be the seven years' interest, and I estimated that at $13,000,000. I agree that this was a mistake because the road will cost much more; but to pretend that I said we would build the railway for $13,000,000 is something which would never come out of the brains of any one though it has come very often from the mouth of some. On this point, however, I claim no vindication. The facts are there, and I leave them once more with all confidence to the judgment of the Canadian people.

My hon. friend was kind enough to say that this railway would be a monument to my memory. I confess that I feel deeply upon it, I did my best to have the project accepted, not only by my colleagues but by parliament and the people, but I never heralded it as a monument to myself, though some people say I did. But I say the time will come when that policy will be vindicated to its fullest extent and to the very letter. The Canadian people little realize at this moment what is the future of this great enterprise. Is there a man, in or out of the House, who does not believe that it has a great future, or that it is not only a commercial but an absolute actual necessity.

Mr. CROTHERS. Like every other hon. gentleman in this House, I have listened with a great deal of pleasure to the eloquent address delivered by the right hon. the Prime Minister. During his remarks he accused hon. gentlemen on this side of skepticism. I can only say that, having regard not only to the address we have just heard but to other statements made by the right hon. gentleman, I for one must plead guilty to the charge of being skeptical with regard to any statements made by him respecting this transaction. His charming language and fascinating manner would almost persuade one to become a skeptic, even if he were to rely upon that address alone. But this is not the first eloquent speech the right hon. gentleman has delivered on this question. He has delivered several on the question of the Transcontinental Railway and on many other subjects, and I do not propose to follow him through his somewhat lengthy utterances, but to touch merely on one or two points which he endeavoured to make at the opening of his remarks. One was that he was very anxious the products of this country should reach the sea-board wholly through Canadian territory. Let me congratulate the hon. gentleman upon his conversion to that doctrine. Only a few years ago he nailed the colours of unrestricted reciprocity to the ship of

state. At that time he was not only in favour of sending a portion of our products to the United States, but waxed eloquent in favour of sending all of them. I am very glad the right hon. gentleman has returned to the fold and recanted those opinions, and congratulate him on having become a convert to the east and west lines of communication. But we always have some skepticism when listening to the eloquence of a new convert. We know that he is apt to be more enthusiastic than those who have borne the heat and burden of the day and are inclined to take what he said with more than a grain of salt. It is not surprising therefore that we should be a little skeptical.

The next position he took was that this transaction had on two or three different occasions received the endorsation, not only of this House, but of the country. Let me say that, in my humble opinion, neither the representatives of the people in this House nor the people themselves have had an opportunity of expressing an unprejudiced opinion on this scheme of the national transcontinental railway. What was the modus operandi? A contract was entered into at first with the Grand Trunk Pacific by the government, subject to the ratification of this House. The leader of the House came down here with a signed contract, and the question with his followers was whether they should support that contract and have the government remain in office or reject it and have the government resign from office. It was a question of confidence or non-confidence, and the followers of the government voted, not on the merits of the case, but in order that their party might remain in power. But, Mr. Speaker, when the matter first came before this House for ratification, did the right hon. gentleman present the facts, or anything within reasonable distance of the facts regarding this contract? I remember the eloquent speeches that he delivered in those days. We remember him telling the people of this country that we had mountains of information. At page 7680 of 'Hansard' of 1903, he said.

> In that year, 1872, the Canadian government undertook a systematic and scientific exploration of the whole northern region from Lake Abitibi westward to the Pacific ocean. From the year 1872 to the year 1880 no less than twenty-eight expeditions were organized to visit, explore, and report upon that country. . . . Mr. Marcus Smith, Mr. Cambie, Mr. Hunter, Mr. Gordon, Mr. Horetzky, and several others, all engineers of eminence, crossed and recrossed that territory and became as familiar with it as they were with the streets of Ottawa.

We are all proud of the Prime Minister, proud that we have a poet as Prime Minister, as is evident in this very sentence:

> 'Crossed and recrossed that territory and became as familiar with it as they were with the streets of Ottawa.' And his followers behind him cheered him to the echo.

> Any one who to-day would care to look into the reports now accumulated in the archives of the Railway Department will know that country, just as he may know his own home.

So the right hon. gentleman knew this country and he was speaking of that portion of the road. He spoke of the portion east of Lake Abitibi in the province of Quebec which he said had been explored several times. Now with all that information touching that road, knowing it as he knew his own home, or the streets of Ottawa, he told the people of Canada that this road would cost us only $13,000,000. That, of course, was not to be the total cost of constructing this road, but the sum that the people of Canada would have to pay by way of interest. I understood that at the time and I do not think the people of Canada were misled on that point.

Mr. PATERSON. Hear, hear.

Mr. CROTHERS. The Prime Minister took the position that if the people of Canada were to borrow hundreds of millions to put into this road, they would only be required to pay that amount of interest. I am only surprised that with his eloquence, with his ingenuity, with his capacity, the Prime Minister did not go a little further and prove to the people of Canada not only that it would only cost $12,000,000 or $13,000,000, but that it would not cost them a cent to construct the road. Why? Because the minister proposed to go to England and borrow the money. He might have gone a step farther and have said to the people of Canada: 'It will not cost you a cent because at the end of each year, when the interest comes due, I will go to England and borrow the money. The Prime Minister based his statement that it would not cost the country more than $12,000,000 or $13,000,000 upon figures supplied to him by the Minister of Finance, who estimated that the eastern section of the road would cost $51,300,000. That estimate was arrived at after very close calculation on the part of that great financier, the Finance Minister of Canada. He knew then, as he knows now, that these great enterprises always cost two or tree times as much as the original estimate, but he made that statement and it was repeated by every one of his followers throughout the country. Yet the Prime Minister has the courage to announce in this House that he received the endorsation of the people of Canada. I do not wish to say anything offensive or to accuse the Prime Minister of intentionally making a statement that was not true or of intentional misrepresen-

tation, but I do say that when these statements were made to parliament and through parliament to the people, parliament and the people of Canada were both grossly misled. I am surprised at the courage of the Prime Minister, after admitting to-day that that section will cost at the least $150,000,000, in saying that in 1904 he received the approval of the people of Canada with regard to this measure.

Coming down to the election campaign of 1908, the right hon. gentleman visited the province of Ontario and he was apparently so busy there in satisfying the people of Ontario that he was a straight Grit, that he had no time to discuss the Grand Trunk Pacific. He said, as reported in the 'Globe':

I am a straight Grit. Not an independent Grit (cheers), but a Grit out and out, and the man who is nearest my heart is the man who is a Grit like myself and it is as a Grit that I ask you all, ladies and gentlemen, to give your support to my friend Mr. Smith.

Mr. Speaker, statesmanship, elegance, dignity and patriotism: No appeal to intelligence, no appeal to the judgment of the people, no appeal to conscience, no appeal to patriotism, no argument in favour of constructing the Transcontinental Railroad, but: 'I am a straight Grit, not an independent Grit, but a Grit out and out.' The right hon. gentleman's experience satisfied him that this was the most effective style of argument. He might have said not only that he was a straight Grit, but that he was a fossilized Grit and that he appealed to fossilized Grits in the province of Ontario, not that he appealed to their judgment, to their conscience, or that he appealed to them on high national principles for their votes. Then he went down to the province of Quebec. Did he there tell anything about the cost of the Transcontinental Railway? Did he give such an eloquent description of what it will do for the country as he has done to-day? Did he appeal to the conscience, the independence, the patriotism of the people of Quebec? What was his appeal?

The same blood flows through my veins that flows through yours.

And, Mr. Speaker, when he came to Ottawa, he saw a report of a speech delivered by his colleague and the only thing that struck him in that speech was the opinion of his colleague touching the increase in the salaries of the Civil Service in Ottawa. He wrote a letter to his colleague saying: 'I quite endorse your opinion touching the increase of the salaries of the Civil Service, and you have my permission to say so.'

Mr. Speaker, the Prime Minister of Canada, the man standing at the head of the nation, the man whose office we all admire and respect and esteem and revere, might have been expected to have appealed to the people on a higher plane than that. We would have expected the right hon. the Prime Minister of Canada, if his colleague in Ottawa had suggested to him the propriety of writing such a letter to the people of Ottawa, we would have expected him to say, 'No, Mr. McGiverin, I am not running this election on a peanut policy. I am at the head of the government of Canada. The interest of Canada, the great transactions in which we are engaged, are of more importance than your success or mine. I do not propose to discuss with you at this time such a small question as the salaries of the civil servants at Ottawa. There are great national questions at issue. My sentiments, my interest in the people of this country, my patriotism, force me to say to you that I will not descend to these insignificant questions.'

Now, Mr. Speaker, when we had that campaign in Quebec, when we had that campaign in Ontario, when we had that campaign in Ottawa, does it not require considerable courage on the part of the Prime Minister to stand up before us and boast of the people of Canada having on several occasions approved of what he has done in regard to the Transcontinental Railway? Now with these mountains of information, we had the right hon. gentleman telling us in eloquent terms—because he is always eloquent, we are always delighted to hear him, we are always proud of him. His charming language and his fascinating manner, as I said a moment ago, almost convert those who are sitting opposite to him—but with all this information, with the knowledge he then had of the different parts of this country, equal to the knowledge he had of his own home, as familiar with these different sections as he is with the streets of Ottawa, he told the people of Canada that the eastern division would only cost $51,300,000. He has cited two or three other cases here to-day where the actual cost was a great deal more than the first estimate. I think the largest difference he mentioned was 100 per cent. Now we have it admitted that this eastern division will cost $150,000,000. 50 in 150 goes three times. How much percentage is that? 300 per cent. I venture to say, Mr. Speaker, that he is not able to find a parallel in the whole railway history, in all modern engineering, where the real cost so far exceeded the estimates. We were told also that we were going to save from 120 to 140 miles by the construction of this road through New Brunswick; and to-day it is admitted that we are saving about 29 miles. The right hon. gentleman was familiar, from the explorations, from the documents in the archives, as familiar with the whole road across to the Pacific as he was, he told us, with his own home, with the streets of Ottawa. The right hon. gentleman told us that the mountain sec-

tion was about 600 miles in length, and his colleague the Finance Minister put it at 480 miles. What have we now? It is now stated by the Finance Minister that the mountain section is 839 miles, and in a letter which Mr. Hays wrote to the Finance Minister on the 16th of November last, this prairie section has been extended 130 miles further west than it was contemplated at the time the agreement was made; 839 and 130 will give you 969 miles as the length of that mountain section at that time. And yet we have the right hon. gentleman putting it at 600 miles, with his mountains of information; and we had the Finance Minister putting it at 480 miles, with his mountains of information. So, Mr. Speaker, what is one of the most discouraging and humiliating features of this whole transaction, is the utter unreliability of the statements that are made by hon. gentlemen opposite, not only the unreliability with reference to the original statements they made but the unreliability of the statements they have recently made. I do not see, Mr. Speaker, how hon. gentlemen in this House can vote on this question, and vote intelligently, how they can be otherwise than in the condition in which the right hon. gentleman describes us, that of skeptics. Why, no longer ago than the 13th day of April, 1908, just one year ago, the Minister of Railways brought down a return to this House stating that the prairie section would cost $21,873,000—only one year ago. What have we now? We have it stated now that the $11,000,000 we raised has all been expended except I think $1,000,000; the $10,000,000 raised by the Grand Trunk Pacific Railway Company on guarantees given by the Grand Trunk Railway Company will make you over $20,000,000; the Grand Trunk is to get back $7,000,000 now of this sum we are advancing, and that makes up about $27,000,000, and there are about 600 miles of it constructed. When I saw this letter that was sent to the Finance Minister on the 16th day of November, I supposed in my innocence, and I think the people supposed, that that $10,000,000 was asked for to enable the company to continue the construction of the prairie section on to the mountain section. I will read a sentence or two from that letter:

> By reason of the extension of the prairie section 130 miles further west than was contemplated, it is found that an additional sum of $10,000,000 will be needed to complete the section to Wolf Creek which is the dividing line between the prairie and mountain sections. To raise this additional sum it will be necessary to make a further issue of bonds as contemplated by section 34 of the agreement of the 29th July, 1903. . . . Further legislation will be required to enable the company to fully carry out what was contemplated by these agreements respecting the issue of bonds to provide the balance re-
> To provide the balance required.
> —(above the proceeds of the government guarantee) for the completion of the prairie section of the western division, and we desire to have an assurance that your government will, at the forthcoming session of parliament, introduce and support such legislation at the earliest date practicable. . . . Under such circumstances and in view of the urgent desire of the government that the enterprise shall be prosecuted without any delay, we ask the government to assist us in the utilizing of these bonds.

And so on. Near the end of the letter he says, speaking of this sum required for the completion of the prairie section:

> I would therefore urge that such measures of immediate relief be given as will enable us to do this and avoid the disastrous effect on the credit of both the railways and the country which would necessarily result from a stoppage of the work.

Now, Mr. Speaker, reading that letter any one would come to the conclusion that the work already done had been paid for, and that $10,000,000 was required to continue the construction work. I submit that that was a misleading statement to make, misleading to members of this House and misleading to the people of this country. We all understood at that time that the $10,000,000 was required to continue the work on to the mountains. And what are we told now? We are told that about $7,000,000 of the $10,000,000 is already expended, and that there will be only $3,000,000 left. Then, Mr. Speaker, it has been in substance admitted by the right hon. gentleman and by the Minister of Finance, that negotiations were afoot with the officers of the Grand Trunk Pacific Railway Company prior to the 26th of October last. Why did not the right hon. gentleman and why did not the Finance Minister mention that in discussing these matters or in discussing any other matters with the people of Canada? Was the little sum of $10,000,000 too small and too insignificant for them to submit to the people of Canada? Why did they withhold it? Is it not in keeping with their whole conduct in regard to this matter? Does it not appear to have been the well settled policy that this government should humbug the people in reference to this Transcontinental Railway? The Minister of Finance was up in our province during the elections. These negotiations were going on with the president of the Grand Trunk Pacific, but he never uttered a sentence to the people of Ontario with respect to them. He was too busy telling the people of Ontario, why he had expended such large sums of money. He told them that he had expended these large sums of money because he had them to expend. The most reckless spendthrift in the country might say: 'I have spent all

I had because I had it to spend.' The prodigal son might have said: 'I have squandered the substance which my father gave me, in riotous living because I had it to spend.' But the time came when he fain would have filled his belly with the husks that the swine did eat, and no man gave unto him. Yet, in the face of this we find the right hon. gentleman coming to this House, and, through this House, saying to the people of Canada that they should approve of this loan of $10,000,000, that they have already approved of it two or three times, that his soul is so lofty that he is thinking only now of keeping our products out of the United States and that he has reformed since; a few years ago, he nailed the colours of unrestricted reciprocity to the mast and declared that he would never tear them down until they waved triumphant. As far as I am concerned I confess that I plead guilty to being a skeptic. I also submit that the conduct and the statements of these hon. gentlemen in 1903 and 1904, and often and often repeated since, would convert the firmest believer into the most pronounced skeptic.

Mr. R. L. BORDEN (Halifax). Mr. Speaker before the Bill is read a third time I desire very briefly to present some considerations to the House in connection with the proposal. The right hon. Prime Minister (Sir Wilfrid Laurier) has referred to the supposed skepticism of hon. gentlemen on this side of the House with regard to the resources of this country and he has repeated the parrot-like cry that has resounded throughout this country from one end of it to the other, whenever a Liberal orator ascended a Grit platform, that the Conservative party, in 1903 and 1904, opposed the project of the Transcontinental Railway. I take issue with the right hon. gentleman on that point as I take issue with him on some other points and I say that we declared then, as we declare now, that the Conservative party which carried to a triumphant issue the proposition to build a transcontinental railway across this continent in days gone by, have always shown that they had and have the courage, the faith and the belief in the resources of this country that should characterize every patriotic citizen of Canada. I was a little surprised at the audacity of the right hon. gentleman in reference to the skepticism of the Conservative party in regard to the resources of Canada. I think that it indicated that the right hon. gentleman's nervous system is increasing in force and vitality as the years go by.

Mr. PATERSON. That is good.

Mr. R. L. BORDEN. That is good, but some other things were not so good in days gone by, namely, that the two hon. gentlemen who sit on the front benches to-day were crying out to the people of Canada that the western country was worthless and that it would be a waste of public money to build a transcontinental railway through it. My hon. frend the Minister of Customs shakes his head. Did he ever rise and take issue with his leaders who were shouting that? I do not think so. Did the right hon. gentleman ever rise and take issue with his leader who was shouting that in this House and on every platform throughout the country? For gentlemen of this calibre to tell us in these days that we are skeptics in regard to the resources of Canada partakes of a bravado which does not seem to be accompanied by very much discretion accompanying it.

We did take issue, Mr. Speaker, with the precipitate character of their entrance into this project. They told us that they had mountains of information. To-day we find that they have not mountains of information. The right hon. gentleman says that he must fain admit to-day that his calculations as to the cost of this road have not been borne out and he has endeavoured to support himself in that regard by references to the Panama canal, the Suez canal and various railways in the United States. I want to tell the right hon. gentleman that alongside of this Grand Trunk Pacific Railway in the western part of Canada there is another railway supplying the same country, serving the same people. I refer to the Canadian Northern Railway and I have very good reason to believe that that road was built for less than half the amount that has been reported to this House as the cost of this railway. Does he wish to go to the United States of America for a comparison? Has he ever heard of the Pennsylvania Railway system? I am not speaking of watered stock and we are not discussing watered stock. We are discussing the actual stock of railways throughout this country. Let me point out to him the report—a report which has been placed in my hands by my hon. friend from North Simcoe (Mr. Currie)—of the Commissioners of the British Iron Trade Association in respect to American industrial conditions and competition published in 1902 in which they go more or less into the cost of some railways in the United States and in which they deal especially with the Pennsylvania system of railways which is, as everyone knows, one of the greatest, if not the greatest railway system in the world and probably the most perfectly constructed and up-to-date system that is known on this continent. They find that the cost of this road was £3,300 per mile or less than $16,500 and that the cost of land per mile was £1,155. Everyone knows that so far as the construction of this Transcontinental Railway is con-

cerned, the cost of the right-of-way is an infinitely smaller consideration because from beginning to end the right of way has cost practically nothing at all. Then, the cost of equipment of the Pennsylvania Railway was £2,400 per mile. It is true that the capitalization of that road is excessive being something like £18,000 per mile, but cost not capitalization is what we are discussing to-day.

Mr. CONMEE. Will the hon. gentleman state the date of that report?

Mr. R. L. BORDEN. 1902. My right hon. friend has referred to the speech of my hon. friend from North Toronto and has said that he spoke of some hybrid scheme. As far as I can understand the only hybrid scheme to which he has alluded was the proposition of the Grand Trunk Pacific in the first instance. The Prime Minister said that that scheme was half Canadian and half American. What do you think of a scheme for a national transcontinental railway upon which this country has paid out, or will contribute in cash and credit, perhaps $225,000,000 or $250,000,000, and which has its winter port, as far as we can understand at the present time, in the United States of America and not within the limits of Canada at all, a point to which I will direct attention again and to which I will ask the consideration of the House by a resolution I shall move.

But my right hon. friend excelled himself when he came to deal with the bonding privilege. The chief consideration placed before the House by the right hon. gentleman in 1903 was the imminence of danger by reason of the possible or probable abrogation of the bonding privilege by the government of the United States. He admitted to-day that we have not heard much about the abrogation of the bonding privilege since he made that famous speech in 1903, but he still persists in asserting that Canada has been saved from some great impending danger by the course he took at that time. Let me ask the right hon. gentleman three questions. Did or did not the Intercolonial Railway exist before the 30th day of July, 1903? Is or is not the Intercolonial Railway built wholly upon Canadian territory? Does or does not the Intercolonial Railway connect at Montreal with the Canadian Pacific Railway system? These are three pertinent questions which I have the rght to put to the right hon. gentleman, and which touch the very essence of his argument that the $30,000,000 or $35,000,000 expended on the National Transcontinental Railway from Quebec to Moncton has been of any real service to Canada with respect to the bonding privilege. And, Sir, the net result of it all is that Canada has been saved from this tremendous danger in connection with the bonding prvilege by the construction of a railway line at an expense of $30,000,000, which saves 29 miles of distance between Quebec and Moncton. It is thus that in the mind of the right hon. gentleman Canada has been saved from such dangers as he pointed out in 1903, and reaffirmed this afternoon. Can absurdity go farther? The Intercolonial Railway is upon Canadian territory. The Intercolonial Railway, according to the statement of the Minister of Railways this very session, desires and requires all the further traffic that can be placed upon it, but the right hon. gentleman persists in saying that we have been saved from some awful danger by the mere fact that we have shortened the line between Quebec and Moncton by 29 miles.

My right hon. friend further stated that in 1903, I declared that the line from Quebec to Moncton was absolutely absurd and useless. I did not make any such declaration. I did not then have sufficient information to enable me to judge one way or the other, nor, as the results have shown, did the right hon. gentleman possess any such information at that time. What I said then and what I repeat now is :

As to my attitude with regard to the Quebec-Moncton line, I say that if there is to be found a better and shorter line between Rivière du Loup, or any other point on the Intercolonial, and Moncton, a line which will give to Halifax and St. John, and the maritime provinces generally, a better fighting chance for western traffic than that which they have at present, I will support its construction. But I will not support it with the object for which this Bill provides. I will support the construction of that line as part of the Intercolonial Railway. I do not believe in constructing that better and shorter line for the purpose of handing it over to the Grand Trunk Pacific or any other railway company, but I do believe in constructing it and keeping it for the people's railway. That is my position, and it is a position which I am ready to discuss in the maritime provinces or anywhere else.

I went on to elaborate the argument, but I will not weary the House by quoting further. My right hon. friend also referred to a resolution passed by this House some sessions ago with respect to goods admitted to Canada, and claiming the British preference, but I would point out to him that if the statement of his own Minister of Railways is to be taken at its face value, and if the Intercolonial Railway requires all the traffic it can get, it is rather singular that the right hon. gentleman does not put that policy into force at once and give to the Intercolonial Railway a better chance of getting traffic than it enjoys to-day.

The right hon. gentleman told us that the Grand Trunk Pacific Company could not raise anything upon its stock ; but I would point out that if the Canadian Pacific Railway Company in 1882, in view of the denunciation of the scheme by the Liberal party of that day, at a time when that

western country was unknown, when the land was inaccessible, when the people of Canada and of the world at large had not that faith and confidence in it which they have to-day; if the Canadian Pacific Railway at that time could induce the promoters of the enterprise to take its stock at 25 cents on the dollar and afterwards at 50 cents on the dollar, it is to say the least peculiar that in these later days when that country has been populated to a very considerable extent, when immigration is pouring into it, when this enterprise is declared to be a paying enterprise from the very moment it commences to carry freight; it is I say a remarkable thing that the promoters of that enterprise have not put a dollar of their money into the road, but are depending absolutely upon bond issues, moneys raised by the guarantee of the government and of the Grand Trunk Railway Company.

Then the right hon. gentleman referred to the 250,000,000 acres of land granted by the government of Canada to the Canadian Pacific Railway Company, but he very discreetly omitted to mention that the government of which he was a member offered a very much larger quantity of land for the purpose of constructing that railway and were not able to get it constructed.

Leaving the speech of my right hon. friend for a moment and coming to what I have more immediately in mind, I recognize, as I have already said, that this enterprise upon which so much money has been spent both in eastern and western Canada, must be carried to a conclusion, and that it would be a misfortune that any stoppage of the work should take place. But we have to consider the object of this enterprise, and that object is set forth in the agreement of 1903 as follows:

> Whereas it is in the interest of Canada that a line of railway, designed to secure the most direct and economical interchange of traffic between eastern Canada and the provinces and territories west of the great lakes, to open up and develop the northern zone of the Dominion, to promote the internal and foreign trade of Canada, and to develop commerce through Canadian ports, should be constructed and operated as a common railway highway across the Dominion, from ocean to ocean, and wholly within Canadian territory.

I need not again allude to the fact that paragraphs 42 and 43 of this agreement declare specifically that aid was granted to the enterprise by the government of Canada for the express purpose of encouraging the development of Canadian trade and transportation of goods through Canadian channels to Canadian ports. The Grand Trunk Pacific Railway Company was pledged to the fulfilment of that condition and to use its best efforts for the purpose of carrying it out. But, in the first place the method by which the government sought to accomplish this was by selecting a company which had its chief winter port in the United States. That was an extraordinary feature of the whole enterprise. The object of this enormous public aid being that we should build up our own Canadian ports both in summer and winter, it does seem remarkable that a company was selected which has its winter ports altogether in the United States. I say that with no desire to cast any discredit upon the Grand Trunk Railway Company. It has its own commercial interests to serve; it has built up Portland, it has enormous interests there, it has expended enormous sums of money at that port, and I am not blaming the Grand Trunk Pacific Railway Company for endeavouring to make the best bargain it could with this government or with any one else with respect to its business enterprises. But the initial difficulty, a difficulty from which this government and this country can never get away, was that the company selected to assist the government in carrying out this enterprise was a company that had its winter port in the United States and not in Canada.

The next feature of the enterprise to which attention may be directed is that the undertaking was not to be carried out by means of a contract with the Grand Trunk Railway Company. If that company had been a party to this contract, it would have been forced by the voice of the Canadian people, as any government entering into such a contract would have been found to accept effective stipulations to use Candian ports during the winter months. But that was not done. It was the Grand Trunk Pacific Railway Company alone which entered into the stipulations in regard to the development of Canadian trade through Canadian channels.

Another feature was that the promoters were not required to put any money into the enterprise themselves, but were allowed to build it by bond issues—I am speaking of the western division—guaranteed by the Grand Trunk Railway Company and by the government, while the government undertook the entire financing of the construction of the eastern division. There has been an enormous drain upon the resources of our country for this work. Its purpose is to bring the enormously increasing traffic of the west to Canadian ports instead of leaving it to be diverted to ports in the United States; and yet what will be the inevitable result of the conditions which I have presented to the House?

My right hon. friend said he presented this enterprise to the people of this country with a firm heart. Does he present to-day with a firm heart the imminent danger that all that traffic will be carried in the winter to Portland instead of to St. John and Halifax? Is it for this purpose that the people of this country have supplied their cash and pledged their credit to the extent of $250,000,000? What was

my right hon. friend's answer when I put this question to him in the most pointed manner a few days ago? What was his answer when the hon. member for North Toronto (Mr. Foster) put it to him to-day and asked him what he was going to do about it? His answer to me was that the clause should be carried; and his answer to the hon. member for West Toronto was a complete avoidance of the question. There will be a lease of the section from Winnipeg to the Port Arthur branch and western traffic will be delivered to the Grand Trunk Railway, which, under the conditions as they stand at present, will be at liberty during the winter months to carry it to Portland instead of to St. John or Halifax. My right hon. friend tells us that he will select a more favourable occasion—when the lease will be granted to this company of the line from Winnipeg to the Port Arthur branch—for dealing with this question. I have already pointed out that the terms of the lease are already settled—that any lease of a portion of the line must, so far as the company is concerned, be on terms not more onerous to them than those of the lease of the entire line. I have pointed out further that the Grand Trunk Pacific Railway Company has the option of taking or not taking a lease of any portion of the line. Is there any answer to my argument that under these conditions the traffic is bound to go to Portland in the winter months? My right hon. friend says that the insertion of any necessary stipulation binding upon the Grand Trunk would be a modification of the contract. On that matter there may be a legitimate difference of opinon; but I adhere to my view that although there has been no formal modification of the contract, there is by the proposal of the government a practical modification of the contract. But if I accept my right hon. friend's assurance in that regard, then he is open to this retort, that if his proposal is not a modification of the contract, no more would it be a modification of the contract to insist that the Grand Trunk Railway Company should bind itself by some effective stipulation. It is not a party to the contract, and therefore to insist that it shall enter into some stipulation of that kind would be, according to the reasoning of my right hon. friend, no modification of the contract, and there is no reason why it should not be done. Therefore it seems to me that this is a time for action by the government; and, as they do not seem disposed to take any action in behalf of the maritime ports of Canada, I propose to make a suggestion by the terms of a resolution which I shall offer. Mr. Blair in this House, in 1903, pointed out, and with good reason, that in days to come the expenditure, which he put at that time at $15,000,000, now swollen to $30,000,000 or $35,000,000, would be taken into consideration as an expenditure for the transportation requirements of the maritime provinces in the future. But the feeling in the minds of the people of the maritime provinces will be that this expenditure should not be placed against them in the records of the country's expenditure when they find that this great national transcontinental highway will be utilized for carrying the trade of Canada to Portland instead of to the ports of the maritime provinces. That will be the net result, and is it a result to which my right hon. friend looks forward with a firm heart? I do not believe that the people of the maritime provinces will look forward to it with a firm heart, or with a rejoicing heart, but I think they will be firm in heart against proposals which look to a continuance of any such condition. Therefore, Mr. Speaker, I move:

That the order for the third reading be discharged and that the said Bill be referred back to Committee of the Whole House with power to amend the same by adding effective provisions binding the Grand Trunk Railway Company as well as the Grand Trunk Pacific Railway Company to fulfil the conditions upon which aid has been granted to this enterprise, namely, the development of trade through Canadian channels and Canadian ocean ports and forbidding the diversion of Canadian traffic to foreign ports except when specifically routed thereto by the shipper.

Mr. J. CONMEE (Thunder Bay). Mr. Speaker, it was not my intention to have taken any part in this debate, but some observations have been made by hon. gentlemen opposite which are quite contrary to my conception of this enterprise and to the advisability of making the loan under the circumstances which have been presented to the House. It has been argued that the Canadian Pacific Railway or the Canadian Northern offers as great security, from a military point of view, for connections between the west and the east as does the Grand Trunk Pacific. The hon. member for North Toronto (Mr. Foster) said that the Grand Trunk Pacific was not the most northerly road, that there were other lines extending farther north, and that consequently it was not as well located as regards military use or that it would be of as much advantage to the country in case of need as some of the existing lines. Well, while the hon. member for North Toronto (Mr. Foster) is usually very logical and very well informed on any subject he discusses, I do not think he did himself justice in dealing with this matter, because I cannot but think that if he had made himself fully acquainted with the positions of the several lines of railway to which he referred, he would not have contended that there is

any comparison, from a military point of view, between the Canadian Pacific Railway and the National Transcontinental. What are the conditions? It was said, why, the Transcontinental starts at Halifax, at Quebec, at Winnipeg, and so on from point to point across the country. That is true, but it is also true that from Quebec to Winnipeg its line is much more northerly situated than the Canadian Pacific Railway, and also that in this section it is a trunk line of communication between the east and west. That is to say it is the heart of the connection between the east and the west, and cannot be left out of the calculations if you have any regard for maintaining connection between the east and the west, assuming that we might unfortunately be involved in a contest with our neighbours to the south. The conditions are these: The Canadian Pacific Railway skirts for 250 miles the north shore of Lake Superior. I am not posing here as a military expert by any means, but I know sufficiently of military tactics, and national defence, to make this assertion, that, as a means of maintaining communication between the west and the east, in the event of trouble, the Canadian Pacific Railway is almost valueless. With anything like a powerful enemy, that line would be almost impossible to defend. It could be attacked at a hundred points during any night at all, whether bright or dark, with certainly, so far as the attacking force might be concerned, and with uncertainty so far as regards the defence, so that, from a military point of view, it would be particularly vulnerable. The Canadian Northern is not yet constructed in that section. It will be further inland than the Canadian Pacific Railway, but, after all, if it follows the line already located, it will be within very easy striking distance of the lake shore, whereas the Transcontinental runs 200 miles north, and at no point much less than 150 miles north. In my opinion this government would be justified in spending every dollar that this line will cost, if for no other reason than that they will thereby make Canada more capable of defending her liberty and national rights in case of attack. But that is not the object altogether of building the road. The hon. gentleman from North Toronto (Mr. Foster) said that the railway started from Quebec. Let me submit that Quebec is a pretty safe point to start from. There is not a stronger fortification on the continent and therefore it may be taken as a very good point to start from, regarded in the light of national defence. Then between Quebec and Winnipeg, when we consider the rugged character of the country and its local conditions, there is no nation on this globe that could dislodge the Canadian people from that position if they chose to defend it.

There are other features of the debate in which I cannot agree. The hon. member for North Toronto (Mr. Foster) and the hon. leader of the opposition (Mr. Borden) have pointed out on several occasions that, in their opinion, there is a weakness in the agreement because there is a connection from Fort William and Port Arthur by a branch line to a junction with the Transcontinental of some 200 miles, and they represented that traffic routed to Fort William, and delivered at the head of the lakes and by the Transcontinental, will be routed from there over the Grand Trunk Railway system to American ports. I cannot agree in that contention. When traffic reaches Port Arthur and Fort William, it is not necessarily the traffic of the Grand Trunk Pacific or the Grand Trunk Railway. It is everybody's traffic.

Sir WILFRID LAURIER. Hear, hear.

Mr. CONMEE. It is the traffic of the common carriers of the country, and they will take part in it. The Canadian Pacific Railway does not carry through its own line, by any means, all the traffic it delivers at these ports today, and neither will the Grand Trunk Pacific after it is built. Let me contrast that position with the position taken by hon. gentlemen opposite. They say it would have been better had the Grand Trunk Railway been permitted to build from North Bay to the western prairie and thus carry out the scheme to which these hon. gentlemen say they are still wedded. But where would the traffic go then? If the Grand Trunk Pacific carried it over its trunk line, to its connection with the eastern system, at North Bay, we would not have as much power of preventing the routing of that traffic through American ports in the interests of their own line as we now have in the case to which I have referred. There is the other alternative, that during the winter months freight may go, not to the head of the lake, but over the line to Montreal or Qeubec or other points in Canada through the Grand Trunk Railway system, and that therefore it may possibly be routed to American ports. I do not agree in that. There may be something in it, I do not say it is a thing to which we should shut our eyes by any means, but let me ask hon. gentlemen how they can contend that even in these circumstances it would be more likely to be carried through or routed to an American port than it would be if the connection was made at North Bay instead of at Quebec or Montreal. I cannot understand that logic, I do not think the conditions of traffic lend themselves to that argument by any means.

The prediction in regard to the eastern section of the line has been discussed on former occasions. Hon. gentlemen opposite predict that there will be a deficit, that the eastern section of the line will not pay. We have heard similar predictions on former occasions. I remember that when the Canadian Pacific Railway proposed to build a line from Toronto to Montreal, many people predicted that the road would be bankrupt, that it would never pay; but we have seen that it has paid, it is doing a good business to-day and it has not destroyed the Grand Trunk Railway. The contention was that to build a parallel line was unjust to the Grand Trunk and that both lines would be unremunerative to the shareholders and deter capital from coming to this country. I heard those arguments upon the political platform then, but those gloomy predictions have not been fulfilled. That line has done a good business from the time of its construction. The history of railway construction and of transportation is that these lines of railway not only beget traffic, but they create such prosperity, such development, such increase in the product and in the ability to travel on the part of the people in the adjoining country, that the building of one line even paralleling another line, assists the line whch it parallels. Let me give a case in point. The best paying railway on this continent, or for that matter on the continent of Europe, is the line of railway that parallels the cheapest line of transportation, I refer to the New York Central, which, for 440 miles, parallels the Erie canal, practically from the shores of the great lakes to the city of New York. Why is it the best paying line? It is not a single track line, it has four tracts and is doing the greatest business in relation to its mileage of any road in the world. It competes with the Erie canal, which is the cheapest means of transportation to the ocean port of New York. The people in its vicinity are able to make more money out of their energies owing to the existence of that cheap transportation, and therefore they are able to pay greater sums in travel, in commerce and in all that goes to support a system of railways.

Mr. R. L. BORDEN. Would my hon. friend then disagree with the argument which has been put forward by more than one Minister of Railways in my hearing that the bad results on the Intercolonial Railway are in part due to the fact that it has to contend with competition by water carriage?

Mr. CONMEE. I would not agree with that if the line of railway paralleled for any great distance the line of water communication, for instance from a terminal point, a competitive point. If there was a circuitous water route the population along which did not contribute to the traffic of the railway, then the water-traffic would no doubt come into competition with the railway and perhaps injure it; but if the railway parallels a water route anywhere close, where the same community can contribute to both systems, I contend that the world's history shows that such railways are the best paying railways. It is so in Europe. The railways paralleling the Danube, which is the cheapest water channel of carriage in Europe, are the best paying systems of railway on the European continent. A very eminent authority in the United States, Mr. Lyman E. Cooley, one of the most eminent engineers in that country, stated in my hearing that the people of the United States would be paid for the investment they made in the improvement of the Mississippi river, even if not a pound of freight was carried on the Mississippi. It may be that the railway is a more convenient means of transportation, a more convenient utility than the vessel route, but he made this statement, and I think it was fully justified, that the river was there as a regulator to bring down the combination of the railways in case they charged too much, and he said it was not alone the interest upon the capital that was to be considered, but that the improvements saved to the producers of the Mississippi valley $100,000,000 a year in their freight and passenger traffic. I do not think the argument advanced this afternoon as to the possibility of the line between Moncton and Quebec being unremunerative is one that can be well maintained. It has not been borne out by history. I do not know of any case in which the building of a new line has been unremunerative, either to the company or to the people of the district traversed by the railway. Generally speaking, these lines of railway have proved successful.

My hon. friend asked about the Intercolonial Railway. I have my own view about the Intercolonial Railway. My opinion is that in the early days of the Intercolonial Railway and during the term of office of the political party to which he belongs that party was not faithful to the Intercolonial Railway. They allowed other systems of railway to rob it of the traffic which it should naturally have. Instead of reaching out for that traffic as a business firm would do if managing the railway, they allowed other systems of railway to tap its territory and draw away from it that traffic which should have been secured for it and brought to it by the business management of the government of the day. I am not saying that either of the two Liberal governments have been absolutely right in all their policy in reference to the Intercolonial Railways, but I do say that the loss and the deficits upon the Intercolonial Railway to-day and throughout its entire history lie entirely at the door of the Conservative party under the leadership of Sir John

A. Macdonald. That is my opinion, I give it for what it is worth. They did not manage it as it should be managed. It is said: 'Why could not the government manage a railway as well as a company?' Where has any government managed a railway as well as a company? It has not been our experience. Neither political party has been able to make a success of the Intercolonial, and I think for very obvious reasons. We did not carry out the scheme to its full extent. It should have been extended to competitive points, it should have been started from a business standpoint and not from a political standpoint. We have not reached the millenium yet; and I am afraid that even if my hon. friend the leader of the opposition was in power, surrounded by the best men he could choose, and he was still operating the Intercolonial, he would have to adopt a much more radical policy than any government has yet adopted, or he would find the Intercolonial pretty near as unremunerative as it is to-day. Of course the country is developing, and it may do better. But I want to point out that a railway at the distance which the Transcontinental runs from the Intercolonial, will not be, strictly speaking, a competitive line. It will assist and not damage the Intercolonial. That has been the history of other lines in this country. We have had evidence to-day of the character of the country, its value in timber, its value in agricultural lands and in general resources. There is no doubt that these resources will be utilized and give prosperity to that section of the country.

Now, let me give my hon. friend a little bit of history. Both political parties I think were mistaken in their views as to the result of the Canadian Pacific Railway. I am sure hon. gentlemen opposite will say that the Liberals were mistaken in their policy in regard to that great enterprise. Well, I am not going to say they were not mistaken in some respects, because I think they were; but I do say that the Conservatives were mistaken, and very grievously mistaken. Let me remind the hon. gentleman of the contention of his leader in the past. During this and other debates a great deal of importance has been attached to a branch line from the junction to the head of the lakes. It was pointed out that that line would take from the Transcontinental Railway a great portion of the traffic and divert it at the junction and carry it down to the head of the lake. There is no doubt that it will carry down a great deal of traffic from the west to the head of the lake. I admit that, that is what it is built for. Nature has given to Canada a great waterway, the greatest inland water system of any country in the world; of course, our American friends enjoy the same system. But no other nation, or no other set of nations, enjoy as great inland waterways as these two countries enjoy. Therefore, it is quite natural that there should be a great deal of traffic to and from the head of navigation. Now, when the government of hon. Alexander Mackenzie proposed to build the Thunder Bay branch, that is the line between Port Arthur and Winnipeg, it was opposed by the Conservatives, it was opposed by the leaders of the hon. gentleman. I am not sure whether the hon. gentleman was then a member of this House. But I propose to make a quotation from the debates of that time. A strong attack was made on the government because of the proposition to build what is now the Canadian Pacific Railway between the head of the lakes and Winnipeg, and the country was asked to turn the Liberals out of power because they were squandering the people's money in building a portion of the line then called the Thunder Bay branch. But to-day we find our hon. friends calling attention to the great value of the line which this company are allowed to build from the junction to the head of the lakes, the very reverse of their policy at that time. Sir Charles Tupper moved a resolution of want of confidence in the government on that very question. In the debate he decried the expense, he decried the character of the country, and he pointed out that the line if built would be of no value. Their contention was that the traffic from eastern Canada to the west would go through the United States by way of Duluth. Here are the words of Sir Charles Tupper:

> But suppose the works to be built, what then? Does any one assume that with a railway from Duluth to Red river a single ton of freight would be carried by that route?

That is the Thunder Bay branch. Now, that was the prediction of a great political leader, a man of a great deal of force, one of the men whom hon. gentlemen opposite look up to, and one of the men, I say, that bears a high reputation for ability, for good judgment, for public enterprise throughout the whole country.

Mr. WRIGHT. Was not the proposition of the Mackenzie government a line part rail and part steamboat, being a different proposition altogether from an all-rail route?

Mr. CONMEE. No, that was not the proposition. In the discussion to which I refer there was such an issue as my hon. friend mentions, but it had no reference to that proposition. Sir Charles Tupper was contending for a main line running away north, nearly where the Transcontinental line now runs practically in the same section of country, and would not go to the head of the lakes at all. When a business company got hold of the enter-

prise in connection with the Transcontinental line, the first thing they undertook to do was to build a branch line from the main trunk line to the head of the lakes, and that is what the Mackenzie government undertook to do, to build a branch line to the Trunk line. The hon. gentleman shakes his head; if he will look up the history of the matter he will find I am correct. Now that prophecy has been entirely disapproved. We have today, not only the Canadian Pacific Railway but the Canadian Northern Railway, from the head of the lakes to the prairies of the west. In my judgment the chief justification for the building of this road will be the control it will afford over the rates between the east and the west. What were the conditions? We have a railway commission that regulates the traffic of our railways, they have control over the rates of every railway in this country except the Canadian Pacific Railway, because the leaders of the hon. gentleman, when in power made an improvident bargain. Sir, I am surprised that any hon. gentleman, having knowledge of his own political party and of its record, would attempt to make a comparison between the Canadian Pacific Railway bargain and the bargain that was made in regard to the Transcontinental Railway. It seems to me that instead of being bold enough to attempt to make such a contrast hon. gentlemen ought to hide their heads in shame, because if ever a political party betrayed a weakness—I will not use stronger language—if ever a political party were recreant to the trust of the people of this country it was that party when they made the bargain with the Canadian Pacific Railway Company by which they gave them more than sufficient to build the line of railway of the people's money and the people's assets and still never protected the people in regard to rates by any clause in their contract. When our Railway Commission undertake to impose a rate on railways they find that if the Canadian Pacific Railway choose to assert their position under the contract, their rates cannot be controlled and every other railway in competition with the Canadian Pacific Railway can say and say truly: 'It is unfair to impose these onerous conditions, these lesser charges, upon our system if you do not impose them upon the system with which we have to compete.' I do not think any hon. gentleman can question that. It is quite plain. I say, Sir, that if the government never did anything else in building the Transcontinental Railway, if we were to ignore all other conditions of advantage to the country, that alone is sufficient to more than warrant the position they have taken. Why? Because, Sir, we cannot to-day control the rates of the Canadian Pacific Railway from the west to the east and from the east to the west except that we can show that they are earning a profit of more than 10 per cent. But, it is difficult to show that because they keep the books. This government has never undertaken to do it and no other government have undertaken to do it or will undertake to do it for many years to come. But, we do control the rates on the Transcontinental Railway we control the rates on other roads. We not only control the rates on the Transcontinental Railway between Winnipeg and the Atlantic, but we own the road. True, we lease it on conditions, and one of the conditions of the lease is that we can control the rates. We can say what rates and what service that carrying line shall give to the traffic between the east and the west, between the manufacturing cities of Canada and the grain producing centres of the west. It is essential that these two sections shall be built up and cemented together if Canada is to become a nation such as we hope it will be in future. We control the rates not only on that system but on every other system competing with it between the east and the west, because the moment we fix the rates on the Transcontinental Railway that moment the Canadian Pacific Railway must meet those rates. They cannot charge more; they will not charge more. That has been proved. Everybody who knows anything about railway traffic and railway management will admit that at once. The evidence is so plain even now that every one understands it.

My hon. friend the Minister of Railways and Canals has pointed out the great advantage incidental to this undertaking in the impetus which has been and will be given to the construction of branch lines not only by the Grand Trunk Pacific but by the Canadian Pacific Railway and the Canadian Northern in order to put themselves in a position to compete for the traffic and to maintain all the main trunk lines by bringing the traffic to them from the sections of country which are adjacent to their system. Already it has been a great advantage to the west and to other sections of the country as well. To-day we see the Canadian Pacific Railway double tracking their line between Winnipeg and Port Arthur. For what reason? Sir, there is no answer to that except one. The Canadian Pacific Railway directors are business men. They see the inevitable coming. They know that when the rates are fixed on the Transcontinental Railway they must meet those rates and they are spending $50,000,000 or $60,000,000 in double tracking and improving the grades on their system to meet that competition. To a certain extent the Canadian Northern are doing the same thing. They have to-day,

between Port Arthur and Winnipeg, just half the grades that the Canadian Pacific Railway had. They have a ·5 per cent as against a 1·10 per cent minimum on the Canadian Pacific Railway. So that we see the great advantage to the country that is brought about in an incidental way by the construction of this Transcontinental Railway. I am quite certain that that position cannot very well be contradicted. It must be admitted that this is the great force that is driving the Canadian Pacific Railway to better their grades and spend large sums of money in order that they may be able to meet the competition that the Transcontinental Railway will bring about once it goes into general operation.

The hon. member told us about the cost of the Pennsylvania Railway and I asked the date of the report to which he was referring. The answer was 1902. Let me point out that the Pennsylvania Railway was, like a great many other railways in the United States and Canada, built as cheaply as it could be under the circumstances, but the Pennsylvania Railway Company have since made enormous expenditures upon betterments. I have a knowledge of that matter because I happened to be building a piece of railway from Lake Superior to the Helen Mine of which a number of the owners were Pennsylvania Railway managers. They were at that time expending, or just beginning to expend, immense sums of money in bettering their grades on the Pennsylvania system. I was invited to take part in the work there if I could agree upon prices, which, unfortunately, I could not because they found men who could do the work cheaper than I could. But, I happen to know that they have spent some $150,000,000 since that period in the betterment of their grades, and curvatures, in more permanent work and in the extension of the line. If my information is not wrong they have spent over $200,000,000. But, I had the information in 1906 that up to that time they had expended $150,000,000 in the improvement and building up of their system. So, I venture the assertion that if to-day the cost of the Pennsylvania system is computed it will be nearly if not more than double what it was in the estimate to which the hon. member refers. That, of course, would not justify an unnecessary expenditure upon this line if there was an unnecessary expenditure. My hon. friend is not a position and I do not believe any hon. member of this House is in a position to say to-day, with the information that we have, that there has been any extra cost. There will come a time when the matter can be tested, but at the outset of the construction of any railway, even the best railway, I submit that you cannot tell the exact cost of the line or anything like it.

All they can do is to give an approximate estimate. Why, I could prove beyond a doubt that the Canadian Pacific Railway, in some sections, cost more than double, the estimate of the engineers. On section A in which I had a part myself, I know that the actual cost was more than double the estimate. It is very easy for any one to predict that there may be defects here or there or that this or the other section of the line may not work out well, but the answer to all that is that the National Transcontinental Railway line is being built inland far from the system of railways which now exist and far from the older settled portions of the country. It is carrying, as has been said by the leader of the House the map of Canada 100 miles or 200 miles to the north. If there was a weak spot in our country from a national or a military standpoint or from any other standpoint, it was that geographically Canada was a narrow strip extending between Lake Superior and the Hudson bay. But, Sir, no longer is that the case when you have a line of railway penetrating through that strip along the best possible route for military and commercial purposes between eastern and western Canada. Take the loan to the Canadian Pacific Railway and compare it with this loan. The Conservative government gave the Canadian Pacific Railway 15,000,000 acres of land and on some sections $25,000 a mile in money. They gave them a completed railway of 440 miles between Port Arthur and Winnipeg on which the company never spent a dollar; they gave them more than 100 miles from St. Vincent to Winnipeg and another 100 miles to Portage la Prairie on which the company never spent a dollar. They gave them from the town of Pembroke westerly another section on which the company never spent a dollar. They gave them on the Pacific coast 250 or 300 miles completed railway. In all they gave them 1,000 miles of completed railway in addition to money and land subsidies, and yet the Canadian Pacific Railway Company had to come to the government for a loan of $30,000,000. Did any of these hon. gentlemen who are now talking about imposing conditions rise in their place then and say: we have given you all these great advantages; we have given you more than sufficient to build your system but you now want a loan and we shall have something to say about controlling your rates. Oh, no, these gentlemen did not have that idea then. I repeat that the Conservative party stands to-day and will for ever stand—and I don't blame hon. gentlemen who have seats on the opposition side of the House for many of them are not responsible——

Some hon. MEMBERS. Oh.

Mr. CONMEE. I mean that they are not responsible for the actions of their

party in the past. During my late election this very question came up, and as I say now I said to the people in the good city of Fort William: If there is a Conservative in this city that will stand up in this meeting and show his face to his fellow townsmen and endorse the policy of the Conservative party as regards the bargain with the Canadian Pacific Railway, I will buy him a new hat. I gave the history of the Conservative government in connection with the Canadian Pacific Railway and how they failed to protect the rights of the people in controlling rates and there was not a man there who would stand up and endorse that policy. I believe there is to-day not a man on the opposite side of the House, except perhaps one or two, who will stand up and approve of the policy of his leaders in the past. He must condemn them for the improvident bargain they made, and when that bargain is compared with the bargain made by this government which retains not only the ownership of the railway, but the control of the rates on the main trunk system, still further clinches the advantages of that system to the people of Canada by connecting it with the Grand Trunk and its branch lines, and its lines extending to every important city and town in the land and to every manufacturing centre, and building up the prosperity of the country—when, I say, the contract with the Canadian Pacific Railway as compared with this contract, the contract the Conservatives made with the Canadian Pacific Railway is a poor thing indeed.

Mr. BLAIN. Did not the Hon. G. W. Ross, now senator, approve of the policy of the Conservative party and compliment them on their foresight in constructing the Canadian Pacific Railway?

Mr. CONMEE. He may have done so. I have myself congratulated Sir John Macdonald upon some of his policies. I think he was a great Canadian, I think he did some good things for the country, but I say that in the bargain he made on behalf of the people of Canada with the Canadian Pacific Railway he was not faithful to his trust, or he had not that business capacity which he should have had in the position he occupied. If Senator Ross congratulated the Conservatves, I am sure he did it upon some other ground than the matter we are discussing here to-day. Now, I have nothing more to say further than that there will be no hesitation on my part in giving my hearty support to the policy of the government in this regard. We on this side of the House are not filled up with suspicion; we have confidence that this government is anxious to make the very best bargain it can for Canada, and, that while not imposing impossible or too onerous conditions upon the company they will at the same time protect the interests of the people of Canada.

Mr. E. M. MACDONALD (Pictou). There can be no doubt that the leader of the opposition, since he has once more obtained a seat in the maritime provinces, has been anxious to let the House and the country feel that he is somewhat interested in the development of trade through our national ports. But the solicitude of the hon. gentleman on that point is worthy of a short examination. I think my hon. friend the leader of the opposition would have done much better service for the eastern provinces if he and the gentlemen who support him had seen to it, that in the course of these debates they had not on every possible occasion intimated that the construction of the eastern section was a fatal mistake. If the policy of the opposition party to-day is that the eastern section of the Transcontinental Railway should not be built, then it is wholly inconsistent and beside the question for the hon. leader of the opposition to attempt to mislead the people down by the sea by saying to them that though they opposed the construction of this railway altogether, they have offered a resolution which means nothing in particular so far as creating further obligations upon this company when they operate the road. If my hon. friend and his party were sincerely desirous of adopting a Canadian policy which would enable the eastern provinces to share in the progress of this Dominion as the years go by, and become more and more the means by which the developed trade of western Canada is to flow to the nations across the sea, then my hon. friend and his party would be standing strongly by the proposition that the eastern section of the Transcontinental Railway should be built. My hon. friend knows the provisions contained in the contract with the Grand Trunk Pacific Railway Company. All that was threshed out in this House some six years ago when the proposal was first brought to the attention of parliament. My hon. friend knows, and the country knows, that as a result of the views which the government held, and which led them to consider this proposition for the development of Canadian trade through Canadian channels, the government incorporated in the agreement which they made with the Grand Trunk Pacific Company conditions so ample, definite and clear that my hon. friend has not been able to improve upon them in the slightest degree by any resolution which he has submitted to this House then or since. Conditions were embodied in the contract, which bind the company, once the railway is operated by them, to carry out the intent of the government in relation to this important project; and it might be well to

place on record just where this government stood on this question six years ago, and where they stand to-day by those conditions. Section 42 of the agreement provides:

It is hereby declared and agreed between the parties to this agreement that the aid herein provided for is granted by the government of Canada for the express purpose of encouraging the development of Canadian trade and the transportation of goods through Canadian channels. The company accepts the aid on these conditions, and agrees that all freight originating on the line of railway, or its branches, not specifically routed otherwise by the shipper, shall, when destined for points in Canada, be carried entirely on Canadian territory, or between Canadian inland ports, and that the through rate on export traffic from the point of origin to the point of destination shall at no time be greater via Canadian ports that via United States ports, and that all such traffic, not specifically routed otherwise by the shipper, shall be carried to Canadian ocean ports.

That is the kernel of the proposition which led to the incorporation of the Grand Trunk Pacific Railway, the making of this agreement, and this whole programme. If my hon. friend's policy had been adopted we would have had no line of railway touching Canadian Atlantic seaports at all. We would have a line of railway built from North Bay to Manitoba and westward, which would bring the grain trade of the western country down to Lake Superior. Not a pound of grain nor a dollar's worth of the trade developed in western Canada would reach the Atlantic ocean if my hon. friend's policy of 1903 had prevailed, and if his policy of to-day were carried into effect, and my hon. friend knows it. Therefore, what is the use of misleading the people in this matter? I desire to emphasize the disparity between the hon. gentleman's policy and that of the government on this question. My hon. friend's resolution proposes that there should be effective provision by the Grand Trunk Company and the Grand Trunk Pacific Company to fulfil the conditions of the agreement. My hon. friend does not venture to submit to the House what he understands as effective provision. I submit that there is in the agreement an express and definite covenant, which is so clear that there could be no difficulty about its enforcement in a court of law. It binds the Grand Trunk Pacific Company to see that all traffic not specifically routed otherwise by the shipper, shall be carried to Canadian ocean ports. But that is not all. The next section of the agreement renders this condition still more definite and more clear, because it provides:

The company further agrees that it shall not, in any matter within its power, directly or indirectly advise or encourage the transportation of such freight by routes other than those provided, but shall, in all respects, in good faith, use its utmost endeavours to fulfil the conditions upon which the public aid is granted, namely, the development of trade through Canadian channels and Canadian ocean ports.

Now, our friends opposite who have discussed the proposition before the House have a very peculiar attitude. After lamenting and bewailing the necessity for the aid which this government is to give to this company, after decrying the enterprise, after intimating that a colossal debt has been placed on this country as the result of carrying on this enterprise, after endeavouring to lead Canadians everywhere to believe that because the government entered into this project they have placed on the necks of Canadians a burden which is going to bear them down for many years to come, these hon. gentlemen will tell you that they are not opposed to the construction of the Grand Trunk Pacific Railway. Why do they say that? They say that because they have gone to the country twice in the attitude of opposition to this project. They went in 1904, talking about this government going into a reckless enterprise, building a railway through a country about which nobody knew anything, and injuring the credit of Canada by pledging her to millions of expenditure, without any knowledge or proper investigation of the subject. They received the answer of the people in 1904, and they received it again last year. My hon. friend from East Elgin (Mr. Crothers) digressed a little this afternoon to indicate that the people of this country did not know what they were voting on. If they did not know what they were voting on in 1904, then our hon. friends who sit on the left of the Speaker must admit that they made a very poor attempt at presenting what they called a great big issue when they went before the people at that time. All over this country they had but the one song to sing. More especially was this the fact in the central provinces. They declared that this government was engaging recklessly in the enterprise and asked the people to turn them out, and we had a statement to the effect that if the Conservative party had come in power in 1904, they would have cancelled the contract with the Grand Trunk Pacific. Yet the hon. member for Elgin (Mr. Crothers) has the termerity to say that the Canadian people never voted confidence in this government or project. We heard the same remark last year. Whenever an enthusiastic Conservative supporter or orator was tired talking scandal, he reverted to the theory that this government was perpetrating a tremendous wrong in building this

eastern section, that they should only have built from North Bay to the west; and my hon. friend the leader of the opposition, with his friends who sit behind him, coming from the smaller provinces by the sea, were willing to forego all the hopes and aspirations of these provinces to share in the great development which is bound to follow the completion of this railway, if they could obtain some other portions of Canada to support the theory that the Transcontinental should begin at North Bay and go to the west and never reach either Quebec or the eastern provinces at all.

At six o'clock, House took recess.

After Recess.

House resumed at eight o'clock.

PRIVATE BILLS.

ONTARIO AND MICHIGAN POWER COMPANY.

House again in committee on Bill (No. 34) to incorporate the Ontario and Michigan Power Company.—Mr. Conmee.

Mr. LENNOX. I move that the committee rise and report progress.

Sir WILFRID LAURIER. Why?

Mr. CONMEE. This measure was allowed to stand over upon an understanding. The Minister of Finance was here and he stated to me that it was agreed by hon. gentlemen on the other side that if the Bill was then allowed to stand over there would be no particular discussion on it when it next came up, beyond what would be necessary if hon. gentlemen wanted to press the question to a vote. That was mentioned by the minister and assented to by the principal whip of the opposition and other gentlemen on that side of the House, so I do not think there can be any question as to the Bill going on now.

Mr. BLAIN. I beg the hon. gentleman's pardon, that was not the agreement at all; the Bill was allowed to stand over so that communication could be had with the Ontario government to ascertain their view upon the proposed amendments. My hon. friend could not expect that we should have received any communication from the Ontario government in one day.

Mr. CONMEE. That was mentioned. The discussion that took place is on 'Hansard.' There could be no pretense that it is necessary to have a communication from the Ontario government for the hon. member himself stated last evening that he had sent to the Ontario government a copy of the reprinted Bill with the proposed amendments and that he had a letter from the premier of Ontario still objecting to the Bill. Under these circumstances I do not think there is anything to be gained or any good purpose to be served by holding this Bill back until the premier of Ontario sees fit to send some further communication. There was no such understanding, I deny that most emphatically.

Mr. BLAIN. On what pretense was the Bill left over if that was not it?

Mr. CONMEE. The hon. gentleman is perhaps better able to answer that than I am, I do not know exactly. The hon. gentleman made a request and pledged their honour that if the Bill stood over then when it came up again in regular order it should go through without factious opposition.

Mr. BLAIN. No.

Mr. CONMEE. I say, yes.

Mr. HENDERSON. There need not be any particular dispute about this; it is all in 'Hansard.' Mr. Lennox said:

> My hon. friend does not mean that we shall be precluded from any legitimate discussion?
> Mr. FIELDING. Provided that discussion be short and quite within reasonable limits.

That is the way we always act, always within reasonable limits. The minister surely does not mean to say that we are unreasonable——

Sir WILFRID LAURIER. Certainly not.

Mr. HENDERSON—in advocating anything that is in the public interest. Mr. Fielding continued:

> But if it be a discussion—I do not want to use the word obstruction——

The minister was wrong, there was no obstruction.

> Mr. LENNOX. Speaking for myself and probably all the other members, I can assure the hon. minister that there will be nothing in the nature of obstruction.
> Mr. BLAIN. It will be understood that a meeting of the Private Bills Committee will be convened.
> Some hon. MEMBERS. No, no.
> Mr. BLAIN. Well, yes. But how would it be possible for the representatives of Ontario to appear before the House.
> Mr. FIELDING. I think that the gentlemen representing Ontario will have abundant opportunity of presenting their views through my hon. friend, or anybody else who might be interested in the matter.
> Mr. GEORGE TAYLOR. I might also say that we reserve the right to divide the House upon it.
> Mr. CONMEE. I understand, from what the Minister of Finance and other gentlemen have said, that it is not to be assumed that if the reply from the Ontario government is unfavourable, that is to be made a ground of still further opposition, similar to what we have had before.

Now we must await Mr. Whitney's reply and see whether it is favourable or unfavourable. I think the Bill should not go on to-night until we receive that reply, in accordance with that understanding.

Mr. LENNOX. At one time I would have been amazed at the remarks made by the hon. member for Thunder Bay and Rainy River (Mr. Conmee). With the qualifications that have been read by the hon. member for Halton we accepted the proposition of the hon. Minister of Finance. We had a little obstruction I will admit for about five minutes yesterday.

Sir WILFRID LAURIER. Only five?

Mr. LENNOX. I do not think it would exceed five. I hate to take up time, but we were allowing a discussion to take place between the hon. member for Rainy River and the hon. Minister of Finance, and during that time I undertook to interest the House with a few pertinent remarks for five minutes or so. I was talking to keep the ball rolling. Then the Minister of Finance said:

As we are not likely to make much progress on the present lines, and as I understand the suggestion to be that, in view of the objections raised by the Prime Minister of Ontario, there should be several days delay to enable him to present his views, I am prepared to accept that suggestion provided that assurance is given that the matter will then be dealt with without further difficulty according to the discretion of the House.

And then I made the remarks already read. My point is that the suggestion of the Finance Minister was that there should be a delay of several days, not until to-night, because that of course would serve no useful purpose, and as soon as the reply comes from the Ontario government. I have no desire it should be delayed. I do not think there will be any undue opposition, and we will endeavour to present our views when the time comes in as concise a way as we possibly can. It would be idle to think of discussing this matter to-night. We could discuss it but it would not be in accordance with the agreement come to and would be only waste of time.

Mr. CONMEE. I would call the attention of the committee to the fact that this Bill has stood over on many occasions. It has stood over now nearly all session. The session is drawing to a close and if the Bill is to become law it has to go to the Senate. I do not think any good purpose can be served by making any further pretense that the Bill is to stand over on the understanding of last evening, because I made this remark after the remarks that have been read by the hon. member for Halton (Mr. Henderson). Mr. Blain had asked:

Would not that be good ground?

Meaning that if the Ontario government objected it would be good ground. My reply was:

It may be in the opinion of my hon. friend, but not in the opinion of other hon. gentlemen. I am merely saying that I do not understand the arrangement in that way, and I want to know if it is so understood across the House.

Mr. FIELDING. I do not so understand it. Hon. gentlemen might feel as strongly as they do now on the subject, but I do not understand they would consider it a ground for delaying the matter in order that it might be dealt with in a reasonable time.

Then the discussion was continued. I spoke particularly to the Minister of Finance and asked him if any objection would be taken to the Bill when the next order for private Bills came up on Tuesday and his answer to me was that unless hon. gentlemen permitted this Bill to go through without unnecessary discussion or delay they would be breaking faith with him. That was his reply to me, and that is my reply to the request for delay to-night.

Mr. BLAIN. May I ask my hon. friend to explain the paragraph immediately above the first paragraph, the one that was read by the hon. member for Halton (Mr. Henderson).

Mr. CONMEE. I did say in that paragraph:

I understand from what the Minister of Finance and other gentlemen have said that it is not to be assumed that if the reply from the Ontario government is unfavourable that is to be made a ground for further opposition.

Mr. BLAIN. What does that mean?

Mr. CONMEE. That simply means that there would be no misunderstanding, that if hon. gentlemen chose to say that because the Ontario government is not favourable to this Bill, we are bound in honour not to allow it to go through.

Mr. BLAIN. Does not that answer by my hon. friend mean that we are to wait until the reply from the Ontario government has reached us?

Mr. CONMEE. Not at all. What a piece of humbug that would be, with the letter of the Ontario government in the hon. gentleman's possession. We had this answer from the leader of the House last night, stating that if the Ontario government had taken that ground, after knowing the amendments to be made, he would take issue with them. Let me ask the hon. gentleman what good purpose is to be served by this procedure. They cannot expect me to give way further, I think I have done all that is reasonable. They cannot expect me to allow the Order Paper to be cleared and put myself in a worse position than I am now. We have had a discussion, hon. gentlemen have put themselves on record,

there is no mistake about thir position. I think they have said all they are able to say. Let me remind them that the system of our government is that the majority rules. Hon. gentlemen cannot serve any good purpose, either for themselves or for any other interest they choose to champion, by going further than they have gone. If they consider that this measure is not in the public interest they have a right to challenge it by vote. I do not think they have any doubt but that a majority of this House is in favour of it.

Mr. BLAIN. I wish to make my position clear, and I think the position generally on this side of the House. There was a distinct understanding between the two parties that this Bill was to be left over in order that communication could be had with the Ontario government. My hon. friend made his own statement in the House when this matter was up for discussion, and he has qualified it by saying that, no matter what the reply of the Ontario government would be, it would not be a ground for delaying the Bill unnecessarily when it came up again for discussion. I am not going to plead with my hon. friend or with the House not to take up the Bill, if the hon. gentleman wishes to press it. If he thinks it is in the interest of his Bill and in the interest of an early prorogation, to press the matter to-night, he has that privilege, and from this side there will be no complaint. But I want my hon. friend and the House to understand that when we make an agreement between the two sides of the House, we intend to live up to it. Communication was made with the Ontario government by the first mail after this understanding was reached, and there has been no time to get an answer. As my hon. friend from South Simcoe has said, as soon as that answer is received in respect to the proposed amendment, then on this side of the House we will be prepared to discuss the question, and to finish the discussion, and my hon. friend can divide the House on the Bill if he wishes. But if he presses the matter now, I shall appeal to the Finance Minister to look over the record of the discussion, and he will say whether his record does not prove that it was fairly understood by both sides, including the hon. gentleman who has charge of the Bill, that this matter was to stand over until an answer was received from the Ontario government.

Mr. CONMEE. I see the Finance Minister now in his place, and I repeat what I stated a few moments ago, that I did not understand it in that way; and I tried to make it clear by calling attention to the fact that even if the Ontario government did disapprove, that should not be a cause for delay. But my hon. friend is not at liberty to put his own conclusions upon what I said, and tell me that I agreed to wait until we received a reply from the Ontario government. I am not so innocent as that. If they had any idea that I would agree to a proposition of that kind, I am sorry they have that opinion of me.

Mr. LENNOX. The Finance Minister discussed the matter, as we see by the record, with the promoter of the Bill, and then made an announcement of what he proposed, and this is what he said—I read it again because he was not present when I read it at first:

> We are not likely to make much progress on present lines, and as I understand the suggestion to be that, in view of the objections raised by the Prime Minister of Ontario, there should be several days delay to enable him to present his views, I am prepared to accept that suggestion provided that assurance is given that the matter will then be dealt with without further difficulty, according to the discretion of the House.

Then I got up and made some suggestions. But it is not a question of what I said or any other hon. member said, it is the understanding that was come to across the floor of the House, and that understanding must be lived up to. I appeal to the Finance Minister; I submit that it is his duty to see that this agreement is lived up to.

Mr. FIELDING. The quotation which my hon. friend has made from my remarks appears to be substantially correct. At the time the conversation occurred I did not have it in my mind that the next time for calling this Bill would be to-night. I did understand that hon. gentlemen opposite wished for a day or two, no particular date was mentioned; they asked for a short postponement to afford an opportunity to communicate with the Prime Minister of Ontario. Then my hon friend interposed the very natural remark that he did not propose to be bound by any conclusion of the Prime Minister of Ontario, that we were not to postpone the matter and to make it dependent on the will of the Prime Minister of Ontario, but merely that he was to have reasonable time to communicate his views to hon. gentlemen and to others. But if it be contended on the basis of that understanding that the Bill should not go on to-night, I cannot say that from my point of view that would be a breach of faith.

Mr. LENNOX. I think the Minister of Finance said several days, and we replied that we did not want any longer time than was necessary. But it would be idle to postpone it last night for the purpose of having it come up to-night.

Mr. CONMEE. I do not agree with that. The hon. member for Peel (Mr. Blain)

stated last night that he had sent to the Ontario Premier the Bill as approved by the committee and the proposed amendment on the subject; and he had the premier's letter in reply stating that he was still opposed. I do not think anybody expects the premier of Ontario to take any different position from that. We had a case since that time, we had a case last night, in which the premier of Ontario, not only opposed by a letter to a friend but by an order in council, the Bill that was under discussion last night. That did not prevent the Bill from going on and it did not make any changes. I cannot agree that any good purpose would be served by this sort of delay. Hon. gentlemen, now that they have had ample opportunity of consulting the Ontario government, must agree that it is unfair to ask me to put myself in a worse position than I am in to-night and under the circumstances they should allow the Bill to go on.

Mr. ARMSTRONG. I am surprised to hear the hon member for Rainy River (Mr. Conmee) make the assertion that he does. I was present during the last hour of the discussion and I distinctly remember the statement of the Minister of Finance and the anxiety with which he went about and adjusted matters as they were finally arranged. The hon. member for Thunder Bay and Rainy River knows full well that it is impossible for my hon. friend from Peel to have communication with the premier of Ontario inside of twenty-four hours.

Mr. CONMEE. Could not the hon. member for Peel have called him up on the phone? Could not he have wired him? He has had ample time to have communication with him the same as I had. I got a telegram.

Mr. ARMSTRONG. The hon. gentleman may have his own way of doing things but he will understand that we stated distinctly yesterday, that it was necessary for some representative of the Ontario government to meet with members of parliament, to discuss this question and to lay before them the views which they intended to take in regard to it.

Mr. GRAHAM. In order not to have any misunderstanding as to the arrangement made by the Prime Minister with the chief whip of the party to the left of Mr. Speaker, I have turned up 'Hansard' and I see the Prime Minister is reported as saying that 'The Canada Life Bill will be taken up on Friday night.' This Bill of my hon. friend (Mr. Conmee) is on the Order Paper ahead of the Canada Life Bill. There certainly would be sufficient time, if any reply is to come from the Ontario government, to take it up before Friday night.

Mr. ARMSTRONG. Yes, that is a reasonable time.

Mr. GRAHAM. The next night we have private Bills is Friday night?

Mr. CONMEE. Yes.

Mr. GRAHAM. It is understood that Friday night will be a sufficient length of time?

Mr. LENNOX. Quite sufficient.

Mr. GRAHAM. We might take the Bill up then on Friday night?

Mr. LENNOX. We might go beyond the hour.

Mr. GRAHAM. We could go beyond the hour perhaps and get through all these Bills.

Mr. CONMEE. I cannot very well consent.

Mr. GRAHAM. I am not asking my hon. friend to, but I am just pointing out what was said in regard to it.

Mr. CONMEE. I know. I cannot consent to being put in a worse position than I am now. I want to be agreeable. I do not want to take a course which hon. gentlemen will think unfair or that would indicate a breach of faith on my part—far from that. But, I am satisfied that hon. gentlemen will agree with me when I say that there was nothing further from my mind than that they should set up the contention which has been set up here to-night, and my hon. friend the Minister of Finance must agree with me in that because I discussed it with him. It must be quite clear to him that I had no idea of it. I would not have consented if it had dawned upon me in that way. Under these circumstances I hope hon. gentlemen opposite will not press the position they take now. What difference does it make whether this Bill goes through to-night or some other time? If these hon. gentlemen are going to challenge a vote on it why not have it now? It will have to go to the Senate. If the views of the Ontario government are to prevail they are not going to make any difference here, in my opinion. The opponents of this Bill will have an opportunity of challenging it in the Senate. Nobody is being shut out, there is no good purpose being served by the delay and I think hon. members ought to permit the Bill to go through.

Mr. FOSTER. Does not the hon. gentleman see that he does not stand to gain anything for his Bill by not living up to the agreement that was made in good faith by the Minister of Finance? He must not think that he can go against that agreement and hope to make any progress with his Bill to-night. He is simply taking up that

much of the time which cannot do any good to him and which will preclude something else being done to-night. I certainly think it would be advisable for him, for the sake of his Bill, even though he did not quite approve of the agreement with the Minister of Finance, not to press it to-night. The Minister of Finance did make the arrangement, the arrangement held, and there is a good deal to be gained by having these arrangements and carrying them out.

Mr. CONMEE. I would be perfectly willing that the committee rise now and that we suspend private Bills for this evening, but I am not willing to agree that some other Bills should be advanced and this one held back.

Mr. FOSTER. That does not seem reasonable.

Sir WILFRID LAURIER. My hon. friend (Mr. Conmee) is naturally apprehensive that if his Bill is put over to next Friday and if there is only one hour on Friday for the consideration of private Bills it will have a poor chance of being put through during that time. We already have an understanding in regard to another Bill which is to come up on Friday and it was suggested that if the hour was not sufficient for that Bill we might extend it. So, I propose to move that instead of limiting the consideration of private Bills to an hour on Friday we take up the consideration of private Bills and continue it until the Order Paper is exhausted. I will move that to-morrow. That will give my hon. friend his opportunity on Friday night.

Mr. CONMEE. Does that mean that the committee now rise and that no other private Bills will be gone on with to-night?

Sir WILFRID LAURIER. No, it means that your Bill stands over, that the other Bills will be proceeded with and I will move on Thursday that on Friday, instead of having an hour, we will take the whole night if necessary. We shall have the whole Order Paper exhausted before we take up other business. Your Bill will have its place.

Mr. CONMEE. I will have to agree to it, of course, but I cannot help but think that it is unfair to me because notwithstanding that we may have the whole of Friday night it must be remembered that this is a contentious Bill. If hon. gentlemen will say that they will allow this Bill to go to a vote within an hour——

Mr. TAYLOR. You are ahead of the Canada Life Bill.

Mr. CONMEE. Perhaps that is all the worse for me. If you want to delay the Canada Life Bill you will perhaps delay my Bill.

Mr. LENNOX. No, we think yours is the worse.

Mr. CONMEE. Well, I do not know about that. Unless the leader of the House insists upon his view I would be rather inclined to hold to the position that I now occupy.

Sir WILFRID LAURIER. I do not insist on my view. My hon. friend may take his choice. I will move that on Friday night we go through with private Bills before we take up any other matter.

Mr. HENDERSON. I might remind the right hon. First Minister that as it was understood that the Canada Life Bill was to go through before the end of this week it may not be well to put anything in its way because I apprehend that there will be a very extended discussion on that Bill yet, and if the hon. gentleman's Bill comes before it it may mean that we will be sitting here until Sunday morning.

Sir WILFRID LAURIER. It has been agreed that we shall have a legitimate discussion and nothing else and that the sense of the House shall be taken thereafter.

Mr. HENDERSON. I can assure the right hon. gentleman that the discussion will be perfectly legitimate. We gave up a night on the understanding that we would have an opportunity again. We have certain views to present and we do not want to be restricted but we are quite willing to be restricted within the arrangement that the Bill was to go through before the end of the week.

Sir WILFRID LAURIER. I assume that if the discussion upon this Bill and upon the other is legitimate they will be disposed of one way or the other long before Sunday morning.

Mr. LENNOX. I move that the committee rise.

Mr. MILLER. Perhaps it might be arranged that private Bills could be taken up at eleven o'clock on Friday morning

Mr. CONMEE. I cannot agree to that motion. Let me again suggest that all the private Bills stand over for to-night.

Mr. LENNOX. We will do nothing of the kind; we won't play dog in the manger.

Mr. CONMEE. I don't know where the dog in the manger is, but he is not on this side of the House.

Mr. BARR. I would suggest that the hon. gentleman should take a vote on it.

Mr. CONMEE. That is just what I want.

Mr. BLAIN. I do not think there has been such a case as this before the House

for many years. Here is the hon. gentleman pressing a Bill that has not been printed and distributed among the members.

Mr. CONMEE. Oh.

Mr. BLAIN. My hon. friend wants to press this Bill through without it being printed or circulated, and although the amendments are in the Votes and Proceedings, a number of hon. gentlemen have asked me where they are to be found, as they cannot be found in the Bill, where they ought to be printed. But, as the hon. gentleman will not take the advice of his own leader and the Minister of Railways I cannot hope to convince him.

Mr. FIELDING. It is quite evident there was some little misunderstanding between the promoter of the Bill and myself last night. I have nothing to find fault with in the hon. gentleman's attitude to-day. It is quite evident he did not catch the expression that I used, that this matter would have to stand over for a day or two or for several days. If his attention had been drawn to these words he would probably have taken exception, but he did not notice them and probably I must take the blame. My hon. friend, however, cannot make progress in the next twenty minutes, and I should think that in the interest of his own Bill he had better take the suggestion of the Prime Minister. I hope he may get it through in that way, but he certainly cannot get it through to-night.

Mr. GEORGE TAYLOR. We would not have time to hear from the Ontario government. My hon. friend from Peel sent them a copy and we expect to hear from them.

Mr CONMEE. May I repeat the suggestion of my hon. friend (Mr. Miller) that private Bills be taken up at eleven o'clock.

Some hon. MEMBERS. No.

Mr. MILLER. Why not?

Mr. CONMEE. Hon. gentlemen ought to be fair.

Mr. BARR. If the hon. gentleman does not see that the Bill is printed by Friday night there may be trouble.

Mr. CONMEE. The Bill is perfectly in order as to printing. The rules of the House are strictly complied with so far as that is concerned. However, under the circumstances, I am willing to accept the suggestion made by the premier.

Mr. DEPUTY SPEAKER. Is the motion of the hon. gentleman to report progress on all the Bills or simply on this Bill?

Mr. LENNOX. This Bill.

Mr. CONMEE. I assume that this Bill will retain its place on the Order Paper.

Mr. GEO. TAYLOR. Certainly.

Mr. HENDERSON. I draw attention to the fact that there was an understanding last night, implied if not expressed, that the Canada Life Bill would be the first order on Friday night. We should not be asked to sit here discussing this Bill until midnight and then take the Canada Life Bill afterwards. I am quite sure that the words of the Prime Minister in 'Hansard' would carry out that idea and that good faith is to be kept between both sides. I trust that the First Minister will see that there will be nothing in the way of going on with the Canada Life Bill at eight o'clock on Friday night.

Mr. FIELDING. I will not say anything as to the Canada Life Bill, because the Prime Minister has dealt with that. It was understood with regard to this Bill that at the moment we should reach it—I will not say whether it was meant for to-night or some other night—there would be a moderate amount of discussion and a division would thereupon take place. I am, therefore, quite sure that on that Bill there would not be any protracted discussion so as to seriously interfere with the progress of the other Bill.

Mr. HENDERSON. There will be several amendments moved.

Mr. FIELDING On which Bill?

Mr. HENDERSON. The Canada Life Bill.

Mr. FIELDING. I am speaking of what is commonly called the Conmee Bill, and the understanding was that when that Bill was reached there should be legitimate discussion on it and a division taken. If that is carried out there will then be abundant time to take up the Canada Life Bill.

Mr. TALBOT. Perhaps they won't agree to carry that out.

Mr. LENNOX. The hon. gentleman (Mr. Talbot) need not make any nasty insinuations; we are just as liable to keep good faith as he is. I do not think there is any misunderstanding between the Minister of Finance and ourselves. The understanding is that when this Bill comes up there will be honest discussion on it and no intention to unduly delay its progress.

Mr. TALBOT. How will that be proved?

Mr. LENNOX. I am not going to talk across the floor of the House to you.

Mr. BOYCE. I desire to draw attention to a statement made in my absence with regard to some supposed arrangement on this Bill between the hon. member (Mr. Conmee) and myself. For the purpose of bring-

ing the matter more fully before the committee I quote from 'Hansard,' page 5428:

Mr. BLAIN. Since my hon. friend (Mr. Conmee) has given us a very full explanation of the Bill and the proposed amendments, I would suggest that he allow it to stand for further consideration, particularly as my hon. friend from Algoma West (Mr. Boyce), who took such an active part in the discussion of this Bill when it was before the House some time ago, is absent.

Mr. CONMEE. If the hon. gentleman will allow me. I met the hon. gentleman (Mr. Boyce) yesterday and showed him my amendments and discussed them with him. I understood him to say that he was satisfied. There is only one point of difference.

Some hon. MEMBERS. Louder.

Mr. BOYCE. I might repeat what was said by my hon. friend from Cape Breton, that these gentlemen who are calling 'louder' have such very long ears that they might have heard the first time. Now, although it has been stated emphatically in 'Hansard' by the contradiction made by my hon. friend from Peel (Mr. Blain) on the authority of a memorandum which I had the foresight, having an intimate knowledge of the hon. member from Rainy River——

Mr. DEPUTY SPEAKER. The words of the hon. gentleman (Mr. Boyce) convey an insinuation that is not allowed by the rules of the House.

Mr. BOYCE. With the utmost deference to your ruling, I do not think there is anything unparliamentary in my words.

Mr. DEPUTY SPEAKER. Order. The hon. gentleman will please resume his seat. The hon. gentleman must accept the ruling of the Chair unless he appeals to the House; he is not at liberty to comment on the ruling of the Chair.

Mr. BOYCE. May I ask what words of mine are out of order?

Some hon. MEMBERS. Order.

Mr. FOSTER. He has the right to know what words of his are out of order.

Mr. BOYCE. I desire to know what words I have spoken are out of order.

Mr. DEPUTY SPEAKER. I have ruled that the words the hon. gentleman used with regard to the member for Rainy River —I cannot at this moment recall the exact words——

Mr. BOYCE. I should like to know what they are.

Mr. DEPUTY SPEAKER. Unfortunately I cannot recall at this moment the exact words as some conversation intervened, but I ruled at the moment that the words conveyed an insinuation that appeared to my mind not to be within the rules of parliament. They reflected, I believed, upon the honour of one of the members of this House. That is not permissible.

Mr. BOYCE. I will repeat, Mr. Chairman, in order to refresh your memory. You have stated that you are unable to recall my words, although you have made a ruling upon them. I desire to submit with the utmost respect to any ruling you make; but, at the same time, I desire to point out that the words upon which you ruled were these, that I had the foresight— when you, Sir, interrupted me with the ruling that I was out of order——

Mr. DEPUTY SPEAKER. I think the words of the hon. gentleman were clear enough in their intent. If I did not properly interpret his meaning, then his words would not be out of order. They did convey to my mind the impression that the hon. gentleman expected that the hon. member for Rainy River would do some act not in consonance with an hon. member's proper method of conducting himself in this House, and therefore I felt it my duty to state that that language did not appear to be in order. The hon. gentleman is at liberty to explain his words, and if they were not intended to convey such an impression, they would not be out of order.

Mr. BOYCE. Mr. Chairman, I had not risen to that height of hypothesis, and did not venture a possibility upon a possibility. All I ventured to assert was that having had a discussion with my hon. friend, and having been obliged to leave the House, knowing that I could not be present when the Bill was again under discussion, I had the foresight—that was all I said—to place in a memorandum for my hon. friend from South Simcoe what my exact understanding of the conversation with my hon. friend from Thunder Bay and Rainy River was. That, Sir, was what I was proceeding to explain when you ruled that I was out of order. I am now in the judgment of the chair.

Mr. DEPUTY SPEAKER. With the explanation that the hon. member gives, I will not further delay his remarks. He is at liberty to proceed.

Mr. BOYCE. Then, Mr. Chairman, I desire to say that my hon. friend has placed me in rather an unfortunate position. I was not in the House when my hon. friend said that there was an agreement between himself and me with regard to the provisions of this Bill.

Mr. CONMEE. No, I did not.

Mr. BOYCE. I have read from 'Hansard' at page 5428, where the hon. gentleman says:

I met the hon. gentleman (Mr. Boyce) yesterday and showed him my amendments

and discussed them with him. I understood him to say that he was satisfied. There is only one point of difference.

I desire to say that there was never any agreement about any provision of this Bill between my hon. friend and myself, no matter what idea he may have derived from any conversation that took place between himself and me. My hon. friend came to me and desired to hold out the olive branch in regard to this Bill. He found himself in rather a difficult position, sandwiched between the opposition and his leader, and he said that he desired to suggest some amendments to me. I did not assent to anything, did not say there was only one point of difference remaining between us, but I said that what suggestions he made should receive the consideration of myself and my colleagues, and I have not seen or heard from the hon. gentleman since.

Mr. CONMEE. I am quite positive that I made no statement that the hon. gentleman had agreed to anything, and he is quite mistaken if he thinks that I approached him with any view of olive-branching. I met him on the street and had a discussion with him on the Bill and showed him the amendments which were practically adopting the amendment of which he had given notice, and I said to him that I did not think any good purpose would be served by his pressing again for two years instead of three years.

Mr. BOYCE. My hon. friend would not like me to say what he did say, would he?

Mr. CONMEE. I am quite willing that the hon. gentleman should state anything he ever heard me say. I did not say last night that the hon. gentleman had agreed to that. Even if it is not correct in 'Hansard', I have a right to correct it. This is the language which the hon. gentleman refers to:

> If the hon. gentleman will allow me. I met the hon. gentleman (Mr. Boyce) yesterday and showed him my amendments and discussed them with him. I understood him to say he was satisfied. There is only one point of difference, and that is on this point—I will be fair about it. The hon. member's amendment would strike out the word 'three' in section 8 and substitute the word 'two.' That would mean that the company shall commence operations within two years instead of within three years. I pointed out that this company had to get legislation from Washington before it could proceed with its works —it had to go to another country to obtain the privilege of carrying on these works on the Pigeon river. I pointed out that it was more or less a difficult undertaking and that the company ought not to be hampered by narrow conditions, but ought to be allowed a reasonable time, and I do not think that three years is unreasonable. I understood the hon. gentleman to say that he would not press that point.

I do not say that the hon. gentleman agreed. I quite admit that he did not agree. What I say is that I understood the hon. gentleman to say that he was satisfied with the amendment in regard to cutting out the Nipigon river and retaining the Pigeon river.

Mr. BOYCE. Did my hon. friend understand that there was only one point of difference between us, and that was as to whether there were to be two years or three years for the commencement of the work?

Mr. CONMEE. That is a lawyer's quibble. My hon. friend only gets the better of me on those little side issues. I cannot draw as fine a distinction as my hon. friend can. If my hon. friend will tell me what difference there is between his amendment, so far as the Nipigon river is concerned, and my notice of amendment given by me then probably I shall be able to explain in my simple way but not having a legal training, I assumed that there was no difference. Because I happened to say in the heat of the discussion—not being on my guard and not supposing that a different construction would be put on my words—that there was one point of difference, I am now brought to book for it. I think I was right. There was one point, and that was the main point, as I understood it. What is the difference between this motion as regards the Nipigon river and my proposed amendment, if I do not accept the hon. gentleman's amendment?

Mr. DEPUTY SPEAKER. Motion agreed to.

Progress reported.

Mr. CONMEE. I have asked the hon. gentleman a question; and having regard to the courtesy due the House, I think he ought to answer.

Mr. DEPUTY SPEAKER. I have declared the motion carried.

THE THESSALON AND NORTHERN RAILWAY COMPANY.

House in committee on Bill (No. 104) respecting the Thessalon and Northern Railway Company.—Mr. Smyth.

On section 1,

Mr. CONMEE. I would like to get an explanation from the promoter. The company was originally incorporated in 1895 by Act of the Ontario legislature for a railway line starting near the shore of the Georgian bay or the Soo river and extending northerly by way of Thessalon, entirely within the limits of the province of Ontario. The present Bill provides that the company may extend that line, following the same course,

to a connection with the Canadian Pacific Railway, and it contains the declaration that this work is for the general advantage of Canada. I profess to be a consistent advocate of provincial rights as I understand them and it sems to me that hon. gentlemen opposite, who have been strongly professing and advocating that principle, cannot possibly support this Bill with that declaration in it.

Mr. MACDONELL. I rise to a point of order. The hon. gentleman who is promoting the Bill is not present. I understand it is not to be gone on with, and therefore it is out of order to discuss it.

Mr. DEPUTY SPEAKER. That is not a point of order. The hon. gentleman is in order.

Mr. CONMEE. This puts the consistency of hon. gentlemen opposite, who have have been professing and advocating provincial rights, to the test, and they ought, every man of them, to oppose the Bill. That is not the worst feature about it. Here is a Bill that invades provincial rights, which takes away from the province its control over a railway wholly within that province, and you have no intimation from the premier of Ontario regarding it. I submit that this Bill should stand until there is a declaration from the premier of the province of Ontario as to whether this legislation infringes on provincial rights. Hon. gentlemen who are members of the Railway Committee know that the province of Ontario had a legal representative at that committee who objected to this Bill on the ground that it is an infringement on provincial rights; yet, without a line from the premier of the province of Ontario, without an order in council, without a letter, without a telegram, without any permission whatever, hon. gentlemen opposite want to go on with this Bill, in defiance of the views of the Prime Minister of Ontario. I am surprised at their attitude.

Progress reported.

GRAND TRUNK PACIFIC LOAN.

House resumed debate on motion for the third reading of Bill (No. 128) to authorise a loan to the Grand Trunk Pacific.—Mr. Fielding.

Mr. E. M. MACDONALD (Pictou). When the House rose at six o'clock, I was endeavouring to point out the very anomalous position occupied by my hon. friend the leader of the opposition, in the amendment he has proposed on the third reading of this Bill. I ventured to point out some reasons why, without being at all unfair or unkind to that gentleman, every man who would like to see the commercial independence of Canada established might well be suspicious of the motives which actuate that hon. gentleman. When one recalls that six years ago the policy of hon. gentlemen opposite was opposed to building a railway from one end of the country to the other or constructing a transcontinental line which would have connections with the sea-board at both ends of Canada, when we recall that hon. gentlemen opposite proposed to build, not a transcontinental line, but a line beginning at North Bay and stretching from the western country to the Pacific ocean, thereby absolutely excluding any ocean ports on our Atlantic coast, I repeat that those who want to see the commercial independence of this country asserted might well be suspicious of the motives of the mover of the resolution we are now discussing. Do you find that these hon. gentlemen, after the lessons they must have learned from the two last elections as to what are the views and aspirations of the Canadian people, have abandoned the position they took six years ago and accept the policy that we should have a national line from sea to sea. Is that their position to-day? If it were, my hon. friend the leader of the opposition, might be supposed to have some faith in the proposition he submits. But that is not their position. They stand to-day where they stood six years ago. They still declaim against the absurdity of building what is known as the eastern section and talk about the tremendous burden placed on the people as a result of its construction. Every word they utter is a direct protest against our providing on the Atlantic coast of Canada railway connection by the transcontinental with these ocean ports which we desire to build up and make prosperous. Yet, in the face of that well known opposition of his party, the leader of the opposition, simply because he happens now to represent a constituency down by the sea, endeavours to lead the people to believe, by this resolution, that he is in favour of some effective provision which will aid in the development of our maritime ports.

The policy of my hon. friends opposite in 1903 and 1904 and again in 1909 is a policy of developing trade only and solely through the ocean ports on the Pacific coast. The truth of that position is so clear that it cannot be questioned. Only to-day the hon. gentleman from North Toronto (Mr. Foster) lamented the premature burdening of the people of this country by the debt which was being incurred in the construction of the eastern section of the Transcontinental Railway, without which section none of the traffic of this railway would touch Canadian Atlantic ports. Another reason why I think we have a right

to be suspicious of the candour of hon. gentlemen opposite upon this question is that we have heard them sneer at the position taken by the Prime Minister that it had become imperatively necessary for Canada to protect herself by having an all-Canadian line in order that our trade might not be dependent upon the bonding privileges accorded to our railways through the United States, privileges which might be withdrawn at any moment with great loss to Canadian interests. The Prime Minister in 1903 asserted that if Canada desired to maintain a position of commecial independence she should at once free her trade fom its condition of dependence by having a line entirely within Canadian territory. Hon. gentlemen sneered at the leader of this government on that account and only two years ago, during the discussion of the resolution submitted by the then member for Cumberland, that the advantages of the preferential tariff should be accorded only to imports that came into this country through Canadian ports, the hon. member for East Toronto, a not unimportant member of the opposition declared that the bonding privilege was of the greatest possible advantage to Canada, and that Canada should do everything in her power to preserve that privilege, thus taking the position, to which no objection was raised by the hon. gentlemen around him, that it was right and proper for Canada always to sit under the control of the United States in relation to transcontinental traffic. My hon. friends holding that belief can hardly be deemed to be serious or candid when they talk about providing for the development of trade through Canadian channels and Canadian ocean ports. They are perfectly satisfied to continue a condition under which our trade relations will remain under the direct control of the United States so far as the bonding privilege is concerned. The words of the premier six years ago, that time would not wait in relation to removing Canadian trade from that position of dependency and placing Canada in a position of commercial independence were absolutely true and we are beginning to realize that to-day. Hon. gentlemen who study the position and who recognize the commercial conditions of the country must come to the conclusion that if Canada is to have a future, her commercial independence from the United States in relation to transportation must be asserted, attained and maintained.

Hon. gentlemen opposite have been accustomed to attribute to the right hon. the premier, especially in their partisan newspapers and on occasions when they are free from contradiction, the statement that the Transcontinental would cost Canada only $13,000,000. It was rather refreshing to hon. gentlemen on this side who knew the attitude of some Conservative members and newspapers, and I know it was not pleasant to hon. gentlemen around him, to hear the hon. member for West Elgin (Mr. Crothers) this afternoon frankly and honestly declare there was nothing in the assertion that the leader of this House had said that the Transcontinental Railway could be built for $13,000,000. I am reminded that the hon. member for North Toronto (Mr. Foster) reiterated that statement to-day. I can fairly leave my hon. friend from North Toronto (Mr. Foster) and my hon. friend from West Elgin (Mr. Crothers) to determine which of them is accurate in his interpretation of the Prime Minister's words.

I submit that the policy of hon. gentlemen opposite six years ago and their policy to-day being not to build a transcontinental line but to stop half way across the continent, it is an anomaly for the leader of the opposition to make this motion because if my hon. friends had their way no modicum of trade would ever trickle its way down from the Great Lakes to the Atlantic seaports with such a railway as they proposed. A little might find its way by barge to Montreal or Quebec in summer but for the rest of the year not a pound would reach the Atlantic seaports of Canada. We know their policy in regard to the bonding privilege and we know that the government have wisely provided in the most absolute terms by sections 42 and 43 of the original contract with the Grand Trunk Pacific for the routing of freight by Canadian ports and when we find them asking to have this Bill sent back to the committee to add 'effective provisions' to the Bill binding these companies to the very thing they were bound to do effectively, certainly and surely by the agreement of six years ago we are reminded of the phrase used by the hon. gentleman in his trade policy, 'adequate protection'. I read this afternoon these two sections of the agreement which showed what the government had done upon this question. It is a fair and definite statement. The very basis of the policy out of which grew this transcontinental line was the theory that Canada should develop her trade through her own channels and ocean ports. That is why this government entered into this agreement, that is why the Grand Trunk Pacific was conceived, that is why aid was given to this line and that is why this agreement was made, an agreement which this government propose to carry out. Let me say as one ambitious to see the commercial independence of this country from sea to sea, that that commercial independence would not be secured by hon. gentlemen opposite who, by a policy of constructing a railway only half way across the continent, would make the great development of our western country contributory to the

interests of the country to the south for all time to come. I submit further that those of us who are interested in seeing our trade go through Canadian channels and seaports have a right to suspect these Trojan oppositionists who come bearing their gifts. This proposition of our hon. friends might almost be said to have all the signs of a death-bed repentance. After six years of opposition to a transcontinental line intended to develop trade through Canadian channels and Canadian seaports, only one construction can be placed on the resolution of my hon. friend the leader of the opposition if he is candid and honest in proposing it to this House and that is that notwithstanding the declarations made by hon. gentlemen who sit behind and around him, notwithstanding the position adopted by the party during the last six years he has at last come to recognize the merit of the proposition made by the leader of the Liberal party six years ago and to believe that this transcontinental scheme was intended to and will provide for the development of trade through Canadian channels and through Canadian ocean ports. I wish to say in conclusion that I believe that those who have faith in this enterprise, faith in the ideas which prompted it, and faith in its ultimate success, will look to the men who proposed it to implement the promise which is contained in this agreement. To them they will look to see that the conditions in the agreement with the Grand Trunk Pacific Railway will be carried out. We will expect more from them than we would from hon. gentlemen opposite who, if they had their way, would never have built a railway touching any of the Atlantic seaports. I believe that where ocean ports are to be developed, where men expect to reap an advantage in the great development which Canada has made, and will make in the next few years, all those interests will regard with suspicion the resolution of the leader of the opposition, and will rely on the leader of this government and the hon. gentlemen who sit around him, believing that their policy will lead to the fruition of the idea which lies at the very basis of this new transcontinental railway.

Mr. F. B. CARVELL (Carleton, N.B.) As a maritime member of this House I do not feel like giving a silent vote on this question, which is considered of so much importance. I am bound to say that I think I am justified in concluding that the object of this proposed amendment is not to benefit the Grand Trunk Pacific, is not to benefit the transportation interests of Canada, but it is a catch vote with the object of making some political capital in the maritime provinces. We listened this morning to the hon. member for North Toronto (Mr. Foster) in an impassioned speech of nearly two hours duration, when he came out flat footed against the scheme in its entirety, that is, against the construction of the eastern section of the Transcontinental. He pointed out how easily it would have been for this government to accomplish all they require by making the grant of a small subsidy of a few million dollars to the Grand Trunk Railway to get across the prairies to the Pacific ocean. He pointed out how they would have money left to construct the Georgian Bay canal. Why, the hon. gentleman was willing to go into anything except to build the Transcontinental from Winnipeg to the east. But my hon. friend the leader of the opposition, now that he represents a maritime constituency, is not so bold as the member for North Toronto. The leader of the opposition says the Conservative party take issue with the Prime Minister when he says they are opposed to the construction of a Transcontinental Railway. What a reformation, what a conversion there has been in the mind of my hon. friend the leader of the opposition in the last three or four years, yes, I may say in the last one year? The member for North Toronto pointed out the barrenness of the country through which this road would run from Moncton to Quebec, and he asked in his own peculiar tones: 'What local products are there from Moncton to Quebec to feed a great railway?' Then he asked the same question: 'What local products from Quebec to Winnipeg will feed a great railway system?' Forgetting apparently that the object of this great work was not local at all, although it will do local business to some extent. Its chief object is to carry the products of the prairie provinces to the east, to make us independent of our neighbours to the south, to place us in the position which the dignity and importance of Canada demand.

Well, there has been a great deal of discussion in this House during the past few weeks over the cost of this road, and today it has been pointed out by some hon. gentlemen that this road is going to cost $130,000,000 or $135,000,000. But my hon. friends have not stated that when we spend this $130,000,000 we are not giving it away to some corporation in the form of a subsidy; we are not doing as the Conservative government did when they assisted the Canadian Pacific Railway; we are not giving this road hundreds of millions of dollars of assets in land and money to put into their own pockets, and then give them the privilege of taxing the people whatever they choose in the way of freight rates. No, we are building a road which, it is true, may possibly cost $135,000,000, but we own the road, we own every foot of it, every rail in it, and after

the first seven years we are going to get three per cent interest on the total cost of construction, and at the end of fifty years the road comes back to us, and is our own absolutely without a dollar against it.

But some one will say: 'What is the good of that portion which runs from Quebec to Winnipeg?' Does he mean to say that 50 years hence a road running through this great country, through 1,000 miles of virgin forest, tapping the great prairies, will not be worth the $135,000,000 we are putting into it? Sir, if I had no more faith in the future of this country than to believe this road would not be worth what we are putting into it at the end of 50 years, I would get out of the country on the very first train. We have heard about the great difficulties we are going to labour under on account of the bond guarantee. It has also been stated here to-night by the hon. member for North Toronto that this road passes through a portion of the great northwest country, probably 1,000 miles from Winnipeg to the Rocky Mountains, which is the most fertile 1,000 miles in one continuous stretch on the whole American continent; and does anybody mean to say that a road going through a country like that will not pay interest on the cost of construction? They forget that the road from the Rocky Mountains to the Pacific Ocean possesses grades which no other transcontinental has ever dreamed of possessing. We are getting grades of less than one per cent over the Rocky Mountains, a road over which you can haul heavy freight per ton per mile at a less cost than you can over the Intercolonial. And yet they say this road won't pay the interest on the investment. I think the best evidence any one can offer of the wisdom of the government in going into this scheme, is the fact that even hon. gentlemen opposite are bound to admit that the road goes through this magnificent country; that fact I say is a sufficient guarantee that it will pay all expenses.

Now, my hon. friend the leader of the opposition, while he has been converted, or is compelled to be converted, to the idea of building a transcontinental, finds fault with the construction of that portion of the road between Quebec and Moncton, and I wish to devote a few minutes to that portion of this great work. The leader of the opposition states that we are spending $35,000,000 in order to get a road which is only 29 miles shorter than the Intercolonial. But my hon. friend fails to conceive the idea that while possibly, in actual mileage, this road is only 29 miles shorter than the Intercolonial, it is not 29 miles, but it is 100 miles, yes, 200 miles shorter from a transportation standpoint. And when you are talking transportation it is simply a question of dollars and cents, it is simply a question of what it will cost to transport a ton of freight from one given point to another given point. If my hon. friend wants to discuss what it will cost to transport a ton of freight from Quebec to Moncton by the Intercolonial or by the new road, then I submit it is two or three hundred miles shorter by the new road than by the Intercolonial. We are told by competent engineers that the same engine and the same train crew that will haul 35 or 40 loaded cars, as engines are built to-day, from Quebec to Moncton by the Intercolonial, will haul 60 or 70 loaded cars by the Transcontinental, practically double the weight. In addition to that, you have an average increase in speed of about ten miles per hour. I think I am safe in saying that for all practical transportation purposes, the Transcontinental between Quebec and Moncton will be almost one-half the distance, or not much more than one-half the distance of what it is by the Intercolonial. My hon. friend forgets another thing, that after you strike what is called Grand Falls in New Brunswick, there are immense possibilities in store for transportation. They can go down the St. John river to St. John or they can go to the Canada Eastern Crossing and from there to St. John, and in either of these cases it is 70 or 80 miles shorter to tidewater than by going by way of Moncton. View this question from any engineering standpoint and you are forced to the conclusion that the government, in building this road, have not only shortened the distance but they have made it possible to keep the business on Canadian territory and to direct it through Canadian ports.

Now, I want to say briefly that the amendment moved by the hon. leader of the opposition (Mr. R. L. Borden) to the third reading of this Bill this afternoon is not one which should commend itself to the judgment of this House. I stated earlier in my remarks that, in my opinion, it was open to the suspicion that it had been moved for political purposes and not for the benefit of maritime ports. If my hon. friend had been as sincere as he would like us to believe he is, there are several propositions which he could have made with which we would not have quarrelled and which we would have been only too happy to have consulted with him about. For instance, suppose he had told us that in case the division from Levis to Moncton is constructed before the line from Winnipeg to Quebec an arrangement should be made by which the Grand Trunk Pacific would be compelled to route freight, not specifically routed by the shipper, by way of the Transcontinental Railway from Levis to Moncton and on to the sea coast, we would have been willing to have discussed that with him.

Or, if he had proposed that when the line is constructed from Winnipeg to Quebec and from Levis to Moncton a grant should be made by the government, or some means should be taken in order to provide a ferry across the river so as to put the Grand Trunk Pacific in the same position that it would be in if the Quebec bridge were completed, then again we would have been happy to have discussed it with him, because these would have been practical measures which in the end would have inured to the benefit of the maritime ports. But, what did he propose? He proposed that in some way we shall compel the Grand Trunk Pacific to route their freight through Canadian sea-ports. Now, let us see what that means. It means that when you get the freight down to Montreal it has to diverge in one of two directions, that it has either to go by the Canadian Pacific Railway, or perhaps by the Grand Trunk to Sherbrooke and then by the Canadian Pacific Railway from Sherbrooke to St. John, or it has to go from Montreal to St. John or Halifax by the Intercolonial Railway. Take either of these propositions and see the absolute ridiculousness of them when you analyse them from the railway standpoint. When a car load of freight from the Rocky mountains or Edmonton, shipped to the sea coast, arrives at Montreal it is handed over to the Canadian Pacific Railway, or to the Intercolonial Railway, and then the Canadian Pacific Railway, or the Intercolonial Railway only get their proportionate charge according to the mileage of the whole route. If the Grand Trunk Pacific brought a car load of freight from Edmonton to Montreal and then asked the Canadian Pacific Railway to transport it from there to St. John on the proportionate mileage, which would figure out according to railway arrangements, why, the Canadian Pacific Railway would laugh at them. To make it worse, if you asked the Intercolonial Railway to carry that to the sea-board at that rate, and if that went on for five years, which time might elapse before the Quebec bridge would be available, instead of having an annual deficit of $300,000 or $400,000, you would have a deficit of $4,000,000 or $5,000,000 every year. Yet, that is the proposition which, for political purposes, the hon. gentleman wants this House to adopt. As far as I am concerned, and I speak with a full sense of the responsibility of the position which I occupy in this House as a maritime member, I have no hesitation in saying that I purpose voting against this amendment. I have no hesitation in saying that, according to my judgment, it does not appear to be a proposition that we should accept, either from the standpoint of common sense or from the railway or any other standpoint. It is only advanced with a political object. It is only put up as a scheme by which my hon. friend thinks he can obtain some political support in the maritime provinces, but I want to tell him that the people of the maritime provinces have listened to this bogey of the Grand Trunk Pacific too long to be caught by such a shadow as he puts before us to-day. In 1904 the campaign in the maritime provinces was fought upon the question of the Grand Trunk Pacific and nothing else. Then the Conservative party did not take the ground which my hon. friend from North Toronto (Mr. Foster) takes now that the road should not be built, but they said that the trouble was that the eastern section from Quebec to Moncton would not be built. They said that it would stop at Quebec, that the government never intended to build the road from Quebec or that they were building the road to Quebec in order to build up the port of Portland. Cartoons were published in the papers and circulated all over Canada showing how Portland was to benefit at the expense of Canada. The scheme, according to their contents, never intended to go beyond Quebec. An hon. friend of mine here says that they declared it was not intended to go beyond Gravenhurst. They asked the people to vote for them because the government did not intend to carry out their promise when they said they were going to build the road to Moncton. Now, they have built the road to Moncton. They have built a road the like of which does not exist in Canada to-day. If some of my hon. friends would go over that work, as I have gone over a large portion of it, and look at the character of the work and the grades which they have adopted, they would come to the conclusion that the government at least meant business when they told the people of the maritime provinces that they intended to build the road. The people of the maritime provinces know that it has been built to the ports of St. John and Halifax. They know who have been their friends and who are trying to assist them. The people of the maritime provinces know that the majority of the members of this House who have forced this Grand Trunk Pacific scheme through, notwithstanding the violent opposition of hon. gentlemen opposite, will continue to force it through and will take whatever means are necessary and wise in order to see that this railway scheme is carried out as it was intended to be carried out, and that Canadian freight is transported over Canadian routes and through Canadian seaports and no others. Having this faith in the Prime Minister—and I am satisfied that the people of the maritime provinces have faith in him and his government—I have no hesitation in voting against this proposition, and I am satisfied that I will be justified by the great majority of the voters of the maritime provinces in voting against an amendment which is put up simply as a political scheme and not with any honest desire to

promote the interests of the people of the maritime provinces.

Mr. A. B. CROSBY (Halifax). I did not intend to say a word on the motion before the House to-night, but, having listened to the hon. member for Pictou (Mr. Macdonald) and the references made to Nova Scotia I think it would not be fair to the constituency that I represent to give a silent vote on this question. The matter of this transcontinental railway has been well threshed out, particularly in 1904, when the people of the maritime provinces were instructed to believe that within a very limited time indeed, long before 1908, we would have the transcontinental railway right down to the city of Halifax and that the province of Nova Scotia would benefit by the road. There was an alternative proposition but I do not propose to delay the House to-night by going into that. The whole province of Nova Scotia was carried in 1904 in the interest of the government and why? Because of the grand and glowing pictures that were painted by the Liberal leaders and candidates as to what was going to happen to the province when that scheme was carried out. The people were deceived to a certain extent and they supported these hon. gentlemen. The result was that we did not have a Liberal Conservative returned in Nova Scotia. In 1904 the hon. gentleman (Mr. Macdonald) carried Pictou by 432 of a majority; in 1908 he carried it by 309, and when he goes back again there is very good evidence that he will not be returned at all, particularly when the people hear the story of the manner in which the Grand Trunk Railway Company has treated the Intercolonial Railway. The Minister of Railways will find that in the maritime provinces the Grand Trunk Railway Company is not looked upon with very great favour. The hon. minister made a statement not very long ago to this House that the Grand Trunk Railway had not treated the Intercolonial Railway very well. He knows that when that notable agreement was made by Mr. Blair between the Grand Trunk Railway and the Intercolonial Railway great things were expected, but I would ask any hon. member in this House whether these great things have been accomplished, or whether the Intercolonial Railway is not in a worse position now than it was when that agreement was made. The people of the province of Nova Scotia do not look with any great hope to what may come to them through the Grand Trunk Railway Company unless the government will undertake to make provision by which the province of Nova Scotia and the port of Halifax will get a fair share of the trade. I believe that there is sufficient trade in Canada for St. John, Halifax, and Sydney if you like, if we can only get it brought to the east. In 1904 the city of Halifax returned two Liberals and Mr. Roche was elected by 600 majority, but in 1908 Mr. Borden was returned by the handsome majority of 750. Does that indicate that the people of Nova Scotia have very much confidence in this scheme or in the Grand Trunk Railway Company? It certainly does not tend to show that the people of Halifax, who are an intelligent people and who know their own interests, have much faith in the scheme. In 1904, Colchester returned a Liberal with 190 majority, but in 1908 a Conservative was elected with about the same majority. The county of Cumberland in 1904 sent a Liberal to this House with upwards of 700 majority, but in 1908 it returned a Conservative with nearly 500 majority. Does that look as if the peple of Nova Scotia were right in line with this proposition? I have listened to the debates here and there is no doubt in the world that after all the Grand Trunk Railway and the Grand Trunk Pacific are one and the same thing; the only difference being that the Grand Trunk Company dominates the whole business and what the Grand Trunk desires to be done will be done unless the government undertakes to insert such a clause in the agreement as is asked for by this side of the House to-night. In the county of Lunenburg in 1904 the member sitting for that constituency was returned with 451 majority, but in 1908 he could only get 200 majority. The county of Antigonish was represented in the last parliament by a Liberal who had 800 majority but the gentleman representing that constituency at the present time could only get about 20 majority. In Cape Breton South a Conservative was returned in 1908 with a substantial majority, but in 1904 the county was represented by a Liberal whose majority was upwards of 300. The sitting Liberal member for Cape Breton North comes here with a very much reduced majority. A very strong effort was made to get a recount in that constituency and it is now claimed that had a recount been allowed the possibilties are that the gentleman who now represents that county would not be here to-night. In the last parliament Digby was represented by a Liberal who had 800 majority but a Conservative represents it in this parliament and his majority was 200.

Mr. BLACK. What about Inverness?

Mr. CROSBY. The sitting member for Inverness represents that county as much by the Conservative vote as he does by the Liberal vote, and perhaps if things had not happened as they did happen there might be another story to tell about Inverness, as the hon. member for Inverness knows.

Mr. LAW. What about Yarmouth?

Mr. CROSBY. Well, Yarmouth is an annexationist county and it naturally belongs to the Liberal side of the House.

Mr. BLACK. What about Hants?

Mr. CROSBY. My hon. friend (Mr. Black) knows what saved him in Hants and it is not likely he will ever be saved again in the same way. He has nothing to boast about in Hants; his majority is not worth speaking about any how.

Mr. BLACK. I got the largest majority ever given since confederation.

Mr. CROSBY. Your turn over from the Conservatives to the Liberals was so quick that some of them did not know you were a Liberal. I want to say, sir, that the people of Nova Scotia and of the maritime provinces generally have no other desire than to see the Transcontinental Railway built. We are not, as the hon. member for Pictou tries to make out, opposing the construction of another transcontinental railway, but we are opposing the extravagant manner in which it is being constructed. We are here to suggest other methods of giving accommodation, and less extravagant methods than the one by which this government is constructing this road. Even though this government may build this road, we demand that it shall be a road for Canada, and Canada alone, not a road that shall have its terminus in the city of Portland. We demand that this government will insert a clause in the agreement that will compel, not the Grand Trunk Pacific, but the Grand Trunk Railway to carry the products of the west down to St. John and Halifax and the other Atlantic ports. What we want is fair play, Canada for the Canadians. That cry is taken up so much by hon. gentlemen opposite that we can hardly get it out first now. There was a time when we did not hear it so often from them; but now we have to get up pretty early before we can get ahead of some of the men on the other side of the House. That is, when they are voicing the sentiment; when it comes to dealing with the facts and seeing that Canadian products shall go out through Canadian ports, and that foreign goods coming to Canada shall come in through Canadian ports, that is a different proposition. I want to say in conclusion that we in the eastern part of Canada have done all we could, and are willing to do more, to build up the west; we have always sent men to parliament who have been ready to stand behind the great propositions in the interest of Canada. We are to-day as strong as ever in that desire. If Canadian goods are exported through Canadian Atlantic ports and imported goods are brought in through Canadian Atlantic ports, the Intercolonial Railway will be benefited as well as the whole country. The trouble with the Intercolonial Railway to-day is that it does not get goods either from the east or the west, because it is in a very awkward position, and I am afraid it will continue in that position if the present course is continued. But if we are to have two roads, let us be sure that the trade originating in the west shall come down to Canadian Atlantic ports, so that we shall be getting a fair share of that trade.

Mr. W. S. LOGGIE (Northumberland, New Brunswick). Mr. Speaker, the hon. gentleman who has just taken his seat (Mr. Crosby) seems to have wandered very far from the proposition before the House, carrying us through the political issues in the late contest in many of the counties of his province; but he has not placed before the House any good reason why the amendment moved by the hon. leader of the opposition should be adopted. I wish to make a few remarks on that motion One of its propositions is that we should compel the Grand Trunk Railway Company to route traffic through Canadian channels and Canadian ocean ports, and forbid the diversion routed thereto by the shipper. He has not given us one fraction of evidence to show what power we have over the Grand Trunk Railway Company. We are not, as I understand the present proposition, lending one dollar to the Grand Trunk Railway Company and if the Grand Trunk Railway Company is not receiving anything from this parliament, why should we seek to bind it to do something for us? The hon. gentleman does, however, hold that we should bind the Grand Trunk Pacific Company to carry the traffic through Canadian channels. It is scarcely necessary to remind the hon. gentleman that the Grand Trunk Pacific is already bound by a signed and sealed contract to do so, and therefore it seems to me that placing this amendment before the House on this occasion is, as one hon. gentleman already said, a catch-vote and a vote of want of confidence in the administration. As I understand it, if the principle of the contract, or the amended contract of 1904, had been applied to the prairie section as it was to the mountain section, the Grand Trunk Pacific Company would not be here to-day asking us for a loan. When this project was presented to us, it was expected that the company would bear 25 per cent of the cost of construction; but unfortunately for them, they estimated the cost of the prairie section at about $19,000 per mile, and therfeore asked for a maximum of $13,000 per mile. A good reason has been given why the cost has been more than was anticipated, but because of that limitation to $13,000 per mile instead of

75 per cent of the actual cost, they are here to-day asking us practically to put the prairie section on the basis of 75 per cent of the actual cost. We have been told to-day by the hon. leader of the opposition that there is imminent danger of the wheat traffic arising in the western provinces being carried to the American seaports, suggesting that it will be diverted at Superior Junction and taken to Port Arthur, thence by water to Midland, and over the Grand Trunk Railway to American ports. To my mind that is the most effective answer to the hon. gentleman's original proposition, that we should aid in building a road to North Bay, and then hand the traffic over to the Grand Trunk Railway. If there is danger to-day of the traffic that goes to Midland being carried on to Portland, would there not be danger of all the traffic that the Grand Trunk Pacific handled for all time to come being handed over at North Bay to the Grand Trunk Railway? Under such circumstances the Intercolonial Railway would become a commercial impossibility, for there would be good reason to fear that all the traffic would go to American seaports instead of to maritime province seaports. Was it not the part of wisdom for this government, when such a proposition was presented to it, to turn it down? My hon. friend is very much concerned about the traffic going temporarily to American seaports because of the unfortunate happening to the Quebec bridge or the non-completion of the road from Lake Superior to the seaboard. The hon. gentleman puts this question to us, but does he show us how that can be done except the Intercolonial Railway forsooth should haul the grain for nothing? He talks about its hauling wheat at two cents a bushel from Montreal to Halifax. But when we realize that two cents a bushel is about four cents per 100 pounds, or $16 for a 40,000 car, we can understand that we cannot successfully manage any great railway with such rates.

Mr. R. L. BORDEN. I was quoting from the answer given by the government. It is not my statement.

Mr. LOGGIE. The hon. gentleman was quoting from the answer given by the government, but he must realize that at such rates, we could not carry very much traffic and come out on the right side of the ledger. It is not practical. How could we haul grain 800 miles as against 150 miles? And that would have been exactly the result if the railway had originally gone to North Bay and then have the freight go over the Grand Trunk Railway and the Intercolonial Railway to our maritime seaports. The very dangers which my hon. friend speaks about is the best answer why the government were wise in not adopting the policy he advocates, and we ought to congratulate the right hon. gentleman and his colleagues on the fact that they were sufficiently astute politicians and businessmen not to consent to any such project as was proposed by the Grand Trunk Pacific, namely, to build to North Bay.

Let me now give one or two reasons why it was wise to build the road through the northern portion of Ontario and Quebec, in order that the wheat from our western field should go to our maritime ports. Leaving Winnipeg, we have a railway practically level. A four-tenths grade, I understand, is such that an engine which can start a train on the level will haul it with the same power over a four-tenths grade. Therefore we have a road from Winnipeg to Quebec practically level. We can therefore have grain from the west hauled by rail from Winnipeg to Quebec at practically as low a cost as to Superior Junction and thence to Port Arthur, as you can have it hauled by water to Midland and thence by rail to Montreal. We can deliver it to Quebec by rail at practically as low a rate as we can haul it by the other route and deliver it in the port of Montreal. Again after we get the grain to Quebec, we can send it to our maritime ports. The distance, I admit, is greater than between Quebec and Portland, but what have we to offset that? And that is the pertinent point in having that wheat hauled over the level from Winnipeg to Quebec. When you get it to Quebec, you have placed it very much nearer our maritime ports than if you brought it to Montreal and handed it over to the Canadian Pacific Railway or the Intercolonal Railway. How do you offset the difference as compared with the route between Quebec and Portland? The distance between Quebec and Portland is very much less than between Quebec and our Atlantic sea-board. But we have this to compensate for that difference. Let me give you the words of Mr. Butler, who was at the time the chief engineer of the Transcontinental Commission. In the sessional papers of 1905, we find he tells us that you can haul ten fully loaded trains each way per day on the Transcontinental Railway 486 miles for $2,970,864.54. To do this same business on the Intercolonial Railway with the 1 per cent grade costs how much? It will cost $5,128,409.06, a difference of $2,157,554 in the operating in one year of ten loaded trains each way per day, and then there will be the difference besides on the passenger freight. What does that mean? We have heard to-day unfavourable criticism on the cost of the division between Quebec and Moncton. I thought that the cost was $30,000,000. but the hon. member for North Toronto (Mr. Foster) says it will reach $35,000,000. Is not that a profitable investment for the Grand Trunk Pacific? If they have to pay interest at 3 per cent

on $35,000,000, that will amount to about $1,050,000, and they save in operating expenses over $2,000,000, so that they could, by the building of the division between Quebec and Moncton, save $1,000,000 a year over what it would cost them to ship by the Intercolonial Railway, even if they got it for nothing. So that they will save on operating expenses the interest on the actual cost of the road between Quebec and Moncton.

The hon. member for North Toronto (Mr. Foster) said to-day, had we not better go slow and not invest quite so much in the section between Quebec and Moncton? I say no, we should hurry along that section and also the section between Winnipeg and Quebec. My right hon. friend, the leader of the government, says it is our duty at present to hurry on the prairie section. So far as I can see, I say we ought to hurry on every mile of the whole line from Moncton west, and the sooner that is done the better for the transportation interests of this country.

It is not my purpose to take up much of the time of the House, but I thought it my duty to speak on this important matter affecting the maritime provinces. No doubt this resolution of the leader of the opposition will be in the press to-morrow in great headings such as the Conservative party conserving the interests of the maritime provinces and the government opposing them. The hon. gentleman is no more earnest in his desire to have the wheat from the western provinces shipped through Canadian Atlantic ports than I and every other hon. gentleman from the maritime provinces. The scheme which he has presented, for the transporting of wheat refers only to that which is held over at Midland because it cannot be transported to Montreal before the close of navigation. The question of transport by a martime province port or an American port arises only in connection with winter transportation, and the quantity involved cannot be large, but the benefit that will accrue to our ocean ports when the Transcontinental Railway is completed is incalculable. It is true that a large amount of money is invested in the construction of this road. The leader of the government (Sir Wilfrid Laurier) said that the net cost of the road to the country on account of interest would be about $13,000,000. As he explained to us to-day, that estimate was based on the cost of the road as then estimated by the engineers, it was not an estimate of cost by the minister but by the engineers in charge. According to the revised estimates we will have a railway of the highest standard from ocean to ocean for a subsidy of about $40,000,000. On all other money which we invest in this road we receive interest, it is as if we got our money back, put in the bank and drew out interest on it. Comparing this bargain with the bargain for the construction of the Canadian Pacific Railway, this seems to me far the better bargain in the interest of the country.

I hope that the hon. gentleman opposite who has proposed this amendment will see his way clear to withdraw it as he could well afford to do under the circumstances. I would commend that suggestion to his consideration.

House divided on amendment (Mr. R. L. Borden).

YEAS:

Messieurs

Ames,	Lewis,
Armstrong,	Macdonell,
Arthurs,	MacCall,
Barker,	McCarthy,
Barr,	Maddin,
Beattie,	Magrath,
Blain,	Marshall,
Borden (Halifax),	Meighen,
Boyce,	Middlebro,
Bradbury,	Nantel,
Bristol,	Northrup,
Burrell,	Owen,
Campbell,	Perley,
Chisholm (Huron),	Porter,
Cowan,	Price,
Crosby,	Reid (Grenville),
Crocket,	Roche,
Crothers,	Russell,
Currie (Simcoe),	Schaffner,
Daniel,	Sexsmith,
Doherty,	Sharpe (Lisgar),
Donnelly,	Sharpe (Ontario),
Edwards,	Smyth,
Elson,	Sproule,
Foster,	Stanfield,
Fraser,	Staples,
Goodeve,	Taylor (Leeds),
Gordon (Nipissing),	Taylor (New Westminster),
Haggart (Winnipeg),	Thoburn,
Henderson,	Wallace,
Herron,	White (Renfrew),
Hughes,	Wilson (Lennox and Addington),
Jameson,	Worthington,
Lake,	Wright.—70.
Lancaster,	
Lennox,	

NAYS:

Messieurs

Allen,	McCoig,
Aylesworth,	McColl,
Bickerdike,	McCraney,
Black,	McGiverin,
Borden (Sir Fred'k),	McIntyre (Perth),
Boyer,	McIntyre (Strathcona),
Brodeur,	McKenzie,
Brown,	McLean (Huron),
Bureau,	McMillan,
Calvert,	Major,
Carrier,	Marcile (Bagot),
Carvell,	Martin (Montreal, St. Mary's),
Cash,	Mayrand,
Chisholm (Antigonish),	Meigs,
Chisholm (Inverness),	

Clark (Red Deer),	Michaud,
Clarke (Essex),	Miller,
Congdon,	Molloy,
Conmee,	Nesbitt,
Currie (Prince Edward),	Neely,
	Oliver,
Delisle,	Papineau,
Demers,	Pardee,
Dugas,	Parent,
Ecrément,	Paterson,
Ethier,	Pickup,
Fielding,	Prowse,
Fisher,	Rankin,
Fortier,	Reid (Restigouche),
Fowke,	Richards,
Gauvreau,	Rivet,
Geoffrion,	Robb,
Gervais,	Ross,
Girard,	Roy (Montmagny),
Gladu,	Savoie,
Graham,	Schell,
Guthrie,	Sealey,
Harris,	Sifton,
Hodgins,	Sinclair,
Knowles,	Smith (Middlesex),
Kyte,	Smith (Nanaimo),
Lanctot (Laprairie-Napierville),	Stratton,
	Sutherland,
Lapointe,	Templeman,
Laurier (Sir Wilfrid),	Tobin,
Lavergne,	Todd,
Law,	Tolmie,
LeBlanc,	Turcotte (Nicolet),
Lemieux,	Turcotte (Quebec County),
Loggie,	
Lovell,	Turgeon,
Low,	Verville,
Macdonald,	Warburton,
MacNutt,	White (Victoria, Alta),
McAlister,	Wilson (Laval).—106.

PAIRS:

Messieurs

Ministerial.	Opposition.
German,	Haggart (Lanark),
Dubeau,	Lortie,
Proulx,	Blondin,
Talbot,	Rhodes,
Maclean (Lunenburg),	Broder,
Murphy,	Maclean (York, S.),
Pugsley,	Clare,
Gordon (Kent),	Stewart,
Harty,	Osler,
Emmerson,	Monk,
Béland,	Paquet,
Turriff,	Forget,
Chew,	Lalor,
Rutan,	Barnard,
Martin (Regina),	Kidd,
Martin (Wellington).	Thornton.

Amendment negatived.

Mr. CALVERT. The hon. member for Bellechasse (Mr. Talbot) has not voted.

Mr. TALBOT. I was paired with the hon. member for Cumberland (Mr. Rhodes). Had I voted I would have voted against the amendment.

Mr. SPEAKER. Shall the main motion now be adopted?

Mr. H. B. AMES (Montreal, St. Antoine). Before the motion is put I desire to submit another amendment of so simple and reasonable a character that it will take but a very few minutes to explain it. This Bill which stands for a third reading provides in its first clause that a loan of $10,000,000 shall be granted to the Grand Trunk Pacific Railway Company, and that the same shall bear interest at the rate of four per cent per annum. Now I desire to submit to the House an amendment that will provide:

That the rate of interest and charges payable by the company to the government upon and in respect of said loan, should not be less than the rate of interest and charges which the government should pay in obtaining funds for the purpose of said loan.

As I have said, the proposition I now submit is I think a simple and reasonable one. The Minister of Finance has stated in his introduction that we are to act in the capacity of a banker towards the Grand Trunk Pacific Railway Company, and that we are to make them a loan at a stipulated rate of interest. Now if we are to act as their banker, unfortunately we shall ourselves have to borrow before we shall have the money to lend them, and as is well known, when we are borrowing the nominal rate of interest is not all that it costs to secure money. There are other charges as well, and these other charges add no inconsiderable amount to the cost we have to pay to secure the money. So what is known as the average effective rate of interest per unit which takes into consideration all these various costs, is always somewhat above the nominal amount of the loan. I think that if we are to act as banker for this company, and if we must go into the money markets of the world to secure this money, we certainly should ask those who borrow from us to pay us what we have to pay to get that money.

Now the Finance Minister has stated that he expects to be able to borrow this money at a rate sufficiently below four per cent to cover the cost, so that there will be no money lost on this transaction. If that be the case, then there can be no possible harm in accepting the amendment suggested, and there certainly will be some advantage in passing such an amendment and putting it into the Bill as a precautionary measure. As is stipulated in the Bill, the company will have to pay interest semi-annually, and they will not be called upon to pay the first semi-annual instalment until at least six months from the time when the first payment of funds is made to them, and during that period we will obtain the money which we intend to loan to them and we shall have had ample time to calculate what that money will cost us. So by the time the company is first called upon to pay interest there will be no difficulty on our part to ascertain just what that money has cost us, and consequently no difficulty

in billing them for exactly the same amount.

Now if we should give them a portion of the last loan we made, the £6,000,000 loan of the 27th of January, we should be giving them money at four per cent which we ourselves have borrowed at an effective rate of interest of 4⅛ per cent; that is to say, we would be paying $412,500 per annum for that $10,000,000, and we should be receiving from them $400,000 per annum; that is, we should be lending them at a loss of $12,500 per annum, or, if spread over the ten years, we would make a total loss of $125,000. Now I do not think it is right or necessary that we should make that loss, I do not think the people of Canada are called upon to make that loss on this loan. If we are, as I know we are, in this particular case coming to the relief of this company very much to the advantage of the company, then it seems to me that the company should certainly reimburse us what we are called upon to pay to obtain the money.

The other day the Finance Minister endeavoured to prove that this should not be the course pursued, and he pointed out that money was lost when the country loaned $30,000,000 to the Canadian Pacific Railway in 1884. It was then shown that the Canadian Pacific Railway Company paid the government at the rate of four per cent, but the government had to pay considerably over four per cent in order to obtain that money. Mr. Speaker, I consider that the government of that day, in lending money at a rate of interest lower than they paid for it, made a miscalculation, and I think they afterwards felt they had made a mistake. If they made a mistake in their calculation in that case, should not we in this case take the precaution to prevent any such error from being repeated? The very experience of that day when men endeavoured to safeguard the future as best they could, but in their endeavour were not entirely successful, the very experience of that day should be a lesson to us, and should cause us in this particular loan to take good care that their mistake be not repeated.

Our government has always made what I consider to be a very serious mistake in the rate of interest they have fixed to be paid by the Grand Trunk Pacific for the use of the line from Winnipeg to Moncton, the rate of interest being fixed at three per cent. Now, supposing, as we fully expect, that that line will cost us $150,000,000 from Winnipeg to Moncton, including shops, terminals and the Quebec bridge, we shall receive from them at three per cent, $4,500,000 per annum. But if we are borrowing that money at four per cent, and it is more than likely we shall have to borrow a considerable portion of it at that rate, we shall be paying $6,000,000 per year on the $150,000,000, and as we shall be collecting only $4,500,000 annually, we shall make an annual loss of $1,500,000 per annum during the period on which they pay that rate of three per cent and our loans run at the same time. But it may be said that we will not have to pay four per cent on that $150,000,000. What have we had to pay on what has already gone into that road? $50,000,000 has already been expended. We have borrowed £3,000,000 at 3¾ per cent per annum, £5,000,000 at 3 4-5 per cent, and £2,000,000 at 4⅛ per cent That is to say, on the total amount that has gone into that road we have to pay from 3¾ of 3⅘ per cent ; and yet we have stipulated that we shall relend that money at three per cent. Now, supposing we take a ten year period, we shall make a loss on that transaction of $1,125,000 a year, which in ten years will amount to $11,250,000. But if we take the transaction up to the year 1950, and that is a reasonable period, because the loans that are being floated are payable in 1905, and we expect the company will pay interest at least until that time, we shall have in thirty years a loss of $1,125,000 a year, or, not computing compound interest, a total loss of $33,750,000 on that calculation alone. I claim that we should have arranged, when building the National Transcontinental Railway, that the lessee of the road should pay the same rate of interest including charges, as that at which we have to borrow the money to build it.

It must also be very apparent that we are unusually generous to this company, because if they went into the money market, they could not sell their bonds at 100 cents on the dollar. In order to borrow $7 they would have to issue $8 of bonds. They could not issue these bonds at more than 87½ or 90. You must remember that the interest is not calculated on the amount of money that is paid them but on the amount of the debt; so that, in order to raise that $10,000,000 cash, the Grand Trunk Pacific would have had to go into the money market and float a loan for at least $11,500,000. That would bring the net rate of interest on the amount of money actually raised up to 4⅘ per cent.

I think that is all I need say. It seems to me that the proposition I have submitted is such a reasonable one that it does not require any further presentation than I have already given it. We are to act as the banker for the Grand Trunk Pacific Railway Company. They come to us because they cannot get good terms anywhere else, and we have agreed to assist them in order that this enterprise may be carried out. It seems to me that the least we can ask of them, the least we should ask of them in the interest of the people of the country, is that they should pay us the price at which we borrow this money plus

the cost of borrowing the money. Therefore, I beg to move, seconded by Mr. Perley :

That the order for the third reading be discharged, and that the Bill be referred back to the Committee of the Whole with power to amend the same by providing that the rate of interest and charges payable by the company to the government upon and in respect of the said loan shall not be less than the rate of interest and charges which the government shall pay in obtaining funds for the purpose of the said loan.

Hon. W. S. FIELDING (Minister of Finance). We have already discussed this matter at an earlier stage and I do not imagine that anything very new or important can be added to the stock of information in the possession of the House. The hon. member (Mr. Ames) has correctly quoted me as stating that this was a banking transaction—a very proper illustration. If anybody goes into a bank to borrow money he will be rather surprised if the banker should say to him: 'Well, I will lend you this money at four per cent, but if I should happen to have to pay a little more than four per cent I will come back on you for it.' That is not banking business. The banker forms his idea of the value of the money and he fixes the rate which he supposes will cover his needs. The very first consideration would be that the banker should determine what would be a fair rate of interest. He fixes the rate of interest to his customer, but how he may get the money and what rate of interest he may have to pay the depositor would form no part of the negotiation with his customer; consequently, in fixing a definite rate on this loan, we are certainly acting in accordance with common banking business.

Mr. BARKER. The hon. gentleman is speaking as a banker. Does he imagine for a moment that a banker would lend money at a rate on which he could not possibly gain but would make a loss?

Mr. FIELDING. That is not the point. I shall come to that in a moment. The question is whether or not there shall be a fixed rate, not what the rate is. That is another branch of the question. My friend (Mr. Ames) is introducing into this question the proposition of an uncertain rate. The point I am making is that the banker would charge his customer a fixed rate. Whether it would be considered a high rate or a low rate is another question. My hon. friend wishes to interrupt?

Mr. AMES. I do not think the minister has quite read the amendment correctly. The amendment says 'the rate of interest and charges.' The rate of interest can be fixed now by the minister. The minister knows what rate he would pay for his loan.

Mr. FIELDING. No, I do not.

Mr. AMES. Well, he could probably say what rate the company should pay.

Mr. FIELDING. No.

Mr. AMES. And that the charge for obtaining the loan should be the same charge to the company.

Mr. FIELDING. The charges are always included in a statement of the net rate of interest. In any statement I make to this House as to what a loan costs I would feel bound to include all the charges in it so as to come as near as I could to what my hon. friend described as the effective rate per unit. The point that I desire to make is that when a man goes to a bank to borrow money the banker always makes a fixed rate for the transaction. Whether or not that is considered a high rate or a low rate, that is another question. I say it is desirable that there should be a fixed rate because we have taken a mortgage as a security,—a security which is desirable to have though not one of immediately great value, and if we are to have a transaction of that character it certainly is desirable that the mortgage should bear a fixed rate of interest and not an uncertain rate of interest. I think, therefore, it is clear that for these various reasons, we ought to have a fixed rate of interest.

Now, in fixing that rate of interest the banker would naturally fix a rate which he believed would be satisfactory to him. He would aim to have a profit. That is the chief business of the banker, but, that is not necessarily our chief business in the present instance. Nevertheless, it would be the part of wisdom that we should have a definite fixed rate of interest which we might reasonably believe would cover the cost of the money to us and we have fixed that rate at four per cent. My hon. friend assumes that the rate of interest that we will have to pay will be more than four per cent. I have all through carefully guarded this point, and I have given no definite assurance as to what the money will cost. My hon. friend says that I cannot tell at what rate of interest the bonds will be issued. No man can say that in advance. All through this discussion I have insisted respectfully that the proper course for a Finance Minister to take is to hold himself free to issue securities at such time, at such rate and for such terms as the condition of the money market may require. Therefore, I think it is unwise to found any argument on the assumption that we should have a higher rate. Nevertheless, we should to a certain extent, foresee the conditions of the market. I say there is as much reason to believe that we will make a profit out of this transaction as there is to believe that we will make a loss. I do not think the theory of my hon. friend that we are

likely to make a loss has anything to warrant it. Is there not just as much reason to believe that we may secure a profit? He does not, in moving this amendment, assume that we are going to make a profit. He has no confidence that we will make a profit and he does not say that we must give back to the Grand Trunk Railway any profit we may make. This motion is to no purpose at all. It is based upon the assumption that should the loan cost more than four per cent, we ought to make the Grand Trunk pay more. Why should we do so?

Mr. AMES. As a precautionary measure.

Mr. FIELDING. In fixing the rate at four per cent we are taking a reasonable precautionary measure. We are satisfied that the element of risk in the matter is of exceedingly small proportions, of such small proportions that there is no need practically of our being concerned about it at all. Then I will cite the case of the Canadian Pacific Railway. The only way you can get over that is by saying that they were wrong. Looking back over the transaction I am not prepared to say they were wrong. I would rather say that they were right. It was wise to fix a definite rate, and if four per cent were not enough, they might have fixed a higher rate, but the fact that they afterwards went to the money market and paid a little more than four per cent will not, in the light of history, be held up against them.

Looking back over the whole transaction I believe it was wiser for the government to fix a rate which they thought would cover the transaction than to have introduced such an element of uncertainty as it proposed to introduce to-day. I do not give that transaction as conclusive evidence but I do say that it is of some value in presenting to the House my argument. I would rather believe that what was done in the case of the Canadian Pacific Railway was a fair and reasonable transaction, than that it was an act of imprudence on the part of the government of the day. My hon. friend (Mr. Ames) went away from the loan and he told us that we are going to receive only 3 per cent from the Grand Trunk Pacific on the lease whereas we will have to pay a higher interest rate. That is true, and to that extent we are undoubtedly doing something for the company. Six years ago when the transaction was negotiated 3 per cent was thought to be the fair value of money, but money has since increased in cost and we shall probably find that we may have to pay for some considerable time more than 3 per cent. In that respect we are giving something to the Grand Trunk Pacific. But there are a great many things the government are not giving to the Grand Trunk Pacific. They are not giving them $25,000,000 cash or 25,000,000 acres of land anywhere in this Dominion; they are not giving them miles and miles of completed railway which cost the Dominion many millions of dollars; they are not giving them exemption; they are not giving them any of the favours which were lavished upon the Canadian Pacific Railway. When my hon. friend says that we are giving the Grand Trunk Pacific some slight advantage on the interest rate, I would ask him to remember that the Grand Trunk Pacific is far from receiving the spendid liberal grants that were given to the Canadian Pacific Railway years ago, and that we are giving to this Transcontinental Railway less, immensely less, than was given to the other corporation by our predecessors in office. Then my hon. friend says that before we lend money we must be sure that we are losing nothing, and that we will at least have our loan returned. The hon. gentleman does not seem to think kindly of this loan to the Grand Trunk Pacific, but as a representative of the great city of Montreal he is interested in the fact that we are lending money liberally to the harbour commissioners of his city, not at one-eighth per cent less than we pay for it but at one and one-eighth per cent less, if I take the same basis that he applies to this case. The hon. gentleman has told us that we are paying four and one-eighth for some money lately borrowed, and I can tell him that we have been occasionally lending money to the Montreal Harbour Commissioners at 3 per cent. What then becomes of this principle that if we are to lend money we must be sure we are to lose nothing? The Harbour Commissioners of Montreal and the Grand Trunk Railway Company, and the Grand Trunk Pacific Company, are all public bodies interested in the development of the trade and commerce of this country. On what principle do we grant a subsidy to a railway and receive not one cent back?

Mr. BRISTOL. Can the harbour commissioners of Montreal make a profit in the operation of its works in the same way that the Grand Trunk Pacific Company will make a profit out of their line?

Mr. FIELDING. I am delighted to have the assurance of my hon. friend that the Grand Trunk Pacific is going to make a profit.

Mr. BRISTOL. The Minister of Finance has great imagination. I did not say the Grand Trunk Pacific would make a profit, I merely asked as to the possibility of the Harbour Commissioners making a profit out of their works in the same way as a railway company might.

Mr. FIELDING. No.

Mr. BRISTOL. Then what is the object of the comparison?

Mr. FIELDING. When we grant a subsidy to a railway company does that company make profit for the government or profit for themselves? When we grant a subsidy to a railway company we get our return in the development of the trade of the country.

Mr. BRISTOL. Does the Minister of Finance see no distinction between a railway company that operates a public service for profit, and a harbour commission which operates a public service as a trust?

Mr. FIELDING. Of course they are serving the public in a different way. But the policy of the Dominion of Canada has recognized the fact that a railway company is interested in developing the trade and commerce of the country and that in granting aid to that railway company and not getting a cent back, we are getting our profits through the development of the commerce of the country.

Mr. AMES. I know the Minister of Finance wants to be perfectly fair; will he allow me one word?

Mr. FIELDING. Certainly.

Mr. AMES. There is one essential difference between the Grand Trunk Pacific from Winnipeg to the coast and the harbour of Montreal. The railway line is the property of the Grand Trunk Pacific Company while the harbour of Montreal is the property of the Canadian government and every dollar spent on Montreal harbour is spent on the property of the government.

Mr. FIELDING. I have already said there is a distinction, but all these corporations are serving the country although in different ways and by different means. As a matter of principle I say that every railway in this country is recognized by the parliament of Canada as a public corporation serving public interests, and were it not so upon what ground could the payment of a single dollar in subsidies be justified? Whether it be the Canadian Pacific Railway, or the Grand Trunk Railway, or any other railway that comes to this parliament for aid, we never look upon it as a personal transaction for the individual gain of somebody, but in every case it is considered a transaction associated with public interest, and for the sake of the public interests and not for the sake of private gain we grant aid in one form or another. My hon. friend (Mr. Ames) will see at once that if we apply to the Montreal Harbour Commission the rule that in lending money we must first provide that we shall lose nothing, then, the great works which have been successfully carried on in the harbour of Montreal and of which my hon. friend I am sure is as proud as I am, would never have been completed. The hon. gentleman (Mr. Ames) further said that the government had no right to lend money to anybody unless it had money to lend. Again that rule would be unsatisfactory if applied to the Montreal Harbour Commission, because we have advanced money to that body when we did not have it in our treasury. It was, however, a proper obligation on us to assist such a great public work and we borrowed the money when the necessity arose as we will have to do in this case. We are assisting an enterprise in which this parliament feels a warm interest, because it is one closely identified with the progress and development of the country. We have granted aid to assist that enterprise, but small aid in comparison with what was granted to the other company in former years; and in granting this loan we do not consider that we are giving the Grand Trunk Pacific Company any great favour at all. We are looking after the credit of the Dominion as much as after the credit of the Grand Trunk Company and the Grand Trunk Pacific Company. They could go out and get this money, as their bonds have a commercial value; but we feel that if they went on the market and forced the sale of those securities, they would have to accept a price which would be most unfortunate for the enterprise and would diminish the funds for the construction of the railway. Therefore, in view of the fact that the interests of this great enterprise are so closely blended with the general interests of the Dominion, any sacrifice of the securities of these companies would be a misfortune not only to the companies themselves, but to the credit of the Dominion. For all these reasons I am satisfied that this loan is no great favour to these companies, but is a fair and reasonable business proposition. We are much more likely to make a profit than a loss so far as our mere interest is concerned; but above all that we are assisting one of the great corporations of the country to carry forward one of the greatest works ever undertaken in the history of the Dominion.

Mr. BARKER. I do not intend to occupy the time of the House more than a few minutes in an effort to set the Minister of Finance right. The hon. gentleman puts this transaction on the footing of a banking transaction in order that he may fix the rate of interest, and the transaction is put in such a shape that the country can never by any possibility make a profit on it, but may lose. That is what he calls a banking transaction. I doubt whether the hon. gentleman could enter the office of any bank in this world and convince the manager that that was a banking transaction. I take it, so far as the debate has gone, that the country desires to make this loan; but I have yet to learn that the coun-

try either wants to make a profit or desires to make a loss. The hon. gentleman seems to think that because he calls it a banking transaction, it is absolutely essential to put in the contract a fixed rate of interest. Well, I have had, not the experience of the hon. gentleman, but something like a quarter of a century of experience in dealing with some such loans on a smaller scale, and I have never yet heard that there was the slightest difficulty in arranging with a bank for a loan at variable rates of interest or for variable charges according to the conditions of the market from time to time. Why should there be any difficulty in our helping this railway company by making an advance of millions to them and saying to them : 'We desire to make no profit out of you, but we want you to sign a contract that what we pay you shall return to us.' Is there any mystery about a banking transaction that stands in the way of that? Why, Sir, millions of dollars have been loaned on a contract by which the borrower agreed to pay the current rate of interest from time to time to the Bank of England plus ½ per cent.

Mr. FIELDING. In this case there will be only one transaction, and that at the moment when the loan is made.

Mr. BARKER. It is going to be a pretty long contract if you are looking forward to getting your money back. There was not the slightest difficulty in the Finance Minister going to the company and saying : 'We can borrow this $10,000,000 cheaper than you can; we can get the money on better terms; we want to make no money out of you; all we ask is that what we pay you shall return to us, and even then you will make money by it, that is a banking transaction. It is just as simple as a large railway company going to a bank in London and saying. 'We want $2,000,000 from you, and we will pay you from time to time until we repay the loan at current rates month after month or quarter after quarter, plus ½ per cent of profit to you.' That also is banking, just as much as if there was a fixed rate. The Finance Minister could have done the same in this case, except that the country does not desire that the government should make a profit out of the transaction. We do not ask for ½ per cent more than the cost, but we do say that we should not be asked to pledge the credit of this country by borrowing $10,000,000 at a time when it requires all we can do to get all that we need for ourselves, without getting back every cent that it cost us. That is all that we ask. But the hon. gentleman is so wedded to the expression banking transaction that he thinks we must not get back all we advance, but he must agree to a fixed rate and take all the risk of loss without any chance of profit.

Mr. BARKER.

Amendment of Mr. Ames negatived on the same division.

Mr. W. S. MIDDLEBRO (North Grey) moved:

That the order of the third reading be discharged, and that the said Bill be referred back to the Committee of the Whole House with power to amend the same by providing that the security to be taken and held by the government for the proposed loan should include a mortgage covering the interest of the company (a) in the paid-up stock of the Grand Trunk Pacific Townsite and Development Company, and (b) in the branch line from Port Arthur to the main line of the National Transcontinental Railway; subject, however, to any charges or liens now outstanding thereon.

He said: I desire to say a few words before the main motion is put on the amendment I have placed, Mr. Speaker, in your hands, but before proceeding to discuss that amendment specially, I may be permitted to say a word or two with reference to some remarks made this afternoon by the right hon the. Prime Minister. The right hon. gentleman was good enough to refer to a certain portion of a speech made by myself on the proposed loan in this House about a month ago. He referred to that portion in which I dealt with the amount of security that had been given in 1884 by the Canadian Pacific Railway for the loan of $30,000,000 then made by the Conservative administration. May I tender to my right hon. friend my sincere thanks for having placed the seal of his approval on the correctness of statements I then made. It was with a certain amount of temerity, being a new member, that I submitted that statement to the House, and I am all the more gratified that the right hon. gentleman saw fit to give it his approval. What I said was that the Canadian Pacific Railway, on that occasion, had given an undoubted security which, as a banking proposition, the government of that day were justified in accepting. They gave us practically a completed railway of 3,300 miles as security. I say a completed railway because it was considered that the loan they were getting would be sufficient to complete it and it did eventually complete it. We had therefore as security a completed railway of 3,300 miles, we had in addition a first mortgage on 21,000,000 acres of land, and in addition a first lien upon all their other property. Or to put the matter in a nutshell, we had an undoubted first mortgage as a direct security by the Canadian Pacific Railway, worth $200,000,000, upon which we were making the company a loan of $30,000,000. Am I not justified in saying that that was a proposition which we were fully warranted in accepting? It was a proposition that we on this side did accept, but which gentlemen opposite refused to coun-

tenance, and voted against? Might I refer to the words used by the right hon. the Prime Minister on that occasion? We had a lecture given us this afternoon by the right hon. gentleman on our lack of faith in the future of this country. Well, in those days that grand old man, the late Sir John Macdonald, had, in the face of innumerable difficulties, in the face of the determined opposition made by the party of hon. gentlemen opposite at that time, the bull dog tenacity, perseverance and sagacity which enabled him to stick to his policy and carry it to a successful conclusion. 'I have sufficient confidence,' he said, 'in the future o fthis country, to lend these people $30,000,000 on which I consider an undoubted security of $200,000,000.' But where was the right hon. gentleman (Sir Wilfrid Laurier) at that time? Why, notwithstanding the fact, as he admits to-day, that Sir John Macdonald held up before him an undoubted security of $200,000,000 for a loan of $30,000,000, he said:

I would as soon believe that the waters will flow back from the sea to the lakes as that one cent of that $30,000,000 will ever come back from the Pacific Railway exchequer to the treasury of this Dominion.

In the light of that pessimistic declaration, does it lie in the mouth of that right hon. gentleman to taunt us to-day with lack of faith in the future of this country? Then I might quote the words of other hon. gentlemen who were colleagues in those days of my right hon. friend Sir Wilfrid Laurier. I might quote the language of his present Minister of Agriculture, Mr. Fisher, who said. 'I do not believe that because this company is in difficulty, that is any reason the government of the day should grant it assistance. On the contrary I believe that because it is in financial difficulties is the very reason why we should refuse to do so.' To-day, however, we find that hon. gentleman taking a position the very reverse. I might also quote Sir Richard Cartwright who, in the presence of the right hon. gentleman, said that it was such an act of folly and indiscretion that it has hung like a millstone around the necks of the people for all time to come. Yet these hon. gentlemen are to-day endeavouring to preach to us the doctrine of faith in our country. But it ill lies in their mouth to preach that doctrine to us who, in times of difficulty, when the possibilities of the great northwest country were still greatly in doubt, had yet an abiding confidence in the future of this Dominion.

The hon. the Finance Minister argues that this is a banking proposition and I purpose to deal with it to-night exactly on that basis. The resolution I am introducing, is exactly on the lines of the speech of the right hon. the Prime Minister (Sir Wilfrid Laurier) when he referred to the amount of the security given by the Canadian Pacific Railway in 1884. It has not been made sufficiently clear to me, from the beginning of this debate to the present, that the $7,000,000 now owed by the Grand Trunk Pacific to the Grand Trunk Railway has actually gone into the road bed of the former. I say that we are entitled to dence,' he said, 'in the future of this counout of this loan and is to be paid to the Grand Trunk Railway, represents that amount of value which has actually gone into the road bed of the Grand Trunk Pacific. So far as I know we have had no definite assurance to that effect. What is the reason which the Minister of Finance (Mr. Fielding) gives why this loan is asked for by the Grand Trunk Pacific? It is to obviate, he says, the necessity of that company or the Grand Trunk going into the money market of the world during the present financial stringency, and raising $10,000,000 on its bonds. Yet we find that the Grand Trunk Railway has already advanced the Grand Trunk Pacific moneys to the extent of $7,000,000, which will be recouped them out of the present loan of $10,000,000. We have also the right to assume that this loan is for the purpose of completing the Grand Trunk Pacific and that the money is required not for work that actually has been done but what has to be done from this time on. We have no assurance on that point. If it be true that the Grand Trunk Railway and the Grand Trunk Pacific do not desire at present to go into the financial markets of the world because they will not be able to borrow at a reasonable rate, I would ask why it is that since this session has opened, they have applied to this House and have received authority to borrow, not $10,000,000, but $25,000,000; and I find from the London 'Statist' and the 'Daily Telegraph' that the Grand Trunk Railway are now about to borrow money on these bonds. In the London 'Statist' of the 17th of April I find the following:

The Grand Trunk Railway is moreover compelled to seek power to issue further capital—2½ million pounds of 4 per cent debenture stock and an equal amount of 4 per cent guaranteed stock. As these powers must be exercised at an early date, it is obvious that the quotations of existing securities have in the meantime little prospect of appreciation.

The' Daily Telegraph' says:

It will be noticed also that authorization is to be asked at the meeting for the further creation of £2,500,000 Grand Trunk Railway debenture stock and £2,500,000 4 per cent guaranteed stock under the Grand Trunk Railway Act, 1909. Hence it appears that the charges in front of the preference stocks are likely to be considerably increased before long.

At the next meeting of the Grand Trunk Pacific Company, which probably was held a few days ago, no doubt they were authorized to issue a large proportion of this $25,000,000 stock, and if they are going on the market with that stock the probability is they will be in the market just as soon as the Finance Minister in his efforts to raise the proposed loan of $10,000,000, so I think the argument that this loan was given to the Grand Trunk Pacific in order to obviate the necessity of going on the market falls to the ground because the company are themselves going into the market for loans probably larger than this one. The right hon. Prime Minister (Sir Wilfrid Laurier) has alluded to the amount of the security given by the Canadian Pacific Railway, and the object of my resolution to-night is, if possible, to increase, at least to some extent, the amount of the security which we are to get from the Grand Trunk Pacific. I am sure that no hon. gentleman in this House can object to the Grand Trunk Pacific giving us more security if they can get it. If they honestly intend to repay this loan, they could have no legitimate excuse for not giving us such other and further security as they themselves possess. What can we get from them, what do they own? The first point I touch on is in connection with the Lake Superior branch of the Grand Trunk Pacific. As we all know this branch runs for about 198 miles from the main line of the Grand Trunk Pacific to the towns of Fort William and Port Arthur. That branch line has been financed without any assistance whatever, except the ordinary railway bonus, from the Dominion government, and in what shape are they? They have financed that branch and to-day it is practically running and in operation. As the hon. gentleman from Rainy River (Mr. Conmee) said, that will be one of the most lucrative portions of the branch lines of the Grand Trunk Pacific—and it will be the more lucrative because of the fall of the Quebec bridge. Owing to that disaster we know that for many years to come the grain from the west will necessarily have to go by that route, so that this branch line will have the carrying trade practically of all grain from the west that cannot be carried by other railways. In what position is that branch line? It received a railway subsidy from the Dominion government of $1,209,000; it received a subsidy in cash from the provincial government of $378,000; it received from Fort William and Port Arthur, or one of them, $300,000 in cash and $50,000 to assist in building a bridge, or $350,000; in all it has received from Dominion, provincial and municipal authorities, $1,937,000, practically $2,000,000 in hard cash. In addition to that it received from the Ontario government 675,000 acres of land, which I value at $2 an acre, making $1,350,000 the value of that land. Thus altogether it has received from the Dominion, provincial and municipal authorities $3,287,000. In addition to that, surely the Grand Trunk Pacific or those behind it, the Grand Trunk, have put some of their own money into that institution. There must be a very valuable equity in the Lake Superior branch of the Grand Trunk Pacific; upon the admission of the Finance Minister there is no doubt that a large proportion of the stock in the Lake Superior branch of the Grand Trunk Pacific is held by the Grand Trunk Pacific Railway Company, and it is only right, when this company is asking this government for $10,000,000 more, that they should give us what little security they can in the Lake Superior division. That is along the line of my resolution.

I come now to the Grand Trunk Pacific Townsite Development Company. This company was instituted in order to take from the Grand Trunk Pacific Company something which legitimately belonged to that company in order to take the cream of the institution and put it in the hands of a private company. We find the directors of that company are Charles N. Hays, with two shares, $200; E. J. Chamberlin, with two shares, $200; William Wainwright, with two shares, $200; W. H. Biggar, two shares, $200; E. M. Fitzhugh, two shares, $200. In all these directors of that company have ten shares upon which they paid $1,000. The company is incorporated at $5,000,000; $3,000,000 of this is paid up and has been issued. Who owns the balance of that $3,000,000? Of the 30,000 shares of the stock issued, ten shares have gone to the directors, who are also the directors of the Grand Trunk Pacific and intimately connected with the Grand Trunk. Ten of these shares belong to them and the remaining 29,990 belong to the Grand Trunk Pacific, and why should not we, when the Grand Trunk Pacific own 29,990 shares in that company say to them: 'If you intend to repay this loan, give us an assignment or a mortgage on the 29,990 shares.' They have 78,000 acres of land, a large proportion of which is in townsite. They own 86 townsites between Winnipeg and Edmonton and we do not know how many more they will own between Edmonton and the coast. I quote an extract from a pamphlet issued by the Grand Trunk Pacific in November:

> The Grand Trunk Town and Development Company (Limited), a majority of the capital stock of which is held by the Grand Trunk Pacific Railway Company——

And when they say a majority they mean 29,990 shares out of 30,000.

> —has acquired land for 86 townsites, between Winnipeg and Edmonton, which have been subdivided into lots and placed on the market for sale; there has been an interest displayed in these townsites most gratifying to the

company, and thousands of lots have already been sold. Thriving towns are springing up where a few months ago there was nothing but the bare prairie; grain elevators, warehouses, dwellings, stores and other evidences of remarkable activity are presented immediately following the laying of the track. The growth is especially astonishing at the division points or terminals of which there are five between Winnipeg and Edmonton, namely: at Rivers, Manitoba, Melville, Watrons and Biggar, Saskatchewan, and Wainwright, Alberta, and there are many other towns which given promise of notable development.

As the construction of the railway proceeds westerly from Edmonton, townsites will be established along the line, and these will be on the market in 1909.

Hon. gentlemen will see that these townsites are not worth more than $2 or $3 an acre except for the construction of the Grand Trunk Pacific, and were it not for the assistance of the government which has contributed practically nine-tenths of the cost of the construction of that road, those townsites would be practically valueless. Is it not right and just that they should give to us as security what legitimately belongs to the Grand Trunk Pacific in respect of the increment which should go to the Grand Trunk Pacific if these townsites had been allowed to remain under the control of that railway where they properly belonged. When the Grand Trunk Pacific come to us for a $10,000,000 loan we should say: You, as the Grand Trunk Pacific Company own 29,990 shares in that townsite company. You have the control and you can, if you will, and you should give to us a mortgage upon your interest in the Townsite and Development Company. In addition to this they own three-quarters of the townsite of Prince Rupert and we all know that in the course of a few years their interest in Prince Rupert will be worth probably millions of dollars.

In addition to that they have the Grand Trunk Pacific Telephone Company. Wherever a profit is going to be made out of the transactions of the Grand Trunk Pacific Company there is some subsidiary company to reap it. We have the Grand Trunk Pacific Telegraph Company, and in a prospectus relating to it, the Grand Trunk Pacific Company say:

> The Grand Trunk Pacific Telegraph Company was incorporated by Act of parliament, 1906, with a capital stock of $5,000,000, for the purpose of constructing a telegraph system along the Grand Trunk Pacific Railway. The company has broad powers and may establish, construct or acquire by purchase, lease or otherwise, and may maintain and operate any overhead, underground or cable line or lines of telegraph or telephone, or any system of wireless telegraphy, &c.

You have there the telegraph company, which the gentlemen who belong to the Grand Trunk Pacific also control and operate by a separate corporation. Now we say that these institutions, if not the telegraph company, certainly the other two companies which the Grand Trunk Pacific control, should be pledged to this government as security for this loan. We find that the Grand Trunk Pacific has been shorn of all these necessary adjuncts which enable it to be translated from a supine vertebrae into a useful, healthy and legitimate corporate entity capable of earning a decent livelihood. That being the case, we say the mortgage should contain a provision creating a lien upon the assets of these other two companies which the Grand Trunk Pacific itself controls. So far as I can see, there is no logical reason why the Grand Trunk Pacific controlling the interest of these two companies should not pledge them to us as further security for the loan. We desire to get all the security we can; we desire to get this transaction placed as near as possible to that of the Canadian Pacific Railway Company loan of 1884 for the purpose of making it to the interest of the Grand Trunk Pacific to pay back this loan. One of the reasons why the Canadian Pacific Railway Company paid back the loan was because we had an undoubted security of $200,000,000. The Finance Minister himself admits that as a direct security the mortgage which we are getting from the Grand Trunk Pacific is practically worth nothing, because there are ahead of us three other prior mortgages. So we are in the position of getting a fourth mortgage which the minister himself practically admits is valueless, and we fall back then upon the guarantee of the Grand Trunk Railway Company. As I said before, I do not place so much value upon the Grand Trunk Railway Company's guarantee, as the government do, because according to admission we have $121,000,000 of mortgage bonds which form the first mortgage against the Grand Trunk ahead of us; we have $19,000,000 rentals capitalized ahead of us, and we have this Bill passed this year for $12,000,000 more. The Grand Trunk are issuing these bonds to the extent of $12,000,000 which will also be a prior charge to the present guarantee. That is to say we have directly ahead of us $152,000,000 on the Grand Trunk guarantee. But that is not all. According to the figures brought down by the Finance Minister, the Grand Trunk Company has already guaranteed $30,000,000 more to other creditors and that $30,000,000 more stands exactly in the same position as we do with respect to the present $10,000,000 guarantee. So we have $152,000,000 of direct mortgage security ahead of our Grand Trunk Railway guarantee and the $30,000,000 guarantee standing side by side with the present guarantee. So I ask hon. gentlemen, in view of these figures, do they not think it is right that the Grand Trunk Pacific should hand over

to us as further security the interest in these two other companies, which interest they control. I have therefore much pleasure in moving:

That the order of the third reading be discharged, and that the Bill be referred back to the Committee of the Whole House with power to amend the same by providing that the security to be taken and held by the government for the proposed loan should include a mortgage covering the interests of the company (a) in paid-up stock of the Grand Trunk Pacific Townsite and Development Company; and (b) in the branch line from Port Arthur to the main line of the National Transcontinental Railway; subject, however, to any charges or liens now outstanding thereon.

Mr. FIELDING. My objection to the motion of my hon. friend is that, in the judgment of the government, which we respectfully ask the House to confirm, there is abundant security for the loan of $10,000,000 which is proposed by this legislation. I think I should not be wrong if I stated that there has never been any loan transaction made by this government in which we had such good security for our money. My hon. friend refers to the alleged securities, which he says were worth $200,000,000, put up in one form or another by the Canadian Pacific Railway Company. My hon. friend must know at once that if they could have realized $200,000,000, or one-tenth of that sum on these securities, they would not have come to the government for help at all. The value of any security is the immediate value; the value of any security is the value you can realize upon it in the markets of the world. Though these securities proved themselves in the end to be of great value, it was self-evident that if they had been of great financial value at the time, the company would have raised the money in the money market, and would not have come to the government of Canada at all. It is perfectly evident that at the time the Canadian Pacific Railway Company produced these securities they had little or no substantial value; therefore as a security for the time being they are not worthy of the commendation that my hon. friend awards to them. Ultimately they did become valuable, ultimately the loan was paid back. But if we look at the transaction as it occurred at the time the loan was made, it is quite evident that if these securities had had any substantial security in the money market, the company would have raised the money on the money market and would not have come to the government of Canada at all. So in that sense the securities were not valuable, and the government did not have proper security for its money. The government loaned the money upon the faith that the country would be improved, the government loaned the money upon the faith that the Canadian Pacific Railway Company would prove a success, and happily that expectation proved correct. But as a money security, as a market security, as a banking transaction, the securities which they put up had no substantial value comparatively speaking, because if they had, the company would not have been obliged to apply to the treasury of Canada.

Now turn to the security we are putting up. I put aside the question of the mortgage which, as I have said, while it is of value for the future, has no immediate value. I do not attach great importance to it, but I hold that we have the guarantee of the Grand Trunk Railway Company. My hon. friend speaks of the immense amount of securities of the Grand Trunk Railway Company. I shall not follow him in that, I gave the figures before, showing that after all these securities were provided for there was a surplus in the Grand Trunk Railway Company's affairs which would have abundantly protected this loan; and the later reports of last year's transactions confirm that statement and make it even stronger than I did. But we need not go into the question of the value of the securities. The money market watches all these things, and the value of a security can be found at almost any time in the financial journals. But the point I desire to call attention to is that these securities have a financial value, they have a commercial value, they have a value fixed by the men who know how to value these things. All the securities outstanding are well known, all the obligations of the Grand Trunk Railway Company are well known, all the guarantees are well known, and in face of it all the money market fixes the value on securities of a similar character. In the 'Economist' of the 24th April I find that the four per cent bonds of the Grand Trunk Pacific Railway Company, issued for the prairie section and which bear the guarantee of the Grand Trunk Railway Company, are quoted at from 92 to 94. That is the value of this class of bonds in the money market to-day. That is the value on the counters of the bankers in London. Cut off a small percentage to represent the difference between an ordinary quotation and what they would receive for a large issue, and I would be justified in stating that you could take these $10,000,000 of bonds, go to any reputable banking house and perhaps get 90 cents on the dollar to-day. What is the use of talking about having no security for this loan? The most that can be said is that we take the risk of a margin of possibly 10 per cent. Any man who knows anything of the history of the Grand Trunk affairs, any man who knows the standing of the Grand Trunk in the money markets of the world, will say at once that, when we have for

our security the Grand Trunk guarantee, which is quoted in the money market at from 92 to 94, it is preposterous to assert that this government have not an excellent security for this loan.

My hon. friend has had a good deal to say about the town sites. He wants to know about the town sites. At an earlier stage of this discussion several hon. members on the other side of the House had a good deal to say about rake-offs, about some individuals getting a profit out of this. We were told that individuals were skimming this business and making money out of it for their personal profit. No attempt has been made to sustain any charge. It was suggested that in connection with the Town Sites Company there were some individuals who were making money at the expense of the company. My hon. friend now says that the stock of the Town Sites Company, a subsidiary company, is held by the Grand Trunk Pacific Railway Company of Canada, and therefore my hon. friend will see that the suggestions offered at an earlier stage of this debate that some individual officials of the Grand Trunk Railway Company were making money privately out of this transaction were entirely unjustified. The Grand Trunk Pacific Railway Company have formed a Town Site Company for purposes which are entirely legitimate. We were told that the government had given them a great deal of land. The government sold them that land at $3 an acre, but we reserved a quarter interest in the profits of the Town Site Company, a fact which my hon. friend has not mentioned at all. There is nothing in any transaction between the Grand Trunk Pacic Railway Company and the Town Sites Company that any one can say is not perfectly legitimate and fair. There is nothing in any transaction between the government and the Town Sites Company but is fair and proper and in the interests of the Dominion.

Mr. MIDDLEBRO. Did the hon. gentleman ask the Town Site Company to give us security for this loan, their interest in that company?

Mr. FIELDING. No. I think that when we have got a security of $9 out of $10 of the highest mercantile value, it is nonsense to ask them to give us other security. And then reference has been made to the common stock. The common stock of the Grand Trunk Pacific Railway Company to-day has little or no commercial value. There is some $25,000,000 of it, but if any hon. gentleman can get possession of it and if he will take it to any of the banks and ask them to loan him one per cent of the whole amount I do not think he can get the money. It is worth substantially nothing at the present time. The stock of a new railway company has no immediate commercial value. Its value depends on the future. Its value depends on the enterprise. It would be no good to us to-day as a security, and if at any time, by the development of the enterprise, that common stock becomes valuable, we do not want it as a security because it cannot be worth anything until the obligation of the Grand Trunk Pacific has been met. If then, by the development of the enterprise, this common stock becomes of value, at that moment our loan and every other debt against that enterprise will have been fully protected. Believing then that we have abundant security for our loan, better security than a government usually gets, and immensely better than we got in the case of the Canadian Pacific Railway, I have to ask the House not to agree to my hon. friend's amendment.

Amendment (Mr. Middlebro) negatived on the same division.

Mr. G. H. PERLEY (Argenteuil). Mr. Speaker, my hon. friend the Minister of Finance objects very strongly to asking this company for any further security but I have a suggestion to make on lines which have already been discussed and an amendment to propose which, I think, will probably meet the views of the hon. gentleman and of the several members of the government. The Grand Trunk Railway Company own a large quantity of the stock of the Grand Trunk Pacific Railway Company. In the Act passed in 1903 it was provided that the Grand Trunk Pacific should take and pay for this stock as it was needed and hold it all. The right hon. Prime Minister (Sir Wilfrid Laurier) said that time that every dollar of the money that was received for this common stock of the Grand Trunk Pacific would be used in the construction of the railway. It was for the purpose of enabling the Grand Trunk to receive some common stock for which they were to put up some money for the building of the Grand Trunk Pacific that provision was made in 1903. This, however, did not suit the Grand Trunk, or the Grand Trunk Pacific and in 1904 they came again to this parliament and got a change made in the Act by which the Grand Trunk Pacific were allowed to issue to the Grand Trunk common stock as fully paid up stock, not in return for cash or money, but in return for services to be rendered to the Grand Trunk and especially for a guarantee of Grand Trunk Pacific bonds. The Grand Trunk guaranteed these bonds and now they find themselves unable to float these bonds on the London market at a satisfactory price and they therefore come to this government and ask them for this loan. Do the Grand Trunk at the same time offer to give back this common stock of the Grand Trunk Pacific which they have received in return for their guarantee? Not

at all. They propose to keep it all the same. What I am going to suggest in regard to this stock will not hurt anybody, will not hurt the Grand Trunk or the Grand Trunk Pacific. It will simply protect us in case this loan of $10,000,000 is not repaid. Every hon. member of this House knows the difficulty there is in foreclosing a mortgage when a large enterprise fails. There is always a lot of trouble about it and it takes a long time. If we got the common stock of the Grand Trunk Pacific transferred to us in the meantime it would relieve us of all this trouble in case the mortgage had to be foreclosed. The Act provided for the guarantee of the government on a so-called first mortgage. and for the guarantee of the Grand Trunk on a so-called second bond mortgage. But they really were on a par with each other and it was provided that if there is a default in the payment of either of these issues of bonds a receiver shall be appointed.

The duty of the receiver is to pay, first the working expenses, and after that to divide pro rata any surplus he may have between the holders of the first and second mortgage bonds so called. I would like to see any such difficulty avoided. It seems to me this is a most unwise provision in the original Act and that we ought to try to safeguard ourselves against similar trouble in connection with this loan. I suggest that the Grand Trunk Railway Company should transfer to the government all the common stock of the Grand Trunk Pacific at present in its possession. I do not suggest this as a security, for the Minister of Finance is perfectly right when he says that the stock has no value at the present time. But I ask that it be transferred in order that we may have it in our possession in case of default in the payment of these bonds. At the same time provision would be made so that the voting power in this stock should remain with the Grand Trunk Company so long as there is no default in the payment of bonds or interest. What I suggest is a simple precaution to protect the people of the country. The government are the trustees of the people of Canada, but it would seem that the arguments advanced by government supporters have all been in favour of the Grand Trunk Pacific and the Grand Trunk Railway Companies, and that the interests of the people have been lost sight of. I enter my protest against the evident desire on the part of hon. gentlemen opposite to make the people of the country believe that we on this side of the House are in some way opposed to the completion of this Grand Trunk Pacific Railway. Difference of opinion did exist when the original scheme was brought before parliament, but it has been sanctioned by the people and we quite realize that the road must be completed as promptly as possible. The amendment which I offer will not in any way interfere with the credit of the Grand Trunk Railway or the Grand Trunk Pacific. It will still allow the voting power on the stock and complete control of the railway, so that when the $10,000,000 is paid back the stock will be transferred to the present holders. In case of default, however, the government will have the common stock in their possession and they will be able to assume the road subject to the other liens on it without process of law and without all the trouble which would otherwise be necessary to assert their rights. I beg to move:

That the order of the third reading be discharged, and that the said Bill be referred back to Committee of the Whole House with power to amend the same by providing that all the stock of the Grand Trunk Pacific Railway Company in the control of the Grand Trunk Railway Company shall be conveyed and pledged to the government, to be held until the amount advanced has been repaid with interest, but subject to any necessary or reasonable provision as to power to vote on the said stock in the meantime.

Amendment of Mr. Perley negatived on the same division.

Mr. ARTHUR MEIGHEN (Portage la Prairie). I have also an amendment to offer, but before making any remarks directly bearing on that amendment, I shall say a few words with reference to the construction work on the Grand Trunk Pacific, particularly in western Canada. I do not conceive that at this late hour it would be proper for me to take up the time of the House at length. The matter which I wish to bring to the attention of the House in the first place is in regard to the nationality of the individuals to whom the money of this country has gone in connection with the construction of that line in the west. For some two years this has been a burning question, in the west. On the 22nd of March last certain questions were put to the Minister of Railways by the hon. member for Brandon (Mr. Sifton) on this very subject, and I quote from 'Hansard':

Mr. Sifton—by Mr. A. H. Clarke—asked:

1. What is the total number of employees upon the operating staff of the Grand Trunk Pacific Railway above the rank of brakemen?

2. Of the total number how many are British subjects, and how many are citizens of the United States?

3. What is the total number of employees upon the engineering staff of the Grand Trunk Pacific, exclusive of labourers?

4. Of the total how many are British subjects, and how many are citizens of the United States?

Hon. GEO. P. GRAHAM (Minister of Railways and Canals):

1. The information to answer this question is furnished by the vice-president and gener-

al manager of the Grand Trunk Pacific Railway, as follows: Total number of men above the rank of brakesmen, is 135.

2. It would seem to be impossible to secure information as to the nationality of the men mentioned without making a complete canvass from Edmonton to Prince Rupert, where many of the employees are in practically inaccessible locations at this time of the year. The correspondence indicates that it would take at least three months to get the information. It is also stated that 90 per cent of the employees referred to are British subjects or have been residents of Canada for from three to ten years, this assertion being based on the March pay-rolls and from information at hand.

3. 231.

4. Answered by Number 2, in addition to which it is stated that the following are British subjects: Second vice-president, chief engineer, bridge engineer, freight traffic manager.

And so on through a list of about 15 officials. The House will observe that in these answers the government announced to the country that the percentage, so far as they can estimate, of the operating staff of that road west of Lake Superior, above the rank of brakeman, is 90 per cent of British subjects, that the same figures apply to the engineering staff and that in addition there are two others whom they state are British subjects as well. It would appear from the statement of the department that in the whole list of the engineering staff given only two are British subjects.

Mr. GRAHAM. Will my hon. friend allow me to point out that the statement of the department is not the department's information, but is information furnished to us by the company.

Mr. MEIGHEN. I hope my language could not be interpreted as challenging the bona fides of the department or of the minister in the statement he gave. I do, however, wish, on such information as I have, to challenge its correctness. The answer to the second part of the series of questions is particularly subject to challenge. The engineering staff of the Grand Trunk Pacific in western Canada, from what information I have, and I venture to say that it is very complete, is practically dominated by American citizens. To say that 90 per cent of that staff are Canadian citizens is to say what the Grand Trunk Pacific authorities, who furnished that information, could not possibly have had reasonable grounds for asserting. There has been furnished to me to-day, and I can give it to the House, a list of 56 employees of that road, of whom the great majority are engineers; the list is furnished by a gentleman who is an engineer himself and who has been connected with the railway; and of those 56, no less that 40 are citizens of the United States of America. In the list which has been furnished to the Minister of Railways, numbering those on the engineering staff at 231, the company have doubtless taken advantage of the question as put to include in that number those far down in the grade, such as chainmen, perhaps servants, and other employees in minor capacities. Among those who receive the larger remuneration on the railway, the complaint is very prevalent, and has been for some time past, throughout the western country, that a very decided preference has always been given to citizens of the United States over citizens of Canada. If there were not civil engineers, architects and others of kindred professions actually idle on the streets of Canada to-day, and competent men at that, this state of affairs would not be so bad. But, Sir, there are highly trained, competent and tried civil engineers idle on the streets of western Canada to-day, and I am informed and believe that the systematic policy of this company is to leave these engineers and give a preference to citizens of foreign lands. There is a double objection to that in this case: In the first place, because the road is being financed practically and entirely by the Dominion of Canada; and, secondly, because the conditions prevailing in this country are peculiarly suited and peculiarly well known to Canadian engineers trained in this country. Instances could be given where the employment of foreign engineers has been highly detrimental to the interests of the road, where serious mistakes have been made entailing heavy loss, and in consequence heavy liabilities to this country, simply by reason of the fact that the engineers employed were trained under conditions that do not prevail in the northern zone of this continent.

Mr. TALBOT. Will my hon. friend be good enough to tell us if he knows of any engineer or architect of repute who is to-day idle in any city in Canada?

Mr. MEIGHEN. I certainly do. I hope my hon. friend will not be so personal as to ask me the name.

Mr. TALBOT. I will push the question harder. I would like to know the name.

Mr. MEIGHEN. My hon. friend, I am afraid, displays a lack of something; the House will have to judge what it is. The system which has resulted in the state of affairs to which I have called attention is known to me in some degree. I cannot say that I know many instances, but I know of more than one. A citizen of the United States, perhaps known to some one high in authority on the road, who is likewise a citizen of that country, writes to the engineering department applying for a

position. The answer is given, out of deference to the provisions of our alien labour law, that it is impossible to employ him in this way, but that if he reports to the city of Winnipeg or somewhere else before a certain individual on a certain date, it is more than likely or possible that he will receive employment. That is a very neat way of getting around the alien labour law. The result has been, as I have stated, that a feeling very far from content prevails among the profession in this country, particularly in the western part of the country with which I have some personal acquaintance. Now, I submit, especially at this juncture, when we are called upon to vote more money for this road, that it would not be amiss to inquire where that money is going in this regard. I believe that some three or four years ago Judge Winchester was appointed a commissioner to look into the observance of the alien labour law on the part of this company, and that it was found that serious breeches of the law were committed, or methods of getting around it were employed, by the company. I believe that considerable improvement took place as the result of that action by the government. I believe from reports that I have received that there exists to-day a condition of affairs which would justify a repetition of that action.

Having said this much, I shall proceed, very briefly, to a statement of the principles of the amendment which I propose to lay before the House. The government have pronounced, as the outstanding merit of this Grand Trunk project, that it was altogether a Canadian project, designed as set out in the very recital of the contract originally entered into in 1893 to build up and protect Canadian ports. But when a resolution is moved by this side of the House with that object, and that alone in view, it is voted down by the other side and voted down on the avowed reason, as stated by the leader of the government, that another time will come when we can introduce perhaps a clause of that kind, but that time stated by the right hon. gentleman is the very time when this very clause in the contract will forbid its being introduced.

Another pardonable principle submitted as the basis of this proposed loan, is that it is a banking proposition; but when we endeavour to infuse into the Bill some principle of banking, by providing that we shall at least not lose on the transaction, that proposition is voted down at the instance of the Finance Minister who declares that he has an abstract, theoretical horror of a fixed rate of interest but fails to give us any reason, sound or otherwise, for his invincible repugnance.

And when we endeavour to infuse into this measure the principle of greater security, as a sound principle of banking, we are answered that we have abundant security. The argument of the Minister of Finance on that point was very peculiar. He instanced the case of the Canadian Pacific Railway, in which it was shown by the hon. member for North Grey (Mr. Middlebro) that we had $200,000,000 of security on a valuation at that time—not a valuation to-day—for the $30,000,000 we advanced. The hon. minister argued that if the Canadian Pacific Railway had a valuation of $200,000,000 at that time, they would not have had to come to the government of that day for a loan. The very fact, he said, that they were forced to do so argued that the security they had to offer was of no value then in the money markets of the world. But in speaking of the present case, he said we have abundant security. If, however, we apply the same argument to this case of the Grand Trunk Pacific as we did to that of the Canadian Pacific Railway, what is the result? The letter of Mr. Hays, the president of the Grand Trunk Railway, to the Finance Minister practically admits that the company was forced to come to this government for a loan. He said in that letter that if this government did not grant the loan the work would have to stop. Could he more plainly say that he could not get the money any where else? Applying then to that case the reasoning of the Finance Minister in the case of the Canadian Pacific Railway, we must come to the conclusion that the security the Grand Trunk Pacific have to offer is not considered good in the money markets of the world. Thus in one breath the Finance Minister argues that the security which the Grand Trunk Pacific has to offer is absolutely good, and in the other that it is no good at all. That is the only logical deduction to be made from his argument.

Aside from that point, I have endeavoured to take the government at their word and infuse the principles of banking into this Bill, but they decline my proposition. They put forward an alternative proposition and say we are in partnership with the Grand Trunk Pacific. Well, I am endeavouring to infuse some of the principles of partnership into this Bill since they reject the principles of banking. One of the principles of partnership is that those who contribute to the capital of a business shall also share in its proprietorship. Surely if there is a cardinal principle of partnership, it is that which is embodied in the amendment I beg to move. In section 26 of the Act of 1903, it is set out that the Grand Trunk Pacific shall be capitalized at $45,000,000, of which $20,000,000 shall be

represented by the preference stock and the balance by common stock, and that the common stock shall go to the Grand Trunk Railway as one of the partners. For that $25,000,000 the Grand Trunk Railway said they would give their guarantee, which unfortunately has turned out not to be worth very much. Still they get that $25,000,000 common stock for that guarantee. And inasmuch as we have to give our guarantee for this loan, as we have to raise the money, why should we not get our share of stock as well as the Grand Trunk Railway? True the $25,000,000 of common stock has already been allotted the Grand Trunk Railway, but there is still $20,000,000 of the preference stock untouched, why should we not have a share in that? Why should we not let the Grand Trunk Pacific have one half of that stock and have the government take the other half, and thereby share in the partnership when we share so largely in the liability. I therefore beg to move, Mr. Speaker, the folowing amendment:

That the said Bill be not now read a hird time, but that it be recommitted to a Committee of the Whole with power to amend the same by providing that the Dominion of Canada, in consideration of the financial aid which it contributes o his underaking, shall receive paid up preference stock of the Company to the amount of $10,000,000.

Amendment negatived on the same division.

Mr. SPEAKER. It is moved that the Bill be read the third time.—Carried.

Mr. FIELDING. Carried on the same division reversed.

Mr. R. L. BORDEN. No one called out 'no.'

Mr. FIELDING. There are no 'no's,' all right.

Motion agreed, and Bill read the third time and passed.

Sir WILFRID LAURIER moved the adjournment of the House.

Mr. R. L. BORDEN. What business tomorrow?

Sir WILFRID LAURIER. I will take up the civil service resolutions if convenient. Otherwise we will take up Supply.

Mr. R. L. BORDEN. Perhaps it would be well to go into Supply at once, and take up the civil service resolutions another day. We can take them up any day after to-morrow that the right hon. gentleman suggests.

Motion agreed to, and House adjourned at 12.15 a.m., Wednesday.

HOUSE OF COMMONS.

WEDNESDAY, May 5, 1909.

The SPEAKER took the Chair at Eleven o'clock.

BARRIEFIELD CAMP—QUESTION OF PRIVILEGE.

Mr. J. W. EDWARDS (Frontenac). Mr. Speaker, I rise to a question of privilege. I wish to call attention to an article in the last issue of the 'Military Gazette' which charges me with having made statements involving the good name of a Kingstonian, and with bringing discredit and dishonour on the Department of Militia and Defence. These statements have reference to my criticism of the expenditture on the servants' cottages at the Royal Military College, Kingston. The justification for that criticism of mine is found in the fact that the Minister of Public Works himself, after giving consideration to the matter, reduced the item that I criticised, by $20,000. This article in the 'Military Gazette' also charges me with reflecting on the Commandant and the entire staff, as well as on every officer, non-commissioned officer and soldier that attended the Barriefield camp last year. That allegation on the part of the writer has reference to a statement as to the drunkenness and brawling which I witnessed at Barriefield camp one Sunday, last year. I wish simply to say, Sir, that my remarks with regard to the camp were preceded by some remarks of the Liberal member for Huntingdon (Mr. Robb), which remarks were concurred in, almost to their entire extent, by the Minister of Militia himself. By reference to the statement of the Minister of Militia, it will be found that the personnel of the militia was not what it should be, and that the canteen was a nuisance which the department was endeavouring to regulate. I believe that the Minister of Militia would receive the endorsation of the people of this country, if he made an effort to control the sale of liquor at military camps. Now, Sir, I did not say that the men at the Barriefield camp were vicious and drunken; I did say that those in charge of the canteen were charged with selling liquor, and I repeat that statement now. One of the men charged was tried and convicted and fined for selling liquor; and, as regards the other men charged, the charge was amended by consent to having liquor in their possession, instead of selling it. All of these people pleaded guilty, and all of them were fined. In fact, the only regimental corps that was not fined was the 47th Battalion, which did not have any canteen. I repeat that I did not state in this House, as the article says, that the men at the Barriefield camp were vicious and drunken. I could

not have made that statement in truth, because I am very well acquainted with many of the men who attend that camp, and I know that some of them come from the most respected families in and around that district, and are orderly and respectable themselves. I repeat that there was drunkenness and brawling at the Barriefield camp on Sunday afternoon. I have made careful inquiry into the matter, and it is only fair for me to state that in my belief most of that drunkenness and brawling was on the part of civilians, and not on the part of the soldiers themselves. In fact, I was more careful to investigate, on account of this matter being called to my attention by some of the officers from my locality, and, although drinking no doubt did exist in the camp there, as probably it will exist in any camp, yet I think it is quite possible that had it not been for the civilians who visited that camp, the drinking of the soldiers themselves would not have been noticed. I wish, further, to say, that in no way did I in my remarks on that occasion attribute any wrong to the Commandant, Colonel Gordon, or to the officers under him. I believe, Sir, that the fault, if fault there is, lies at the head of the Militia Department. From all I have been able to learn, and I desire to say it here now, I believe that the District Officer Comamnding at Kingston is an officer who well deserves the high reputation he enjoys in the vicinity in which he is best known. I believe he is a gentleman who will carry out any instructions that are given him, and if the Minister of Militia should issue an order abolishing the canteen, I am firmly convinced that, so far as the camp at Barriefield is concerned, and so long as Colonel Gordon is in command, the instructions of the Minister of Militia will be carried out to the letter.

FIRST READINGS.

Bill (No. 171) respecting the Quebec and New Brunswick Railway Company.—Mr. Michaud.

Bill (No. 168) respecting the Mexican Transportation Company, Limited, and to change its name to Mexican Northwestern Railway Company.—Mr. Turriff.

Bill (No. 170) respecting the Brockville, Westport and North Western Railway Company.—Mr. Marshall.

Bill (No. 167) to incorporate the Board of Elders of the Canadian District of the Moravian Church in America.—Mr. W. McIntyre.

Bill (No. 166) respecting the Central Rail way of Canada.—Mr. Ethier.

Bill (No. 169) respecting the patents of Washington R. McCloy.—Mr. Rivet.

Mr. EDWARDS.

REPORT OF THE CENTRAL RAILWAY COMMISSION.

Mr. FOSTER. Yesterday, I moved for leave to introduce, by unanimous consent, a motion, but the assent was not given and I let it lie as a notice that I would move it. I beg therefore to move:

That there be laid on the table of the House a copy of the order in council of the government of New Brunswick, dated June 5, 1908, of the statutes of the said province under which said order in council was passed and of the findings of the commission appointed under the said statute and order in council.

The reason why I am moving this is to place upon the table, for the information and inspection of all the members of the House, these documents so that there can be no question as to their genuineness in connection with a motion which will form the foundation of observations to be made hereafter by hon. gentlemen in pursuance of the busineses of the House.

Sir WILFRID LAURIER. It will be sufficient to call attention to the fact that this motion is absolutely out of order for several reasons. At this moment I think it will be sufficient to mention one only, and that is that there has not been sufficient notice according to the rules of the House. There are several reasons which I might urge against the motion of my hon. friend, but this, I think, is sufficient.

Mr. R. L. BORDEN. The right hon. Prime Minister (Sir Wilfrid Laurier) is evidently very much afraid of these documents. That is apparent at once. He seeks to take refuge behind some supposed rule of order. Inasmuch as the report of this commission contains matters gravely affecting a member of his own government, I thought he would have been the first to rise in the House and move, as a matter of privilege, without any notice, that authentic copies of these documents should be laid on the table of the House. But the right hon. gentleman does not seem disposed to take that course. He is strong on rules of order in this connection. I think it would be a pity to set up the precedent in the public life in Canada that the report of a commission which, as every hon. member knows, gravely touches the public conduct of a member of the administration, should not be laid on the table of the House as soon as it has been presented.

Mr. SPEAKER. I think the hon. member (Mr. R. L. Borden) can only discuss the point of order at this stage.

Mr. R. L. BORDEN. Very good.

Mr. SPEAKER. This is not the motion of which notice was given yesterday.

Mr. R. L. BORDEN. I am discussing the point of order. I am saying that inasmuch as this motion touches the public conduct of a member of the government, my right hon. friend the member for North Toronto (Mr. Foster) should be entitled to move it as a matter of privilege and without any notice whatever. On that ground I submit to you, Mr. Speaker, that the motion should be adopted this morning as a matter of privilege.

Mr. SPEAKER. I would like to have any misunderstanding cleared up. This is not the motion of which notice was given yesterday.

Mr. FOSTER. I will explain that. I gave notice to the House yesterday in a general way of the subject matter which my motion would include. Afterwards, I wrote out, in obedience to a request of the clerk, a form of motion. A sufficient time, as I understand, has not passed to enable that motion to come regularly before the House. I gave notice of the substance of the motion, and this morning I moved a motion embodying the substance of the notice which I gave. It may not be in the same words and it is open to the House to accept or reject it. I move it for the convenience of the House in connection with subjects which are before the House, or which are imminent, and it is for the House to say whether or not, by consent, or as a matter of privilege, it shall be adopted.

Mr. FIELDING. It is unfortunate, if the hon. leader of the opposition (Mr. R. L. Borden) desired merely to discuss the point of order, that he should have begun his remarks with the rather superfluous observation that the Prime Minister——

Some hon. MEMBERS. Order, order.

Mr. FIELDING——was afraid to have these papers presented to the House. I think it will take even a more astute mind than that of my hon. friend——

Some hon. MEMBERS. Order.

Mr. FIELDING. What is wrong? What is the point of order?

Mr. SPEAKER. Of course, this motion cannot be presented at all, except by consent under rule 8, without two days' notice it cannot be discussed except by unanimous consent. If there is no consent it will have to stand for notice.

RAILWAY ACT AMENDMENT.

Mr. J. A. CURRIE moved for leave to introduce Bill (No. 172) to amend the Railway Act.

Sir WILFRID LAURIER. Explain.

Mr. J. A. CURRIE. Mr. Speaker, this Bill is intended to correct what is a manifest error in the Act in reference to train men. The clause of the Act that I propose to amend provides that when a train is being backed or pushed in front of the locomotive a man must be stationed on top of the car leading. This is quite right, but it goes farther and says that if an engine is being backed up a man must be placed on the tender behind the engine. Everybody knows that the engineer upon an engine can see just as well behind the tender as he can see in front of the engine. There is no place for a brakeman on the rear end of the tender. This rule is one which was avoided until the last year or two when the enforcement of the law became more stringent and trainmen were brought to book for what they did not do. It would be as fair to ask these men to sit on the cow catcher as to sit on the rear of the tender. The intention of the amendment is to strike out the line which says that a man must sit on the tender when the locomotive is backing up. A number of accidents have occurred and the men in my riding who are interested have requested me to endeavour to have this grievance removed. I hope the Minister of Railways will see his way clear to make this change in the law and to incorporate the principle of my Bill in any one of the many railway bills which he has on the order paper, before the end of the session.

Motion agreed to, and Bill read the first time.

MANITOBA GRAIN ACT.

Mr. J. A. CURRIE (Simcoe) moved for leave to introduce Bill (No. 173) to amend the Manitoba Grain Act.

Some hon. MEMBERS. Explain.

Mr. J. A. CURRIE (Simcoe). This Bill is intended to correct a grievance under which the vessel men suffer. Most of the grain from the Northwest is shipped by rail to the head of the lakes and then carried by steamer to the terminal elevators on the lakes or to the sea-board. The law at present provides for the inspection of this grain, and that the certificates should follow it to the sea-board, which is a very wise provision. It provides also that the grain shall be weighed into the terminal elevator on the great lakes by special weighmen, and there is no provision in the law which renders it compulsory that the grain shall be weighed into the vessel and out of the vessel again. The result of that has been great loss to the steamship interests on the great lakes last year. The following were the shortages charged against the different companies named:—

CANADIAN VESSELS.

Summary of Shortages in 1908 Outturns.

	Net Shortages.
Northern Navigation Co.	3,160
Montreal Transportation Co.	10,357
The Canadian Northwest SS. Co.	1,152
The Midland Navigation Co.	7,592·06
The Farrar Transportation Co.	3,913·30
The Canadian Lake and Ocean Navigation Co.	5,557·48
The Canadian Lake Transportation Co.	2,819·38
The St. Lawrence and Chicago Steam Navigation Co.	6,005
F. E. Hall & Co.	380
Steamer 'Seguin'	1,264
Inland Navigation Co.	4,773·68
Collingwood Shipping Co.	785·42
Mathews Steamship Co.	652
Turret Crown, Limited.	1,028
Net shortage in outturns... ..Bush.	50,439·32

There does not seem to be any method by which the vessel owners can find out how this grain flies out of the hatches, but at all events it is alleged to disappear somewhere during transport on the lakes. The shortages charged for in the statement I have given are far in excess of what they naturally should be; so much so that it simply meant that these steamship companies were, last year, robbed out of $50,000, when the shortages actually should not have amounted to more than 5,000 bushels all told, allowing for shrinkage and everything else of that kind. The Marine Association held a meeting here and presented a memorial to the minister asking that something should be done in this respect. They also adopted a uniform bill of lading, which provided that they would not be responsible for shortages except to the extent of half a bushel for every 1,000 bushels carried. There was a dead-lock between the shippers and the carriers, with the result that this arrangement has now been broken, and the steamer interests have to fall back on the same old rules that prevailed before, and there is no doubt that this year they will be unjustly taxed with a shortage of 75,000 bushels. There is plenty of money in this business for all concerned; there is no necessity for there being any graft on the part of anybody. The law now provides that the official weighmen at the head of the lakes shall be remunerated out of charges on the grain, and the government is not out one cent on that score. The idea of the Bill is, by the insertion of a very few words in the present law, to provide that the grain shall be weighed in and weighed out, unless both the shipper and the carrier agree to the contrary.

Motion agreed to, and Bill read the first time.

Mr. J. A. CURRIE.

RAILWAY SUBSIDIES ACT—CLERICAL ERROR.

Hon. GEO. P. GRAHAM (Minister of Railways and Canals) moved for leave to introduce Bill No. 174) to correct a clerical error in chapter 63 of the statutes of 1908 respecting railway subsidies.

Some hon. MEMBERS. Explain.

Mr. GRAHAM. This Bill is to correct a peculiar error in the statutes of 1908. At page 1409 of the Votes and Proceedings of July last, the House went into Committee of the Whole to consider resolutions respecting railway subsidies, and among the subsidies was one to the Vancouver, Westminster and Yukon Railway, to aid towards the construction and completion of a railway bridge across Burrard inlet, the amount of the aid being $200,000. That resolution went through the House in its various stages, but to the astonishment of everybody, myself included, when the statute was printed, it was an absolute blank, so far as the amount was concerned.

Mr. CROCKET. A typographical error?

Mr. HAGGART. Another typographical error.

Mr. LENNOX. They will occur.

Mr. GRAHAM. It is to correct that and to insert the amount in the statute that this Bill is introduced.

Mr. R. L. BORDEN. Under the circumstances stated by the minister, it may be regarded, I suppose, as a mere typographical error, and therefore a resolution would not be necessary. The minister does regard it as a typographical error?

Mr. GRAHAM. Oh, certainly; the records of the House show that it is in the omission in the Printing Bureau.

Mr. R. L. BORDEN. How did so unfortunate a typographical error occur?

Mr. GRAHAM. It must be in the air.

Mr. R. L. BORDEN. I am glad that my hon. friend the Minister of Railways recognizes the possibility of these typographical errors. May I venture to hope that he will express to his colleague, the Minister of Public Works, the possibility of such typographical errors occurring even in well-ordered departments of the government. And may I cite this as the first instance within recent years at least, when such a typographical error has made necessary the enactment of a special Act of parliament. Perhaps the Minister of Railways will not be indisposed to extend the provisions of his Bill to certain other typographical errors to which attention has been directed in recent times.

Mr. OLIVER. At this very session of parliament, it was necessary to provide an amendment to the Dominion Lands Act to correct a printer's error.

Mr. R. L. BORDEN. That is the reason the Minister of Railways said it was in the air.

Mr. GRAHAM. I consulted the law clerk, and he assured me it was not necessary, under the circumstances, to have a resolution.

Motion agreed to, and Bill read the first time.

QUESTIONS.

NATIONAL TRANSCONTINENTAL RAILWAY.

Mr. J. D. TAYLOR asked :

1. What officer of the government service is charged with the duty of insuring the observance of section 40 of the National Transcontinental Railway Act, chapter 71, 1903?
2. What steps, if any, have been taken to insure the payment of the claim of the stationmen, reported to this House, on the 5th of April, as having secured judgment against a subcontractor for work on the Grand Trunk Pacific Railway in the vicinity of Prince Rupert?

Hon. G. P. GRAHAM (Minister of Railways and Canals):

1. Mr. Collingwood Schreiber is chief engineer for the government, of the western division of the National Transcontinental Railway (Grand Trunk Pacific Railway).
2. The matter of unpaid wages in connection with the construction of the Grand Trunk Pacific Railway, east of Prince Rupert, is not being neglected. The attention of the vice-president and general manager of the Grand Trunk Pacific Railway has been drawn to the complaints made, he has been requested by the chief engineer for the government, to give it his prompt attention. Formal notice has been given him that satisfactory evidence must be furnished to the government that the terms of the Act are being complied with.

EMPLOYMENT OF J. S. EWART, K.C.

Mr. LAKE asked:

1. Is it true, as stated, that the government is employing Mr. J. S. Ewart, K.C., to proceed to England and the Hague in connection with the Canadian and Newfoundland fisheries case?
2. Is this the same Mr. Ewart who recently wrote to the Ottawa "Citizen" of the 21st of April, accusing the United Kingdom, amongst other things, of establishing for ever a hostile nation on our southern boundary, of establishing Japan as a first-class fighting power, presumably to the disadvantage of Canada; also of bringing danger upon us and not protecting us, and of wishing to treat us merely as a source of military supply?
3. Is not Mr. Ewart an avowed opponent of the continuance of Canada within the British empire?
4. If so, does the government consider the exponent of such views a fitting and useful representative of Canada on the service mentioned?

Hon. A. B. AYLESWORTH (Minister of Justice):

1. Mr. Ewart has been retained in connection with the matter referred to, and if the work requires his presence in England or at the Hague he will no doubt go there.

2 and 3. The government has no information.

4. Mr. Ewart's services were retained because of his attainments and eminence as a lawyer and without reference to any views he may or may not hold on political subjects.

LANSDOWNE DRILL SHED.

Mr. GEO. TAYLOR asked :

1. Did the government have a drill shed repaired in the village of Lansdowne, in the county of Leeds, province of Ontario?
2. If so, upon whose recommendation was the said building so repaired, and was the contract let by tender?
3. Were tenders invited by letter or by posting up bills calling for same?
4. What were the respective tenders and who were the parties so tendering?
5. Did the government in any way ascertain if the contract was carried out according to specifications?
6. Were separate tenders called for the repairing and for the painting of the said drill shed?
7. Did the successful tenderer in each or either case sublet the contract?
8. Will the government lay upon the table of the House a copy of the specifications calling for the contract?

Hon. Sir FREDERICK BORDEN (Minister of Militia and Defence):

1. Yes.
2. (a) On the recommendation of the officer commanding the Eastern Ontario command; (b) The contract was let by tender.
3. By letter.
4. E. P. McGrath & Co., Ottawa, $968; King & Haig, Lansdowne, $972; Wm. McConnell, Lansdowne, $1,025; John S. Mix, Brockville, $1,135; Driscoll & Fitzpatrick, Brockville, $1,180.
5. Yes.
6. No.
7. No.
8. I have a copy, which I will lay on the table or hand to the hon. member for Leeds.

INTERCOLONIAL RAILWAY, STELLARTON STATION.

Mr. SEXSMITH asked:

1. What is the surface area of concrete walks, curbs, &c., at the Intercolonial Rail-

way station at Stellarton, Pictou County, N.S.

2. Was the work done by contract?

3. Who was the contractor, and what were the prices to be paid him?

4. What is the total paid, and to be paid for each class of work? And for the whole work?

5. When was the work done?

Hon. G. P. GRAHAM (Minister of Railways and Canals):

1. 18,250 square feet.

2. The work has been done under an agreement with Mr. R. S. Low.

3. Mr. R. S. Low; at 20 cents per square foot, including curb.

4. 18,250 square feet at 20c. comes to $3,650.. .. ..$3,650 00

Less 389 brls. cement, $781.24..	781 24	
9 cars gravel..	102 33	
4 cars sand..	25 48	
	909 05	909 05
		$2,740 95

5. In the year 1906.

GOVERNMENT STEAMERS

Mr. MADDIN asked:

1. Is the steamer 'Zaidee' under charter to the government?

2. If so, have her owners the privilege to engage in towing, and watering ships?

3. For what purpose or purposes is she chartered?

4. Is the steamer 'Gladiator' chartered by the government?

5. Have the owners of the 'Gladiator' the right to charge ships for services rendered while under charter to the government?

Hon. WM. PATERSON (Minister of Customs):

1, 2, 3. The steamer 'Zaidee' is under charter to the government, for attendance at all times when required for customs and quarantine service in Sydney Harbour. The charter makes no reference to the work which may be performed by the steamer 'Zaidee' when not required for customs or quarantine service.

4. The steamer 'Gladiator' is chartered by the government for customs preventive service.

5. The 'Gladiator' may assist vessels in distress and charge them for the service, but it is provided in the charter party that a deduction from the amount payable under the charter may be made for the time during which the 'Gladiator' is employed in assisting vessels in distress.

CAPE BRETON FISHERY PROTECTION.

Mr. MADDIN asked:

1. When was the office of fishery inspector for the Island of Cape Breton made vacant by the death of the late A. C. Bertram?

Mr. SEXSMITH.

2. Who has been discharging the duties of said office since that time?

3. When does the government intend making a permanent appointment?

Hon. L. P. BRODEUR (Minister of Marine and Fisheries):

1. August 31, 1908.

2. Charles D. Bertram.

3. Immediately.

INTERCOLONIAL RAILWAY—EARNINGS IN CAPE BRETON.

Mr. MADDIN asked:

1. What were the earnings from freight shipped from the Island of Cape Breton over the Intercolonial Railway in 1908?

2. What were the earnings from freight shipped to the Island of Cape Breton over the Intercolonial Railway in 1908?

3. What was the revenue from the sale of passenger tickets to passengers going to and coming from the Island of Cape Breton for the year 1908, on the said railway?

Hon. G. P. GRAHAM (Minister of Railways and Canals):

1. Separate accounts are not kept for this portion of the Intercolonial Railway.

2. Answered by number one.

3. Answered by number one.

ST. JOHN, SUPERINTENDENT OF DRERGING.

Mr. DANIEL asked:

1. Has any appointment been made to fill the vacancy occasioned by the death of the late W. J. McCordock, superintendent of dredging at St. John, N.B.?

2. If so, what is the name of the appointee, his place of residence, occupation, the annual salary to be paid him, and what are his qualifications for the position?

3. What was the annual salary of the late superintendent?

Hon. WILLIAM PUGSLEY (Minister of Public Works):

1. Yes.

2. (a) George G. Scovil. (b) Springfield, Kings Co., N.B. (c) Farmer, contractor, merchant and lumber manufacturer. (d) $1,800. (e) His qualification for the position are believed to be excellent.

3. $2,500 was the annual salary of the late superintendent.

PICTOU COUNTY FISHERIES.

Mr. RHODES asked:

1. Who are the fishery overseers and wardens for the districts in Bailey's Brook and Barney's River, sections of Pictou County, Nova Scotia?

2. Did any of such overseers or wardens in the year 1908 or present year discover persons fishing salmon illegally, or find and seize any fishing nets illegally set?

3. If so, what persons did they discover or catch fishing, and how many nets did they find or seize as illegally set?

4. Did they prosecute or report for prosecution any of persons caught or discovered, or who were owners of any of the nets found or seized?

5. Did they return to the owners any of the nets so found or seized or which had otherwise come into their possession or control as overseers or wardens? If so, to whom did they return such nets?

6. On whose orders or at whose request did they return such nets, and when were they returned?

7. Were the circumstances of any of the cases referred to reported to the department by the overseers or wardens or to any of their superior officers in the service?

Hon. L. P. BRODEUR (Minister of Marine and Fisheries):

1. A. J. McDonald, fishery overseer, and John J. McGillivray, William McDonald, Andrew Murray, Ferguson Miller and William Sutherland were employed as guardians last year; appointments not yet made for this year.

2. Yes.

3. William Arbuckle, Duncan Grant, Michael Hammon and John and Charles Duggan. Four nets.

4. Prosecutions have not yet been made. The seizures were reported to the inspector by the special guardians making them.

5. No.

6. Answered by No. 5.

7. They were reported to the department on the 1st instant.

CANADIAN COASTING TRADE.

Mr. STANFIELD asked:

1. How many seamen are engaged in the coasting trade from Canadian port to Canadian port?

2. Of the number how many are Canadian or British subjects?

Hon. L. P. BRODEUR (Minister of Marine and Fisheries):

1. The Department of Marine and Fisheries has no record of the number of seamen so engaged.

2. Answered by No. 1.

POST OFFICE REVENUE.

Mr. EDWARDS asked:

1. What was the revenue from each of the post offices in the cities of Kingston, Brantford, Sherbrooke and Quebec in the years 1903 and 1908, respectively?

2. What was the salary of the postmaster and assistant postmaster in each of the cities named above for the years 1903 and 1908, respectively?

3. What were the total salaries paid post office officials in the cities named for the years 1903 and 1908, respectively?

Hon. RODOLPHE LEMIEUX (Postmaster General):

1.	1903.	1908.
Kingston	$32,533 10	$ 44,991 92
Brantford	33,748 43	53,656 27
Sherbrooke	19,599 57	31,583 59
Quebec	75,064 58	125,480 90

2.		
Kingston postmaster	$2,000 00	$2,200 00
Assist. postmaster	1,400 00	
Brantford postmaster	1,500 00	2,200 00
Sherbrooke postmaster	1,600 00	2,000 00
Quebec postmaster	2,200 00	2,800 00
Asst. postmaster	1,600 00	2,000 00

3.		
Kingston	20,526 94	22,620 24
Brantford	11,335 02	16,465 23
Sherbrooke	5,843 27	10,413 83
Quebec	38,989 58	54,846 05

At Sherbrooke and Brantford there are no officers with the title of assistant postmaster, nor has there been an assistant postmaster at Kingston since 1904.

EXPORT DUTY ON NICKEL.

Mr. J. D TAYLOR asked:

1. Has the government taken into consideration the advisability of imposing an export duty on nickel in matte or in ore, or otherwise, as authorized by Act of Parliament, 60-61 Victoria, chapter 17, section 2?

2. What is the policy of the government with respect to the imposition of such a duty?

Hon. W. S. FIELDING (Minister of Finance). The matter has been considered from time to time but it is not thought well to take any action at present.

THE QUEBEC JUDICIARY.

Mr. DELISLE asked:

1. Who were the former judges of the Superior Court and the Court of King's Bench in the province of Quebec, who are now in receipt of a pension from the government?

2. From what time have they respectively received this pension?

3. Who are the several judges now in office of the Superior Court and the Court of King's Bench in the province of Quebec?

4. What is the date of their respective appointments?

Hon. A. B. AYLESWORTH (Minister of Justice):

1 and 2:

Court of King's Bench:

Hon. J. A. Ouimet, February 3, 1906.
Sir A. Lacoste, January 25, 1907.

Superior Court:

Hon. W. W. Chagnon, November 11, 1887.
A. C. Papineau, May 6, 1889.
H. G. Malhiot, August 16, 1897.
L. Belanger, June 11, 1902.
L. B. Caron, November 12, 1903.
W. White, November 16, 1904.
A. B. Routhier, June 6, 1906.
C. J. Doherty, November 22, 1906.
J. E. Larue, October 2, 1907.
M. Mathieu, January 29, 1909

3 and 4:

Court of King's Bench:

Chief Justice Sir H. T. Taschereau, January 29, 1907.

Hon. N. W. Trenholme, May 4, 1904.
Jos. Lavergne, February 3, 1906.
A. G. Cross, March 11, 1907.
H. Archambault, September 17, 1908.
Hon. H. G. Carroll, December 24, 1908.
Superior Court:
Chief Justice Sir M. M. Tait, June 6, 1906.
Hon. F. Langelier, June 6, 1906.
M. H. E. Cimon, July 22, 1882.
L. O. Loranger, August 5, 1882.
H. C. Pelletier, April 12, 1886.
C. P. Davidson, June 10, 1887.
L. Tellier, November 12, 1887.
C. C. de Lorimier, April 15, 1889.
S. Pagnuelo, June 5, 1889.
W. W. Lynch, July 5, 1889.
J. A. Gagné, December 10, 1889.
J. S. Archibald, November 22, 1893.
J. J. Curran, October 18, 1895.
F. X. Lemieux, July 7, 1898.
J. E. Robidoux, Oct. 8, 1900.
A. Rochon, June 25, 1901.
T. Fortin, September 25, 1901.
H. C. St. Pierre, June 11, 1902.
N. Charbonneau, March 12, 1903.
J. Dunlop, May 5, 1904.
L. N. Champagne, October 16, 1904.
R. S. Cooke, November 16, 1904.
M. Hutchinson, November 16, 1904.
A. Malouin, January 7, 1905.
L. J. Cannon, July 29, 1905.
J. C. McCorkill, August 31, 1906.
E. Lafontaine, August 31, 1906.
L. P. Demers, August 31, 1906.
E. Guerin, January 14, 1907.
A. A. Bruneau, January 29, 1907.
P. G. Martineau, January 29, 1907.
A. Tessier, October 11, 1907.
D. Monet, August 31, 1908.
Sir L. A. Jetté, September 15, 1908
F. S. Tourigny, December 30, 1908.
W. Mercier, March 22, 1909.

NIPIGON RIVER DREDGING.

Mr. BOYCE asked:

1. What was the estimated quantity in cubic yards, required to be excavated by dredging at the mouth of the Nipigon river in Lake Superior?
2. By whom was such estimate made, and when was the report upon same received by the Department of Public Works?

Hon. WM. PUGSLEY (Minister of Public Works):

1. 221,000 cubic yards.
2. (a) Resident engineer E. B. Temple. (b) 20th June, 1908.

GLACE BAY POST OFFICE.

Mr. MADDIN asked:

1. Who is the inspector on the new post office, Glace Bay, N.S.?
2. What salary does he recive?
3. If paid by the day, does such payment include Sunday?
4. When was he appointed?
5. What amount has he received to date?
6. When will this post office be opened to the public for business?
7. Is it the intention of the department to put a concrete walk in front of it?

Hon. WM. PUGSLEY (Minister of Public Works):

1. Daniel Ross.
2. $3.50 per day.
3. No.
4. March 6, 1908.
5. $1,109.50.
6. Date of completion of contract, 10th June, 1909.
7. Matter will be considered in due course.

GLACE BAY RANGE LIGHT.

Mr. MADDIN asked:

1. Who has charge of the range light at Glace Bay harbour?
2. How many applications were there for the appointment?
3. Who were the applicants?
4. What salary does the person in charge receive?

Hon. L. P. BRODEUR (Minister of Marine and Fisheries):

1. Mr. Michael McNeil.
2 and 3. None.
4. One hundred dollars per annum.

SOUTH CAPE BRETON ELECTION.

Mr. MADDIN asked:

1. Have the persons who rented the buildings for polling booths in South Cape Breton at the last general elections been paid their rent?
2. Have the deputy returning officers been paid?
3. Has the returning officer been paid? If so, when?

Hon. CHARLES MURPHY (Secretary of State):

1. The returning officer for South Cape Breton, has received funds to pay the deputy returning officers and owners of polling booths.
2. The payments to the returning officer were $1,182.21 on March 19, and $122.26 on April 21.
3. As the returning officer has not yet reported the distribution of the fees and allowances, it is impossible to say whether he has paid all claims, or not.

FLINT ISLAND FOG ALARM.

Mr. MADDIN asked:

1. What government work is being carried on at Flint island?
2. Who has the contract, if any?
3. If by day's work, who has charge of the work?
4. What wage is paid to the men?

Hon. WM. PUGSLEY (Minister of Public Works):

1. (a) The erection of a wooden fog alarm building, to contain a 3 inch duplicate diaphone plant. (b) The erection of a reinforced steel concrete lighthouse tower. The fog alarm building is almost completed, but the tower has not yet been started; it will, however, be commenced this season.

2. The work is being done by day's labour.

3. J. A. Legere, resident engineer for the maritime provinces.

4. Foreman erector of machinery, $72 per month; foreman erector of building, $2.50 per diem; head carpenter, $2.25 per diem; carpenters, $2 per diem; labourers, $1.50 per diem; cook, $40 per month.

VICTORIA COUNTY, NOVA SCOTIA, FISHERY WARDENS.

Mr. MADDIN asked:

How many river wardens for the protection of fisheries were appointed in Victoria County, Nova Scotia, between July and December 1, 1908?

What were their names, how long did they act, and what salaries did they receive?

Hon. L. P. BRODEUR (Minister of Marine and Fisheries). In Cape Breton North and Victoria there were one hundred and nine.

Name.	Time.	Salary.
Neil Hugh McDonald	1½	$15 00
Roderick McDonald	1½	15 00
M. A. McLeod	1½	15 00
Malcolm McLeod	1½	15 00
Angus N. McDonald	1½	15 00
Norman McLeod	1½	15 00
John McDonald	1½	15 00
Malcolm McLeod	1½	15 00
Malcolm Ross	1½	15 00
Michael Timmons	2	20 00
George Stockley	2	20 00
Christopher Briever	2	20 00
John Roberts	2	20 00
Chas. P. Moffatt	2	20 00
Thomas Smith	2	20 00
Wm. P. Maloney	2	20 00
Alex. D. McLean	2	20 00
James McKinnon	1⅓	15 00
H. A. McKenzie	6½	65 00
Thos. Burton	4	40 00
Thos. Kanary	3	36 00
Alex. McDonald	4	40 00
Norman McPherson	4	40 00
Kenneth McLeod	4	40 00
Philip McLeod	4	40 00
Duncan McGregor	4	40 00
John T. Dunphy	4	40 00
John A. McLeod	4	40 00
Robert Jackson	3	30 00
Edward Keagan	3	30 00
Thos. Barran	3	30 00
Murdo McDonald	3	30 00
Murdo Buchanan	3	30 00
Wm. Smith	3	30 00
Angus McAulay	4	40 00
John Smith	3	30 00
Malcolm J. Morey	3	$30 00
Alex. Grant	2½	25 00
John D. McKenzie	3	30 00
John A. McAulay	2	20 00
John McIver	2½	25 00
James McIver	4	40 00
William Taylor	4	40 00
Kenzie McRae	4	40 00
Alex. McKenzie	4	40 00
Norman Stewart	4	40 00
Roderick McLeod	4	40 00
Paul Buchanan	4	40 00
Wm. McKinnon	4	40 00
Alex. McAulay	4	40 00
John McKay	4	40 00
John McLeod	4	40 00
Malcolm McLean (Big)	4	40 00
Malcolm Buchanan	4	40 00
John Nicholson	4	40 00
A. D. McRae	4	40 00
M. J. Crowdis	4	40 00
Donald Morrison	2½	25 00
Geo. W. McKay	4	40 00
Duncan McRae (Red)	4	40 00
Philip McRae	4	40 00
Malcolm Beaton	4	40 00
John McDonald	4	40 00
Richard Palmer	3	30 00
A. J. McRitchie	4	40 00
John McMillan	4	40 00
Daniel Matheson	5	50 00
Neil Campbell	5	50 00
Alex. Matheson	5	50 00
Angus McIver	5	50 00
Duncan Ferguson	5	50 00
Kenneth McRitchie	5	50 00
Murdo Morrison	5	50 00
Malcolm McIver	5	50 00
Angus R. McDonald	4	40 00
John Hart	4	40 00
Alex. J. McKenzie	4	40 00
Dan. McIver	4	40 00
John McDonald	4	40 00
Joseph McKinnon	4	40 00
Alex. McRae	4	40 00
James McLeod	4	40 00
Donald McLeod	4	40 00
Hugh A. McDougall	4	40 00
John R. McLeod	4	40 00
John McMullin	4	40 00
Hector McRae	3	30 00
Neil McInnis	2½	25 00
Kenneth McRitchie	2½	25 00
William Martin	2½	25 00
John K. McKenzie	2	20 00
Murdo McLeod	5	50 00
John R. McNeil	4	40 00
Donald McNeil	4	40 00
Michael McIntyre	2	20 00
Anthony McPhee	4	40 00
Anthony Morrison	4	40 00
Stephen D. Gillis	4	40 00
D. D. McIsaac	2	20 00
Donald McInnis	4	40 00
Dan. A. McMillan	4	40 00
Felix Gouthro	2	20 00
Angus Bryden	4	40 00
Joseph McLean	2	20 00
Norman Johnston	2	20 00
Alex. R. Campbell	2	20 00
John D. Gillis	1½	15 00
Angus Gillis (widow's son)	1½	15 00
Andrew D. McIntyre	1⅓	13 34

THE PETAWAWA CAMP.

Mr. G. V. WHITE asked:

1. What branches of the permanent force and active militia will encamp for training at the Petewawa camp during the coming season?

2. When will this camp open and what will be the duration of same?

Hon. Sir FREDERICK BORDEN (Minister of Militia and Defence). The following will train at Petawawa this year:

1. Of the Permanent Force: two batteries Royal Canadian Horse Artillery; one heavy battery R. C. G. A.; detachments of Royal Canadian Engineers, Permanent Army Service Corps, Permanent Army Medical Corps, Canadian Ordnance Corps.

Of the Active Militia the usual practice detachments from the Field and Heavy Artillery.

2. It is proposed that the camp should open on the 12th of July and extend over a period sufficient to complete practice of the detachments of the Field and Heavy Artillery above mentioned.,

NAPPAN EXPERIMENTAL FARM.

Mr. RHODES asked:

1. What are the names of all the men who were employed on the experimental farm at Nappan, N.S., other than the superintendent, during the month of June, July, August, September and October of 1908?

2. What was the rate of pay, and what amount did each receive for each of the said months?

Hon. SYDNEY FISHER (Minister of Agriculture):

Name.	Rate per day.	Rate per month.	June.	July.	August.	September.	October.
	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
Thos. Coates, foreman	.....	50 00	50 00	50 00	50 00	50 00	50 00
Wm. Blenkhorn, horticulturist	.....	50 00	50 00	50 00	50 00	50 00	50 00
Robt. Donaldson, herdsman	.....	50 00	50 00	50 00	50 00	50 00	50 00
Luther Richardson, teamster	1 50	.....	39 00	40 50	39 00	39 00	36 00
Harry Blenkhorn, teamster	1 50	.....	39 00	40 50	39 00	39 00	40 50
J. Langille, teamster	1 50	.....	39 00	39 75	36 00	39 00	36 00
Jos. Richardson, labourer	1 40	.....	36 40	37 80	36 40	36 40	35 00
Alex. Casey, labourer	1 40	.....	35 00	37 80	36 40	36 40	37 80
R. J. Robertson, labourer	1 40	.....	36 40	37 80	36 40	36 40	.....
Wm. Middleton, labourer	1 40	.....	36 40	42 00	36 40	42 00	42 00
M. Ripley, labourer	1 40	.....	36 40	37 80	36 40	36 40	37 80
Jas. Donaldson, labourer	0 50	.....	7 25	.....	.....	.....	.....
Stanley Sutton, labourer	1 00	.....	.....	23 00	25 00	26 00	27 00

MALAGASH, N.S., MAIL CONTRACT.

Mr. RHODES asked:

1. Who has the contract for carrying the mails between Malagash station and Malagash point, N.S., what is the amount, and when does it expire?

2. When tenders were last called, who were the tenderers, and what was the amount of each tender?

Hon. RODOLPHE LEMIEUX (Postmaster General):

1. Mr. John McInnes, the lowest tenderer, was awarded the contract, commencing 1st of May, instant, for the regular term of four years, for carrying the mails between Malagash Point, Wallace Ridge and Malagash Railway Station, at the rate of his tender, namely, $510 per annum.

2. Tenders were last received on 19th March, 1909. The tenders and amounts of each tender are as follows:

John McInnes, Wallace Ridge, $510.
John J. Ross, Wallace Ridge, $519.
Jas. W. Reeves, Wallace Grant, $740.
Geo. A. Ross, Wallace Ridge, $795.

NOVA SCOTIA NAVIGATION.

Mr. JAMESON asked:

1. Have any applications for aids to navigation along the coast of Nova Scotia been received by the Department of Marine and Fisheries or Lighthouse Board since January 1, 1909? If, so, from whom, and in respect to what particular portion of the coast?

2. Have any such been favourably considered? If so, which and when?

3. Have any such been unfavourably considered? If so, which and when?

4. Did any officer of the Department of Marine and Fisheries or any member of the Lighthouse board make personal inspection of the approach to Grand Passage, Digby county, following the application for a fairway buoy?

5. If so, what is the name of the official; what was the date of inspection; did he make a report in writing and did he make any recommendation? If so, what was the nature thereof?

Hon. L. P. BRODEUR (Minister of Marine and Fisheries):

1. Yes. Applications have been received from the Shipping Federation of Canada

for lightships outside of Sydney and Halifax harbours; from residents of Port Medway for a buoy in the entrance to Port Medway harbour; from Mr. C. Jameson, M. P., for a buoy about a mile from Dartmouth Point, Long Island, Grand Passage; from residents of Carleton village for establishment of a beacon on the beach there; from J. H. Sinclair, M.P., for spar buoys in Coddles harbour; from residents of Port Mouton for two additional buoys in that harbour; from D. D. McKenzie, M. P., for two buoys to mark the entrance to McKinnon harbour, Victoria county, Cape Breton; from D. D. McKenzie, M.P., for spar buoys at Eskasoni harbour, Cape Breton; from D. D. McKenzie, M.P., for a buoy to mark Stony Island, Baddeck Bay.

2. None have been favourably considered as yet.

3. The applications for lightships outside of Sydney and Halifax Harbours and for a buoy at Port Medway harbour were refused 5th March, 1909.

4, 5. No. The chief engineer has, however, visited this place several times before the application was made.

GOVERNMENT RAILWAYS FINANCES.

Mr. FOSTER asked:

1. What are the total receipts and working expenses for the Intercolonial Railway and the Prince Edward Island Railway for the year ending March 31, 1908?

2. What amount of capital expenditure has been made for these two roads during the same period?

Hon. GEO. P. GRAHAM (Minister of Railways and Canals):

1. Intercolonial Railway—
   Working Expenses... ..$9,157,435 53
   Revenue.. .. .. 9,173,558 80
   Prince Edward Island Railway—
   Working Expenses.. ... 399,947 79
   Revenue.. .. .. 304,579 83
2. Intercolonial Railway.. ..$4,382,494 01
   Prince Edward Island Railway.. .. .. 390,461 83

QUEBEC CAMPS OF INSTRUCTION.

Mr. WORTHINGTON asked:

1. Will camps of instruction be held in the province of Quebec this season? If so, at what points, and on or about what dates?

2. What regiments will go to camp and what regiments will drill at headquarters?

Hon. Sir FREDERICK BORDEN (Minister of Militia and Defence):

1. Yes.
   Three Rivers.. .. ..June 29.
   Granby.. .. ..June 14.
   Levis.. .. ..June 29.

2.

Military District, No. 5.

Troops training at Camps of Instruction, Three Rivers.

Detachment, R.C.R.; ½ 'G' Company, R. C.R.; Detachment, Corps of Guides; 80th Regiment; 83rd Regiment; 85th Regiment; No. 4 Company, Canadian Army Service Corps; No. IV Field Ambulance.

Troops training at Local Headquarters.

17th Hussars; 2nd Canadian Garrison Artillery; 3rd Battery, Canadian Field Artillery; 21st Battery, Canadian Field Artillery; No. 4 Field Company, Canadian Engineers.

Infantry.

1st Regiment; 3rd Regiment; 5th Regiment; 11th Regiment; 64th Regiment; 65th Regiment; 86th Regiment; No. V. Field Ambulance.

Military District, No. 6.

Troops training in Camps of Instruction, Granby.

'A' Squadron, Royal Canadian Dragoons; Detachment, Canadian Ordnance Corps; 7th Hussars; 11th Hussars; 15th Field Battery; 22nd Field Battery; Detachment, Corps of Guides; No. 6 Company, Canadian Army Service Corps; No. 6, Cavalry Field Ambulance.

Troops training at Local Headquarters.

6th Hussars; 13th Dragoons; 53rd Regiment; 84th Regiment.

Military District, No. 7.

Troops training in Camps of Instruction, Levis.

Detachment, Royal Canadian Engineers; ½ 'G' Company, Royal Canadian Regiment; Detachment Canadian Ordnance Corps, Detachment Canadian Army Pay Corps, Detachment Corps of Guides.

Infantry.

4th Regiment, 17th Regiment, 55th Regiment, 61st Regiment, 87th Regiment, 92nd Regiment; Section Signalling Corps; No. 10 Co., Canadian Army Service Corps, No. 7 Field Ambulance.

Troops Training at Local Headquarters.

10th Hussars, 1st Field Battery, 6th Garrison Artillery.

Infantry.

8th Regiment, 9th Regiment, 18th Regiment, 89th Regiment.

THE BISLEY TEAM.

Mr. WORTHINGTON asked:

1. Will the Ross rifle be used by the Canadian team at Bisley this year in the usual International competitions? If so, what mark of rifle will be used?

2. If the question is not yet decided, when will it be decided?

3. Does the question of the team rifle rest with the government, the Bisley team, or the Dominion Rifle Association?

Hon. Sir FREDERICK BORDEN (Minister of Militia and Defence). The Department of Militia has no information on this subject. The choice of a rifle rests with the individual members of the team, who may use either the Lee Enfield or Ross, in accordance with the regulations of the National Rifle Association.

SHERBROOKE, NEW REGIMENT.

Mr. WORTHINGTON asked:

1. Is the construction of a new regiment in Sherbrooke under consideration by the Department of Militia and Defence? If so, to what branch of the service will the new regiment belong?
2. What will be the numerical strength of the regiment?
3. Have any arrangements or appropriations been made for a band for this regiment?
4. When will enlistment and organization begin?
5. Is it the intention of the government to have this regiment do annual training this season? If so, will it be in camp or at headquarters?

Hon. Sir FREDERICK BORDEN (Minister of Militia and Defence):

1. The formation of a battalion of rifles has been under consideration; but owing to lack of funds, progress has been arrested.
2. Contemplated headquarters and eight companies.
3. No.
4. When funds can be made available.
5. No.

SHERBROOKE ARMOURY.

Mr. WORTHINGTON asked:

1. Has the new armoury in Sherbrooke been finally taken over from the contractors by the Department of Militia and Defence? If so, what is the total cost of the building?
2. What is the cost in detail in land surveys, inspection, plans, building, light, heat, water, drainage, &c.?
3. Were tenders called for the construction of the armoury? If so in what manner, or was the work done by contract?
4. How may tenders were received, from whom, and for what amounts?
5. Were any of the contracts sub-let?
6. What is the capacity of the armoury, and how many and what military units is it intended to accommodate?

Hon. Sir FREDERICK BORDEN (Minister of Militia and Defence). This information was contained in the Return furnished in accordance with the order of the House of Commons of January 25 last, and laid on the table of the House on April 20 ultimo. However, I will give the information I have before me:

Questions 1 to 5 appertain to the Department of Public Works.

6. Size of building: 157 ft. x 207 ft., containing main hall 80 ft. x 179 ft. Accommodation has been provided for 54 officers and 685 non-commissioned officers and men of the following units:

11th Hussars, 1 squadron.
22nd Battery C. F. A.
53rd Regiment, 8 companies.
No. 6 Company C. A. S. C.
No. 6 (Cavalry) Field Ambulance.

EASTERN TOWNSHIPS CAVALRY BRIGADE.

Mr. WORTHINGTON asked:

1. Has a site for camp of instruction been selected for the Eastern Townships Cavalry Brigade? If so, at what point will the camp be held, and will the site selected be permanent?
2. Will a rifle range be available for musketry instruction?
3. When is it proposed to hold the annual training for the Eastern Townships Cavalry Brigade?
4. Will the artillery brigade attend the same camp?

Hon. Sir FREDERICK BORDEN (Minister of Militia and Defence):

1. Yes, at Granby. No selection of a permanent site has been made.
2. Yes.
3. June 14.
4. The 7th and 11th Hussars will go into training at Granby Camp June 14; the 6th Hussars and 13th Scottish Light Dragoons drilling at local headquarters, on dates not yet selected.

BUSINESS OF THE HOUSE—SATURDAY SITTING.

Sir WILFRID LAURIER (Prime Minister) moved:

That from this date to the end of the session this House shall sit on Saturdays, the sittings to commence at eleven o'clock in the morning, and government business to have precedence.

Hon. GEO. E. FOSTER (North Toronto). Would my right hon. friend (Sir Wilfrid Laurier) make a slight amendment to the effect that the House put a self-denying ordinance on itself and stop promptly at six o'clock on Saturday. You cannot work every night.

Sir WILFRID LAURIER. There is no necessity to amend the order. But it shall be as my hon. friend wishes. I have no objection.

Motion agreed to.

ROSS RIFLE.

Mr. SAM. HUGHES. I did not catch the answer to question 29 relating to the use of the Ross rifle by the Canadian team at Bisley?

Sir FREDERICK BORDEN. I said that that was not a matter for the government but for the individual members of the team, subject to the National Association rules.

Mr. HUGHES. Would it be proper to state that a number of the members of this year's Bisley team won their positions by using the Ross rifle?

SUPPLY—HON. WM. PUGSLEY AND REPORT OF THE CENTRAL RAILWAY COMMISSION.

Hon. W. S. FIELDING (Minister of Finance) moved that the House go into Committee of Supply.

Mr. T. W. CROTHERS (West Elgin). Mr. Speaker, before you leave the Chair, I desire to direct attention to a matter compromising and reflecting upon the dignity of parliament and the dignity of the whole country as well, a matter in which, therefore every member of this House and every good citizen of this country must feel a keen interest and because of which he must feel deep humiliation. Every one regrets the necessity of introducing anything unpleasant into the deliberations of this House, and the task of doing so which I have undertaken is to me by no means a pleasant or agreeable one. Indeed, I realize it as both ungracious and unpleasant. For my part, there is, however, in this matter no animus whatever, it is purely a strong sense of public duty which impels me to move in the matter, a duty which every member of this House ought to feel when the interests of the country are involved, a duty which may not be ignored without incurring the justly merited condemnation of public opinion. I take it to be the clear duty of this House to maintain at all times a zealous guard over its honour and standing. Representatives are sent to this House by their constituents to sift and inquire into public matters of every kind, to investigate everything of a public nature concerning the welfare of the country. The public acts of public men are public property, and the people have a right to know and, if need be, to inquire into these acts and ascertain of what character they are. The public conduct, past or present, of every officer of this House, of the Prime Minister of this country or any of his colleagues, of every member of this House, of every servant of this government adds to or subtracts from the aggregate public morality and dignity of this country. Any act in violation of strict rectitude on the part of public men, any want of zealous attention to the interest of the country, permeates the whole moral fabric of the people and causes its deterioration. And hence I have no apology to make for introducing the matters whch I am about to introduce. I regard it as a duty, and I have no doubt every member of this House will take that view of it after he hears all that is to be said on the question.

Perhaps you will permit me, before going into the details of this matter, to call the attention of the House for one moment to the tender regard in which the reputation of public men in England is held, not only by public men themselves, but by the whole people of the country. It is the practice in England, universally observed, that where a member of the government is reflected upon by the bench he does not wait to be asked to resign, he at once tenders his resignation. So careful are they in England to guard the reputations of their leading men, feeling and realizing that any other course, any imputation of improper conduct must be injurious to the whole moral fabric of the people. There are many cases that may be referred to, amongst others the Lord Lennox case, the Mundella case, the Mr. Stansfield case, and the Mr. Hayes Fisher case. When there was some question as to the conduct of Mr. Hayes Fisher as a member of a syndicate in consequence of remarks made by a judge upon the bench, Mr. Hayes Fisher used this language in the imperial House of Commons—Judge Buckley from the bench had said that Mr. Fisher and Sir Joseph Lawrence had left the entire management of the syndicate——

Mr. SPEAKER. I would like to know if the hon. gentleman intends to proceed against a member of the House or against a member of the administration. If so I would like to hear argument on the point whether it is in order to bring such a matter to the attention of the House on a motion to go into Committee of Supply. The rules laid down by May are very clear that any charge of the kind must be brought in by substantive motion and due notice given so that it can be amended and discussed; a proffered amendment to the motion to go into Supply cannot be amended.

Mr. CROTHERS. There is no member of this House who has a higher regard or solicitude for the dignity of the Chair than I have and I yield to none in my desire to assist in maintaining that dignity. There is now before the House a motion to go into Supply, and I have a grave grievance as I conceive to present to this House. With your permission, Mr. Speaker, I will proceed to present it to the House and when the time arrives, if it should arrive, during the progress of my remarks that I am contravening any rule of the House then I have no doubt you will call me to order.

Mr. SPEAKER. I understood from the hon. gentleman's remarks that his speech was going to have the effect of calling the attention of the House to the position of a member of this House. If so, it is very clearly laid down that that course cannot be taken on a motion to go into Supply.

Sir WILFRID LAURIER. I would think that the point of order is well taken, but it is the wish of the Minister of Public Works that it should not be insisted upon.

Mr. R. L. BORDEN. I was prepared with authority that would sustain the

course which my hon. friend (Mr. Crothers) proposes to pursue.

Sir WILFRID LAURIER. The hon. gentleman, if he pleases, may cite authorities, but there are certainly authorities to the contrary and which say that matters of this kind cannot be introduced on a motion to go into Committee of Supply. My hon. friend (Mr. Borden) takes a different view. I do not question his view and perhaps he will not question mine, but at all events it is not the intention to raise the point.

Mr. SPEAKER. I thought it my duty to call attention to this matter so that I should be relieved of any responsibility in future. If the House is willing that this course should be followed I leave the responsibility to the House. But the course now being followed is clearly in contradiction of the authorities and custom.

Mr. R. L. BORDEN. Lest I should be held to be bound by any expression of opinion from the Chair, I would suggest that before the House should come to any such conclusion with respect to a motion which may be introduced in this manner, some authorities which I have taken the trouble to gather should be considered in order that we may arrive at no premature decision. However, it may not be necessary to consider that point now as the Prime Minister has stated that this supposed point of order will not be insisted upon. I merely make this statement because I have given some consideration to the matter, and with all possible respect to the view which you have submitted, Mr. Speaker, and purely for the purpose of saving my rights on a future occasion I ventured to make the statement which I have just made.

Mr. PUGSLEY. I desire to add one word to what my right hon. friend the Prime Minister has stated. So far as I am concerned I am desirous that no objection shall be raised to the fullest and most ample discussion of this matter.

Mr. SPEAKER. The House will see that it is better there should be no misunderstanding on the point, that any thing that is done now is done by the consent of the House.

Mr. CROTHERS. Mr. Speaker, I was about to refer the House to a particular case that occurred in England in the year 1903, the report of which will be found in volume 120 of the English 'Hansard' of that year at page 1254. Mr. Justice Buckley in his judicial capacity had referred to Mr. Hayes Fisher and to Sir Joseph Lawrence who were two directors of a syndicate, and the chief imputation he cast upon them was that they had during the last four years left the management thereof entirely to the chairman, namely, Mr. R. Wallace. Addressing the English House of Commons and referring to the observations that had been made by Mr. Justice Buckley, Mr. Hayes Fisher made these remarks:

It is true that this was done—

Referring to the statement that he and Sir Joseph Lawrence had left the management of the syndicate to the chairman:

It is true that this was done; but I should like to emphasize the fact that the syndicate was not and had never been a trading concern and that apart from the development of the invention there was no business to manage. * * In the result the syndicate was wound up being indebted to only a few creditors and for no very considerable amount. * * Although I am not a rich man, I will not have it said that anybody has lost money through me, and this is the view that Sir Joseph Lawrence also shares; and we yesterday handed our lawyers cheques for £5,000, which is more than sufficient to pay every creditor and the shareholders in question. The judge was good enough to state that in his opinion there was no ground for attributing to either of us any want of personal integrity. And I may also point out that we made no profit of any description—that we drew no directors' fees—that I took up and paid for in cash 1,000 shares and that I advanced the company money that I have not been repaid. So that I have lost sums in connection with the matter which to me are heavy and considerable. I can only say that Sir Joseph Lawrence and I have lodged the money and every shareholder and every contributor and every creditor can have back every single penny that is due to him, I have wronged no man. I have myself been greatly wronged and I bow to the full force of the terrific punishment which has come upon me for this error of judgment committed seven years ago. Some people may say why do you resign? I say emphatically not because I think I am unfit to hold the high office under the government I held until a day ago, but because I accept the judgment of those on whose judgment I rely—for we are not always good judges in our own case—that the censure of a certain judge to which wide circulation has been given renders me open to attack inside and outside this House in the conduct of the business of the treasury.

Mr. Balfour, who was leader of the government, and Sir Henry Campbell-Bannerman, who was leader of the opposition, both expressed their approval of Mr. Hayes Fisher in resigning under these circumstances, and, a gentleman who once occupied a very prominent position in this House, perhaps the most profound man that Canada has ever produced, sitting in the English House of Commons at the same time —I refer of course to the Hon. Edward Blake—made these observations with reference to the remarks of Mr. Hayes Fisher:

We heartily re-echo the expressions which have fallen from the First Lord of the Treasury and the leader of the opposition, believing that what has happened to-day, how-

ever painful it may be to the hon. member himself, has vindicated his own reputation and also maintained the honour and standing of this House.

Mr. Speaker, are the honour and standing of the Canadian House of Commons lower than that of the British House of Commons? I hope and trust not. It will be remembered that some three weeks ago an hon. member sitting on this side of the House called the attention of the right hon. leader of the government to a report which I will refer to later, and that the leader of the government at first said that he had not seen the report, or something of that kind, and that he was not in a position to say what course the government proposed to take in regard to it. But, at a subsequent period, when the question was repeated by my hon. friend from North Toronto (Mr. Foster) the leader of the government said that he did not think the circumstances of the case called for any action on the part of the government, and that, therefore, he did not propose to intervene. That hon. members may have a clearer idea of the circumstances that I am about to refer to, I will give a very brief sketch of the conditions. Hon. gentlemen present familiar with the map of New Brunswick will know that the Intercolonial Railway running from Chatham to Moncton runs in a southeasterly direction and that from Moncton to St. John it runs in a southwesterly direction, that between these two points, and about thirty miles from St. John, is a place called Norton on the Intercolonial Railway, that about forty-five miles north of Norton is a place called Chipman, and that southwest from Chipman fifteen miles is a place called Minto. From Minto in a southeasterly direction, about thirty miles away, is a town called Gibson, and just across the river St. John is the city of Fredericton.

The legislature of New Brunswick, many years ago, determined upon the construction of two railways, one extending from Norton northerly to Chipman, forty-five miles, to be called the Central Railway, and the other from Chipman to Gibson, to be called the Chipman-Gibson railway, covering a distance of about forty-miles. The legislature passed an Act providing that a subsidy of $3,000 a mile should be paid towards the construction of both of these railways. A company was incorporated called the Central Railway Company for the purpose of constructing these two railways. A contract was entered into between the government of New Brunswick and the Central Railway Company for the construction of a road from Norton to Chipman, the legislature of New Brunswick contributing $134,000 as a subsidy towards the cost of construction and the government of Canada contributing $142,000 for the construction of the same road. That road was completed about the year 1890. In the year 1901 the New Brunswick Coal and Railway Company was incorporated by an Act of the legislature of New Brunswick, chapter 77, and it was authorized to mine coal. The Act provided that:

> The company may lay out, construct and operate a line of railway from any points in the parish of Chipman, in the county of Queens, to Gibson, in the parish of St. Mary's, in the county of York, with the right to build branches thereto and connecting with any railway or railways in New Brunswick.

During the same session of the legislature an Act was passed authorizing the government of New Brunswick to guarantee bonds to the extent of $250,000 for any company that would undertake to construct the road from Chipman to Gibson, a distance of forty-five miles, which was then not constructed. That Act seemed to have several very full provisions for the protection of the people of New Brunswick in reference to the guaranteeing of these $250,000 bonds. It provides that:

> The Lieutenant Governor in Council is hereby empowered on behalf of the province to guarantee the principal and interest of first mortgage bonds or debentures of any company authorized to construct a line of railway from the terminus of the Central Railway at Chipman, in the county of Queens, to Gibson, in the county of York, to an amount not exceeding $250,000.
>
> The rate of interest on such bonds, so to be guaranteed as aforesaid shall not exceed three per cent per annum, and the bonds shall be payable in not more than fifty years from the date of issue.
>
> The Lieutenant Governor in Council shall not be liable to be called upon for the said guarantee, or any portion thereof, until such railway has been completely constructed and in running order, properly equipped with sufficient rolling stock, and certified to be so by an inspector to be appointed by the Lieutenant Governor in Council.

It is only proper that I should say here that I think it was in the following year that this section of this law was somewhat modified authorizing the guaranteeing of these bonds as the construction of the work progressed. You will observe that this section provides that none of the bonds should be guaranteed until the whole road was constructed and the rolling stock put on, but the Act of 1902 modified this somewhat so as to permit the guaranteeing of these bonds as the construction progressed. I would ask hon. gentlemen to bear in mind one or two sections that I am now about to read:

> The company shall keep such books and accounts as may from time to time be required by the Lieutenant Governor in Council; and such books and accounts shall at all times be open to the inspection of the Lieutenant Governor in Council, or such

person or persons as he may appoint to inspect and audit the same. The company's books and accounts shall be audited each half year by an expert accountant appointed for that purpose by the Lieutenant Governor in Council. All expense of such inspection and auditing shall be borne by the company.

The company shall produce and file semi-annually with the Provincial Secretary, a statement of the business of the company, with the net profits, if any, for the half year immediately preceding, which statement shall be verified under oath by the president or seretary of the said company.

The salary of each officer and the amount of wages paid to any servant or officer of the company, shall be subject to the approval of the Lieutenant Governor in Council who may fix or alter the amount from time to time so long as the said guarantee by the province shall remain outstanding.

The tariff of rates for the freight and passengers hauled upon the said railway, shall at all times be subject to the approval of the Lieutenant Governor in Council.

The road bed, rolling stock and plant of the company, and likewise its tolls and earnings shall be conveyed by such company to a trust company, or other trustees, to be approved by the Lieutenant Governor in Council, by way of mortgage, to secure payment of the principal and interest of such bonds, which trust mortgage shall be in such form and contain such provisions as may be approved of by the Lieutenant Governor in Council.

The Provincial Secretary and Attorney General for the province shall be ex-officio members of the board of directors of the said company, and shall have the same powers and privileges as any other member of the board.

The company shall bind itself to establish on the line of railway a plant for mining coal, to the satisfaction of the Lieutenant Governor in Council, and capable of mining an average of not less than 500 tons per day.

At the time when the Act was passed the present Minister of Public Works (Mr. Pugsley) was Attorney General of New Brunswick and he is specially designated in section 11 as an ex-officio member of this board clothed with all the authority of every other director of the board. So that the legislature of the province of New Brunswick in authorizing the government to guarantee these bonds threw around the whole transaction the strongest safeguards in the interests of the people, and appointed the hon. gentleman who is to-day Minister of Public Works in this government, ex-officio director, to see to it that all the safeguards that the legislature did provide for the protection of the people were fully carried out. The Central Railway was conveyed to the New Brunswick Coal and Railway Company in the year 1902, I think.

Mr. PUGSLEY. 1903.

Mr. CROTHERS. Yes, in 1903. The road was operated; a contract was entered into between the government and this company to construct 15 miles of the road extending from Chatham to Minto and that 15 miles was constructed and completed in the year 1904. The remaining 30 miles of the Chatham-Gibson Railway remains unconstructed to this date. The road was operated by the company until the year 1905, when, by an Act of the legislature, or by an order in council authorized by an Act of the legislature, the whole road was taken over by the government of New Brunswick, and our familiar friend Mr. George McAvity, and Senator King, were appointed commissioners to manage the road. Now, in the month of May, 1908, an Act was passed by the legislature, chap. 19, authorizing the appointment of a commission to investigate, and with the permission of the House I will read a few sections of that Act to show the character of the tribunal appointed to make this investigation, and the purpose for which it was appointed:

1. The Lieutenant Governor is hereby empowered by and with the advice and consent of the executive council to cause a commission or commissions to issue under the great seal to three persons, one of whom shall be a judge of the Supreme Court or County Court, or a barrister of not less than ten years' standing, to hold an investigation or inquiry into:

(a) The expenditure of all moneys of the province, granted since the first day of January, A.D., 1901, either as subsidies or otherwise in connection with the railway from Norton to Chipman, and the railway from Chipman to Minto, and the branches thereof:

(b) The issue and sale, pledge, hypothecation or other dealing by the New Brunswick Coal and Railway Company, or by any person or persons acting or purporting to act on its behalf, of or with all bonds and debentures guaranteed by or on behalf of the province and issued or purporting to be issued by the New Brunswick Coal and Railway Company, or by the commissioners of the New Brunswick Coal and Railway Company, guaranteeing of the said bonds or debentures by or on behalf of the province, and the expenditure of the moneys obtained by such sale. pledge, hypothecation or other dealing of or with the said bonds and debentures;

(c) The expenditure of all moneys made by the New Brunswick Coal and Railway Company, upon or in connection with the Central Railway previous to the purchase of the same by the said company;

(d) The purchase of the Central Railway by the New Brunswick Coal and Railway Company from the Central Railway Company, and the facts and circumstances connected with such purchase;

(e) The money payment or satisfaction received by the holders thereof, or by any other person or persons acting or purporting to act for them, or any of them, on account of, or in connection with the bonds or debentures outstanding against the Central Railway at the time of the purchase of the said railway by the New Brunswick Coal and Railway Company;

(f) The money payment or satisfaction received by the Central Railway Company or by the shareholders thereof, or by any person or persons acting or purporting to act on behalf of the Central Railway Company, or the shareholders thereof, or any of such shareholders, in connection with the sale or transfer of the Central Railway by the Central Railway Company to the New Brunswick Coal and Railway Company;

(g) The receipts and revenues and the expenditures, whether made for working expenses or otherwise in connection with the railways and the branches thereof, taken over by the province from the New Brunswick Coal and Railway Company, from the time they were so taken over;

(h) The amount for which the railways and the branches thereof taken over by the province from the New Brunswick Coal and Railway Company could, at their present standard of construction, have reasonably been constructed;

(i) All negotiations and transactions, relating to the foregoing subjects of inquiry, which were carried on or took place between the New Brunswick Coal and Railway Company and the Central Railway Company or either thereof or any officer of either thereof or any person acting or purporting to act on behalf of the said companies or either thereof, or on behalf of any officer or shareholder of the said companies or either thereof, and the government of New Brunswick or any member or officer thereof or person acting or purporting to act on behalf of the government of New Brunswick or of any member or officer thereof, and the facts and circumstances connected with such negotiations or transactions.

2. As often as any vacancy occurs in the office of the commissioner acting under this Act by reason of such commissioner dying, resigning or declining or becoming incapable to act, the Lieutenant Governor in Council may, from time to time, fill up such vacancy.

3. The commissioners shall have, for the purposes of such investigation or inquiry to be instituted by them in pursuance of this Act, all such powers, rights and privileges as are vested in His Majesty's Supreme Court for the province or in any judge thereof, on the occasion of any action or suit in respect of the following matters:

(a) The enforcing the attendance of witnesses and examining them on oath, affirmation or otherwise as the commissioners may think fit;

(b) The compelling of the production of books, papers or documents which, in the opinion of the commissioners, are necessary to be produced;

(c) The adjourning of the court from time to time and from place to place within the province, as the commissioners may deem necessary;

(d) The punishing of persons guilty of contempt.

I will not take up the time of the House to read all these sections in full. There are provisions that different officers shall use their authority in maintaining order and shall be at the service of this tribunal just as they would at the service of a judge of an ordinary court. Provision is also made for the appointment of counsel to conduct the investigation, and also for the appointment of counsel to act for any one who desires counsel by way of defence or explanation.

Now, there was a court, Mr. Speaker, constituted as the ordinary courts of the land are constituted. The ordinary courts of the land are constituted by the various legislatures of the provinces, the legislatures determine the procedure, they determine the number of judges who shall be appointed, and when we are considering the report of this tribunal we are considering the report of a court regularly, legally, and constitutionally appointed, possessing all the powers and all the privileges and all the dignity and all the solemnity that attach to the courts of this land. The Minister of Public Works was a man who enjoyed nearly all of the highest honours that could be heaped upon him by the citizens of his native province. He was Speaker of the Legislative Assembly from 1887 to 1889, when he became Solicitor-General, and so continued until 1892; he was appointed Attorney General in the year 1900, and continued to be Attorney General until the year 1907, when for a short time he was premier, and afterwards in the month of August of that year, he was appointed Minister of Public Works of the Dominion. The order in council appointing the members of this tribunal is as follows:

The Hon. the Attorney General reports for the information of the committee of the Executive Council:—

That at the last session of the legislature an Act was passed intituled 'An Act authorizing an inquiry into certain matters connected with the Central Railway Company and the New Brunswick Coal and Railway Company,' whereby the Lieutenant Governor in Council was empowered to cause a commission to issue under the great seal to three persons, one of whom shall be a judge of the Supreme Court or County Court, or a barrister of not less than ten years standing, to hold an investigation or inquiry into the matters particularly mentioned in paragraphs (a), (b), (c), (d), (e), (f), (g), (h) and (i), of the first section of the said Act, and to report the evidence taken before them and their findings thereon, and the proceedings of the commissioners so appointed, to the Provincial Secretary, to be by him laid before the Lieutenant Governor in Council.

He now recommends, that in pursuance of the provisions of the said Act, that a commission issue to the Hon. Pierre A. Landry, one of the Puisne Judges of the Supreme Court of this province, Fulton MacDougall, of the city of Moncton, banker, and Almon I. Teed, of the town of St. Stephen, merchant, appointing them commissioners under the said Act to hold such investigation or inquiry so thereby authorized, and that for that purpose to have all the powers, rights and privileges vested in them by the said Act or by an Act of the legislative assembly of the province, authorizing the appointment of commissioners to make inquiries or hold investigations.

And the committee of council concurring in the recommendation of the Hon. the Attorney General,

It is accordingly so ordered.

Certified, passed June 5, 1908.

(Sgd.) JOS. HOWE DICKSON,
Clerk of the Executive Council of New Brunswick.

Hon. gentlemen will see from what I have read that the present Minister of Public Works was Attorney General of the province of New Brunswick from the year 1900 to the year 1907, during nearly the whole period over which this tribunal was authorized to make inquiry, and was ex-officio a director of this company. As such he occupied towards the people of the province of New Brunswick the position of a trustee, and it is well known that the first duty of a trustee is to keep clear and accurate accounts and that the second duty of a trustee is always to have his accounts ready for the cestui qui trust to look at and satisfy himself that the accounts are correct. It was his duty as director of that company, as Attorney General, the man who was the managing director of the company——

Mr. PUGSLEY. I wish to correct the statement of my hon. friend. I was not the managing director of the company.

Mr. CROTHERS. I am simply making my observations based upon the judgment of this court.

Mr. PUGSLEY. My hon. friend must pardon me. I say that there is nothing whatever in the evidence which would justify a statement of that kind, and the statement is absolutely untrue.

Mr. CROTHERS. I am not here for the purpose of discussing the evidence in this case.

Some hon. MEMBERS. Oh, oh.

Mr. CROTHERS. Mr. Speaker, I do not propose to discuss the evidence in the case.

Mr. PUGSLEY. I am not surprised at that.

Mr. CROTHERS. I am here standing on the judgment of a court.

Mr. PUGSLEY. If my hon. friend can find anything in the evidence which will justify some of the statements in the report, I shall be greatly obliged if he will refer to them.

Mr. CROTHERS. As I said a moment ago, I am not here for the purpose of discussing the evidence in this case. I am standing on the judgment of a court, and while that judgment stands we have a right to assume that it is a righteous judgment; and I submit to you, Mr. Speaker, that the proper course for the gentleman to take against whom this judgment has been found, if he disagrees with the judgment, is in some way or other to appeal for a new trial.

Mr. PUGSLEY. If my hon. friend will pardon me, I may say that that is what I have done. I have begun proceedings in the Supreme Court in Equity of the province of New Brunswick to have an accounting made of the receipts and disbursements of this company. I waited until yesterday to see if the provincial government would take action. They have not done so, and I have now done so.

Mr. CROTHERS. I submit, Mr. Speaker, in accordance with well established practice in English-speaking communities, that the first thing for the hon. the Minister of Public Works to have done, when that judgment was pronounced against him by a court so constituted, was to step aside and resign his position as Minister of Public Works. I submit that while that judgment stands, it is an imputation, a compromise and a reflection upon the dignity of this House and upon the dignity of the people of this country. That was clearly his duty. I am not here to say whether that judgment is right or wrong; but I am here to assume that it is right, and I submit that it was the clear duty of a minister of the Crown against whom a judgment of that kind has been pronounced, in the meantime to stand aside. I was pointing out the position that the hon. Minister of Public Works occupied when that court was constituted. He was a trustee from the year 1901 after this company was inaugurated to the year 1907, and his first duty was to see that the sections of the Act giving the government power to guarantee $250,000 of bonds were strictly carried out by the company, that the company kept books, that the books were audited semi-annually, that statements were filed with the provincial secretary every six months under oath, showing that the transactions of the company were in the best interests of the people of the province of New Brunswick, or at least straightforward and honest. The hon. Minister of Public Works is not unfamiliar with large financial transactions. He is perfectly familiar with such transactions. He is not an ignorant man; he is a man of capacity, an astute lawyer, and a man who knew that both law and equity required that in the position he occupied he should keep strict account of the transactions of that company, and be in a position to render a strict and accurate and satisfactory accounting when it was called for. On the 3rd day of March, 1908, the government of the province of New Brunswick changed hands. Those who had been opposed to him in politics for some years came to

power. He knew that this court had been constituted by the local legislature after the new government came into power. He knew that this court had been appointed to investigate the transactions respecting this company during the years that he was ex-officio a director of it, and therefore a trustee of the people of New Brunswick. He was subpoenæd, as I am informed and believe, and was asked to produce all the documents and papers that he had in his possession to assist this court in ferreting out the matters for which they were appointed. He appeared before that court. There was able and devoted counsel there, perhaps not appointed by him, but I understand appointed at his suggestion to assist him in cross-examining witnesses. The evidence before that court was given under oath, and I understand that the court adjourned several times in order to give the hon. Minister of Public Works every opportunity to explain any points that had been raised.

Mr. PUGSLEY. I may say to my hon. friend that that statement also is absolutely without foundation. On the contrary, when I went there to give evidence, the counsel for the commissioners said he did not want to hear me.

Mr. CROCKET. I may say that counsel denies that statement.

Mr. CARVELL. Mr. Speaker,——

Some hon. MEMBERS. Order.

Mr. SPEAKER. The hon. member for Carleton (Mr. Carvell) has the floor. It is customary in this House to allow an hon. member to ask a question. That rests with the hon. member for West Elgin, not with the other members of the House.

Mr. CARVELL. I simply want to ask the hon. member for Elgin if he was aware that counsel was denied the right to be present during the first two weeks and the commission would not withhold their sittings until counsel could be present.

Mr. CROTHERS. I answer the question of the hon. gentleman by saying that I do not know, that I was not present.

Mr. HUGHES. Nor was he.

Mr. CROTHERS. I understand that he was the counsel.

Mr. CARVELL. Yes, and I was not given time to get through with my parliamentary duties and the first two weeks of the investigation were conducted without me.

Mr. CROTHERS. I do not propose to be drawn into any discussion of the evidence.

Mr. PUGSLEY. Very wisely.

Mr. CROTHERS. I repeat that I am standing on the judgment of a court, and I am glad to know that the people of Canada are so familiar with the findings of the court so constituted that they are able to rely on their judgment, especially in regard to matters of fact; and the remedy of those against whom the judgment stands is to appeal from that judgment to some other tribunal, and in the meantime to act as if the judgment were a righteous one. Now, Mr. Speaker, I propose, with your permission, to read portions of this report, of which I have a certified copy; and if any hon. gentleman desires to follow me and has a copy of the report, I shall be glad to give him the pages as I go along. On page 4:

On October 4, 1895, a contract was entered into by the New Brunswick government with the Central Railway Company for the construction of the fifteen mile section and the granting of the subsidy of $3,000 per mile. The following day $7,000 of this subsidy was assigned by Dr. DeBertram to the Hon. William Pugsley and Mr. Skinner. On November 1, 1895, $36,500 of the subsidy was assigned to James Barnes for the building of the fifteen mile section. And on the 4th of the same month $1,000 was assigned to Mr. W. T. Whitehead.

Mr. PUGSLEY. Will my hon. friend allow me?

Mr. CROTHERS. I do not think I will allow you to explain this as we go along.

Mr. PUGSLEY. I rise to a point of order, Mr. Speaker. I wish to correct an error which I am afraid would be in the mind of my hon. friend, and I am sure that he would be glad to let me do so.

Some hon. MEMBERS. Order.

Mr. SPEAKER. The hon. gentleman must be heard before I know what he is going to say.

Mr. FOSTER. Mr. Speaker, will you allow me to ask——

Some hon. MEMBERS. Order, order.

Mr. SPEAKER. The Minister of Public Works has the floor. He rose to a point of order.

Mr. PUGSLEY. The hon. member for Elgin will thank me when he hears what I wish to say.

Mr. FOSTER. What is the point of order?

Mr. PUGSLEY. This is the point. The hon. member for Elgin has read from this report that in 1905 a subsidy was assigned to the Honourable William Pugsley and Mr. Skinner. My hon. friend is probably under the impression that I was then the Hon. Wm. Pugsley and a member of the

government. I wish to say that I was not then in the legislature or in the government, but was a private citizen.

Mr. FOSTER. I rise to ask if that is a point of order.

Mr. SPEAKER. Here is the net result. The Minister of Public Works is practically being placed on trial here, contrary to the proceedings followed in England. I relieve myself of all responsibility, as the House has decided that this should be proceeded with. In the ordinary course I presume that the Minister of Public Works would be allowed to give a personal explanation on a matter which so intimately concerns him.

Mr. FOSTER. Mr. Speaker, I rise to ask you whether, under the rules of the House, under constitutional rules —these are what we are guided by— a point of order is a correction of a statement. If it is, the hon. gentleman has a right to make it. If it is not, the Speaker has no right to rule it so.

Sir WILFRID LAURIER. The Speaker has not ruled anything of the kind.

Mr. CROTHERS. It is really the first time in my experience, Mr. Speaker, that a gentleman has felt that there was some imputation cast upon him by calling him the Honourable William Pugsley.

Some hon. MEMBERS. Hear, hear.

Mr. PUGSLEY. Mr. Speaker, I ask my hon. friend to take back that statement. What I meant was this——

Some hon. MEMBERS. Order.

Mr. SPEAKER. I appeal to hon. members, for the sake of the decorum and dignity of the House. The time has not come when a member asking to be allowed to make a personal explanation should be refused the opportunity. The Minister of Public Works is replying to a word which I am sorry the hon. member for Elgin uttered. We have not got down to the level of supposing that any member of this House is not an hon. member. Every member of this House is an hon. member.

Mr. PUGSLEY. Mr. Speaker, what I meant, and I am sure that my hon. friend must have known what I meant, was that it was a very different thing to make the statement that I had, while a member of the government, received an assignment of that subsidy, from what it would be that I had done so while I was a private citizen and a solicitor for some of the parties interested, and not even a member of the legislature at the time.

Mr. CROTHERS. The whole objection made by the Minister of Public Works has arisen from his misreading the words themselves. There is nothing in what I read to show that the commissioners meant to say that at that time he was the Hon. Wm. Pugsley; but the payment was made to the man who is now the Hon. Wm. Pugsley. That is the proper reading of the words, so that there was no ground for making the objection at all. (Reading):

The Colonial Iron, Coal and Railway Company having failed to proceed with the construction of the unconstructed section, a contract was entered into on the 21st of May, 1899, between the provincial government and the Central Railway Company reviving the agreement of the 8th of August, 1883, the government to pay the subsidy not on progress estimates but on completion from time to time of sections of ten miles. So far as the records show, the work done by the Central Railway Company on the fifteen mile section amounted to $23,000 and on account of this outlay $8,000 of the subsidy was paid by the government and distributed as follows: $2,200 on the orders given as aforesaid to—

If my hon. friend objects, I will leave out the Honourable——

—William Pugsley and Mr. Skinner, $300 on the order given to Mr. Whitehead, and the balance apparently on the order given to James Barnes. The Central Railway Company failed to complete its contract.

Then, at page 5:

At the 1901 session of the provincial legislature three Acts were passed—the first authorized the lieutenant governor in council on certain conditions to guarantee the principal and interest of £250,000 first mortgage bonds of any company authorized to construct the Chipman-Gibson Railway; the second Act incorporated the New Brunswick Coal and Railway Company, which company, for the purpose of convenience, we will hereafter in this report call 'the Company,' authorizing it to construct the Chipman-Gibson Railway and engage in the mining of coal; the third Act entitled the company so incorporated on the performance of certain conditions to the subsidy provided by the Act of 1882 before mentioned, on the whole Chipman-Gibson Railway. This Act also cancelled all subsidy contracts previously entered into with respect to the Chipman-Gibson line. In the month of May, 1901, the company applied for a lease of all available unleased coal areas in the counties of Queens and Sunbury, which were then owned by the government. The application was subsequently complied with and on the 18th day of October, 1902, the lease was granted.

The capital stock of the company consisted of one thousand shares of $100 each, only seven of which were subscribed for but nothing was ever paid on the same.

A contract was on the 22nd day of August, 1901, entered into between the government and the N. B. Coal and Railway Company for the construction of the Chipman-Gibson Railway. Previously to entering into this contract the company had called for tenders for the construction of the fifteen miles section, the

contract not to include rolling stock or rails.

Mr. James Barnes on the 13th day of August, 1901, tendered for $117,000 and Mr. James Wheaton on the 14th of the same month tendered for $109,790. These, which were the only tenders, were referred by the Coal and Railway Company to a committee consisting of Messrs. Pugsley, Skinner and others. The contract was awarded to Mr. James Barnes, M.P.P., for the amount tendered by him, he having in the meantime paid Mr. Wheaton $5,000 to withdraw his tender. Mr. Barnes, at the time was acting for a number of persons besides himself, including Senator Thompson, W. T. Whitehead and others, who proposed to form and afterwards did form themselves into a company under the name of the James Barnes Construction Company. Although Mr. Barnes' associates knew in a general way of the negotiations to buy off Mr. Wheaton, it does not appear whether or not any member of the government was cognizant of them.

At one o'clock House took recess.

House resumed at three o'clock.

Mr. CROTHERS. Mr. Speaker, before proceeding with the reading of extracts from the report, I should perhaps refer to a point in my remarks of this morning to which the Minister of Public Works objected. I see from the dates I have that the hon. gentleman was Speaker of the legislative assembly of New Brunswick in 1887 and remained so until 1892, and that he was Solicitor General in 1892.

Mr. PUGSLEY. The hon. gentleman is wrong again.

Mr. CROTHERS. He had been Speaker prior to October 4, 1895, the date of the $7,000 transaction. While perhaps it is not strict etiquette to refer to a gentleman who had been a member of the provincial government as the 'honourable' I think that it is customary to do so, and that it is generally considered as the proper thing to do in this country so that the commissioners in referring to the Hon. William Pugsley were perhaps relying upon that custom. I quite understand the objection of the minister and I want to be perfectly fair with him. I gather that what he objected to was that it might appear from this report that the intention of the commissioners was to say that when he was Attorney General of the province and a director of the company, this $7,000 was assigned to him. If any one should get that impression from that report I want to say in all fairness to the hon. gentleman that that is not the case; the $7,000 I was dealing with was not paid to the hon. gentleman after he became Attorney General of the province of New Brunswick, and ex-officio director of this company. While we are zealous to maintain the dignity of this House, we must be just as anxious to be just and fair to each other, and I want to be absolutely just and fair to the Minister of Public Works. I quite understand that it is difficult to do that; sometimes we become over zealous, we are all human. Even the Prime Minister confessed to us the other day that he was human——

Sir WILFRID LAURIER. Very.

Mr. CROTHERS—and every hon. gentleman present, without any hesitation accepted his word, so that we are all in the same boat, and we all get a little overzealous on occasions.

Sir WILFRID LAURIER. Hear, hear.

Mr. PUGSLEY. You just want to down me if you can.

Mr. CROTHERS. I desire in this case to be absolutely just and fair to the Minister of Public Works (Mr. Pugsley), so far as I can.

On page 7 of the report I find:

In the summer of 1904 the Coal and Railway Company applied to the provincial government for financial assistance and during the year from the 1st of July, 1904, to the 1st of July, 1905, the government advanced the company about $50,000.

In 1905 the Lieutenant Governor in Council, under the authority of an Act of the provincial legislature passed in April of that year, declared the title to the whole railway vested in the King in the right of the province, and appointed Mr. George McAvity and Senator G. G. King, commissioners to manage it.

Then on page 9:

No record embracing the whole transaction of the company with Evans and Elkin seems to have been attempted. In this ledger there are less than fifteen entries after the 1st of July, 1904, although the company's business extended to the first day of July, 1905. All the accounts put together cover only seven and a quarter pages of the book.

Mr. Sharpe began what is called a cash-book about the 1st of July, 1904, which was continued by Mr. Corbett after Mr. Sharpe's death on behalf of Mr. McAvity, first as president and afterwards as commissioner. This book was also made up from such data as was afforded by stubs of cheque-books, letters, &c., but not posted concurrent with the transactions. It shows the expenditure of part of the moneys advanced by the government in connection with the railway since the 1st of July, 1904.

Outside of these books, strange as the statement may seem, no books of account were ever kept by the railway company or by the commissioners in connection with the railway although the financial transactions connected with it involved the expendidture of over $900,000.

Then on page 10:

At one of the above meetings, held on August 2, 1901, a resolution was passed to the effect that 'five hundred shares of the capital stock of the company should be issued as fully paid up and non-assessable stock of the company, and that ten of these shares be is-

sued to each shareholder as a satisfaction of all their services as promoters of the company, and that such allotment be in lieu of any allotment which otherwise would be made by reason of shares subscribed by them, and in satisfaction of the shares so subscribed by them, and that the remainder of the five hundred shares, or four hundred and thirty shares should be issued to Charles N. Skinner in trust to distribute and allot the same to such persons as might in his opinion be entitled to receive the same as promoters of the company, and in consideration of services rendered to the company; and the acting of the said Charles N. Skinner according to his own judgment and discretion should be at all times considered a complete fulfilment and execution of the said trust.

Hon. gentlemen will notice that the number of 430 shares is mentioned in that paragraph and that, in a preceding paragraph which I read, the stock of the company was put at a thousand shares of $100 each, so that the 430 shares at $100 each would amount to $43,000 instead of $430,000 mentioned at another part of the report, clearly showing that nothing was added to the $43,000 making it $430,000. I mention that because it has been dwelt upon as a serious matter. In this way the 430 shares at $100 would clearly be $43,000 instead of $430,000. Another typographical error.

Then at page 11:

The first meeting of directors was held on May 10, 1901, at St. John. The following, having been duly elected, were present:

E. Byron Winslow, Fredericton	1 share	$100
Franklin Stetson, St. John	1 share	$100
A. P. Barnhill, St. John	1 share	$100
E. Hutchinson, Chatham	1 share	$100
C.A.C. Bruce per E. H., Chatham	1 share	$100
R. A. Irving, Buctouche	1 share	$100
Willard Kitchen per E. Byron Winslow, Fredericton	1 share	$100
Total shares held by directors	7	$700

Hon. L. J. Tweedie, director ex-officio.
Hon. William Pugsley director ex-officio.

By by-law the directors were qualified as the holders of one share each (on which however, nothing was paid).

The following officers were elected at this meeting:

Ernest Hutchinson, Chatham, President.
Franklin Stetson, St. John, Vice-President.
George W. Allen, Fredericton, Secretary.
E. Byron Winslow, Fredericton, Treasurer.

Mr. Hutchinson, the president, Mr. A. P. Barnhill, Hon. L. J. Tweedie and Hon. Wm. Pugsley were appointed a committee to confer with the Central Railway Company and others to see upon what terms the amalgamation, meaning the amalgamation of the Central Railway, might be made, &c. The last recorded meeting of directors was held in St. John, June 11, 1902.

Between the above dates the following directors' meetings were held: June 13, 1901; August 16, 1901; August 18, 1901, October 21, 1901; November 26, 1901.

It is recorded that at all of those meetings the Hon. Wm. Pugsley was present.

Mr. CROTHERS.

Then at the top of page 12 we find:

So far as the records show these were the only meetings held of the directors, in carrying on a work involving such heavy expenditures and extending over a period of more than four years. We must note here that the meetings of both shareholders and directors were few and unimportant and showed that at an early date there was a complete abandonment of corporate action and an assumption of individual control on the part of a few.

Then near the bottom of the page:

Mr. Willard Kitchen, at one time a director, was in the same position. Hon. L. J. Tweedie, who being provincial secretary, was an ex-officio director of the company, claimed to know nothing about its financial transactions except what happened in council, having left these matters to Mr. Pugsley and the officers of the company.

Mr. Pugsley, who apparently had the general management of the company's affairs, kept no accounts and did not give as much definite information; he had, he said, left the keeping of the accounts to Mr. George W. Allen and Mr. A. I. Trueman, both of whom had died before the investigation. On inquiry we were satisfied that Mr. Trueman kept no books that could throw light upon the disposition of the moneys. Indeed from his position in the company we cannot see how it would be especially incumbent upon him to do so, and we are also inclined to believe, after examining Mr. J. J. F. Winslow, who acted as Mr. Allen's clerk, that Mr. Allen, were he alive, could furnish little more data that that produced by Mr. Winslow, his successor. . .

Mr. George McAvity, the president and managing director of the company from July 1, 1904, to July 1, 1905, kept no books at all in connection with the company's business.

From July 1, 1905, to March 1, 1908, when as one of the commissioners he had the management of the road he also kept no books whatever. In very many instances Mr. McAvity was unable to produce any vouchers, other than his own cheques and in many cases the papers produced as vouchers were very unsatisfactory, and did not purport to be even connected with the company. In his evidence he gave us little more information than if he had not been connected with its business at all. From his evidence it might be fairly gathered that he considered the position he occupied an honorary one.

Page 14:

So much of the facts are given to show the absolute want of book-keeping, and we say that if an auditor, confining himself to the records in the books of accounts submitted to us alone, was to undertake to produce a statement of moneys expended, hundreds of thousands of dollars would be shown to be unaccounted for.

Page 16:

The total aid from the Dominion and provincial governments combined, to the whole railway, previous to and since January 1, 1901, amounts to $1,255,244.22. Of this amount the provincial government contributes $190,064,844, and the Dominion government $190,400.

ITEM No. 1.

Provincial subsidy, $57,000 was given by the government purporting to act under the authority of the Subsidy Act of 1882, as a subsidy towards the railway from Chipman to Gibson. Previously to this, as we have seen, $5,000 and $8,000 were given to the Central Railway Company or Dr. DeBertram, in 1891 and 1896, as a subsidy under the same Act for the construction of the same railway. In all, the provincial government has paid $70,000 in subsidies in connection with the railway from Chipman to Gibson, of which the fifteen mile section only has been built. As the Act of 1882 only authorized a subsidy of $3,000 per mile, the total subsidy which the government was authorized to issue in connection with the fifteen-mile section was $45,000. The question arises, why did the government give the remaining $25,000 of the $70,000 which it did give?

Page 17:

Of this $25,000 subsidy, $8,500 was, as it appears by the documents in evidence, paid on account of the orders to Mr. Pugsley, Mr. Skinner, Mr. Barnes and Mr. Whitehead, which have been previously spoken of as given in the months of October and November, 1895. Mr. Pugsley in his evidence gave no further explanation of this matter. We find the whole of this $25,000 of subsidy bonds were illegally issued. This amount, we believe, has been misapplied, and should the government in the future seek to extend the line from the terminus of the fifteen miles section to Gibson, $25,000 of the subsidy authorized to be paid for that portion of the line will not be available as it has been drawn and used.

ITEM No. 3.

This was a guarantee by the province of $250,000 par value of the company's bonds. A large percentage of these bonds were guaranteed illegally.

Page 19:

To briefly sum the matter up, the legislature authorized the guarantee by the province of $250,000 of the company's bonds, to secure the construction of forty miles of railway, fully equipped with rolling stock, and provided with a coal mining plant capable of mining 500 tons of coal per day. The province has obtained, not forty odd miles, but fifteen miles of railway, a few cheap sidings, a quantity of rolling stock costing between $20,000 and $30,000, with the work of construction on nearly thirty miles practically untouched, and not a dollar expended on the extensive coal plant. These bonds were guaranteed on reports showing the progress of construction of the fifteen miles section, which were signed by Mr. Evans, the company's engineer. On January 2, 1903, at which time less than $80,000 had been expended in the actual work of construction one of these reports attempts to show that $140,000 of the company's bonds were entitled to be guaranteed. Mr. Pugsley stated in his evidence that he himself drew up these reports and that Mr. Evans had signed them. It is not our province to suggest whether any or what action should be taken on behalf of the province to hold the members of the government who were instrumental in endorsing these bonds responsible for their illegal act.

Page 20:

ITEM No. 7 ($50,594.54).

This item is a cash loan made by the government to the company between the 1st of July, 1904, and the 1st of July, 1905. No legislative authority had previously been given the government to make these loans.

STATEMENT 'B.'

This shows all the moneys which since the incorporation of the company in April, A.D. 1901, were paid as government subsidies, loaned on bonds guaranteed by the government, or otherwise loaned, or paid, for the purposes of the railway. The moneys amount altogether to $958,799.75.

STATEMENT 'C.'

This shows the expenditures of the moneys mentioned in statement 'B' so far as we have been able to disover in our investigation. These expenditures amount to $824,764.40, leaving a balance of $134,033.35 of these moneys unacounted for.

Page 27:

How many of the directors received salaries, we cannot discover. Mr. Pugsley stated they received something, that he himself did not receive much. He thought Mr. Sharpe had once made a proposition that a round sum should be paid him (Pugsley) but that Mr. Tweedie would not admit it; however, Mr. Sharpe in the statement referred to inserted an item of $5,000 as salary to managing director, and only that Mr. Pugsley in his evidence stated otherwise, we would have taken the 'W. P.' item $5,000 referred to elsewhere in this report as being payment of this amount.

Page 29.

It will be noted that Hon. Mr. Tweedie retained 1 per cent commission, $500, on the sale of $50,000 bonds made by him in Chatham. Mr. Tweedie was provincial secretary of the province in October, 1903, when he made the sale and ex-officio director of the railway company and we do not see by what right he deducted this $500 commission. He stated in his evidence that he thought Mr. A. I. Trueman had authorized him to do so; where Mr. Trueman got his authority was not stated. This much must fairly be said of this transaction, namely, that Mr. Tweedie sold $50,000 bonds in October, 1903, at par, which was 2½ per cent more than the price received from Messrs. Robinson & Sons, who purchased $368,000 of the company's bonds in March 1905, at 97½, and 5 per cent more than was received by Mr. McAvity, president, for $8,000 of the same bonds delivered by him to a client by instructions of Mr. Pugsley in August, 1903, about two months before Mr. Tweedie made the sale, Mr. McAvity getting only $7,000 flat with no accrued interest for $8,000 of bonds.

Mr. Tweedie also promptly accounted for the accrued itnrest, $575.34, which in other cases we consider was not accounted for. Without condoning this transaction we think on the whole it is amenable to less censure than others spoken of in this report. It at

least has the merit when it did come to light of being clear cut and definite, without any effort being made to conceal it from your commissioners.

Item No. 4.—Paid for gravel pit, $3,000—

This was paid to Mr. G. G. Scovil for gravel pit. Mr. Scovil stated that some time before he sold this gravel pit to the Railway Company, after conference with Mr. Pugsley he had bought the farm of about one hundred acres on which the gravel pit was located for $2,500, including the buildings, and afterwards sold that part of it to the company embracing the gravel pit about thirty acres for $3,000. As to whether or not Mr. Scovil bought the farm until he knew or had reason to believe he could sell the gravel pit and make $500 profit in addition to retaining the farm, which would cost him nothing, from the evidence we are inclined to think that he was sure of the sale of the gravel pit before he completed the purchase of the farm. He stated he had bargained for the farm before he negotiated with the company. He had heard there was a gravel pit on it. Mr. Pugsley had informed him of the company's desire to procure gravel and that Mr. Evans, the engineer, had examined the quantity and quality of the gravel before he completed the purchase of the farm. He received Mr. Pugsley's personal note for $1,000 on account which he never heard of afterwards but presumed it was paid. Mr. McAvity gave Mr. Scovil a cheque for $1,000 which we conclude was to pay this note. Afterwards Mr. McAvity paid Scovil the balance of the $2.000.

Page 32:

Mr. Pugsley in his evidence made the statement that if a desire was evinced by the commission to trace the expenditure in connection with the roads that a competent auditor could make up an account in two days; that it was intended the banks would keep a record and that all that was necessary was to inquire of the banks as to payments to Messrs Barnes and others and the whole matter would be made clear. Mr. Pugsley's statement fairly suggests the idea, in the first place, that it was never the intention of the company to keep books.

We think the statement of facts which follow will show how very far astray he was in stating that a competent auditor by means of the information which the banks could supply or which could be gleaned from any other source could, during any period of time, much less two days, make up an intelligent balance sheet which would show the disposition of the moneys in question.

As the earliest financial operations, namely, those connected with the construction of the fifteen-mile section, were centred at Fredericton we began our investigation in that city on June 25, 1908, the first witness being Mr. Geo. N. Babbitt, Deputy Receiver General.

He showed us a statement made up from the department ledger account beginning August 31, 1904, closing on March 19, 1908, showing a total expenditure of $345,599,22; largely made up of payments to Mr. McAvity as president and as commissioner, payments to the People's Bank and old claims connected with the railway, and for interest, but he had no knowledge of bonds being guaranteed by the Provincial Secretary to the extent of $450,000 in 1903, until July 5, 1905, when the fourth half yearly coupons amounting to $9,000 were presented for payment.

Mr. CROTHERS.

The department had no record of the number or amount of these bonds or when or where they were guaranteed. In the one other case where bonds had been guaranteed by the province, viz., the Hartland bridge, a record had been kept. It seems to us remarkable that the Deputy Receiver General in charge of the department's office at Fredericton had never seen these bonds and was never given an opportunity to register same, or keep a record of a matter of such grave import, inasmuch as the credit of the province was pledged for the principal and interest of the large sum of $450,000. Indeed these bonds are now in fact a direct liability of the province. Later on during the investigation we secured much of the desired information form Mr. Shadbolt, manager of the Royal Trust Company of St. John, who had a very clear record of the matter.

As the bonds were dated July 1, 1903, it will be seen that three coupons on each bond, covering a year and a half, until December 31, 1904, being a year and a half interest on $450,000 bonds at 4 per cent (amounting to $27,000) had previously accrued. Apparently the most of these three first coupons had never been cashed and we could not find out what disposition was made of them. They should have been cut off by Mr. McAvity and cancelled, and record kept of the same. There is no guarantee that at some time in the future some of these coupons may not be presented for payment by holders for value.

Proceeding to locate, if possible, the account books (if any) of the company we called Mr. J. J. F. Winslow who stated he succeeded the late Mr. George W. Allen as secretary in 1904, having previously assisted Mr. Allen. He had kept no minutes of directors' meetings, as there had been none after his appointment so far as he knew. He produced a book in which was the last record of the directors' meeting held in St. John on June 11, 1902, and he also produced the ledger before referred to in this report.

We could not find a treasurer for the company who had ever been active. We noted by the minute-book that the late Mr. E. Byron Winslow was elected treasurer in May, 1901, but there is no record whatever of his having undertaken to discharge the duties of the office, and beyond the fact that he acted as chairman at one or two meetings held shortly after the company was organized, there is nothing whatever to show that he had any connection with the company beyond signing some negotiable paper for the company.

At page 35:

This account was checked out in seven amounts and closed March 8, 1902. It shows to whom the cheques were made payable, but these cheques were handed to J. J. F. Winslow by the bank on January 19, 1904, and Mr. Winslow could not find them, so he stated. Four cheques amounting to $5,262.68 were made payable to Geo. W. Allen, and we could find no trace of what became of the money. Two cheques dated February 8, 1902, of $4,000 and $15,000, respectively, were drawn payable to E. G. Evans. Turning to the account of Messrs. Evans and Elkins in the ledger produced by the former in St. John, which he swore contained an accurate account of all moneys received by Evans and Elkins on account of the sale of the road to the New Brunswick Coal and Railway Company we

found that he credits in February only $9,500 received. As to what became of the difference, $9,500, he could not account for it or explain it.

At page 37:

After Mr. Hutchinson retired from the presidency in 1902—early in 1903—perhaps earlier, it would seem that difficulty was experienced at Fredericton in procuring further loans and financial operations were thereafter continued, in the main, in St. John. It is in evidence that there was no president from the date of Mr. Hutchinson's retirement in 1902 until Mr. McAvity was appointed, June 30, 1904.

At page 39 and page 40:

In January, 1903, Mr. Pugsley and Mr. Barnes began to discount the notes of the company at the Bank of New Brunswick, endorsed by themselves and secured by the guaranteed bonds of the province to extent of over $40,000 (we do not see why it was necessary for Mr. Pugsley or Mr. Barnes to indorse these notes personally nor do we know that the bank required them to do so, inasmuch as they already held the bonds guaranteed by the province with a safe margin. Proceeds of these notes were not placed to the credit of any current account, but were taken from the bank in cash, sometimes by Mr. Pugsley and sometimes by Mr. Barnes, the assumption being that the money was used making payments to the James Barnes Construction Company. We could not turn to the books of the construction company to see if this money was credited in order, because these books had been consumed or at least were not produced by Mr. Barnes, but we did find a sheet of paper in the before mentioned ledger shown us by Mr. Winslow at Fredericton which purported to give a statement of the moneys received by the Barnes Company from the railway company. The credits therein did not correspond with the amounts of the notes discounted by the bank. One or two illustrations: On October 5, 1903, the company's note for $13,500 was discounted by Mr. Pugsley and Mr. Barnes and on reference to Mr. Barnes' statement on that same date he only credits $10,000. On November 23 another note was discounted for $13,082—on that day, or a day or two after, Mr. Barnes' account shows only $8,400 as having been received. Mr. Pugsley stated in his evidence that the balance must have gone to the secretary of the company, but had no written proof to refresh his memory.

At page 41:

One thing seems very clear, namely, that the company as a corporation had never conducted business through one uniform medium or channel, as companies usually do, but presidents, directors and secretaries seemed to be doing business each on his own account, presumably for the company, and keping no record of the same. For instance the mere fact of Mr. George W. Allen's death should not have meant that all the company's records kept by him, if he kept any, passed away with him, and the same remarks also applies to Mr. A. I. Trueman, who also died before this inquiry commenced.

It is clear that Mr. Sharpe found a balance to the credit of the New Brunswick Coal and Railway Company in the Bank of New Brunswick, June 30, 1904, of $52,250, and the cash book he made up starts with that same amount on that very date. The first entry is '1904, June 30, government advances $52,250.' This total is carried forward and directly underneath, and not entered as a debit, as all other expenditures are, is found in lead pencil 'less W. P. $5,000,' and that $5,000 is deducted from the total, leaving a balance of $47,250. Nowhere else in the book is this item $5,000 mentioned. The $250 drops out of the book entirely.

Later on we discovered that a cheque had been drawn for $5,000 and paid by the bank, which had not been taken from McAvity's cheque book, from the stubs of which we conclude Mr. Sharpe was attempting to write up the book. The deduction of the above described $5,000 item enabled him, however, to bring the balance of the book to agree with that of the bank.

Mr. McAvity on being examined did not know anything about this item whatever. He had no recollection and could give no explanation of it, nor what 'W. P.' meant. Mr. Carvell, who was acting as counsel for the company, or making up his statement, presented to the commission later, included this $5,000 'W. P.' item, producing the cheque. It was dated June 30, the day Mr. McAvity became president, was filled out in Mr. Pugsley's handwriting, and signed by Mr. McAvity, as president, and was made payable to the New Brunswick Real Estate Loan and Trust Company, which owns the Pugsley Building, so-called, in St. John, is a close corporation, the shareholders being Mr. Pugsley and family.

When recalled Mr. McAvity stated in his evidence that he signed this cheque blindly because he was instructed to do so by his superior, Mr. Pugsley. He did not look to see that the company, of which he was president and seemingly treasurer, combined, owed a dollar of the money. Besides as president he had no superiors except his directors' meeting in formal session. He acted in this matter simply as an under-clerk assuming no responsibility, although as it will be seen later he drew the salary of a responsible general manager, and consummate man of affairs.

Mr. Pugsley explained on being examined that the money was in repayment of loans made by the Real Estate Loan and Trust Company to the New Brunswick Coal and Railway Company, and as evidence of the same produced the following cheques:—

Mr. PUGSLEY. There is another typographical error there, the date of the last cheque should be 1904 and not 1902.

Mr. CROTHERS (reading):

It will be noticed that the above cheques total $9,220.

As they were drawn eighteen months previous to the payment of the $5,000, Mr. Pugsley could not be certain that they represented advances to the New Brunswick Coal and Railway Company by his company; but from the fact that the cheques existed together with Mr. Trueman's statement that the railway company owed his company upwards of

$5,000 he concluded he was justified in drawing this $5,000. It was on the eve of his departure for Europe and matters were somewhat hurried. There was no record on the books of the railway company to show that loans for the latter had ever been made from the loan company, and Mr. Pugsley stated that his company kept no books.

If Mr. Pugsley is correct in his surmise that these cheques produced by him, amounting to $9,220 represented loans to the railway company it seems to us that it would logically follow that after the repayment of $5,000 above mentioned was made, the company still would be his debtor for $4,220, for there is no evidence anywhere of this balance having been claimed or paid. We, however, feel satisfied that Mr. Pugsley must have been recouped for all these moneys from the proceeds of bonds handled by himself or by Mr. Trueman for him, or in some other way.

On reference to a statement prepared by the late Mr. Sharpe, auditor, found among the papers, which purport to be a schedule of amounts owing by the New Brunswick Coal and Railway Company on the 31st of May, 1904, we do not find that the name of the loan and real estate company appears for any amount. This statement was made up one month previous to the payment of the above mentioned $5,000 to Mr. Pugsley.

Page 46:

Mr. McAvity states, though it is not confirmed anywhere else, that his directors fixed his salary at $5,000 per annum. If they did so, then taking all the circumstances into consideration, the nominal supervision of the company by Mr. McAvity, and the fact that he had a manager at Norton at a large salary attending to the actual work of the company, we say that giving Mr. McAvity $5,000 as salary was simply one way of indirectly robbing the treasury of the province. $5,000 per annum was equal to the amount received by the experienced manager of the I. C. R. system in 1904, and only one thousand less than he receives at the present time, and would have secured for the company the exclusive services of a railway expert and able man of affairs.

Mr. McAvity was not a railway man at all, and during the whole period of presidency was busy with his own affairs.

From all the facts and from the manner in which Mr. McAvity gave his evidence we believe that the payment on November 22, 1905, shown in his cash book to be his salary as president to July 1, 1905, was intended as stated to cover his salary for the first year. That he was to receive $2,500 per year is confirmed in more than one statement made by the auditors.

Therefore we believe that the New Brunswick Coal and Railway Company, or their assigns, now that for the first time the full account from Mr. McAvity has been produced, have a right to recover from him the two first mentioned amounts in the above statement, namely, $4,880.19.

During the time Mr. McAvity was president and commissioner his firm received large sums almost monthly for goods and materials supplied to the railway, at prices apparently fixed by himself.

The option given by Evans & Elkin to the Coal and Railway Company was simply for the purchase of the Central Railway for the fixed sum of $180,000 with no other special conditions in the document.

Page 49:

On October 31, 1901, the first payment on this option was made by the New Brunswick Coal and Railway Company, but it was only $12,500 instead of $15,000, the amount of the first instalment. At various times afterwards payments were made Evans & Elkins, making altogether with the first payment $83,519.06. The agreement to purchase never was carried out, but in the summer of 1903 an arrangement was made between the company and Messrs. Evans & Elkin by which Evans & Elkin were to withdraw from the agreement of sale—the company to complete their option with Clark & Co. and Drexel & Co., and pay these firms the amount of $55,800, being the amount due on the option and for the loan of $5,000 and interest, the company also to pay an amount of $1,089.97 due the Intercolonial Railway. The agreement between the company and Evans & Elkin to withdraw, which was verbal, was negotiated for the company by Mr. Allen, Mr. A. I. Trueman and Mr. Pugsley, and under it Evans & Elkin agreed to forego the payment of the balance of $39,590.97 to which they were entitled under their agreement of sale.

The following is a statement showing the amounts paid to Evans & Elkin and the amount which they abandoned:—

To total amount due under option from the N. B. Coal and Railway Company		$180,000 00
By payments from Oct. 31, 1901, to June, 1904..	$ 74,769 06	
By paid Clarke & Company on our account.	55,800 00	
By paid balance due I.C.R..	1,089 97	
	$131,659 03	
Later payment, profit on deal..	3,750 00	
Later payment, profit on deal..	5,000 00	
		140,409 03
Short paid on option by railway company..		$ 39,590 97

Speaking of Evans, on page 51:

He swore that the above $140,409.03 was all he ever got under his agreement with the New Brunswick Coal and Railway Company to pay him $180,000. What became of the balance, in round numbers $39,000, he could not tell and would not even attempt to surmise. He made several earnest attempts to get this balance which he thought was due him, but was told he did not give a complete title, &c., and getting tired out after a time, he accepted the last payments as a settlement.

It was stated in the House of Assembly the full $180,000 was paid for the Central Railway. This statement was made with the full knowledge that some $39,000 of the $180,000 had not been paid and was not to be paid. It was known besides that Mr. Sharpe had prepared under instructions, a statement that the full amount of $180,000 had been paid, and such statement was allowed by the government to be put on file at Fredericton without correction. In an order in council dated July 12, 1904, prepared, we believe, by the Hon. Mr. Pugsley, it was declared that this $180,000 had been paid for the railway from Norton to Chipman. These statements were made although Mr. Pugsley had participated in the negotiations with Mr. Evans by which the amount, about $39,000, was abandoned, and we cannot conceive how such a fact could have been forgotten by Mr. Pugsley.

Page 57:

Starting in 1901, when the New Brunswick Coal and Railway Company was incorporated, down to 1904, many Acts were passed in relation to this company and to the road from Chipman towards Fredericton, each one having the effect of modifying, abrogating or rescinding the theretofore existing safeguards to the public interest, and opening new avenues for exploiting the public revenues.

If the object of legislation and of the preparation of orders in council since 1901 had been to subserve private purposes they could hardly have been more ingeniously devised.

Page 58:

In 1893 and 1897 further legislation was had but in effect it only related to the extension of time to do the work on the line from Chipman to Gibson. In 1901 appears the first entering wedge which thereafter insidiously worked its way, year after year, statute after statute, order in council after order in council, each succeeding Act and each succeeding order in council wiping away some of the protection to the public interest provided by former Acts, until all the protection was gone, finally landing this railway on the province after a public expenditure and an assuming of liabilities of somewhere in the vicinity of one and a quarter millions of dollars, the province alone contributing over one million in actual payments and in assumed liabilities.

Page 61:

At the same session, 1901, of the legislature, the New Brunswick Coal and Railway Company was incorporated. This company was given the power to carry on the business of mining and raising coal, &c. Its authorized capital stock, subject to increase, must be $100,000. Here appears a dangerous departure from ordinary Acts of this kind, viz.: No provision for any particular amount of the stock to be subscribed for, nor for any stock to be paid for; hence there was not one cent of capital to start with, with only a responsibility possibly not exceeding $100 on the part of any member of the company, which possible liability was afterwards wiped out entirely by by-laws, so far as stock actually subscribed was concerned.

We have said that, with one exception, not one of the safeguards introduced in chapter 12 of the Act of 1901 to make the scheme acceptable was kept or heeded. The most of them were modified or abrogated by subsequent legislation, but without the authority of such legislation the most essential provisions we ignored, or got over by orders in council, some of which had apparently no reasonable ground of support. We will note one example. On the 2nd of July, 1901, the provincial secretary made a report to council in which he states that he is satisfied that the New Brunswick Coal and Railway Company possesses sufficient capital to insure the construction of the line of railway from Chipman to Gibson, and that the company has given all necessary assurance of its possessing such ability. He further states that he has made careful inquiry with regard to the capacity and extent of the coal fields and affirms from reports mentioned by him that it appears there can be mined at reasonable cost at least 150,000 tons of coal per annum, and that such annual output may reasonably be counted upon during the whole term of fifty years. And he further reports that from the evidence which has been furnished to him that both the output of such coal and the market therefor would be more than sufficient to satisfy the requirements of section 16 of the said Act. Not only do results show the absurdity of such a report, but we cannot believe that at the time it was made the provincial secretary or his colleagues who acquiesced in the report had any reasonable grounds for the representations therein made. This report in reality is the beginning of the adoption of methods that sapped the whole fabric of the safeguards the legislation had thrown around the guaranteeing by the province of the bonds to the company. This report was according to the evidence of Mr. Tweedie prepared by Mr. Pugsley, and its phraseology is very similar to that found in almost every public document thereafter framed in connection with this enterprise.

To briefly sum up this whole matter:—

We have waded through a chaos of disconnected accounts, and have carefully weighed all the evidence submitted, as well as studying all the documents, orders in council, &c. Having thus patiently laboured to ascertain, if possible, the true facts of the case, we find a number of leading features governing the operations to which we call special attention.

First, It is clear that the enterprise was chiefly promoted by two members of the government, the controlling influence of one of whom was clearly evident from the beginning to the end. It is true a company was organized without any capital, which existed in name only, whose shareholders never attempted to influence its policy. Having everything to gain and nothing to lose they left the control to the ex-officio directors, as the government was putting up all the money. The company never performed the functions usually exercised by an incorporated company—it was in fact nothing but a disorganized department of the government of this province, whatever may be claimed for it in theory. The policy of granting government assistance to any company, whose shareholders have not

on their own account a dollar at stake, is unsound if not vicious.

Second, On the face of it the motive of the promoters as stated was to develop the coal mines of Queens county. Responsible and respectable men from various parts of the province were obtained to lend their names as directors; and from the fact that——

Here is where the mistake occurs of adding a zero in each instance.

Mr. PUGSLEY. Better read it as it is.

Mr. CROTHERS (reading):

—$430,000 of the total $500,000 authorized capital was to be distributed as founders' shares, we conclude that the interested parties had visions of ultimate large profits, with absolute certainty of no personal loss.

Third, As shown in the earlier pages of this report, the coal mines failed to materialize. It was found expedient to even attempt to develop the mines in a large way. Thus at an early stage original visions of profit-making must have departed, and a decision called for as to the abandoning of the expenditure of the $250,000 intended for the coal development. However, it would seem that the prospect of spending large sums of money under cover of the company was too alluring to be resisted, accordingly a stage name was adopted, and the New Brunswick Coal and Railway Company's existence was continued. How much better it would have been for the province had these moneys been expended by the government, and a yearly account of the expenditures published in the public accounts.

Fourth, It is also clear to your commissioners that it was never the intention of those controlling the company to keep books of accounts for public information. For there was never any complete working organization of the company, or special offices secured whereby method and system could have been pursued. The misuse made of the moneys, the fact that the advances far outran, particularly in the earlier stages, legitimate expenditure, made it imperative that to control the truth no uniform system of bookkeeping be adopted. It is claimed the Barnes Construction Company kept books, which could not be produced, but we are by no means satisfied that they were not destroyed, or that they were not intentionally concealed. From the evidence before us and from a careful study of the bank accounts and other matters by which we could trace the disbursements of moneys, we have no hesitation in stating that, especially during 1902, the moneys used up and liabilities incurred far outstripped any legitimate expenditure that was being made, the difference we believe to have been misappropriated, otherwise sufficient money would have been on hand to have paid current bills, leaving the government in this respect a clear sheet when taking over the road in 1905.

Fifth, In ordinary course of business the company's interests and those of the province, from whom it received all its resources, would have been in a business sense antagonistic. Therefore we believe good business demanded that the provincial secretary and the attorney general remain outside the company. Then as members of the government they would have been in a position to have seen to it that stipulations safeguarding the provincial treasury were lived up to; as it worked out, by their position in the company as members of the government, their influence was paramount, representing as they thus did all the capital invested. By their presence in the House of Assembly, on the other hand, they were able from their knowledge and control of the company's affairs to present such statements as were necessary to allay the suspicions of the legislature, and conceal from the country the true state of affairs.

Finally, we believe the directors of the company, and especially the ex-officio directors, are responsible to the province for an accounting. They should be called upon to submit an account showing the expenditure of $958,799.75 or at least that portion of it supplied by the province. What steps should be taken to enforce this finding we hardly feel called upon to determine.

We find, putting the most charitable construction on the entire transaction, that $134,035.35 stated in our recapitulation, following statement 'C' given as unaccounted for, was misappropriated, and diverted from its proper and legitimate channel.

Considering that the doors were never locked—that nearly a million dollars were tossed about without any special guardianship, or any reasonable prospect of any one being called upon to account, that temptation in its most seductive form was continually in the path of the politicians interested, it is not very difficult to understand how an amount even larger than $134,035.35 might well have been switched from its legitimate course. The $39,000 underpaid Evans & Elkins on their option, we have not the slightest doubt forms part of the total shortage.

As to who personally got this money we are unable to state. The want of records as shown by illustrations given in a former part of this report, the fact that the secretary, Mr. George W. Allen, and a director, or solicitor, Mr. A. I. Trueman, had died before the investigation began, greatly enhanced the difficulties of discovering anything definite on the above point. Then, too, many of the leading actors in this drama did not in their evidence disclose with any certainty their relations with transactions with which their names appear in written documents. A notable case was that of Mr. C. N. Skinner, whose memory appeared almost a blank as to his acts and the reasons therefor. Even the amount of the remuneration he had received had passed from his mind. We cannot but believe that had Mr. Skinner felt more personal responsibility in the duties he performed and better appreciated the ones in which we were engaged his memory would have been much improved.

Leading witnesses, without unfailing monotony, referred us to the two deceased officers of the company, Mr. George W. Allen and Mr. A. I. Trueman, when any critical point as to the disposal of moneys was in question.

We have become painfully convinced after examining the evidence and the documents submitted to us that in the expenditure of the public funds, provided for this enterprise, every person charged with a public duty in connection with the same, has been culpably negligent in the discharge of such duty. The degree of culpability attached to each individual has, perhaps, not been the same. Some were guilty of negligence in accepting positions of trust and in not acquainting themselves with what was transpiring in regard to same, but allowing others, unquestioned, to undertake the sole discharge of duties, the responsibility of which they themselves had assumed. They lent their names and allowed the moral influence of their high standing in the community to assure the province that legitimate business methods would be followed. The provincial secretary and the attorney general, ex-officio directors, who were specially appointed by the legislature to watch the company's doings in the interest of the province, we consider, by their conduct, open to the gravest censure. It is true the provincial secretary was not satisfied with matters as they were going, for more than once we find, by letter or otherwise, he registered objections—but it would seem he had assisted to call into play forces he could not control, if he wished to do so, and the bonds were in due course guaranteed and the moneys spent under the conditions stated in this report.

To sum up, on the evidence given before this court, under the sanction of an oath—the Minister of Public Works (Mr. Pugsley) having appeared before the commissioners and counsel being present to act for and against him—this report constitutes the following findings:

1. That he was appointed a director ex-officio of the New Brunswick Coal and Railway Company specially to guard the people's interest and that he was in effect general manager of its affairs.

2. That, while he was occupying this position of trust, charged with the performance of a public duty, in the expenditure of public funds provided by the people of New Brunswick for a public enterprise, he was culpably negligent and open to the gravest censure.

3. That, although he was the controlling influence in the New Brunswick Coal and Railway Company, it never performed the functions usually exercised by an incorporated company and was in fact nothing but a disorganized department of the government.

4. That in order to conceal the truth he adopted no system of bookkeeping for public information.

5. That as a member of the Legislative Assembly and Attorney General of the Province, he made incorrect statements to the legislature to allay suspicions and to conceal from the province the true state of affairs.

Mr. PUGSLEY. Will my hon. friend pardon me. Will he kindly state in what part of the report it states that incorrect information was given to the legislature?

Mr. CROTHERS. I said 'incorrect statements.'

Mr. PUGSLEY. I deny that incorrect statements were made or incorrect information given to the legislature, or even that the report says so.

Mr. CROTHERS. I do not know that I quite understood the hon. minister——

Mr. PUGSLEY. Then, I may speak again——

Mr. CROTHERS. Just one moment. I understand that the minister (Mr. Pugsley) takes exception to the paragraph I have just read, namely that the report says that he made incorrect statements to the legislative assembly. What I said was: 'That as a member of the legislative assembly and Attorney General of the Province, he made incorrect statements to the legislature.'

Mr. PUGSLEY. The reason I interrupted is that this report, strange as it is in many respects, does not say that we presented false statements to the legislature. It says that we were able to do so, but does not say that we did so, and I defy my hon. friend to point to any single case where any erroneous statement was made to the legislature.

Mr. CROTHERS. I can not only point to statements in the report bearing out what I have said, but I can point to statements in the New Brunswick 'Hansard' on two occasions made by the minister in answer to questions that $180,000 had been paid for the Central Railway.

6. That a report prepared by him and made to the Lieutenant Governor in Council on the 2nd day of July, 1901, was absurd and was not founded on any reasonable grounds for the representations made therein.

7. That as such director he is responsible to the province for an accounting for that portion of $958,799.77 supplied by the province.

8. That in stating to the legislature on more than one occasion that $180,000 had been paid for the Central Railway, he stated what he knew was in fact untrue as he had conducted the negotiations which resulted in the abatement of $39,000 from that sum.

9. That he mixed up his private affairs with those of the company and of the public so that large amounts received by him are not satisfactorily accounted for.

10. That while he stated before the court respecting the salaries of directors that they received something and that he himself did not receive much, he was really paid $5,000 under cover of salary which, however, he was unable to explain.

11. That he was a party to the misappropriating of $134,035.35 and that the abatement of $39,000 aforesaid forms part thereof.

12. That he authorized and participated in the illegal issue of $25,000 of subsidy bonds part of which was used to pay orders given to himself before he became a member of the government.

13. That he engaged in the illegal issue of provincial bonds in connection with the Chipman-Gibson Railway.

14. That he authorized and participated in the illegal loan of $50,000 to the company.

15. In breach of the Act of 1902, he did not retain any of the $250,000 bonds to provide the mining plant estimated to cost $50,000, nor did he retain any thereof as security for the $40.000 for rails advanced by the Intercolonial Railway.

My attention has been called to page 51 of the report, part of which I read, but which I may now read again, in view of the hon. minister's statement:

It was stated in the House of assembly the full $180,000 was paid for the Central Railway. This statement was made with the full knowledge that some $39,000 of the $180,000 had not been paid and was not to be paid. It was known besides that Mr. Sharpe had prepared under instructions, a statement that the full amount of $180,000 had been paid, and such statement was allowed by the government to be put on file at Fredericton without correction.

That fully bears out what I stated. Now, in this report, we have the findings of a judicial tribunal composed of three men of the highest standing in their native province, men enjoying to the fullest extent the esteem and confidence of their fellow citizens, one of them a distinguished judge of the Supreme Court, eminent for his learning, integrity and absolute fairness, a tribunal constituted as a court by an Act of the legislature of New Brunswick, clothed with all the powers, privileges, dignity and solemnity of the superior courts of the land. Judgment having been given against the hon. Minister of Public Works, on all the foregoing indictments, serious imputations having thus been cast upon the business capacity and integrity of a minster of the Crown charged with the largest responsibilities, we are fully warranted in urging the government to take action thereon, to the end that the public interest may be safeguarded and the honour and standing of this House maintained. By this report and these findings the honour of this House is compromised As a member thereof I could not respect myself, if I had not the courage, in the face of this report, to do all in my power to remove the stigma it brings to this House and to the people of Canada. It must be the duty of parliament to purge itself from the unfortunate position in which it is placed by the continuance in the government of a minister of the Crown after such serious imputations have been cast upon him. Is there a member of this House willing that the indignity cast upon it by the findings of this court should continue without action or remedy? If such there be I venture to think he will not receive the approbation of the better thinking people of this country.

I have one other matter in this connection to present to the House. I have here the ' Hansard ' of the New Brunswick legislature for 1908.

I find that a certain return was brought down to the legislature of New Brunswick in answer to questions submitted to the government which show that while the Minister of Public Works was Attorney General of the province of New Brunswick from 1901 to 1907 both inclusive, he drew large sums of money from the public treasury that he was not entitled to draw.

Mr. PUGSLEY. Mr. Speaker, I ask my hon. friend to withdraw that statement, a statement which is absolutely false. I never withdrew one cent from the public treasury of New Brunswick to which I was not entitled, never one dollar, and therefore I ask my hon. friend to withdraw that statement.

Mr. CROTHERS. I am simply stating what I find in the report.

Mr. PUGSLEY. But my hon. friend cannot do that, it is not before the House. The hon. gentleman cannot make a false statement himself, and he cannot be permitted to read a false statement which Mr. Hazen or some one else may have made.

Mr. SPEAKER. It is customary by the usage of the House to accept the word of an hon. gentleman.

Mr. CROTHERS. I understood the hon. gentleman to be anxious that everything we had to say about him should be brought forward.

Mr. PUGSLEY. Mr. Speaker, one thing at a time. We are now dealing with this report of the Central Railway Commission. I am prepared to deal with it at this time and upon any other appropriate occasion I am prepared to deal with any other charge or any other suggestion which may be made against me.

Mr. CROTHERS. The hon. gentleman has in all probability seen the motion which I propose to read at the close of my re-

marks and that motion sufficiently indicates this particular subject that I am about to deal with now.

Mr. PUGSLEY. Withdraw.

Mr. CROTHERS. He said he wanted a full investigation.

Mr. SPEAKER. In the meantime, of course, if the word of an hon. member of this House is not accepted, I do not know what we will come to. It is customary to accept the statement of an hon. member.

Some hon. MEMBERS. Take it back.

Mr. CROTHERS. I suppose, Mr. Speaker ——

Mr. PUGSLEY. Withdraw.

Mr. CROTHERS. Certainly I desire to obey the intimation by the Speaker——

Mr. R. L. BORDEN. So far as this matter is concerned, the hon. gentleman, because he is founding upon his statement a motion, has a right to set forth the matters referred to in his motion. The motion, of which the Prime Minister has had a copy, refers to the authorized reports of the legislature of the province of New Brunswick for the year 1908 and the allegation is that these reports as well as the report of the Central Railway Commission, contain serious matters affecting the public accounts and conduct of the hon. Minister of Public Works (Mr. Pugsley). Under these circumstances to suggest that every statement with regard to the matter will be withdrawn upon the denial of the Minister of Public Works (Mr. Pugsley) would cut off any further discussion of the whole matter, therefore it is perfectly obvious that no such result can obtain under the rules of the House.

Mr. PUGSLEY. If it were parliamentary, I would say that certainly there was an attempt made to deceive the House if it was intended to bring into this——

Some hon. MEMBERS. Order.

Mr. PUGSLEY. I say there would be an attempt made to deceive the House——

Some hon. MEMBERS. Order.

Mr. PUGSLEY. What is the point of order.

Mr. FOSTER. The point of order is this that my hon. friend has stated that an attempt has been made to deceive the House.

Mr. PUGSLEY. No.

Mr. FOSTER. Yes he did. The hon. gentleman who has just made his speech (Mr. Crothers) has been the only speaker and has been the only person who has made these statements. There could be only one meaning to the minister's remark, namely that my hon. friend from Elgin (Mr. Crothers) attempted to deceive this House.

Mr. CALVERT. No.

Mr. PUGSLEY What I was saying was that there would be an attempt to deceive this House if an effort were now made, by reason of the resolution, to mix up a matter which is entirely distinct from matters connected with the Central Railway, a matter of which I certainly had no notice and which I did not dream for a single moment was intended to be discussed upon this motion. I ask my hon. friend whether, until this moment, any intimation has been given to the House that it was intended to discuss anything else except matters connected with the Central Railway. Let us be fair and let me ask you, Mr. Speaker, if when we waived the rules to-day——

Mr. R. L. BORDEN. My hon. friend need not proceed further, if he claims that this takes him by surprise.

Mr. PUGSLEY. I never dreamt of such a thing.

Mr. R. L. BORDEN. We will discuss it some other day, and we will not discuss it to-day; we will take some other opportunity.

Mr. PUGSLEY. All right. We discussed it frequently before the people of New Brunswick and they have given their verdict.

Mr. R. L. BORDEN. If we are not going to discuss it we had better stop the discussion now. I have just told the hon. gentleman that as he claims he is taken by surprise we will not discuss it, but if he desires to embark on a discussion, we will go on.

Mr. CROTHERS. I quite concur in the suggestion of my honoured leader that we should not proceed with this portion of the indictment. As I said some time ago, there is no desire to be unjust or unfair to the Minister of Public Works, and if he is taken by surprise by this matter being taken up to-day, there is no one on this side of the House who desires to press it. Every member in this House is interested in seeing to it that every other member gets absolute justice and absolute fair play. I shall endeavour to assist in securing for every member of this House, whether on this side or on the other side, absolute justice and absolute fair play, as I would desire to have myself.

As the position of the Hon. L. J. Tweedie, Lieutenant Governor of New Brunswick, differed materially from that of the hon. Minister of Public Works in the transactions referred to in the report re the Central Railway, I have not introduced

his name in the motion I am about to read, convinced that he should be made the subject of a separate motion to be made later.

The motion, Mr. Speaker, which I propose to read is in these words:

That all the words after the word 'that' to the end of the question be left out and the following substituted therefor:

The unanimous findings of the commission consisting of the Hon. Mr. Justice Landry and Messrs. F. MacDougall and A. I Teed, appointed by the government of the province of New Brunswick by order in council dated June 5, 1908, and the authorized reports of the proceedings of the legislature of the said province during the session of 1908 set forth serious matters touching the public acts and conduct of the Hon. Wm. Pugsley, formerly a member of the government of the said province and now Minister of Public Works;

That persons occupying high offices of state as constitutional advisers of His Excellency ought to be free from just reproach and from reasonable suspicion in respect of their public character and reputation;

That to this end the said findings in so far as they impugn the public acts or conduct of the said Hon. William Pugsley deserve the serious consideration of this House and demand such action thereupon as may be necessary to enforce worthy and proper standards of public duty.

Mr. R. L. BORDEN. Mr. Speaker, before you read the motion, may I suggest that, as there were some words in that resolution introduced for the purpose of bringing up the matter now abandoned, it be amended by omitting the words:

And the authorized reports of the proceedings of the legislature of the said province during the session of 1908.

Those words were introduced for the purpose of bringing up the matter which we have now, on the suggestion of the hon. gentleman, decided not to proceed with. Would the Prime Minister agree to that?

Sir WILFRID LAURIER. The hon. gentleman can take his own course.

Mr. R. L. BORDEN. I do not care to introduce the subject in the resolution if it is not to be discussed.

Mr. SPEAKER read the motion with these words omitted.

Hon. WILLIAM PUGSLEY (Minister of Public Works). Mr. Speaker, while I am sorry that matters relating to what may be called the provincial sphere of politics, with which I was connected some years ago, should engage so much of the attention of this House to-day, yet, for myself, Sir, I am glad that the hon. member for Elgin (Mr. Crothers) has brought the matter before the House, because this report to which he has referred has been published broadcast in the newspapers, and the fact of his bringing the matter before parliament to-

Mr. CROTHERS.

day gives me an opportunity of directing the attention of the House and of the country to it. I think, Sir, that, before I take my seat, I will be able to show that not only is this report one which ought not to be acted upon by men who desire to do justice, but that it is a report which, within the pages of the report itself, is discredited, shown to be of a partisan character and wholly unreliable. When I tell you, and when I tell this House that these commissioners, while attempting to give a statement of the interest that was expended by this company from the commencement of this transaction in 1901 down to the time when the commissioners, who had been appointed by the previous government went out of office, on the 31st March, 1908, only included two items of interest, one the interest upon the cost of the new line of railway during its construction and limited to the month of January, 1904, and another item beginning upon the 1st July, 1905, and closing upon the 31st March, 1908; when I tell you that these are the only two items of interest which they allow and which amount in themselves to, in the vicinity of, $5,000 more than the total interest which they allow; when I tell you that they leave out of this account every dollar of interest upon the total expenditure between the 1st day of January, 1904, and the 1st day of July, 1905, a period of eighteen months, and when I tell you further that they absolutely leave out of their calculation every dollar of interest upon the $180,000 which was paid for the Central Railway, upon the $77,000 of improvements which were made upon the Central Railway, upon the loss in operating, extending over a number of years, and upon other amounts, and that they have absolutely omitted these from the account and statement of interest which they give, I think you will be prepared to accept the statement which I shall make that this report is utterly unworthy of the consideration of any man who desires to see justice shown to a public man.

Without going further and dealing with other matters, let me prove this, because if I cannot prove this I have made a statement which ought to discredit me among the members of this House. Turn now, and let the hon. member for Elgin turn, if he wants to be fair——

An hon. MEMBER. He has gone out.

Mr. PUGSLEY. I think he ought to remain here to hear the statement which I am to make, because I am satisfied that it will convince even him that this report, so far from having been prepared by an honest and non-partisan commission, so far from being a judicial report, has been prepared by a partisan counsel who has advised these commissioners in regard to it and who was instrumental in having it drawn up. My hon. friend has said that

upon this report and without considering whether it is true or false, without considering whether or not there is evidence to support it and to justify these commissioners in making it, I, as Minister of Public Works, ought to resign my seat. He quotes a statement of Mr. Fisher in the British parliament that when a charge was made against him he felt it his duty to resign. But in that case Mr. Fisher said: I accept the judgment of the tribunal, in which I have confidence, and therefore I resign my seat. But, Sir, am I to accept the judgment of a partisan tribunal, a tribunal appointed not to inquire into the truth, but a tribunal appointed to find out something upon which a charge might be made against me in order that the wishes of those gentlemen who instituted these proceedings might be carried out, and whose typographical errors, as has been called to my attention, are already a joke throughout this country. I am prepared to take my position anywhere in this House or anywhere before the people of Canada and meet any charges which can be made against me, and I do think, Sir, that it would have been the more constitutional course, the more dignified and the fairer course for the hon. member for Elgin, who reads this report and seeks to discredit me in the eyes of the people, to have read the evidence and to have seen if there was anything in the evidence which justifies the report. Then, if he had read the evidence the manly course for him, if he believed in the truth of these charges, would have been to have made boldly and openly a charge against me on the floor of this House. But, the hon. gentleman does not do that. He simply reads a report made in another place, made in reference to matters which in no way relate to this parliament or to Dominion affairs. In that report there is no charge made against my personal honour, there is no charge made that one dollar of the moneys of this company ever came improperly into my hands. But, the hon. gentleman, upon that report, taking up its various paragraphs charging neglect of my duty as Attorney General of the province, asks this parliament to take action and invites me to resign my seat. Well, Sir, while I am prepared to fight my enemies, and I have some, I am not prepared to lie down and let them crawl over me. For twenty-four years I have fought them before the people of my native province, and whenever I have appealed to the people in my province I have not appealed in vain. I said that these commissioners had absolutely omitted the interest upon this whole amount of indebtedness for a period of a year and a half. I stated also that they had omitted the interest upon all the amounts which were paid for the Central Railway and the amounts which were disbursed for the improvement and operation of that railway, and I am going to prove it to you. At page 22 of the report, referring to the cost of the 15 mile section between Chipman and the coal fields of Minto and the branches to the various coal mines it says:

> There is included in the above item of cost $316,626.33, the cost of the rolling stock $26,800, and we have included in the item of interest in statement (c) the amount of interest which he (referring to Mr. Shannon, accountant of the Department of Railways) fixed at $28,234.63.

That is, Mr. Shannon fixed the interest at that amount. Then on page 23 it says:

Mr. LENNOX. One moment, the hon. gentleman did not finish the sentence and it is very important.

Mr. PUGSLEY. The end of the sentence is:

> both of which, Mr. Shannon omitted from his statement of cost.

and it is not important at all.

Mr. LENNOX. I think it is very important.

Mr. PUGSLEY. My hon. friend says that because he does not know what bearing this has upon the discussion.

Mr. LENNOX. The hon. gentleman will find I know a good deal about it.

Some hon. MEMBERS. Order.

Mr. PUGSLEY. At page 23 the commissioners say:

> and so far as the evidence shows they were paid they are included in statement (c). Mr. Pugsley also in his statement of cost adopts Mr. Shannon's statement of interest during construction, namely, $28,234.63.

That statement of interest was made by Mr. Shannon who was the accountant of the Department of Railways in connection with the contention which the railway company was making that the interest during construction of the new line should be added to capital, should form a part of the cost of construction, and therefore should be considered by the Department of Railways upon the question of whether they should pay the increased subsidy or not. Now then, the commissioners say they adopt that statement of $28,234, as the interest upon the cost of construction of the new line and they say it for two reasons. They say that Mr. Sharpe the accountant who made the interest at $33,000 had made it too large, and they take Mr. Shannon's statement which would be to the time of the completion of the first of January, 1904. They adopt Mr. Shannon's interest for that reason and they adopt it also——

Mr. R. L. BORDEN. I thought the language of the report was that the hon. gentleman himself adopted it.

Mr. PUGSLEY. Yes. Their other reason which I was about to state is that they say they adopted it because Mr. Pugsley him-

self adopted it at the time. When I adopted it was when I was urging the favourable consideration of the company's claim before the Department of Railways, putting forward that Mr. Shannon himself had found that the interest upon the cost of construction amounted to $28,234 and I urged that there was no other account to which it could be charged, that interest during construction should be properly added to the cost, and that therefore this should be taken into consideration by the Department of Railways. Now, we start there with the amount admitted by the commissioners and found by Mr. Shannon to be the interest upon the cost of construction of the 15 mile section and branches to the 1st of January, 1904, when the road was substantially completed, or at all events I think the main line was entirely completed. Then if you turn to pages 79 and 80 of this report you will find they give a statement of the moneys received and the moneys paid out in connection with the railway and branches since taken over by the province on the 1st of July, 1905. Let me read this again so that there may be no misunderstanding:

> Moneys received and moneys paid out in connection with the railway and branches since taken over by province, July 1, 1905.
> Interest on loans and coupons, $68,770.65

Now, if you add together the $28,234 which they say was the interest upon the cost of construction of the new line to the month of January, 1904, and the $68,770 which they say was expended in interest subsequent to the 1st of July, 1905, and you get nearly $97,000 of interest, and yet, Sir, upon page 76 of this report these commissioners in arriving at this shortage put in the total amount of interest over the whole period and upon all the expenditures of the company at $92,000, being $5,000 less than the two items alone of interest to which I have called your attention. Is that another typographical error?

Then, if you turn back a little bit farther in the report you will find that in giving a statement with regard to some moneys which were due to the Peoples' Bank at Fredericton alone, you will find that they show there that up to the 1st of January there was a note due to the Peoples' Bank of New Brunswick amounting to $169,314.94, and that interest charges to October 14, 1905, brought the total up to $176,611.53, or interest of about $7,000 which was paid to the Peoples' Bank of New Brunswick subsequent to the 1st of January, 1904, and with the exception of the interest between the 1st of July and October they have left that out of the account altogether as well. And as I have said, there is the total interest upon the cost of the new line, $316,000, which they find to be correct, upon the $180,000 expended for the purchase of the Central Railway, upon the improvements of $77,000 which were placed upon the Central Railway according to the report of these commissioners, and they leave all of the interest upon that large amount out for a period of 18 months during a portion of which period as the commissioners themselves say the company was paying interest at a rate of from 6½ per cent to 7 per cent. And in addition to that they leave out, prior to the 1st of January, 1904, all the interest upon the cost of the Central Railway and upon the improvements which were made to the Central.

Now, Mr. Speaker, I shall show a little later that in the desire of these commissioners to submit a report upon which some action might be taken adverse to myself, they either wittingly or unwittingly omitted to include interest which I venture to say would amount to somewhere in the vicinity of $60,000. And I would invite my hon. friend the member for Elgin (Mr. Crothers) to explain how it is that he can justify the report of the commissioners who, in an attempt to arrive at the expenditure on this road utterly and absolutely ignore the interest extending over these lengthy periods and upon these large amounts of money, which would necessarily come to a very large sum?

Now, Sir, there is no excuse for these commissioners. They were not bound to take Mr. Shannon's statement of the interest on the cost of construction of the new line down to January 1, 1904, they were not bound to take my statement either, because under the authority which the hon. gentleman (Mr. Crothers) has read the statute clothed them with power to summon before them every person who they thought might give evidence which would be of importance to the commission. They were empowered to bring any acounts before them and they could have subpoenaed the managers of the various banks. They were notified that the loans for this company had been negotiated at the Peoples' Bank of New Brunswick, at the Bank of Montreal, Fredericton, through Mr. G. W. Allen, the secretary of the company, at the Bank of British North America in Fredericton, through Mr. Allen, the secretary of the company; that an account had at my request been opened for the company with the Bank of New Brunswick in the city of St. John, and they had before them also the fact that loans were negotiated with the Canada Permanent Mortgage Company and that there were loans also from the Bank of Nova Scotia in St. John. They had before them the names of all these banks and of the loan company from whom the company had received loans from time to time. As every hon. member in this House knows, when a note is taken to a bank for discount the proceeds of the note

less the discount are paid to the credit of the person or company that obtains the discount. And in every case the accounts of these banks would show what was the discount taken off these notes from time to time and paid by the company. Therefore, these commissioners had it in their power to obtain from the managers and accountants of these various banks the interest which was paid by this company during that long period of seven years, extending from 1901 to 1908. But, Sir, I am told by my hon. friend who represents the county of Carleton, New Brunswick, (Mr. Carvell), and who was present at this investigation as council, that, so far as the evidence showed, never once did they inquire of those institutions what was the interest paid by the company from time to time during this long period of years; and from the beginning to the end they never hinted that they wanted any information from the company with regard to the interest, and they left me, and I presume my hon. friend to assume that they would, before they came to the close of their investigation, have an accountant go through the books of the banks, ascertain what the interest was, and make a correct statement with regard to it; because, without a correct statement with regard to the interest, I ask what is the value of this report? In making the statement that there is a great deficiency between the receipts and the expenditures, they simply convey false information to the people of this country. Surely, Sir, it was the very least of the duties which they owed to the public and to those whose reputation was to a certain extent involved in the investigation, to make an inquiry into the interest, instead of simply adding those two sums together, one on a certain portion of the cost down to January, 1904, and the other on the cost down from the 1st of July, 1905, lumping those two together, and arbitrarily throwing off $5,000 and fixing that as being approximately the interest which the company paid during that long period of years.

Mr. LANCASTER. I understand that the hon. gentleman had counsel there. If he had, why did not his counsel produce this evidence which he is bemoaning the loss of?

Mr. PUGSLEY. I have already stated why. The commissioners subpœnaed the banks with the accounts. They had brought to the city of St. John, some two or three weeks before the general election, an accountant for the purpose of going into these matters, and we had a right to assume that they would endeavour to give an accurate account, and would not arbitrarily fix the interest at some $60,000 less than the interest amounted to.

Mr. LANCASTER. But when the evidence was not given——

Some hon. MEMBERS. Order.

Mr. LANCASTER. I will ask the hon. gentleman's permission to ask him a question. I do not think the other hon. gentlemen opposite are acting very properly. If the Minister of Public Works does not want me to ask the question, I will not do so.

Mr. PUGSLEY. I will be very glad to have the hon. gentleman ask it.

Mr. LANCASTER. Then I ask that hon. gentlemen do not interrupt in that very rude way. I wish to ask: Was there not a time in the investigation when the loss of this evidence was noticed? If so, why was not the evidence produced by the counsel appearing for the hon. gentleman?

Mr. PUGSLEY. It was never intimated that there was any loss of this evidence. The commissioners never intimated to my hon. friend from Carleton or to me, but that they were having the interest accurately made up, and it came to me as a shocking surprise when I read this report and found that they had simply taken the interest during the cost of construction of the new line to January, 1904, and the interest for the last 18 months or so and added those together, ignoring some $50,000 or $60,000 of interest, the particulars of which we had a right to suppose they were obtaining from the banks. When I tell this House that there would be interest on the cost of the Central Railway amounting to $180,000, interest on the improvements amounting to $77,000 and upwards, interest on loss of operation amounting to some $19,000, interest on the cost of some of the rolling stock, which was not added to the cost of construction, and interest on other expenditures in connection with the preliminary work which the company did with a view to carrying on mining operations, and when, as the commissioners themselves say, in many cases interest at the rate of 6½ or 7 per cent was necessarily paid to the banks, they will see to what a large amount the interest would necessarily run up, and how necessary it was for these commissioners, if they wanted to give an accurate statement of the receipts and disbursements, to have a proper interest account made up. That they did not is itself evidence of the grossest possible carelessness on the part of these commissioners. It is more than that: It is evidence of a reckless desire to injure me and other members of the government in which I occupied the position of Attorney General. It is evidence that they thought that if they could get launched a report sufficiently strong, they might accomplish the

mission for which they were appointed—bring about my resignation, and leave me afterwards to vindicate myself as best I could before the people of this country. It is evidence that these commissioners did not care whether they did justice or a gross injustice, because in order to do justice it was absolutely essential that the report should be accurate, and should show with as much certainty as possible what were the receipts and expenditures of this company.

That these commissioners and those advising them were actuated by partisan motives, I will show by another fact. It is this, that the public reports of the province of New Brunswick, the report of the Auditor General for the year 1908, show that in the month of October last, just before the general election, these commissioners employed Mr. Dunlop, a chartered accountant of, as I understand, the city of Montreal, and brought him down to St. John for the purpose of going into these accounts, and he made up a statement for them. That statement was published by Mr. H. A. Powell, the solicitor and counsel for these commissioners, and for the government of New Brunswick, and it appeared in the 'Daily Standard,' the Conservative organ of the city of St. John, in its issue of the 14th of October, 1908. What do you think, Sir, of commissioners who were engaged, as the hon. member for West Elgin says, upon a judicial inquiry, and who had not yet terminated their inquiry, upon the eve of an election in which I was a candidate, sending to the city of Montreal for an accountant and bringing him down to the city of St. John at the expense of the provincial government to have him investigate these accounts, and having published through Mr. Powell, the counsel for these commissioners, a statement of the professed receipts and disbursements doing that, as I say, before the commissioners had ended their labours and made their report, and doing it for no other purpose than to influence the people of New Brunswick against me? That statement, Sir, is worse than the statement which these commissioners have presented because it showed a deficiency of $117,000, and in addition Mr. Powell was reported in the newspaper as saying that Mr. Evans stated that there was a shortage in his payment of $47,000; and they put it before the people of St. John and the people of New Brunswick that there was a deficiency of $164,000 in connection with the Central Railway and the New Brunswick Coal and Railway Company, and because of this alleged deficiency they asked the people of New Brunswick to condemn me and my colleagues. I say that this is evidence of partisanship of the grossest character. I want to know what the commissioners had to do with the general elections of the 26th of October, and what business it was of theirs to employ an accountant for the purpose of spreading that statement broadcast before the people of New Brunswick pending the completion of their report. But they had that prepared and published on the 14th of October, some 12 days before the general election. Fortunately I was able to show, by facts of the most convincing character, that the statement published in the 'Daily Standard' alleged to have been made by Mr. Dunlop, was absolutely erroneous. I showed that certain facts and information must have been withheld from him which, if they had been furnished, would have compelled him to present a different report; and after I had made my statement and the errors in his report were shown, we heard little or nothing more of that report during the last few days preceding the general election.

Mr. CROCKET. Was that statement made before the minister was examined as a witness in that inquiry?

Mr. PUGSLEY. Yes, it was made on the 14th of October, 1908, and the general elections took place on the 26th of October. It was made with a view of influencing the general elections in 1908.

Mr. R. L. BORDEN. What was the date of the hon. gentleman's examination?

Mr. PUGSLEY. Between Christmas and New Years.

Mr. R. L. BORDEN. The statement was some two months in advance of the hon. gentleman's evidence.

Mr. PUGSLEY. Quite so, but just twelve days in advance of the general elections; and it would not have done for these non-partisan commissioners to have kept that back until after the elections. That would not have suited one of the purposes they had in view and which they signally failed to accomplish.

Mr. R. L. BORDEN. Having had this notice on the 14th of October, and not being examined before the end of December, why did the hon. gentleman not produce all this evidence which he said was available?

Mr. PUGSLEY. I will tell my hon. friend why. This evidence was all available for the commissioners if they had chosen to ask for it; but from what I saw from the course of events in the newspapers—and my hon. friend from Carleton (Mr. Carvell) will corroborate what I say—these commissioners, perhaps because they were guided by their counsel, did not act as if they wanted it. They did not go along in a connected way to get the receipts and disbursements, but they got a little evidence

here and a little there, they called first one man and then another, and presented the evidence in a disconnected way, so that no one could follow it or suspect what these commissioners were going to do when they finally decided to make up their report. They did not do what they ought to have done, if they expected to treat this company as trustees and were going to have a report or an accounting from them. If they had wanted to do that, what was the proper course open to them? Their proper course was to notify the president of the company that they were commissioners appointed by the provincial legislature to inquire into this matter, and ask this company to file an account from beginning to end, showing its receipts and disbursements. That is what is done every day in a court of equity.

Sir WILFRID LAURIER. Hear, hear.

Mr. PUGSLEY. When a trustee is called on to file an account, what does he first do? He prepares his account and files it with the referee and notice is then given the parties interested that evidence will be taken on a certain day.

Mr. R. L. BORDEN. Does he not file vouchers with it?

Mr. PUGSLEY. Not according to the practice in New Brunswick. He files his account first. A day is then appointed for hearing, when, if any account is objected to, that account is gone into, and evidence taken. When the referee, having taken the evidence and examined the vouchers, makes his report, he sends a copy to the solicitors, and a day is set apart to hear what they have to say. Was that done in this matter? No. These commissioners went to work and obtained evidence here and there in a disconnected way, without making any request to the company or directors to file an account. When they began to go through the evidence, did they intimate to any director or counsel of the company that they had any difficulty with reference to the disbursements so far with regards the interest. Not a word, not an intimation of any kind or description; and without notice to anybody, they make this report of the 29th of March, in which they declare they find this deficiency. I can point out—and intend to before I get through, even at the risk of wearying the House—as much as twenty statements in this report which are falsified by the facts. Let me just call your attention to one thing which I think is one of the most—what shall I say?—reprehensible I ever knew even the most prejudiced partisan to be guilty of—let alone a judicial body. I want to call your attention to page 35 of this report which says:

> We found they had discounted in the People's Bank at Fredericton a note for $10,000 on November 19, marked 'F.P.T.' and that as to this note we could not trace what became of the proceeds.

Well, everybody in New Brunswick would know that he initials F.P.T. meant the Hon. Senator Thompson, and these commissioners knew that these initials meant the Hon. F. P. Thompson. They knew it, not only because of his prominence in New Brunswick, but because they had evidence that he was endorsing, together with Mr. Whitehead, the notes of the James Barnes Construction Company, which enabled that company to proceed with this undertaking. Yet, during this investigation they never called the attention of Mr. Carvell, or of any witness, Mr. Thompson, or myself, to this note. They never said that they wanted an explanation with regard to it. When Senator Thompson was on the stand, they never referred to it; yet as they have put the matter in this report, any man reading it would suppose that Senator Thompson had received the sum of $10,000, the proceeds of one of the notes of the company, to which he was in no way entitled. And Senator Thompson is one of the public men of the province of New Brunswick against whom they make this imputation—not by a straight charge but by way of insinuation. They were not bold enough to come out with a direct attack, but it is the cowardly assassin who strikes in the dark. Had they asked Senator Thompson or myself or Mr. Barnes or Mr. Whitehead with regard to this note, they would have found it was a note given by the New Brunswick Coal and Railway Company to Senator Thompson and Mr. Whitehead, and was endorsed by them and discounted by the People's Bank and the proceeds placed to the credit of the Barnes Construction Company, and which entered into the construction of the railway between Chipman and Minto. The reason the note was marked this way was it was given before the company had taken the contract from the James Barnes Construction Company under circumstances I will mention later.

It was given upon the representation that the amount of the progress estimates was not sufficient to pay the labour employed, to say nothing of the materials, because the work had turned out much more difficult than had been expected when the contract was let. They came to the company and asked for an accommodation note in the meantime to carry them over, to enable them to raise the money to pay for the labour and material. This note was given and was ear-marked in that way so that Mr. Thompson could be called upon to make it good to the company. Later on,

when, the company took over the work from the hands of the contractors, that note is charged by the railway company to the construction company, and in the accounts of the construction company produced before Mr. Shannon that note is credited to the railway company by the construction company. And yet, Sir, there appears upon this report the damning insinuation that Hon. F. P. Thompson had received as graft the proceeds of this note of $10,000. Now, does not this impress this House, and even gentlemen upon the other side, particularly the legal members, that if these commissioners and their counsel had been actuated by any sense of fair play, when they came across the entry of this note in the bank marked with the initials 'F.P.T.' they would have sent for Mr. Thompson and asked an explanation? It would have been a simple thing to say: We find your initials on this note, we cannot trace the proceeds, and would like you to give us information concerning it. Would not that have been the fair, the honest, the decent thing to do?—to say nothing more. Now, I will give you another evidence of the unfairness of these commissioners. By the statement which the hon. member for West Elgin (Mr. Crothers) has read, and by the order in council appointing these commissioners, they were limited in their duties to an examination into the expenditures which were made subsequent to January 1, 1901, in connection with this railway. Let me read it. You will find it at page 8 of the report:

> By the terms of the statute authorizing the investigation, we were authorized and directed to inquire into and report upon the following matters:
>
> 1. The expenditures of all provincial moneys from the 1st of January, 1901, in connection with the road from Norton to Gibson and all branches.

Well, Sir, when these commissioners went through matters—as I suppose—as they came to their notice, apparently they were not able to find that there had been any money that had come improperly into my hands or into the hands of the other directors of the company, because the evidence shows that the proceeds of any notes with the discounting of which I had nothing to do were handed over to the contractors and the secretary of the company whose duty it was to keep the accounts. Not finding anything to impeach my honour, or to show that I have received any part of this money, they thought that they would extend their duties a little further. Though the Act limited them to 1901, they thought they would go back. They thought they might find something against the government in 1890, when Mr. Blair was leader of the government, and, in order to gratify their hatred of an old political opponent, they went back—how far do you think, Mr. Speaker? They went back to 1887, fourteen years before the time named in the statute and in the order in council appointing them. And they say that, in connection with certain matters regarding the subsidies, he was generously paid but the amount of which they had been unable to determine. And again they make a statement with regard to Mr. Blair in which they charge that there was a holdup or graft of which Mr. Blair, as leader of the government, was guilty, a statement which, I am informed by those who were interested in the company at that time, is absolutely untrue, a statement for which there is not a shadow of foundation. And yet these commissioners, in order to attack the memory of a man who never was afraid to stand up before them when he was living, and who has now passed over to the majority, go out of their way to make these charges of what took place fourteen years before the time concerning which their investigation was supposed to be held. They are not content to go back and attack the character of Mr. Blair, but they think they will get something against me by stating, as they do on page 4:

> On October 4, 1895, a contract was entered into by the New Brunswick government with the Central Railway Company for the construction of the fifteen mile section and the granting of the subsidy of $3,000 per mile. The following day $7,000 of this subsidy was assigned by Dr. de Bertram to the Hon. William Pugsley and Mr. Skinner.

They say afterwards that upon that order $2,200 was paid. Well, Sir, I would ask any hon. member of this House if the commissioners might not reasonably expect that the inference to be drawn from that statement would be that this order in council, this order upon the subsidy, had been assigned to me while I was a member of the government, and that I received this $2,200 while I was a member of the government? They speak of me as the Honourable William Pugsley and say that it was to me that order was given, that it was to me it was paid jointly with Mr. Skinner. It may be said: 'They do not say that you were a member of the government at the time.' But they do not take any pains to inform the country that I was not a member of the government at the time. It happened that I had been a member of the government between 1890 and 1892, but in the latter year I went out of politics and remained out of politics for seven years; and, at the time when this transaction took place, I was not a member of the government nor even a member of the legislature, but I was solicitor for one of the parties interested in that contract and in the undertaking and had something to do with the transactions between Dr. de Bertram and the

James Barnes Company, but my relations with them were wholly those of solicitor and client. Yet, notwithstanding that, the impression is sought to be created by this report that I was at that time a member of this government.

Mr. CROCKET. Does the Minister (Mr. Pugsley) state that this also was for professional fees?

Mr. PUGSLEY. I am not stating what it was for. I think that what I have stated is enough for this House, though it may not be for those who would make insinuations or imputations against me. I know there are a great many small men in the province of New Brunswick, narrow-minded men who, though having no evidence or facts to go upon, are always willing to make insinuations against their neighbours, and particularly against those who have been a little more successful in life than they themselves have been. It is enough for me to say that I was in some way, I do not remember, just how, for it was a long time, 14 years ago, acting in that case, either for Dr. de Bertram or James Barnes, the contractor, but I was not in politics, I was not a member of the government and not even a member of the legislature, and yet these commissioners went back in this case six years before the time which was named by the commission in order to throw out something as against myself which might be taken hold of by people who were not thoroughly informed with regard to the facts.

The commissioners go on to say also that there was something wrong with regard to a payment of $5,000 made to Dr. de Bertram when Mr. Blair was leader of the government. What that has to do with the matter I am unable to say, but since they mention it I will say that I made inquiry with regard to that and the circumstances were these: The provincial government, away back in 1889 or 1890, at a time when Mr. Blair was the leader, had entered into a contract with the Central Railway Company of which Dr. de Bertram was the assignee and contractor, for the construction of the line between Chipman and Fredericton. Shortly after he had commenced work, this House, at the instance of the government of Sir John A. Macdonald, passed an Act for the construction of a railway between Harvey and Salisbury, what is known as the Harvey-Salisbury line, and that railway, for a considerable part of its course, would traverse the same route as was provided for in the contract between the government of New Brunswick and the Central Railway Company. Mr. Blair was of the opinion that if the Dominion government was going to subsidize the line it should not be built at the expense of the provincial government and that no subsidy should be given by the New Brunswick legislature. He introduced an act in the legislature or had an order in council passed, authorizing him to stop the work which Dr. de Bertram was doing and had a right to do under the terms of his contract. Although Dr. de Bertram had done work to the extent of some $13,000, if I remember the figures correctly, or perhaps a little less, he was stopped and the work was not proceeded with for the reason I have mentioned. The government of New Brunswick then led by Mr. Blair, paid to Dr. de Bertram as compensation for this work, which amounted to some $9,000 or $10,000, or $13,000, the sum of $5,000, and that was all that Dr. de Bertram got out of the transaction at the time, even although he had a perfect right to go on with his contract, and although it seemed to me that the provincial government might well have paid him a larger sum under the circumstances in view of their having prevented him from having completed the work for which the government had agreed to pay him a subsidy. The commissioners speak further with reference to that and say there was some $8,000 which was paid illegally by the old government. As they have referred to it of course it is my duty to speak of it, because I notice that the commissioners say, and this was dwelt upon by the hon. member for Elgin (Mr. Crothers), that the $25,000 of subsidy which was paid under the old agreement and upon the work between Minto and Fredericton, or if you like between Chipman and Fredericton, it makes but little difference which so far as the argument is concerned, was illegally paid. The ground on which they based that assertion is that the subsidy was not to be paid except as each ten miles was completed. These commissioners do not deny that the work was done, they admit that Dr. de Bertram did between $33,000 and $36,000 worth of work, but they say that he had not finished up his ten mile section and that therefore the government of Mr. Blair acted illegally in making a payment of subsidy to him. These commissioners have forgotten that although under the terms of the contract the government was not bound to pay until and unless each section of ten miles was completed, yet, under the terms of the statute by virtue of which the subsidy was payable, the government was authorized to make a payment of 40 per cent as $20,000 worth of work was done from time to time. In other words they could pay on progress estimates 40 per cent of the work actually done and if this work was done to the extent of $33,000 or $36,000, 40 per cent of that would amount to some $13,000, which would quite justify the government of Mr. Blair in paying the total

amount of subsidy to Dr. de Bertram as they did. Yet it is strongly put forward in this report that the whole issue was illegal and therefore I suppose that is part of the indictment which my hon. friend says he has presented against me because I was at one time a member of the government of Mr. Blair. Now we will see if we cannot find a fourth misstatement in the report.

Mr. FOSTER. On what page does my hon. friend find that statement of the commission with reference to the illegality and wrong of paying that $13,000?

Mr. PUGSLEY. Page 17.

We find the whole of this $25,000 of subsidy bonds were illegally issued.

They go out of their way, as I have said, to show illegal conduct on the part of Mr. Blair away back many years before the time which was fixed by the statute and the order in council for their work, and show that money was wrongly paid by Mr. Blair and one of the grounds on which they put it is that the subsidies were not payable except on the completion of each ten-mile section.

Mr. FOSTER. Was it Mr. Blair who issued the subsidy bonds?

Mr. PUGSLEY. It was Mr. Blair who issued the $13,000.

Mr. FOSTER. Was it he who issued the $25,000?

Mr. PUGSLEY. He issued $13,000 of the $25,000. These commissioners mix all in together. Now there was a further amount. I am going on to show the misstatements of the commissioners, and how partisan and how reckless they were with regard to the facts of the case.

Mr. MEIGHEN. Do I understand the hon. gentleman to contend that these commissioners were restricted in their investigations to 1901 and subsequent years?

Mr. PUGSLEY. Yes.

Mr. MEIGHEN. Then how does the hon. gentleman explain the second clause of the matter referred to them?

The issue and sale and pledging of all bonds guaranteed by the government and the expenditure of money realized out of same.

Mr. PUGSLEY. For the reason that no bonds were guaranteed by the province until after 1901.

Mr. MEIGHEN. Were not the $25,000?

Mr. PUGSLEY. The $25,000 were not guaranteed bonds, they were bonds issued for cash subsidy, simply cash subsidy.

Mr. MEIGHEN. They were bonds?

Mr. PUGSLEY. They were not guaranteed bonds, they were not what is referred to by the reference at all. The reference was distinctly confined to the year 1901, by the statute.

I wish to invite attention to another statement which I think is of great importance, and which no member of this House should have been prepared to practically support by bringing this matter before the House unless he had made some inquiry and satisfied himself of its truthfulness. I find, on pages 18 and 19 of the report of the commissioners, a very important statement, and I am going to press this with a great deal of force, if I can press any point with force. I am going to urge upon the consideration of this House, the fact that not only is the statement to which I am about to allude false, but that it is, I am obliged to say, either knowingly or recklessly false. It has been made either knowing that it was false or with an utter disregard of the facts of the case. On page 18 they say:

Notwithstanding this fact, it appears conclusively from the evidence that the whole $250,000 par value of these 3 per cent bonds had been guaranteed and delivered to the company up to the 6th day of August, 1903.

That is a charge of the most serious character to make against the provincial government. That is a charge that we, in violation of the statute, in violation of our duty, when we had no legislative authority to do it, prior to the passing of the Act of 1904, which extended the powers as far as the guaranteeing of bonds was concerned, prior to the 6th of August, 1903, guaranteed the whole of this issue of $250,000 of three per cent bonds and that they were delivered to the company. They say that that appears conclusively from the evidence. I say it does not appear, not merely conclusively from the evidence, but that it does not appear at all from the evidence and that the evidence is entirely contrary to that statement. So far from the whole $250,000 having been guaranteed prior to the 6th of August, 1903, the total amount which was guaranteed was $138,500, a difference of $111,500, between what was actually guaranteed and the statement which these commissioners make as the amount having been guaranteed. There is no excuse for that and it cannot be a typographical error either.

Sir FREDERICK BORDEN. It is a typical error.

Mr. PUGSLEY. Yes, it is a typical error though not a typographical one. On the 6th August, when the completion of the purchase of this Central Railway was about being effected and in respect to the Central Railway, the government was, by an Act of the legislature, authorized to guarantee bonds to the extent of $200,000.

Mr. FOSTER. $180,000 for the purchase?

Mr. PUGSLEY. Yes, but $200,000 altogether. There was a sum of $20,000 for improvements already made on the Central Railway by the New Brunswick Coal and Railway Company. The legislature authorized the guaranteeing of $200,000 of bonds upon the title being completed and delivered to the New Brunswick Coal and Railway Company, a mortgage being executed on the whole system of 60 miles of railway to secure the new issue. I have in my possession a copy of the order that I, as attorney general of the province, gave to Mr. E. M. Shadbolt, the manager in St. John of the Royal Trust Company, which was the trustee for the bondholders of this mortgage, and which is as follows :

To E. M. Shadbolt, Agent Royal Trust Company at St. John.

,You will please deliver the bonds of the New Brunswick Coal and Railway Company guaranteed by the province, as follows:

To the Bank of Montreal, 140 bonds, 141-280..	$ 70,000
To the Bank of British North America 40 bonds, 281-320	20,000
To the Bank of New Brunswick, 54 bonds, 321-374	27,000
To the Bank of New Brunswick, for People's Bank of New Brunswick, 140 bonds, 1-140..	70,000
To Arthur I. Trueman, 171 bonds, 507-677	85,500
To Bank of New Brunswick, in addition to above, 132 bonds, 375-506 ..	66,000
	$ 338,500

(Sgd.) WM. PUGSLEY,
Attorney General.

August 6, 1903.

If you deduct the $200,000 which was authorized by the legislature to be guaranteed on the title to the Central Railway Company being acquired, there is a balance of $138,500 out of the bond issue of $250,000 which was previously guaranteed, leaving $111,500 still unguaranteed. Therefore, I cite that charge, that statement, as being false. Mr. E. M. Shadbolt, the manager of the Bank of Montreal and of the Royal Trust Company at St. John, in his evidence, produced a copy of this order before the commissioners, and it appears in the evidence upon which they ought to have made their report. If they had based their report upon the evidence, they would have known, they must have known that the total issue at that date included the $200,000 authorized to be guaranteed for the purchase of and improvements upon the Central Railway making a total of $338,500 or $111,500 more than these commissioners state had been issued.

Mr. CROCKET. Does the minister state that the whole of the $200,000 that was authorized to be issued on account of the purchase of the Central Railway was a new issue?

Mr. PUGSLEY. Yes.

Mr. CROCKET. And that the conveyance was not made until the date that the minister has referred to?

Mr. PUGSLEY. I beg my hon. friend's pardon. The conveyance was made at that time simultaneously with it, and I may say to my hon. friend that as a portion of the conveyance and showing the care which I, as attorney general, exercised in connection with it, I insisted that some $66,000 of the bonds should be used in the Bank of New Brunswick and that all the outstanding mortgage bonds upon the road, amounting to $540,000, should be transferred to the vaults of the Bank of New Brunswick and kept there for the protection of the government and of the New Brunswick Coal and Railway Company until we had the whole title completed and everything carried out in accordance with the provisions of the Act of the legislature. The provisions of the statute were carried out to the letter and the complete title was vested in the New Brunswick Coal and Railway Company. Under these circumstances, when the hon. member for Elgin talks, and when these commissioners talk about our having deceived the legislature, if they will look at the synoptic report of the proceedings of the legislature for the year 1904 they will find a full, a complete and a true statement in regard to the issue of the bonds. I have here a copy of the synoptic reports from the year 1901 to the year 1907 which I will be glad to submit to any hon. member of this House. They contain a statement of the total cost of the railway, of which I am going to speak in a little while, and of the issue of bonds, and so far as the cost of the construction of this railway is concerned, so far as the receipts and disbursements are concerned, so far as the issue of bonds which were made from time to time are concerned, so far as the various orders in council which were passed from time to time are concerned, I challenge any hon. member to take these reports from 1901 to 1907, during the time when these matters were being discussed, and point out where a single erroneous statement in regard to the cost or the issue of bonds was made to the legislature or that we in any way deceived them. It is all very well for these commissioners to say, as they do say, in a part of their report, that the fact of our being ex-officio members of this company gave us the opportunity to present such statements as were necessary to allay the suspicion of the legislature and to conceal from the country the true state of affairs. Surely it was the duty of these commissioners, before making a charge of such a serious character against public men, and before send-

ing that report broadcast throughout the country without the evidence, because the evidence has not been printed to this day, the provincial government, when requested to do so by the opposition in the New Brunswick legislature having refused to print it, to have shown, that we had presented false statements to the legislature, that we had concealed from the legislature the number and amount of the bonds which we had guaranteed from time to time and that we had made false statements as to the cost of the construction of this line, seeing that they were a judicial, and an impartial body prepared to do justice. Do you not think that the hon. member for Elgin, in carrying out the strong desire which he expressed to do justice even to the Minister of Public Works, notwithstanding his recent visit to St. John and consultation with those who were seeking to post him in regard to this inquiry, and before he would have placed upon the records of this House the statement that the attorney general and provincial secretary, by reason of their being ex-officio members of this company, were able, from their knowledge and control of the company's affairs to present such statements as were necessary to allay the suspicions of the legislature and conceal from the country the true state of affairs, would have felt it to be his duty to have shown that we had concealed from the legislature the number and amount of bonds which had been guaranteed from time to time and that we had concealed the amount which this road was costing.

Why, Sir, if you will turn to the debates of the legislature you will find that this matter came up for discussion session after session for a number of years and that every information was given in relation to it. It was a fruitful theme for discussion, the people were interested; the road was costing more than we had anticipated, the Central Railway upon which considerable improvements had been made and which was the key of the situation as connecting the Intercolonial with these large, valuable coal fields, had been unfortunate because of an accident that happened to one of the bridges; large expenses had to be incurred and there was a great deal of disappointment. The people were taking a great interest in the matter and it was discussed from time to time in the legislature, and we were asked from session to session: What is the amount of bonds that have been issued, what is the cost of the road, to what different people is the company indebted, what is the output of the mines, what is the traffic upon the road, what are the receipts and the operating expenses? And, session after session in the minutest detail all that information was given to the House and to the people. I defy any hon. gentleman in this House to take the synoptic report of the debates of the legislature and show that there was any mis-statement in regard to all this or any concealment in the statements presented to the legislature. I wish to point out another fact which will show the unfairness of these commissioners and the absence of a desire on their part to do justice. These commissioners say that the legislation was altered from time to time and that we were given power to issue bonds to a greater extent than the legislature gave us in the first instance. That is true. But is that the business of these commissioners to inquire into? Have they the right to set themselves up against and above the legislature of New Brunswick and to say that the legislature had no right to pass statutes modifying the original legislation? I never before heard that commissioners had the right to do that. I never heard that these commissioners were appointed for the purpose of questioning the policy of the legislature. I never understood that and I do not think anybody else ever did. But what these commissioners say is: It is true that by statute the legislature in 1904 made a change in the original legislation and authorized the granting of the whole issue of bonds upon and in respect of the new line and its branches without making a provision for a coal plant and without making certain provision for the building of the line through to Gibson. And then, at page 19 of the report the commissioners say:

> After this the Act of 1904 was passed and an obscure section introduced which allowed the government to guarantee bonds for any section of the road to a greater proportion, and so on.

Well, Mr. Powell says this obscure section——I beg pardon Judge Landry says: This obscure section was put in the Act of 1904, which allowed us to do just what we did do, but these commissioners say that the members of the legislature who consented to it could hardly have understood that they were giving authority to the government to guarantee the whole issue of $450,000 of bonds. And this is one of the grounds of attack which they made on us: That we guaranteed the whole $450,000 of bonds without having a mining plant and without having the road built to Fredericton. In another part of the report they condemn us most strongly for that and they say we were guilty of a great breach of our obligations to the public, and yet on page 19 they say we were fully and completely authorized by the legislature to do exactly what we did, but that the members of the legislature could not have understood what was the effect of the statute. They speak of it as an obscure section. Well, Mr. Speaker, in 1904, when his Bill was introduced, we fully explained to the legis-

lature the situation of affairs. We explained to them the fact that whereas in the first instance we had entered into a contract which we supposed would have enabled the road to have been completed right through from Chipman to Fredericton or to Gibson, that owing to the difficulties of construction being greater than anticipated, owing to it becoming necessary to take the work off the hands of the contractor, that the company would not be able to establish a mining plant and that these bonds might all have to be used in connection with the 15 mile section and the branches and the repairs and improvements which were being made to the Central. We stated that fully to the House and if hon. gentlemen will look through the discussions which took place in 1904 they will find that one of the points which were made against us by Mr. Hazen, then the leader of the opposition, was that we were providing by this Bill so that the whole issue of bonds might be used and so that there would not be sufficient bonds left for the purpose of carrying the road right through to Fredericton. And yet these commissioners say that was an obscure section which the members of the legislature could not have understood. As against that statement I present the fact, which any hon. gentleman can see for himself, that in the discussions in 1904 in the legislature this very point was raised by the leader of the opposition, and that the premier of the province at the time explained what was the effect and the intention of the Act. And the legislature in full knowledge of what these provisions of the Act were, passed the Bill authorizing the government to do exactly what was done.

Mr. FOSTER. Was the minister going to read a statement of Mr. Hazen?

Mr. PUGSLEY. I had intended to but I could not find it at the moment. I have it now. At page 169 this discussion is reported:

Hon Mr. Tweedie,—When this company started it was intended that they should establish a mining plant and they made every afford to obtain one. Their attention was directed to the Butler elevator, which operated on what was termed the land dredging system. Mr. Butler visited the mines, but they were unable to come to terms with him. Mr. Butler would not sell his machine, which was valued at $150,000, but demanded a dollar and ten cents for every ton of coal mined. He also wanted a straight run of half a mile or a mile for the machine to operate in. It was discovered that the seams did not run so as to admit of this. It was then thought best to build branch lines to the mines that were already in operation. A line five miles in length was built to the Gibbon mine and it also served several other mines. A shorter line was built to Senator King's mine. There was no doubt as to the success of the mining operations in Queens county, but the road had only been opened a short time and its possibilities had not been developed.

Mr. Hazen stated that the section with regard to the provincial secretary being allowed to guarantee bonds, although the amount of guarantee might be greater than the mileage completed justified, was the most objectionable in the Bill. It appeared that although only 15 miles of the road had been built most of the bonds had been issued so that there would be no funds with which to build the road from Newcastle to Fredericton.

There you have the statement made by the government that the idea of building the mining plant had been abandoned, that it had been thought better to build branch lines into the various operating mines and to encourage the existing mine owners and and you find the statement made by Mr. Hazen, the leader of the opposition, in criticism of this 'obscure' section, that it did just what we told the legislature it would do and what the commissioners admit in their report it authorized us to do. And you find also that not only Mr. Hazen but all the members of the legislature were fully informed of the necessity which had arisen to make the guarantee of bonds which had been made, and also of the desirability of abandoning the policy of establishing a mining plant and building branch lines to the various mines in order to encourage the exsting mine owners and in order to induce the development of other mines. Then I am going to cite another statement to show the reckless character of the report of these commissioners. This will be number six or number seven ; I have about fourteen more before I get through. On page 71, referring to this Act of 1904, they say :

Before this provision was enacted, perhaps in anticipation of it, the whole issue of $450,000 bonds was out and had been nearly all, if not absolutely all, guaranteed and used.

And yet. in another part of the report they state that in June 1904, months after this statute had been passed which authorized the additional guarantee, this company had put into the Bank of New Brunswick $52,500 bonds, and received on these bonds an absolutely new loan, and those bonds were not guaranteed until after the statute of 1904 had been passed which fully authorized the guarantee to be made. There you find two utterly different statements on different pages of this report, showing either that the report was drawn by two different people and that the different parts of it had not been compared, or the utter recklessness of the statements which these commissioners made.

Let me speak of another matter to show the great length to which these commissioners have gone in their desire to make an attack upon the members of the late

government. At page 29 they say with regard to Lieut.-Gov. Tweedie:

It will be noted that Hon. Mr. Tweedie retained one per cent commission, $500 on the sale of $50,000 bonds made by him in Chatham.

Let me explain the circumstances of that. Mr. Tweedie was Provincial Secretary, but he was doing what the members of the government of New Brunswick did then, did before his time, and do to-day—he was practicing his profession. The Hon. Mr. Blair continued the practice of his profession while he was in the government, Mr. Tweedie continued his, I continued mine, Mr. Hazen continued his, and until the province pays larger salaries—I believe our successors have made a move in that direction, although they have not been very long in office—the members of the government will continue to practise their professions. Mr. Tweedie was at that time practising law in the town of Chatham in the county of Northumberland. This company had issued those bonds some months before the transactions which these commissioners refer to took place. They had got a loan from the Bank of New Brunswick on which they were paying 6½ or 7 per cent interest, as these commissioners state. The company were desirous, if possible, of getting a loan on the bonds at a lower rate of interest, so as to save all the interest possible; but they did not want to sell the bonds, because at that time it was expected that the Grand Trunk Pacific would come through the town of Chipman, and that this road would form a junction with the Transcontinental at Chipman, as has actually taken place since, and they wanted to keep control of the bonds, so that in the future, if it was thought better, this railway might amalgamate with or be absorbed by or be leased to the Grand Trunk Pacific, and the bond issue might be cancelled and the liability of the government wiped out, and in that way the province be freed from this guarantee. Mr. Tweedie had a client, Mr. Hickson, living at Miramichi; my hon. friend from Northumberland probably knows him very well. Mr. Tweedie learned that he was anxious to make an investment in good securities, and he saw him and made an arrangement with him under which he took $50,000 of those bonds which were then held by the Bank of New Brunswick as collateral for a discount. Mr. Hickson took the bonds at par, they bearing interest at 4 per cent, and gave to the company an agreement that if at any time within five years they wished to redeem the bonds, they could do so on paying par and 5 per cent premium. This was an exceedingly good arrangement for the company. It at once saved them the heavy interest by from 2 to 2½ per cent, and was to all intents and purposes a loan, because of the right the company had to redeem the bonds at any time within five years by paying 5 per cent premium. And what do you think is the crime with which Mr. Tweedie is charged and which these commissioners cannot condone? That in making that sale of bonds he charged a commission of 1 per cent, amounting to $500, and did it with the approval of the executive committee of the company. It was done openly and aboveboard. If it had been done by brokers, the company would probably have had to pay a commission of 2 or 2½ per cent, He made an excellent arrangement for the company, and the company gladly allowed him that commission on the sale, which was executed at his law office in Chatham. This is what the commissioners say:

This much must be fairly said of this transaction, namely, that Mr. Tweedie sold $50,000 bonds in October, 1903, at par, which was 2½ per cent more than the price received from Messrs. Robinson & Sons, who purchased $368,000 of the company's bonds in March, 1905, at 97½, and 5 per cent more than was received by Mr. McAvity, president, for $8,000 of the same bonds.

They further say:

Mr. Tweedie also promptly accounted for the accrued interest, $575.34, which in other cases we consider is not accounted for. Without condoning this transaction, we think, on the whole, it is amenable to less censure than others spoken of in this report. It at least has the merit when it did come to light of being clear cut and definite, without any effort being made to conceal it from your commissioners.

What would you infer from that? Would you not infer that in some way these commissioners had brought that matter to light. and that when they had done so Mr. Tweedie had accounted for the interest, which was something others had not done. Sir, the bringing of it to light was this. When Mr. Tweedie was on the stand he was asked in regard to the sale of these bonds, and he replied: 'You will find a full statement in the Bank of New Brunswick'; and he went to the bank and brought up a statement showing that four years before that time he had obtained from Mr. Hickson $50,575.34, being the principal and the accrued interest on the bonds, he had deducted his $500 of commission, and had then sent a cheque for $50,075.34 to the Bank of New Brunswick. And yet these commissioners speak of this as if he had accounted for it only when they brought it to light.

Mr. LENNOX. Is that not what the commissioners say?

Mr. PUGSLEY. I think it is not. I think the fair inference to be drawn from their report is that it had come to light

before them, and that then Mr. Tweedie had accounted for the interest. So far from his accounting for it then, he had accounted for it to the company four years before and had accounted for it in the proper way. The whole business was done openly and above board. Yet notwithstanding the fact that this was a purely business transaction, notwithstanding the fact that Mr. Tweedie by this saved the company 2½ to 3 per cent in interest, and that the company entirely approved of his commission as reasonable, these commissioners, in their anxiety to say something against Mr. Tweedie, who was formerly provincial secretary, say that without condoning the transaction, on the whole it is amenable to less censure than the others spoken of. There is the statement that these commissioners cannot condone that transaction. There is their statement that this transaction has one thing to commend it and that is that when it came to light, Mr. Tweedie promptly accounted for the interest.

Mr. LENNOX. Does the hon. gentleman contend that this phrase means what he says or that Mr. Tweedie promptly accounted at the time he made the sale:

> Mr. Tweedie also promptly accounted for the further interest of $575.34, but in another case we consider it was not accounted for.

Does that say he accounted for it at the time?

Mr. PUGSLEY. One cannot tell, from the phraseology these commissioners use in their report, what they really meant, but it is clear that they endeavoured to convey wrong impressions. I cannot say what they meant when they used these words:

> Mr. Tweedie promptly accounted for the further interest of $575.84. Without condoning this transaction, we think, on the whole, it is amenable to less censure than the others spoken of. It has at least the merit, when it did come to light, of being clear cut and definite, without any effort being made to conceal it from your commissioners.

I appeal to the House if it is not a fair inference that this was something which had been concealed, but which, through the probing of these commissioners into the depths of everything, had come to light; that then Mr. Tweedie had promptly accounted for the interest, and in that respect he was better than the others.

At six o'clock the House took recess.

After Recess.

House resumed at eight o'clock.

Mr. PUGSLEY. Mr. Speaker, before recess I was pointing out some statements contained in the report, which statements show how little reliance is to be placed upon this report. I am doing this without troubling the House by referring to the evidence. I may say that I could not refer to the evidence even if I desired to do so, because I have not been able to obtain a full copy. I have copies of, I think, two volumes, but have not been able to obtain the rest, because, though this report states that the commissioners transmit to the provincial secretary the evidence as a part of the report, yet the evidence has not been printed although request that it should be printed was made in the provincial legislature. Of course, it would be quite impossible, even if there were a copy of the evidence here, for hon. gentlemen who are called upon to base their opinion upon this report to form an intelligent judgment upon the evidence without having an opportunity of carefully perusing it. Therefore it is that I am limiting my observations mainly to the report itself. I was giving a number of examples of contradictory statements contained in the report which fairly show that portions of it are false. As evidence of the unfairness and carelessness of these commissioners, I wish to call your attention to the fact that in attempting to disparage and depreciate the value of the Central Railway, the part of the road between Norton and Chipman built some years ago, before the new road was undertaken, the commissioners say, at page 19 of the report:

> The province has obtained, not forty odd miles, but fifteen miles of railway, a few cheap sidings, a quantity of rolling stock costing between twenty and thirty thousand dollars.

Now, Sir, in the report itself it appears that the new rolling stock purchased by the company amounted to $26,000. The report shows also, at page 74, that there has been purchased additional new rolling stock to the amount of $23,779.88. These two items together make over $53,000 worth of new rolling stock, and this is addition to the rolling stock obtained as part of the purchase of the Central Railway. I doubt very much whether the $23,779 is correct, for the reason that the report of the Auditor General of the province of New Brunswick for 1907 states the new rolling stock at something over $30,000. But assuming that it is only $23,779, as this report states, you have there with all the rolling stock upon the road worth, including what was purchased as part of the Central, $78,500—a road fairly equipped with rolling stock.

Mr. R. L. BORDEN. Where is the other item?

Mr. PUGSLEY. That is what was taken over as part of the Central. It may appear in one of the documents, and not in the report. In another reference, these commissioners speak of the promoters' stock. My

hon. friend (Mr. Crothers) has referred to that as evidence of a typewritten error in the report, to which very little attention should be paid. It can hardly be a typewritten error in the ordinary sense, because it is this printed report which is signed by the commissioners, filed with the provincial secretary and presented to the legislature as the report of these commissioners. That this report was gone over by the commissioners before they signed it and after it was printed is shown by the fact that they were careful to insert at the very beginning certain errata. For instance:

Page 55, 26th line: outside of the Salmon River bridge, there are, &c., '60' instead of '50.'

Page 55, 38th line: 'company's engineers' instead of 'provincial engineers.'

Page 55, 19th line, insert: 'as was intimated' after the words 'it is not.'

These are the only errors which they corrected in this printed report before they signed it. They did not sign a typewritten copy, but they signed the printed report, and that is filed as the report of the commission. And on page 63 these commissioners seek to magnify the importance of the large amount of stock which is being distributed among the promoters, because they use this language—the language of exaggeration, calculated to throw ridicule upon the promoters, and show that they had visions of great wealth from the distribution of this large amount of stock:

On the face of it the motive of the promoters as stated was to develop the coal mines of Queens county. Responsible and respectable men from various parts of the province were obtained to lend their names as directors; and from the fact that $430,000 of the total $500,000 authorized capital was to be distributed as founders' shares, we conclude that the interested parties had visions of ultimate large profits, with absolute certainty of no personal loss.

Mr. CROCKET. Does the hon minister (Mr. Pugsley) think that was a deliberate mis-statement?

Mr. PUGSLEY. I have seen so many mis-statements in this report that it is hard for me to distinguish those which are deliberate and those which are the result of mistakes. I cannot imagine men of fairness, men exercising sound judgment, men desirous of simply stating facts, putting forward the statements which are contained in this report. Why did they ignore evidence on this point? These commissioners had it in evidence, in the testimony of Mr. Skinner, that, after this company was formed, those who were interested in the company started in to organize the company for the development of the coal mines, and they made a change with regard to any distribution of this stock and that these shares were handed over to Judge Trueman by Mr. Skinner to hold in trust for the company. And, Sir, the statement was made in the legislature, in answer to a question put by the leader of the opposition there, that this stock was held in trust for the company with the exception of a few shares which were sold to raise money in connection with the preliminary work looking toward the development of the coal mines. And what would you expect under those circumstances? Although Judge Trueman has passed away, would you not expect that in his safe, among his private and confidential papers, there would be found those shares of stock handed to him in trust for the company? And yet, Sir, so afraid were these commissioners that they would discover some of the truth in regard to these shares which would prevent the suspicion going abroad that they had been delivered over for the benefit possibly of members of the government, that they never called one of Judge Trueman's executors to show whether or not this stock was there in his safe and from statements which Judge Trueman made to me in his lifetime I have not the shadow of a doubt that these shares of stock, whenever the examination takes place, if it does take place, will be found among his papers in the place where, being entrusted to him, it would be expected they would be found. In this connection I shall speak of one other matter. It was shown that by the order of the 6th August, 1903, bonds of this company, guaranteed, were handed over to Judge Trueman for the purpose of completing the title to the Central Railway, because, as I am going to explain to you, Evans and Elkin were not able to complete the title for the reason that they only owned the bonds and a portion of the stock, there being something like $300,000 of par value stock outstanding. They were aware that a quantity of the bonds were handed to Judge Trueman, in order that he and Mr. Allen might complete the title to the property, and these commissioners never made the slightest inquiry under oath, never called any one connected with Judge Trueman's estate, to ascertain whether or not there was a record of these bonds. What is the explanation they give of this? That having made some inquiry they believed there would be no advantage in having any testimony before them so far as the late Judge Trueman was concerned. Judge Trueman was a man of the highest integrity, a man occupying a very high and honourable position in St. John, a man who had been for a good many years judge of probates of that city and who at the time of his death, was chairman of the board of school trustees, a man universally respected and on whose honour and integrity every one would have the most implicit reliance. When these bonds were entrusted to him, to have the title to the

Central Railway completed, we all knew that he would faithfully and honourably discharge the trust and when later on it was reported to Mr. Sharpe, the auditor, that it had cost the company the amount of the original option, the amount which the company was bound to pay to Evans and Elkin or to whoever should be entrusted with the money in order to complete the title, Mr. Sharpe believed and rightly believed and we all had the right to believe that the sum which it was agreed in the first place should be paid for the Central Railway was actually paid to complete the title and that sum was $180,000. Yet, although the commissioners in this report seek to throw discredit upon the conduct generally of the officers of the company, they did not think it worth while to make any inquiry under oath as to what documents there were in Judge Trueman's possession or what record there was in his possession in respect to these bonds or any other matters connected with the New Brunswick coal and Railway Company.

Mr. FOSTER. Unfortunately I came in late and I wish to understand the hon. gentleman clearly. Do I understand that he has been speaking of the 4,300 shares of stock which, according to the report of the commission——

Mr. PUGSLEY. My hon. friend is a thousand per cent out of the way, it is only 430 shares.

Mr. FOSTER. We understand there is a typographical mistake such as is sometimes made even by ministers. It is of that stock, however, that I am inquiring. Am I right in understanding that that much is reported as having been, per minute of the directors, handed over to Judge Trueman, and with reference to the shortage of the $180,000 for the purchase of the Central Railway that about $40,000 of those bonds were handed over to Judge Trueman to complete the title? Is that the statement my hon. friend makes?

Mr. PUGSLEY. I will repeat my statement in order that there will be no misunderstanding. It appears from the evidence of Mr. Skinner that there had been a change in the plans of the company; it was proposed to form a coal mining company and Mr. Skinner had delivered to Judge Trueman this stock which had been issued to him, some 430 shares. It was stated in the legislature, as will appear from the synoptic reports in an answer to a question put to me, that that stock was for the benefit of the company and, as I have said, I have not a shadow of doubt that if the executors of Judge Trueman had been called and had been asked to look into the strong box where he kept private documents, that stock would have been found there. I assume it would, it ought to be. These commissioners, notwithstanding that Mr. Skinner said that he had handed that stock to Judge Trueman, and notwithstanding that there was in evidence before them the order given to the manager of the Royal Trust Company on the 6th of August, 1903, when the title to the Central Railway was being completed, bonds to enable him to complete the title to the Central Railway, the commissioners did not call representatives of Judge Trueman's estate and they gave no explanation as to their not calling them beyond the fact that on making inquiry they had been led to believe there would be no advantage in calling such representatives.

Mr. CROCKET. Does the minister mean that the bonds were handed over to Judge Trueman to acquire the balance of the stock of the Central Railway?

Mr. PUGSLEY. To complete the title to the Central Railway.

Mr. CROCKET. When the minister says to complete the title, does he mean to acquire the balance of the stock?

Mr. PUGSLEY. Not at all, to complete the title; whatever was necessary to complete the title Judge Trueman was entrusted with.

Mr. R. L. BORDEN. What was necessary?

Mr. PUGSLEY. All things necessary. During the progress of events the minority shareholders, so it was reported, claimed that these bondholders in Philadelphia were not the actual owners of these bonds, but that they had loaned money on them and that they were in the position of mortgagees in possession and objected to Evans and Elkin getting the whole amount of the $180,000 less what would be going to the American bondholders, and the evidence is that Messrs. Evans and Elkin, or Mr. Evans, engaged with Messrs. Allen and Trueman that anything reasonable which was necessary to quiet the minority shareholders and prevent any objection being made to enable them to get the title, they were authorized to do, and Evans and Elkin finally settled with them taking themselves a less amount by some $38,000 than what the original agreement and option provided for.

Mr. LENNOX. The hon. gentleman said he had not all the evidence here but does he say that Mr. Evans gives evidence to the effect that they were at liberty to hand

over stock to satisfy the Central Railway Company in the way the minister indicates?

Mr. PUGSLEY. The evidence is that they were authorized to use part of the purchase money to complete the title.

Mr. LENNOX. I have never found that in the evidence although I have read it.

Mr. PUGSLEY. That is my recollection of the evidence and as a matter of fact we have it in evidence that on one occasion, when Mr. Evans gave to the company a receipt for $60,000, being for the first four payments of $15,000 each, there was a deduction made by Mr. Allen pursuant to an arrangement they had, proportionate to the amount. That is in evidence and is referred to in the report. I will refer to that later. All I speak of now is that these bonds were used, and I have no doubt legitimately and properly and honestly used, for the purpose of acquiring the title. Evans and Elkins were not the owners of the Central Railway. They only had two-thirds of stock and the bonds and therefore, in order to procure the title and carry out their agreement to sell they would, unless the minority shareholders were willing, have been obliged to have taken foreclosure proceedings and my hon. friends opposite, especially those in the legal profession, will understand what it means when a mortgagee in possession undertakes to foreclose as against a minority interest. It would have taken months and perhaps years, there might have been protracted legal proceedings and they were quite willing to make an arrangement with Messrs. Allen and Trueman to satisfy the minority shareholders and to get a perfect title, and it was done in that way without the expense and delay of foreclosure proceedings.

Mr. FOSTER. At what time did Mr. Trueman die?

Mr. PUGSLEY. I cannot tell my hon. friend just at this moment. It would be, I think, two years ago. Now, I will show you another instance——

Mr. FOSTER. Did the minister, as representing New Brunswick and as being a member of the company as well, convince himself by seeing the documents and knowing exactly what had been done, that the title had been cleared?

Mr. PUGSLEY. Yes, that the title had been completed. There was a certificate to that effect.

Mr. FOSTER. From whom?

Mr. PUGSLEY. From Mr. Trueman or Mr. Skinner. The title was searched, everything was completed and, in the meantime, $540,000 of bonds were held as security until the deeds were recorded and the title was completed. Messrs. Evans & Elkins agreed to give it, but they were not in a position to give it without the concurrence of the other shareholders. As another evidence of the recklessness of these commissioners, of the want of care, it will be found, at page 25 of this report, that they make this statement:

Large sums of money, amounting in all to $190,873.04, were from time to time expended it is alleged for improvements on the Central railway between July, 1902, and March 31, 1908; and on the fifteen mile section and branches from July 1, 1904, to March 31, 1908.

This is an allegation that a large amount of money was expended in improvements on the Central Railway, and the conclusion is sought to be drawn that the road could not have been originally worth as much as was given for it. Well, if you turn to page 74 you will find that out of an expenditure of $190,873.04 the large sum of $23,779.88 went for absolutely new rolling stock. Yet, in another part of this report they say that the whole of it was for improvements made upon the railway. I call attention to it as an evidence of the utter carelessness with which these commissioners apparently have had this report made up and have put it forward as a report of the facts when it is a report of everything else but the facts.

Then, I come to what is even worse. Take page 14 of this report. This is a dreadful statement to make. It is a strong indictment:

So much of the facts are given to show the absolute want of book-keeping.

What would be taken from that? Is it not that there was shown a total want of book-keeping, that there was no attempt to keep a record of the expenditures of this company? Then, again on another page of the report you will see that they state it was claimed that the Barnes Construction Company kept books, but that they were destroyed and not produced before these commissioners. Well, Sir, if you turn to another part of this report you will find that they are speaking of the reliability of Mr. Shannon's statement as to the interest and as to the cost of the construction of this road. They say, at page 22, that Mr. Shannon

——had the benefit of Mr. Evans' statement, the books of the James Barnes Construction Company * * * and of all information that he could derive from Mr. Sharpe, the company's auditor.

There, they put forward the positive statement that Mr. Shannon had the benefit of the books of the James Barnes Construction Company, which they had not, and on another page they state that it was

claimed that the James Barnes Company kept books, but that they were destroyed, casting a doubt upon the sworn testimony of James Barnes that they had books, that the work being done, the accounts being closed, the business being off his hands four years before this investigation took place, they were either lost or destroyed, because he had no further use for them, and, in another page of that report, stating positively, as we all know was the fact, that Mr. Shannon had had the advantage of going carefully over the books of the James Barnes Construction Company. An absolute want of bookkeeping, say they! Turn to page 8 of this report and compare this statement that there was an absolute want of bookkeeping with what you find there.

Books of account——

They say:

——in connection with the operation of the railway were kept in the company's office at Norton. These books besides showing the revenue and operating expenses, show the amounts expended for betterment outside of the cost of the construction of the fifteen mile section and branches, and were well kept.

Mr. FOSTER. Is the hon. gentleman satisfied that he is putting that fairly?

Mr. PUGSLEY. Yes, absolutely word for word as the report gives it. Then turn again, Sir, to the statement of the cost of this new railway. These commissioners sent out their emissaries in all directions, issued their subpoenas to the officers, to Mr. Barnes, to Mr. Evans, to Mr. Fowler, the clerks at Norton and others, and, Sir, after it is all over, what do they do? They adopt absolutely the statement of Mr. Evans, the chief engineer and the manager of the company at Norton, as to the cost of the fifteen-mile section and branches Let me read what they say at page 21 in regard to it. After they had spent months and months endeavouring to find out what this road cost, hoping that they would be able to throw some discredit upon somebody connected with the government, or some friend of the government in connection with these matters, what do they say?

Mr. Evans' statement of cost is a very methodical and comprehensive one. He places the cost of the fifteen mile section and branches at $316,626.33, the figures which we have adopted.

Even down to the 33 cents. Who was Mr. Evans? He was the chief engineer and general manager of the company. He was looking after the office at Norton, where was situated the great spending department of the company and where it was proper that the accounts should be kept. We had presented to the legislature in March, 1904, a statement of cost down to March 31, 1904, being $321,000 or just $5,000 more than Mr. Evans made it on the 1st of January, 1904. These commissioners, in the end, after all their inquiry for months, adopt Mr. Evans' statement as being the correct statement of the cost of the fifteen miles and branches. They say there was no book-keeping. How did Mr. Evans arrive at that statement. It was not made for this examination; it was made four years ago, it was submitted to the government and to the legislature at that time as being the correct cost of the new line and of the branches. I want to say, Sir, that from month to month during all the time that this work was in progress Mr. Evans as chief engineer furnished to the company and to myself as representing the government, a full and detailed statement of the cost, made up minutely as engineers of railway companies make up such statements, and we knew from month to month exactly what that road was costing. These statements of Mr. Evans were placed on file in the office of the executive council and I have a sample copy here which if any gentleman chooses to examine he will see is in minute detail. It seems to me to be a refutation of the statement that there was an absolute lack of bookkeeping. There were the books of the James Barnes Construction Company kept while they were working as contractors and also while they were carrying on the work under the force arrangement with their percentage added, and there were books, as the commission admits, at Norton, showing all the receipts and the expenditure of the road, and all the improvements made on the road amounting to many thousands of dollars. The statement of Mr. Evans, the company's chief engineer and general manager, the commission say, is a most methodical and comprehensive one, and they adopt that to the very last cent as being a correct statement of the cost of the construction of the 15 miles and branches.

Mr. FOSTER. Am I right in thinking that Mr. Barnes was not a member of the company but a contractor?

Mr. PUGSLEY. Mr. Barnes was a contractor but afterwards when the contract was taken off his hands he became the manager of the construction work of the company, and it was his duty to keep accounts and he did keep accounts and I believe they were correct accounts and they were submitted for the inspection of Mr. Sharpe the auditor, and also of Mr. Shannon the auditor for the government. Let it be remembered that this work began away back in 1901, seven years ago, and it is all very well to talk now at this late date, when, unfortunately the secretary of the company has passed away, the solicitor of the company has passed away, the auditor of the company who went thoroughly for months over all these accounts—because when the work

was about completed we felt it was necessary to have a thorough complete and correct audit—he also has passed away. Mr. Winslow has passed away and the vice-president of the company has passed away. There are five gentlemen who were prominently connected with the company and all of whom have died since the road was completed. And these commissioners rather put that forward as if it were almost our fault and as if we ought to account for what was done or ought to have done by these gentlemen in their lifetime.

Now, Sir, what we did so far as bookkeeping was concerned at the start in the way of organization was this: In the first place we had an examination made of the coal areas; we sent a committee of council there to look into the existing coal mines and we got that committee to inquire into possible markets. Communications were opened up with Mr. Blair who was then Minister of Railways and we informed him that we were about developing these coal areas if it were possible to do so and if we thought we would be justified in the attempt. Many attempts had been made in that direction in the past, but because of the expensive nature of the work to get from Chipman to Minto it had not been found possible to make this extension, and here were lying close to the surface and capable of being easily mined these vast undeveloped deposits of coal estimated at about 100,000,000 tons and belonging to the province. We opened up communications with Mr. Blair as I have said, and we asked him if the railroad were built whether he would undertake that the Intercolonial Railway should use a certain quantity of the coal per year. I have in my possession a letter from Mr. Blair which I am quite willing that anybody should see and he as Minister of Railways states that as soon as the road was finished, which it was contemplated would be early the next year, the government would take for the Intercolonial Railway 30,000 tons of coal provided it was of good quality and the price was reasonable, and further, that under these conditions the company might calculate upon a sale to the Intercolonial Railway of about 60,000 tons per year. That in itself opened up good prospects for the company. It would give a good traffic at about 60 cents per ton amounting to $36,000 per year, and it would give to the province a royalty of 10 cents per ton. Then, inquiry was made among the manufacturers who had been using this coal and it was found that it had been highly approved of and that a large market could be expected in St. John. Something has been said about the fact that the gentlemen who went into the company did not put any of their own money into it. Well, Sir, I state frankly—and it was so stated to the legislature and to the people in 1901, and we had a general election since and the people approved of our efforts to develop these coal areas—it was never understood that these gentlemen should put their own money into it. It is exactly like the case of a company which was incorporated by the New Brunswick legislature the other day for the purpose of endeavouring to procure the construction of a railway down the valley of the St. John. People upon both sides of politics united for the purpose of forming a company to build that line in order to give accommodation to the people. It is not understood, it never is understood in cases of this kind that those people are going to put their own money into such an undertaking. These gentlemen were got together; men as the report says of high standing, men of integrity, men who patriotically desired to see these coal areas developed associated themselves in this company. I should also say that an arrangement was made with Mr. Blair at that time to get rails from the Dominion government which were to be paid for in coal from time to time. We believed that having made that arrangement we would be able, with guaranteed bonds amounting to $250,000, to secure the construction of the railway between Chipman and Fredericton. The estimates of the engineers showed there would be sufficient margin for this purpose and also to provide a small amount of rolling stock. Then the question was as to how this company could finance in the meantime, because under the terms of the legislation which we first proposed in 1901 and which was agreed to, none of these bonds were to be guaranteed until the whole road was completed. We felt at the time that even with that condition, hard though it was, the road could be completed. The James Barnes Construction Company put in a tender for the first 15 miles and there was another tender from Mr. Wheaton for the same section. Mr. Wheaton's tender was a little less than the tender of Mr. Barnes and I observe that a strong reflection is made upon the company, and made I suppose indirectly upon myself as ex officio member of the company, because we consented to allow Mr. Wheaton to withdraw and gave the contract to the next tender, the James Barnes Construction Company.

If I had been consulted—I do not remember whether I was or not, but very likely I was—I will tell you why I would have approved of giving the contract to the James Barnes Construction Company instead of to Mr. Wheaton. Mr. Wheaton was a contractor of considerable experience, it is true; but he had failed in railway construction work. He was without means, and it would have been utterly impossible for him to have carried on that work unless he was paid from month to month on pro-

gress estimates. On the other hand, Mr. Barnes was able to arrange, through Messrs. Thompson & Whitehead, with the Peoples' Bank of New Brunswick, for advances of all the money necessary for the completion of the fifteen-mile section; and Mr. Barnes agreed to pay them the small commission of ½ of 1 per cent for endorsing the company's notes to enable him to raise the money for the work. Therefore, as between the two contractors there is no question that the proper thing was to accept the tender of the James Barnes Construction Company, although it was $4,000 or $5,000 higher than that of Mr. Wheaton. And yet, apparently, without knowledge of the circumstances, these commissioners put that forward as a most reprehensible thing to do, and attribute the difficulties which occurred afterwards in large measure to the fact that the contract was given to the James Barnes Construction Company instead of to Mr. Wheaton.

Mr. FOSTER. Could the minister turn to the page where they make that attribution?

Mr. PUGSLEY. On page 6 they speak of it, but there is another page (p. 55). in which they attribute the difficulties which arose afterwards largely to that fact. I am told that the commission which Messrs. Thompson & Whitehead were to get was never exacted by them, by reason of the enterprise not turning out to be as successful as it was expected to be.

Having referred to the fact that the commissioners speak of Mr. Evans' statement of the cost, $316,626.33, as very methodical and comprehensive, I want to call your attention to the fact that that statement does not include interest during construction, which is stated by the commissioners to have been $28,234. But you must bear in mind that that amount is limited to the cost of construction and during construction, which closed, so far as the main line is concerned, in January, 1904.

Mr. FOSTER. I suppose interest on the cost of construction means interest on the moneys necessary—

Mr. PUGSLEY. The moneys which made up the $316,626.33.

Mr. FOSTER. That would be bank accommodation and the like of that?

Mr. PUGSLEY. Yes, discounts. Now, I thought it well, while speaking of Mr. Evans, to refer to the fact that he has seen this report of the commissioners; and observing the small amount which they have allowed for interest, he communicated with me to give me his idea of the interest which was paid out during the period down to 1st July, 1905, when the commissioners took charge, and I will give this statement to the House. I think it is one to which very great weight can be given, because of the accuracy with which Mr. Evans seems to do his work, and because of the credit which has been given to him by the commissioners themselves. This is his letter:

Montreal, April 29, 1909.

Dear Dr. Pugsley,—I inclose a statement of interest *re* Central Railway, which is my idea of a fair interest account on advances made for construction and improvement and the purchase of the Central Railway and loss in operation.

Then the statement is as follows:

MEMORANDA OF AMOUNTS FOR INTEREST COMPUTATION *RE* CENTRAL RAILWAY.

$316,626.	Shannon's estimate on interest to the first of January, 1904..	$28,234
	Interest January 1, 1904 to July 1, 1905 at 4 per cent..	18,997
77,000.	Improvements from August 1, 1902, to July 1, 1905, divided as follows:	
$16,000.	August 1, 1902, to July 1, 1905, 7 per cent..	2,240
16,000.	August 1, 1903, to July 1, 1904, 7 per cent..	1,120
45,000.	July 1, 1904, to July 1, 1905, 7 per cent. Estimate this amount would be on an average for 6 months.. ..	1,575
17,000.	Loss operating August 1, 1902, to July 1, 1905. Estimated an average of $10,000 for three years at 7 per cent..	2,100
180,000.	July 1, 1903, to July 1, 1905, at 4 per cent..	14,400
	At least $70,000 of above had been borrowed before issue of bonds, for at least one year at 7 per cent..	4,900
	Representing the total interest account to July 1, 1905.	$73,566

Instead of $28,234 which had been allowed by these commissioners, I will give to the House before I get through a statement which I have endeavoured to make up. I do not know how accurately it has been made up. Probably it may be considerably out of the way, because, being engaged with my duties at Ottawa as I have been, I have not had the opportunity of going to the different banks, as the commissioners have had, and obtaining, if they had chosen to do so, an accurate statement of the interest. But I will give the statement to the House, and it will be for my hon. friends opposite, if they think it worth while to do so, to point out any error in the interest account as I have made it up. It is beyond question, as shown in Mr. Evans' statement, and as I showed this afternoon, that there is the interest from 1st of

January, 1904, to 1st July, 1905, upon the total expenditure of which these commissioners have evidently taken no account. There is also the interest upon the cost of the Central and on the other accounts of the road from the beginning down to 1st July, 1905, extending over a period of four years, with respect to which they have paid no interest. There is also the loss in operation which began in 1902 and which reached pretty high figures in 1903, amounting altogether to $17,000, upon which they have also allowed no interest, and there are a number of other accounts, and also they even deducted some $5,000 off the interest during the last period.

Before I go to another part of the case, I would like to state what was the arrangement with regard to financing of the company and the way in which the road was to be built. As I have said, Mr. Evans—an engineer of considerable experience and of great ability and on whose report these commissioners placed reliance, because they adopted it so far as the cost is concerned—was in charge at Norton. Norton was the headquarters of the expending department in the way of construction work. Then it was arranged that all the financing was to be done at the People's Bank in Fredericton. From time to time, as the estimates of the engineer would be sent in, there would be a percentage deducted from the progress estimates, the company would give its note to the contractors, the contractors would have that note endorsed by Senator Thompson and Mr. Whitehead and discounted by the bank, and the proceeds would be taken by the constructing company. That is the way the thing was organized, and I think every one will admit that was a proper way, so far as the construction of the road was concerned. The business went on in that way for a considerable time. Mr. Geo. W. Allen was the secretary of the company. It was his duty to perform the ordinary work of a secretary. That was what he was paid for doing and what he was expected to do, and it is what, I cannot help believing, he did do. Mr. Allen was a good business man against whom nobody so far has said a word impeaching his integrity, and he would understand thoroughly what were his duties. He was in every respect well adapted for his position. From time to time Mr. Allen would receive these estimates, he would deduct the ten per cent and give the notes to the company, which would be signed by the treasurer and president or vice-president, and then given to the construction company, and that company would have them discounted. Then there came a time when it was necessary to obtain moneys elsewhere because the People's bank did not feel that it could continue to make advances very much beyond what were already made. The company therefore did some financing elsewhere. It will be found from the report of the commissioners that a loan was effected with the Bank of Montreal in Fredericton and another with the Bank of British North America in the same place. There is one peculiarity in the report of the commissioners. They make the statement that they cannot trace the moneys which were the proceeds of these notes discounted at the Bank of Montreal and the Bank of British North America, because, they say, these notes were not placed to the company's credit but were drawn out on discount slips. They do not say who signed those slips, but they leave it to be inferred that possibly myself or Mr. Tweedie, as the other member ex-officio of the government, may have negotiated these loans. I presume however that they looked at the discount slips and that they saw that these loans were negotiated and those discount slips signed by G. W. Allen, the secretary of the company. Yet these commissioners do not say so. They do not say who signed the discount slips, but lead the people to infer, according as might be their feelings and desires, who got the proceeds. But would it not have been fair and honourable for the commissioners to have said that they had seen the discount slips and that these slips were signed by G. W. Allen, the secretary of the company, which fact would trace the money directly to the company through its secretary? When I read the report and saw that extraordinary omission, I thought that these commissioners and their counsel wanted to throw out the inuendo that possibly Mr. Pugsley had to do with the negotiation of these loans, and that possibly the proceeds may have gone into his hands, which might go far to accomplish the mission with which they had started out, and that was to make a report strong enough to compel me to leave the government. Afterwards notes were discounted at the Bank of New Brunswick in the city of St. John and loans were also obtained from the Canada Permanent.

I want to refer, just for a moment longer, to Mr. Allen. I assume that he kept a memorandum of the notes given by the company from time to time. I assume that he kept a memorandum of all the checks he gave when the notes were placed to the company's credit, and that the check stubs, or the checks themselves, would show to whose order the moneys were payable, because he was not in the habit of paying out money except by cheque. And I assume also that he kept a cash-book or memorandum which would show the discounts from time to time. Well, these commissioners say that they could get no evidence of what these cheques were given for, so far as the banks at Fredericton are con-

cerned, because, they say, the banks gave up the cheques. But if they did, they must have given them up in the ordinary course to Mr. Allen. the secretary fo the company. There is nothing suspicious in a bank giving up its cheques. The banks always give them up each month when the credit or debit slip, as the case may be, is signed. Yet the fact is put forward as if it were something suspicious that these cheques were given up by the banks. When the late Mr. Sharpe was appointed accountant to audit these books and accounts, I know that the cheques in the banks in St. John were, by direction, handed over to him, and I assume that all the cheques on the banks in Fredericton were handed over to the auditor by Mr. Allen, the secretary, and that the stubs and everything which would let in light on the accounts would be given to him, including any memorandum or cash-books which the secretary of the company might have. After the lapse of years, and these accounts and books had not been got back from Mr. Sharpe, who unfortunately died just as he was completing his work, but who fortunately submitted an audit just before he died, because these cheques and Mr. Barnes books had not been got back, these commissioners sought to draw inferences against those of us who had to do with the formation of the company. I said, and the commissioners ridiculed the statement, that an accountant, sincerely desirous of getting at the facts of the case, could in two or three days make up a complete statement of the receipts and expenditures of that company. I am the more confirmed in that statement, the more I read the report of the commissioners. Because they say that at Norton there was a complete account of all receipts and expenditures so far as the betterment of the road and the operation of the road were concerned. They adopt finally the statement of Mr. Evans, manager and engineer of the road, and say that his statement is comprehensive and methodical. They could go to the Bank of New Brunswick, the Canada Permanent—and it appears they did have both of these before them—the People's Bank, the Bank of British North America, and the Bank of Montreal, and get a statement of the discounts put through from time to time the proceeds of which went to the company's credit or were drawn out by discount slips. In that way, they could get with almost absolute accuracy the interest accruing from 1901 to 1908. That is the statement I made before the commissioners and that is the statement I adhere to. I am sorry, not so much for my own sake as for the sake of these commissioners, that they did not think it worth while, with all the machinery they had at their command, to endeavour to arrive with some degree of accuracy at the amount of interest, but jumped at it in the way I have spoken of. When this report came out stating that the interest was $92,000, I thought it might be well to have an inquiry made in the legislature as to how that interest was made up, because I took it for granted that the commissioners, particularly when one was a judge, would be in a position to furnish all the details. I do not want to contradict the hon. member for West Elgin (Mr. Crothers) who says that this gentleman is an eminent judge, if he knows. But if any hon. gentleman were to tell me that Judge Landry, when appointed to the bench, was specially selected for his great eminence in his profession, I should feel that he had but little knowledge of the transaction of legal business in the province of New Brunswick and but little knowledge of the leading counsel who in the past have appeared before the various courts in that province. He is a judge as other judges are, but that he is specially eminent I am not prepared to admit. I am not here to-night to disparage Mr. Justice Landry. I have great respect for the bench, but I have more respect for those judges who uphold the dignity and honour of the bench, and I like to see them endeavouring to do that. I like to see them, when they go upon the bench, forget that they have been in political life, but I hate to see a judge, when a general election is coming on, begin to coquet with one of the great political parties with regard to his becoming a candidate, of the party. It tends to prevent his mind from settling down to that judicial calm which is necessary to enable one to adorn the high position of a judge. With regard to the other commissioners, I have but little to say. Mr. Macdougall has been a manager of a branch of the Royal Bank. He has been for a good while manager of a branch, and a not very important branch either. It has been his misfortune to see men younger, far younger, who have been appointed to minor and inferior positions long after he went there, passing on over him to higher positions in that great institution. He is a man who, for many years, while Mr. Powell was engaged in his profession in Westmoreland county was engaged with Mr. Powell in business transactions, particularly with regard to one manufacturing company. It is a somewhat curious fact that, in selecting this commission, they did not look to the chief justice of the Supreme Court, they did not look to any gentleman who had been a Liberal before he had been appointed to the bench. They were careful to see to it that the three members of this commission should be good solid Tories,—at least that one of them, before appointment to the bench,

had been a good solid Tory and the other two should be such at this time. They were careful to see, also, that the counsel to guide them with regard to the evidence brought before them and to assist them in making up this report should be Mr. H. A. Powell, who has been a member of this House and has been a candidate in the Conservative interest in a good many contests in the province of New Brunswick, in not all of which he was successful in being returned to parliament. While this is the case, I am not of the opinion that I should bow down to and worship any member of this commission or give any undue respect to the report, but that I should only give to it that respect which the report upon its face seems to deserve. Now, as I was saying, when this statement was made of interest of $92,000, and when there was no statement as to how it was made up, and when we found other items put in in the lump and financial matters divided up in such a way that no person could tell from the report whether there had been left out large or small sums in the way of disbursements, I suggested to a friend of mine in the legislature that a question should be put to the government with regard to the interest—this amount of $92,000—how it was made up, to what banks it had been paid, what rate of interest had been charged, and also whether it was compounded. I took it for granted that these commissioners, while they only put summaries into the report, would have statements which could be readily furnished to the government, showing the way in which this amount had been arrived at. And this was the answer given:

In answer to questions 2, 3 and 4—

The items of expenditure making up the total of $77,611.82 referred to in the second question are contained in the books and schedules of the New Brunswick Coal and Railway Company at Norton.

The items making up the total amount of $28,325.30 mentioned in question 3 are given in the so-called 'cash book' begun by Mr. Sharp for Mr. McAvity, president, and continued by Mr. Corbett for the commissioners, Messrs. McAvity and King.

The details asked for in question 4 of the total amount of $92,000 interest appear, the government is informed, in the report of Mr. Shannon and in the statement of Mr. Pugsley, both of which were in evidense, in the so-called 'cash book' in the books ot fhe Receiver General at Fredericton and in the accounts of the different banks and monetary institutions with which the New Brunswick Coal and Railway Company dealt.

As the items and details asked for in questions 2, 3 and 4 are very numerous, would require a long time to prepare, and would entail large expense in transcription, and the books, reports and schedules which contain them were open to the inspection of the counsel, Mr. Carvell, who stated he appeared at the request of Hon. Mr. Pugsley for the New Brunswick Coal and Railway Company, and to Mr. Barnhill, who appeared for Messrs. McAvity and King, commissioners, and to the Hon. Mr. Pugsley who was during several days present representing himself, the government feels that it should not go to the expense of furnisning the details without the order of the House.

So, you have these commissioners submitting a report which jumps at an amount of $92,000, apparently furnishing to the government no statement as to how they made it up, and when the question is put to the government, they confer evidently with the commissioners—because the chairman was in Fredericton as I am informed on the very day that this question was answered—declare that it would take many months for them to make up a statement and would entail so large an expense that they could not undertake it without the order of the House.

Now, I ask you, Mr. Speaker, whether this gives evidence of even the barest attempt to treat public men with any degree of fairness. It does seem to me that, before the commissioners sent broadcast over this country a statement which, though not charging me with the receipt, improperly, of a single dollar of the money of this company, yet is calculated to cast reflection upon somebody connected with the company as showing carelessness and want of regard to the duties of those who have to do with the company, they should have asked through their accountant the bank managers to make up for them a statement of the interest. For they were entitled to it. Bear in mind that, under the law, when Mr. Tweedie and I ceased to be Provincial Secretary and Attorney General respectively and Mr. Flemming and Mr. Hazen took these offices, they became ex-officio directors of this company. They have been since 1907 the ex-officio directors of the New Brunswick Coal and Railway Company and they had a right—

Mr. LENNOX. It is not in business now.

Mr. PUGSLEY. It is in business.

Mr. FOSTER. What is it doing?

Mr. PUGSLEY. It owns property today.

Mr. LENNOX. That is not in business.

Mr. PUGSLEY. That makes no difference; they are the directors in law and they have a right to go to these banks and ask a statement of the account. But more than that, these commissioners, by the terms of the statute, were invested with the fullest authority to get a statement of this interest and they led us to believe that

they were making a full and searching inquiry, they led us to believe that among the disbursements they would have a statement of interest. Would that not go without saying, that they would obtain a statement in detail of the interst? We had a right to assume that; yet they issue this statement, simply jumping at the interest, and when they are asked how it was made up they say it would take many months to prepare a statement and would involve too much expense.

These commissioners say that the chief engineer's report made on January 2, 1903, in effect contained a false statement as to the cost of the road. At page 19 that statement is made. They suggest that somebody should be held responsible for that. In other words, they say that the chief engineer of this company signed a statement prepared by me which in effect showed that $140,000 and upwards had been expended in the new work of this railway when as a matter of fact less than $80,000 had been expended. Is that not the inference to be drawn from that report? When I tell you, Sir, that I have here the report which shows exactly what had been expended upon the new line at that time, you will, I think, agree with me that that statement is entirely without foundation and one which ought not to have been made. It is in this report of January 2, 1903 that the commissioners say I induced the chief engineer to represent this new line as having then cost $140,000. Here is the report:

To His Honour the Lieutenant Governor in Council.

I, the undersigned having been appointed by Your Honour to report upon the work done upon the railway being constructed by The New Brunswick Coal and Railway Company, with a view to determining as to the amount of bonds of the said company which it would be proper for the provincial secretary to guarantee on behalf of the province, beg to report as follows:—

This report will be a repetition to a large extent of the ones previously made by me, but I think it well to make it for easier reference.

The value of the work previously done on the first section of fifteen miles, including foundations of large bridges across Salmon river, acquired by the New Brunswick Coal and Railway Company, which was estimated in 1896 to be $20,000.

Sir, is that statement false? These very commissioners, at page 4 of their report, put the cost at $23,000, or $3,000 more than as stated in this report.

In addition to this there was work done in 1890, which was estimated by the engineer to be of the value of about $13,000.

And the engineer's report is there upon record to show that was his estimate of the cost at Fredericton.

There was paid by the company for surveys of the whole line and for rights of way, including plans, &c., exclusive of the bridge plans..	$11,500 00
There has been work done on sidings of coal mines..	1,576 29
Engineering during construction paid by company to date:	
Amount of proportion applicable to the second section of thirty miles is..	2,000 00
There has been paid for rights of of way of second section of thirty miles..	600 00
There has been paid for engine house at Newcastle which, by reason of its central position and by reason of arrangements having been so made, will save one stall at the Frederiction end, being a saving of.	1,000 00
There has been provided track scales applicable to the whole at a cost of $500—proportion applicable to the second section would be.. ..	322 00
The estimated relative cost of the first 15 miles, exclusive of rails, bolts and fish plates is..	130,434 00
Original estimate of second 30 miles..	213,848 00
Add for extra weight on bridges and ballast..	19,250 00
Total..	$233,098 00

Making the estimated cost of the first 15 miles relatively to each 15 miles of the second section greater by $13,885.

It is proper to consider the above first 8 different sums and the $13,885 in arriving at a judgement in reference to the question submitted to me for my report. They amount altogether to $63,883.29, and it is also proper to take into consideration the following:—

The New Brunswick Coal and Railway way Company found it necessary to purchase the Central Railway, with a view to operating the whole road from Norton to Gibson as one system. Owing to the accident which occurred by the destruction of a bridge, it became necessary to rebuild the same, and in view of the large traffic which it is expected will have to be carried upon the road as soon as the railway is completed to the coal mines, and in order to ensure the efficient haulage of freight and to secure the safety of passengers, it was regarded as absolutely necessary to make extensive improvements to the Central Railway, for which arrangements could not be made except through the New Brunswick Coal and Railway Company. These repairs were essential not merely in order to carry on the traffic when the road was completed to the coal fields, but in order to get in rails and other supplies which were essential for the construction of the New Brunswick Coal and Railway Company's line.

The New Brunswick Coal and Railway Company has actually paid upon the purchase of the Central Railway the sum of $47,500 and there is a further liability of $12,500 upon an instalment of option now due, which the company is providing for.

As a part of the purchase the New Brunswhich Coal and Railway Company has acquired from the Central Railway Company:

2 engines worth $3,000..	$6,000
1 passenger car (combination)..	1,800
15 flat cars, $200 each..	3,000
Snow plough and flanger..	500
1 motor and push car..	400
	$11,700

all of which will be available for operating the New Brunswick Coal and Railway Company's line. Adding this to the above amount makes a total of $75,583.29, over and above said sum of $47,500 paid on account of purchase of the Central Railway.

The improvements necessary to be made by the New Brunswick Coal and Railway Company to the Central Railway for the purposes above mentioned will amount approximately to $25,000, of which to first December $9,852.85 was actually expended.

It is certainly proper to consider the improvements made to the Central, and more especially those in connection with the terminals at Chipman, in forming a judgment as to what amount of bonds it would be proper to guarantee.

The value of the work done by the present contractor upon the line between Chipman and Newcastle, including the branch to coal mines and engineering expenses during construction to 30th November, 1902, is $74,-547.35.

Not $140,000 as these commissioners would have the public believe, but $74,-543.35.

Having carefully considered the matter, and keeping in view the work done relatively to that to be done, I think it would be proper for the Provincial Secretary to guarantee bonds of the company on behalf of the province to the amount of $140,000. This amount, however, to include bonds previously guaranteed.

In making this estimate I leave out of consideration the amount paid on the purchase money of the Central Railway, although it seems proper to refer to it as above.

There you have a statement giving in minute detail the cost of the work done up to that date upon this line of railway. You have a statement of the cost of the new work, of the bridge at Salmon river, a large and expensive bridge which had been previously built and had been taken over and had become the property of the New Brunswick Coal and Railway Company as a part of the purchase of the Central Railway, for which $47,500 had then been paid. You have a statement as to the engineering expenses, as to the cost of the rights of way, but as to the new work the statement was made absolutely, as was the case with the money actually spent up to that time upon the new work, that it was only seventy-four thousand and some odd dollars.

I speak of this in order to show that these commissioners have not hesitated, wherever they could do so, to cast reflections upon the late provincial government. Surely if they wanted fairly to criticise the judgment of the chief engineer in furnishing this report and the judgment of the government in guaranteeing bonds, it would be proper to set these out in detail. But instead of doing that they make a statement which would leave the ordinary reader to believe that the engineer, although there had been only $80,000 of work done upon the railway, had actually represented that work to the extent of $140,000 had then been performed. I mention this as another illustration of the unfairness of this report. I want to call attention to still another matter as showing how thoroughly unreliable are the expressions of opinion which these commissioners give. They speak upon the 56th page of this report of what this new line of railway could have been built for and I mention this for the information of my hon. friend the Minister of Railways. I had been urging, the company had been urging, the previous government had been urging that this company should have an increased subsidy because the cost of the road, instead of being $15,000 per mile, had reached $20,000 or $21,000 per mile. Mr. Hazen, the premier of the province, has been urging also that there should be this increased subsidy, but his commissioners say that this new line, in their judgment, could have been constructed at an average cost of $11,000 per mile. Well, Sir, if Mr. Hazen and his government place any reliance in the estimate that these commissioners have formed as to the value of the road then good-bye to the application of this railway company for an increased subsidy and the provincial government will have to pay for the rails which were obtained from this government and for which it is owing to the Dominion. But, how absurd this is! Did they have an engineer go over the road? No, these commissioners never thought it worth while to get a railway engineer to go over this railway to make an examination of it, but, they say, forsooth, in effect, that Mr. Powell and we went over this road and made an examination of it. Mr. Justice Landry, Mr. Macdougall, the manager of a branch bank, Mr. Teed, a small merchant carrying on business in the town of St. Stephen's and Mr. Powell, a lawyer, going over this railway and estimating its value to be $11,000 per mile! As against that we had the report of one of the most experienced railway engineers in this country who had gone over the road, walked over every foot of it, examined it with the utmost care and he reported that although the rails were lighter than the rails upon the Intercolonial Railway, yet they were of excellent character and in all other respects this road was built up to the standard of the Intercolonial Railway and was well worth $21,000 per mile. Yet, Sir, having a knowledge of that report, because we read it before the

legislature in 1904, and, I think again in 1905, these commissioners, without taking the trouble to have a railway engineer go over this line, coolly put forward in the report, in order to disparage us, the statement that this line, upon the average, is only worth $11,000 per mile. Hon. gentlemen can, from that statement, judge what reliance is to be placed on the opinions, at all events, which these commissioners give.

I want to call your attention to a very unfair statement which occurs upon page 38 of the report. They say:

To make the matter as clear as possible it is necessary to go back to June, 1901, when the first issue of $250,000 3 per cent bonds was made. These bonds being held in various banks for money advanced were replaced by Mr. Shadbolt, of the Royal Trust Company, in August, 1903, with $250,000 of the now total issue of $450,000 4 per cent bonds, leaving a balance of $200,000 which were handed to Mr. Pugsley and Mr. Trueman and afterwards found their way into various banks as security for advances.

I have already shown you, by the order which was given Mr. Shadbolt, the manager of the Royal Trust Company, on the 6th August, 1903, that this statement is false, I have already shown you that the total issue at that time, when the $200,000 of bonds which were isued under the authority of the statute upon completion of the title to the Central Railway, was $338,500 being only $138,500 beyond the $200,000 provided for the purchase of and improvements upon the Central Railway, I have shown you how these bonds were distributed, $70,000 going to the Bank of Montreal in Fredericton, $20,000 going to the Bank of British North America in Fredericton, $27,000 to the Bank of New Brunswick, $70,000 to the Peoples' Bank, who are financing the contractors, $66,000 to the Bank of New Brunswick, which were used for the purpose of taking over the bonds upon the Central and which were then owned by Clark and Company and Drexell, and Company and upon which Messrs. Evans and Elkin held an option and $85,500 which were handed to Judge True man the solicitor of the company for the purposes of the company. Can you place title and the balance to be turned over to Mr. Allen, the secretary, to be used for the purposes of th company. Can you place any reliance upon the report of these commissioners in view of the fact that this order not only gave the amounts of the bonds but gave the numbers of the bonds so that if these moneys or bonds were stolen as suggested, they could easily be identified. Do you think that I, as the Attorney General, would have given to the manager of the Trust Company not only the amounts of these bonds but the numbers of the bonds which were to be handed over to the various institutions and to the various parties at the time of completion of the title of the Central Railway Company in 1903 if there had been any desire to misapply them in any way? Doing that as I did, these bonds could be traced in any bank in which they were placed because the bank would have on the hypothecation sheet and on the record a statement of the numbers and amounts of the bonds. But, what I complain of is that, having this record before them, having this order at their disposition, they make this general statement that it left $200,000 of bonds which were handed to Mr. Pugsley and Mr. Trueman and afterwards found their way into the various banks as security for advances. The evidence before these commissioners will show that every bond which came into my hands was hypothecated as security for the notes of this company and that the proceeds of these notes were placed to the credit of the company and were checked out by the secretary of the company with the exception of one or two instances when Mr. Barnes, the contractor, at a time when the company was hard up, at a time when it seemed as if they had nobody to turn to except myself, at a time when, owing to delay which was caused by having a thorough audit of the accounts of the company made, they could not get money to pay labour bills, when hundreds of men were clamoring for their wages and when material men were threatening to sue the company, come to me and asked me to help the company by going to the bank and assisting them in raising some money. I felt, as a director of this company, that my honour was involved in having that road completed and in seeing that the wages of the men were paid. I felt that if we allowed that enterprise to collapse and break down before the road was completed to the coal fields it would be a public disaster and, to assist the company, I remember upon more than one occasion going to the bank, to Mr. Stavert, who was then manager of the bank and who now occupies a prominent position in the Bank of Montreal—and I make this statement publicly because I know that he will remember what I am now stating—and that, upon my persuasion and upon my consenting, with Mr. Barnes, to endorse the notes of the company, moneys were advanced for the purpose of enabling Mr. Barnes to go to Norton and away to the end of the track by special train that afternoon for the purpose of paying these men. These are the only cases in which the proceeds of any notes came into my possession.

These moneys were handed at once to the contractor and they were necessary to enable him to pay the labour bills and the other charges. I want to say for Mr. Al-

len, the secretary of the company, that wherever there was a note discounted where it was not done through himself, and there were comparatively few except in the way of renewals, he always made an accurate statement with regard to the notes and with regard to the proceeds of them, and in every case he appeared to be and I believe was seeing that the proceeds were used for the legitimate purposes of the company. Mr. Allen is dead, but I am satisfied that were he living he would corroborate the statement I make. I am satisfied he gave satisfactory evidence to Mr. Sharpe, the auditor, that the moneys which came into his hands or into the hands of any others for the company were properly applied. Mr. Sharpe was appointed to audit the books of the company in the early part of the year 1904, I think, and his appointment was by direction of the government. At that time the company was making application to the government for further assistance, and we were greatly in doubt as to what course to pursue. We recognized that the cost of the road had run greatly beyond what we anticipated, and that if the enterprise was to be carried to a conclusion assistance would have to be given. It has been intimated in this report of the commission, nay it has been more than intimated that we had some object in view in not keeping accounts and that we were willing that the treasury should be looted, and that the moneys of this company should be taken by any one who wanted to get hold of them. I want to ask you, Sir, if it is consistent with such a suggestion, that when this company wanted further assistance in the winter of 1904, we said to them: 'We shall give you no further assistance until an auditor has been appointed and the books have been gone over from beginning to end, and all the expenses of the company gone into most carefully, and then and then only will we consider whether or not we shall give assistance.' Is that the conduct of men who intended to do wrong; is that the conduct of men who were careless of the public interest? Notwithstanding that the company was greatly embarrassed, the government refused to give further assistance to them until that audit was made. Mr. Sharpe, who made that audit was the one man in New Brunswick who seemed to be recognized by all as most competent to do work of that character. He was an able man, he had a large practice, he was a man of great experience and I believe he did his work thoroughly. He made up an account of the cost of the road and I believe the commissioners say that if you take off the interest and the salaries from Mr. Sharpe's report which were not included in Mr. Evan's statement, there was only a difference of $159 between his report and Mr.. Sharpe's report. Mr. Sharpe was handed over all the accounts, he was given authority to get a full statement from the banks in St. John, he got all the cheques and all the vouchers—vouchers from Mr. Trueman and others, and he was directed to go into the accounts most thoroughly so as to satisfy himself as to their correctness. And Sir, I want to say that although Mr Sharpe had been engaged for months in this work, yet up to the time in the latter part of June, or the early part of July, 1904, when I left for England on business, although I had many conversations with him, he never intimated to me that he had found any difficulty in auditing the accounts or that there was anything in connection with the expenditures which was not absolutely proper and right. I received a letter a few days ago from a gentleman who is not a political friend of mine but who I believe was actuated by a sense of justice. I refer to Mr. J. J. F. Winslow, of Fredericton and he states that in his judgment the interest allowed by the commissioners is not very much over one half of what it ought to be. He was in Mr. Allen's office and with the late Mr. Sharpe, during a considerable part of the time he was engaged in the work of auditing the accounts, and Mr. Winslow says:

> I might add that during all the time in which I was engaged by Mr. Sharpe upon this work he never for one moment intimated in any way to me that he considered any moneys were misappropriated.

It does seem to me that the testimony of such a man should have weight, particularly in view of the manner in which this report has evidently been prepared, and in view of the criticism I have made on many statements contained in it.

There is another statement which is false. These commissioners make the statement that there was $11,500 paid by the company in 1901, to Mr. Evans, for bridge plans and surveys and transfer of subsidies, and they say at page 6 in effect that this was included in the option from Messrs. Clarke & Company and Drexell & Company. I suppose that in this statement they seek to convey the impression that it was improvident to pay the $11,-500 in addition to the money which was paid for the purchase of the Central. There is no foundation for that statement. There is nothing in the evidence to warrant that statement. These plans, these surveys, these rights were for the part beyond Chipman, and formed no part of the railway between Norton and Chipman,

and did not pass in any way under the option from Clarke & Company and Drexell & Company to Mr. Evans. Then these commissioners say, on page 30, that the $11,500 paid for these plans were the first money which the provincial government paid to the company in 1901. That statement is also not supported by evidence. The government did not pay that $11,500. All the subsidies which were payable by the government were paid either to Mr. Barnes under the order he had, or were paid to the People's Bank of New Brunswick, which had an assignment of the subsidies from the provincial government. I do not know why this statement is made, but at all events there is nothing whatever in the evidence to warrant the commissioners in making it.

Mr. CROCKET. This $11,500 was paid by the New Brunswick Coal and Railway Company.

Mr. PUGSLEY. Yes.

Mr. CROCKET. Did the New Brunswick Coal and Railway Company have any money except what they got from the government?

Mr. PUGSLEY. This money was borrowed by the New Brunswick Coal and Railway Company from the bank.

Mr. CROCKET. And the bank was paid by the government.

Mr. PUGSLEY. Not at all, my hon. friend is wrong about that. What these commissioners state is that this was the first money which was paid by the government in 1901. That money was not paid by the government but it was paid by the company. The money was borrowed from the bank, it formed a part of the expenditure of the company, and it would afterwards be covered by the bonds of the company which were guaranteed by the province. But it was not paid by the province in the sense in which these commissioners put it. They would lead the public to believe that this money was one of the first payments made and that it was paid out of the subsidy.

In that connection, I want to correct an impression which the report is calculated to convey, that from the very outset the government was to guarantee the bonds for the purchase of the Central Railway. It was nothing of the kind. The government, in the exercise of its judgment, thought it best that the New Brunswick Coal and Railway Company should amalgamate with or acquire the Central Railway Company; but they had no thought in 1901 nor in 1902, of guaranteeing the bonds for the purchase of the Central Railway. If my hon. friend will turn to the synoptic report of the debates of the New Brunswick Assembly for 1902, he will find that the premier, in answer to a question, then stated that the company had made a proposition under which they were going to buy the Central Railway by means of an issue of six per cent bonds which they were then about negotiating; and Mr. Tweedie as Provincial Secretary stated that the government were in considerable doubt as to the propriety of allowing that to be done, because he said that in case there was one set of bonds on the Central Railway, which was the connecting link between this new line and the Intercolonial, and another set of bonds on the new line from Minto extending westward, guaranteed by the government, in case of default, the railways might again become separated into two systems, and the new line would be at the mercy of the line extending from Chipman to Norton. It was only when the legislature met in 1903, that the government came to the conclusion that they would guarantee bonds sufficient to enable the company to complete its purchase of the Central Railway and complete the improvements then being made, and make an issue of new bonds on the entire system, so that in reality and for all time the entire line, which is sixty miles in length, and including branches of eight or nine miles, should form one system of railway. I speak of that because the conditions would be somewhat different in the first instance if the government had guaranteed the bonds for the purchase of the Central Railway. At the time the option was acquired from Messrs. Evans & Elkins there was no thought of that. The acquiring of that option was the business of the New Brunswick Coal & Railway Company alone. It was some two years afterwards that the government decided, in the then condition of affairs to guarantee bonds on the entire system and wipe out the old issue which was standing against the new line.

I want to come to another statement which I think is unfair and not supported by the evidence. You will find on page 43 a reference to myself. Perhaps I ought not to deal with this, but rather leave it to my hon. friend from Carleton (Mr. Carvell) if he should do us the favour of making some remarks, because the matter was I think brought particularly to his attention. But as it concerns myself, I think I perhaps ought again to call attention to the unfairness of these commissioners. It appeared in my evidence that the $5,000 which has been spoken of as having the initials 'W.P.' opposite it, was a cheque given on the 30th of June, 1904, just before I was leaving for England, to the order of the New Brunswick Real Estate Loan & Trust Company.

These commissioners refer to this company as a loan company, and make the statement that it kept no books. Well, Sir, a loan company carrying on the business of a loan company which kept no books would be an extraordinary institution; yet they convey that impression. As a matter of fact, although the name of this company is the New Brunswick Real Estate Loan & Trust Company, it has never done any business as a loan company or a trust company. It is simply a real estate holding company, holding the Pugsley Building in the city of St. John; and what I said was that Judge Trueman, who was the Secretary and the Treasurer of this Company, kept ordinary rent books, in which rents, taxes, and the general disbursements of the building would be entered. I explained that it was a real estate holding company and that was all the business it was doing. But these commissioners put forward the suggestion that it was a loan company in order to discredit the evidence I gave, a proceeding which it strikes me was not fair and not what one might expect from commissioners claiming to be regarded as non-partisan. I also stated that the cheques of this company were given by myself and my wife, because we were the owners of the stock in the company, and we had in the Bank of New Brunswick a considerable amount of money which belonged to this company having been received from the sale of western lands belonging to the company, but which had been put in our names in order to ear-mark it, as it were, so as to keep it apart from the ordinary real estate business of the company; and I produced before these commissioners the cheques dated on the dates given on page 43, except the last one, which should be March, 1904, instead of 1902, and I stated what the amounts were for as shown in the cheque stubs and in the cheques themselves: one in favour of E. C. Elkin for $2,000, another in favour of E. G. Evans for $2,000, another to A. I. Trueman, for $2,750, another in favour of A. I. Trueman for $198; another in favour of E. G. Evans, for $1,000; and another in favour of the Canada Permanent Loan Company for $1,272, being for interest for the half year due on the 1st of March, 1904. I stated that positively. I stated that I remembered distinctly paying the interest to the Canada Permanent, and loaning this money to the railway company for that purpose, and I actually produced before the commissioners the receipt of the Canada Permanent Company for the payment. I also stated that in order to make a payment to Evans & Elkins on their option, the company had borrowed money from a number of people in St. John, whom I named—Mr. Frank Stetson, Mr. McAvity, Mr. Connell, Mr. Barnhill, Mr. Trueman, and Mr. Skinner. I said that the company had paid one-half of the amount, and that there was a balance of $2,750 due, for which those people held notes, and that was the amount of the cheque which we lent through Judge Trueman to the railway company. I not only gave the names of these people, but produced the cheque in favour of Judge Trueman. I remember as if it were yesterday that after I produced the cheques Mr. Powell said: 'You need not mind going any further; you have the cheques,' I said, 'Yes, it is fortunate that I have the cheques.' Yet, notwithstanding that, these commisioners choose to distort the record and say that I was not sure that these moneys were loaned to the New Brunswick Coal & Railway Company, but surmised that they had been loaned. The record shows that I stated positively that I loaned these moneys and produced the cheques and the cheque stubs to verify the statement I made; yet they chose to to throw doubt upon my statement and say that if I did lend it no doubt I got the money back. All I can say is there is the testimony which I gave, and I produced the cheque stubs which contain the memos made at the time; and if they wanted to discredit my testimony, they ought to have called Mr. Connell and Mr. Barnhill who, they say, gave exceedingly satisfactory testimony, and these other gentlemen, and asked them if it were true this amount was lent the company and this $2,750 was paid under the circumstances and the notes given up to Mr. Trueman. Should they not have done that before throwing aside the testimony I gave that the loan was for the purposes of the company and was a loan to the companies.

There is another matter with regard to which these commissioners have done a great wrong to those who were interested in the carrying forward of this undertaking and to Mr. Evans, a member of the firm of Evans & Elkin who gave the option to the New Brunswick Coal and Railway Company upon the Central Road. The statement which was made by Mr. Evans was—and the document was produced—that having an option on the bonds and two-thirds of the stock of the Central Road, he and Mr. Elkin gave an agreement to sell the road and give a complete title to the New Brunswick Coal and Railway Company for the sum of $180,000. He also said that there was then important work under way, work of reconstruction of bridges and trestles and certain other improvements, on which some $24,000 had been already expended and which, it was estimated, would cost something like $50,000 more, and he swore that they went on and completed those improvements be-

fore the New Brunswick Coal and Railway Company took over the road. They completed those improvements at their own expense, outside the money altogether which the New Brunswick Coal and Railway Company expended on that line. But these commissioners say: Why, we cannot believe Mr. Evans, because he was not under a written obligation to make those improvements; true, he was under a moral obligation, but not under a written obligation, and it passes our comprehension that a man like Evans could be so honest as to carry out what he was only obliged to do by a verbal and moral obligation. Well, the answer to this statement is two-fold. First, that there is nothing in the conduct of Mr. Evans, from beginning to end, which would warrant these commissioners in refusing to believe him; and second, that this was an option which the New Brunswick Coal and Railway Company held upon the Central; and if Evans and Elkin had not carried out in good faith what they had undertaken to do, the New Brunswick Coal and Railway Company would not have been bound to exercise, and would not have exercised, their option, and Evans and Elkin would not have succeeded in selling the road. But Mr. Evans produced a ledger showing the payments from month to month; and if these commissioners had wanted the details, all they had to do was to send to Mr. Fowler at Norton, who was keeping account of the expenditure, and he would show it in detail. But they did not want that, they did not ask it, and they tried to throw discredit on the testimony of Mr. Evans in this way.

They say that they got no explanations about that expenditure. Well, I was on the stand and they never asked me about it. The commissioners go out of their way, in another part of their report, to say that they looked upon me—and my hon. friend from Elgin (Mr. Crothers) has said the same thing—as having the whole management of the road—that I was, to all intents and purposes, managing director. Yet, when I was upon the stand they did not ask me to explain why Evans and Elkin spent $74,000 on the improvement of the Central. Had I been asked, I would have been able to state that, before making a payment on the Central, the representatives of the railway company, which held the option, examined from time to time the accounts and books of Evans and Elkin and saw the moneys they were expending on improvements. And Evans and Elkin submitted to me, as I stated in the legislature, their statement showing they had expended a total of $74,000 on improvements on the Central Railway. Yet, without asking me a single question with regard to it, without apparently making any effort to get hold of the books kept by Mr. Fowler, which would show the details, and in the face of the positive testimony of Mr. Evans, the commissioners discarded his testimony because they could not believe that any man would be honest enough to carry out an obligation which was only a verbal and a moral one. If that be the idea of the commissioners, as to the motives and impulses which would influence an ordinary, honest man, they are welcome to it. But there is the fact that these expenditures were made and that the accounts were duly shown the New Brunswick Coal and Railway Company before that company exercised its option and completed the purchase of the road.

On page 59 the commissioners say:

> The apparent object of the company, judging from results, was to secure the moneys provided by the Act without any effort to establish a plant, and the apparent functions of the executive, judged by the same standard, was to make the way easy and profitable to the company to accomplish that object.

Let me say that although, in the first instance, the legislature provided that a mining plant should be established, yet in the progress of events, that policy was departed from, and it was determined that the better way to secure the development of the coal areas was to encourage the men who were already engaged in a small way in these mining operations, to build branch lines to the various lines so as to facilitate the output of coal and to place it on the market. That was explained to the legislature prior to the passing of the Act of 1904, and by that Act the company was relieved from the obligation of establishing a mining plant. They were relieved of this obligaton because the legislature chose to substitute the obligation to build branch lines in the place of the obligation to establishng a mining plant.

Again the hon. member for Elgin (Mr. Crothers) says that these commissioners justly attack the members of the provincial government, and particularly myself, for the statements which were made, when assistance was being asked from the legislature for this company, with regard to the coal deposits and the ability to turn out 150,000 tons per annum and the possibility of finding a market for the output. Sir, I do not take back one word of what I said regarding the possibility of developing the coal areas of New Brunsiwck. Let me call attention for a moment to the development which has already taken place, notwithstanding the fact that we have not been able to sell as much coal to the Intercolonial Railway as we were led to believe we would be able to do. Let me show the progress this road has been making as a result of its extension to the coal fields. When the road was undertaken in 1901, the total freight carried over it was 5,410

tons and the number of passengers, 946. Here is a statement of the different years:

	Freight.	Passengers.
1901..	5,410 tons.	946
1907..	40,358 "	14,297
1907..	40,358	14,297
1908..	54,860	20,087

And, Sir, I have no doubt, in a very few years, with the rising popularity of New Brunswick coal upon the market, with th increased number of men who are being induced to come there and settle down an live in cottages which the various coa owners are building, and in view of th fact that the Grand Trunk Pacific is com ing there, that the expectations which I held out to the legislature and people of New Brunswick will be far more than realized, and that it will not be many years before there will be considerably more than 150,000 tons of coal a year produced in these coal mines in the vicinity of Minto. And yet these commissioners make that a serious ground of attack upon us, say that we were deceiving the legislature, and that we ought to be condemned by the general public. And my hon. friend from Elgin (Mr. Crothers) says that for that reason among others we ought to be condemned by this parliament, and that action ought to be taken with reference specially to myself.

I wish to call attention to another instance of the unfairness of these commissioners. At page 33 they seek to convey the impression that there has been something very lax. And here I would invite the attention of the hon. gentlemen who are seeking to figure out the interest:

> As the bonds were dated July 1, 1903, it will be seen that three coupons on each bond, covering a year and a half, until December 31, 1904, being a year and a half interest on $450,000 bonds at 4 per cent (amounting to $27,000) had previously accrued. Apparently the most of these three coupons had never been cashed, and we could not find out what disposition was made of them. They should have been cut off by Mr. McAvity and cancelled, and a record kept of the same. There is no guarantee that at some time in the future some of these coupons may not be presented for payment by holders for value.

Well, Sir, four years have passed away and they have never been presented yet, and I think we may reasonably conclude that they never will be presented. As a matter of fact, I am informed, they were cut off and cancelled. These commissioners say they were not paid by the province. They were attended to by the company which had borrowed money upon them. They were cut off and cancelled, and though these commissioners say they 'could not find out what disposition was made of them,' they should have been cut off by Mr. McAvity and cancelled, what will you say, Mr. Speaker, and what will this House say as to the fairness of the commissioners when I tell you that I am informed by telegram from Mr. McAvity that upon the stand he was never asked a single question with regard to these coupons?—his attention was never called to them. Yet these commissioners coolly put it forward as if there might be some dreadful harm come to the province if these coupons should turn up. Could not find out what had become of them! Why did not they ask those who knew? These commissioners seem to think that the way to find out these things is to ask the people who know nothing about them, and to refrain from asking those who do know, and then throw out the suggestion that they have not been able to get the information. Again, they make the reflection, on page 33, because in the office of the Receiver General there was not a statement as to the amount of bonds which had been guaranteed. I am not sure but that that would have been the proper place to have that record; it may have been an oversight that it was not sent there. But in the office of the Executive Council to which Mr. Powell, the counsel, and the commissioners had access—because it is in evidence that Mr. Powell had gone over all the records of the Executive Council with regard to the company—there were the orders in council drafted from time to time for the guaranteeing of these bonds, and a statement of what had been guaranteed, giving the amounts and the date of guarantee. But these gentlemen say they have only got information on this point from Mr. Shadbolt, manager of the Royal Trust Company, of St. John, who had a clear record of the matter. I do not know whether misapprehension of Mr. Shadbolt's duty led the commissioners into making some of the extraordinary statements they made as to the time when these bonds were guaranteed and the amounts, because they have evidently ignored the orders in council and have made absolutely false statements as to the amount guaranteed, in some cases going so far as to say they were guaranteed in advance of the legislative authority for that purpose. But Mr. Shadbolt, in the ordinary course of business, would not have the time when the bonds were guaranteed, what he would have would be the time when, as trustee, he countersigned the bonds, when the issue would be made. As a matter of fact, with regard to the $250,000, they were made as one issue, because they were to rank pari passu, and, if my memory serves me, were left with the People's Bank for safe keeping, to be issued from time to time as required. Mr. Shadbolt could show when they were counter-

signed, but not when the Provincial Secretary guaranteed them. I have a telegram from Mr. Shadbolt in which he says, confirming what I have said, that he knows when $338,500 was countersigned up to August 6, because that is the time when the exchange took place, and I think he knows when another small amount was guaranteed, but as to the others he knows nothing as to when they were guaranteed. Yet these commissioners have taken his evidence as to the time when they were guaranteed. But, as I have said, there were the orders in council showing the bonds guaranteed at different times. I repeat, and repeat as emphatically as possible, that the statements which these commissioners have made in various parts of their report, contradictory statements in some cases, are contrary to the evidence, and the commissioners have no warrant for making them.

Now, these commissioners say that, in figuring out this shortage, they have no doubt that this $39,000 which they say was the shortage on what they found paid to Messrs. Evans & Elkin form a part of the total shortage. How naive are these commissioners! They had to put that in to make the total shortage, and they made it for that purpose. These commissioners gravely say that they have no doubt it does form part of the total shortage, when nobody else would dream but that they had put it there for the very purpose of making the deficit as large as possible. Let me repeat just what I have casually mentioned, and that is that the statement that was made to the auditor, Mr. Sharpe, by Mr. Allen, the secretary of the company, that the amount paid to the Central Railway was $180,000, that that, in my belief, was a correct statement, and that Mr. Sharpe was quite justified in making the statement in his audit.

Bear in mind that the agreement which was made in the first place was for $180,000. No one questions that being a bona fide contract entered into between Messrs. Evans and Elkin and the New Brunswick Coal and Railway Company. It is true that these commissioners say that if the company had held out for a while they might have been able to squeeze these people into allowing the road to go at a smaller figure. I dispute that. There had been a very considerable public agitation before this option was acquired for the development of the coal areas. The policy of the government and the legislature, approved of by both sides of the House, was to develop these coal areas. Messrs. Evans and Elkin had an option upon the bonds of this road and knowing that it formed the connecting link between the coal fields and the Intercolonial Railway, where the best market for the coal would be obtained, and they would not be disposed to part lightly with this road, particularly when it was well ironed, when it was well known that the steel rails, spikes and bolts alone would be worth pretty nearly $4,000 a mile, the amount which it had been agreed to pay for this railway, and bearing in mind also that Evans and Elkin were to complete the improvements they then had under way, and which, as their accounts showed, amounted to somewhere in the vicinity of $74,000, it did not strike the government or myself, as ex officio member of this company, that the price of $4,000 a mile was an unreasonable price to pay for this road. It did not strike me that, knowing this was our policy, to develop the coal areas, anything would be gained by waiting and we thought it was a reasonable proposition to pay $180,000, or $4,000 a mile for the 45 miles, upon their giving a complete and absolute title to the line and also making these improvements which they then had under way. That was the agreement, Messrs. Evans and Elkin were entitled to the $180,000 on their completing the title, but not until then. As the evidence shows, as the matter went along, it was found that there were other shareholders besides those whom Messrs. Evans and Elkin represented, whose holdings amounted to something like $300,000. Among them Dr. de Bertram was only one. Whether there were others interested with Dr. de Bertram in his stock or not, I do not know, but there were other shareholders for whom Messrs. Trueman and Allen were acting and they represented to Mr. Evans that their clients, people interested in the minority stock of the company, were not satisfied that they should receive the whole amount of $180,000 and it was stated that Messrs. Evans and Elkin, while they wanted to get out of it as much of their contract price as they could, did not want to have a foreclosure suit which would mean a long delay and great expense. The evidence shows that they were informed that it was claimed by these shareholders that the bondholders were mortgagees in possession and various questions as to what they had earned or might have earned would necessarily arise in a suit for foreclosure. They were willing that the amount should be given by Messrs. Allen and Trueman to the other shareholders and I find that along in the winter of 1903, when Mr. Evans gave to the secretary of the company a receipt for $60,000, the four first payments of $15,000 each, he did allow Mr. Allen to use a part of that money to satisfy the demands of the other shareholders. It went on down to the summer of 1903 when Mr. Evans and Mr. Allen consented to take something in the vicinity of $140,000, leaving it to Mr. Trueman and Mr. Allen to

do what was reasonably necessary to acquire the property and satisfy the minority shareholders in this company.

Mr. CROCKET. Did the minister say that Mr. Evans allowed Mr. Allen to use the amounts that were deducted from the cheques for that purpose?

Mr. PUGSLEY. It is evident that he did. He must have done so for he signed a receipt on behalf of himself and Mr. Elkin to the company for that $60,000 and gave it to Mr. Allen, the secretary of the company, who handed it into the government as being the receipt and showing the payment of $60,000. Mr. Evans says that a question was raised with regard to the title and without having a very clear understanding of the matter he left himself in the hands of Messrs. Allen and Trueman, and in the end, in August 1903, he was content to take the $140,000. The hon. member for West Elgin (Mr. Crothers) has intimated, and I suppose my hon. friend from York (Mr. Crocket) who has asked these questions will intimate and contend, that this money should be accounted for to the government. Sir, I am not able to see why they should do so. I could understand if, in the first instance, instead of it being understood that the price of $180,000 should be paid, it was understood that a smaller price should be paid and that there should be a commission or a rake-off or something of that kind, the hon, gentlemen might make the contention they do, but conceding as these commissioners do, conceding as all the evidence shows that this was a bona fide arrangement in the first instance for the sale not of the bonds and stock which Evans and Elkin held upon which they had an option but of the complete title to this property for the $4,000 a mile, amounting to $180,000, whatever money Mr. Evans and Mr. Elkin allowed to Messrs. Allen and Mr. Trueman, was their money, not the money of the New Brunswick Coal and Railway Company, not the money of the government and it was no part of my duty to inquire what was the arrangement between Allen and Trueman and Evans and the minority shareholders whom Allen and Trueman represented. What we were concerned with was to get a complete title, bona fide made in the first instance and the title completed and as I have said, Messrs. Evans and Elkin, not being able for reasons best known to themselves, to complete that title and feeling that they did not want to run the risk of expensive and tedious foreclosure proceedings—whatever arrangement they made with Messrs. Trueman and Allen was their own business and not the business of the New Brunswick Coal and Railway Company or of the government because they were dealing with the money of Messrs. Evans and Elkin and not the money of the New Brunswick Coal and Railway Company.

Mr. Allen, as the secretary of the company, handed into the auditor the statement that the $180,000 had been paid, as I have no doubt whatever it was paid, and we were quite correct in making the statement that it was paid. We did not say it was paid to Evans and Elkin, we said it was paid for the title to the property according to the option taken in 1901 or 1902, and which all parties agree was a bona fide option, and the price for which was finally agreed upon and fixed at $4,000 a mile.

Mr. R. L. BORDEN. Can the minister say who were the persons who got the balance and what each of them got?

Mr. PUGSLEY. No, I do not know. I did not feel it was part of my duty to inquire. It was a matter entirely between Messrs. Evans and Elkin and Allen and Trueman. All I know is that we were asked to make the provision which we did that the payment was to complete the title, and the title was obtained. Evans and Elkin handed over their part of it and the company executed the title.

Mr. R. L. BORDEN. What conveyance or assurance, if any, was given by the persons to whom the money was paid?

Mr. PUGSLEY. The title was obtained.

Mr. R. L. BORDEN. I mean the balance of $30,000 which Evans and Elkin did not receive. What conveyance or assurance was given by the persons to whom that was paid?

Mr. PUGSLEY. I am not able to inform my hon. friend as to that. Messrs. Allen and Trueman were to complete the title and did complete the title.

Mr. R. L. BORDEN. How?

Mr. PUGSLEY. For that purpose they settled with the shareholders. There were no proceedings taken and a purchase was made from Dr. de Bertram for which, I think, Mr. Skinner made the statement that he paid a small amount.

Mr. FOSTER. Very small?

Mr. PUGSLEY. It was a small amount as far as Dr. de Bertram was concerned. As to the other people interested in the stock concerned we have no evidence. They got enough to give them three-quarters of the stock and then the president made the transfer under the seal of the company. I repeat that it was a matter entirely between Mr. Evans on the one hand and Mr. Trueman and Mr. Allen on the other. I did not feel that it was a part of my duty to intervene. What we wanted for the company was a complete title. We

wanted that pursuant to the agreement which we had approved of, pursuant to the agreement which had been in existence for two years and upon which all parties had acted. Evidently Mr. Evans thought i was of advantage to make the arrangement which he did. The arrangement was made, it was carried out in good faith, the title was obtained and the mortgage to secure the $540,000 of bonds was discharged so that a complete and unencumbered title was vested in the New Brunswick Coal and Railway Company and the mortgage, as securings the bonds to the Royal Trust Company, was also registered giving a first security upon the whole system from Norton to Minto and also including the branches to the coal mines.

Now, as I stated, I have obtained from Mr. Evans, in a letter which he has written me giving me his statement of the interest I have also the letter of Mr. Winslow, who was in the office of Mr. Allen, the secretary of the company, giving me his statement. I have taken occasion to make up a statement myself and I may say that in doing so I have been obliged to accept many of the figures which have been given by the commissioners, because, from the way in which they are given in the report, it is impossible for me to tell whether they are correct or not. Therefore, for the purpose of this statement which I have made up, I assume that they are correct as far as they go. If you will allow me I will read this statement and it will very near close the remarks which I have to offer to the House.

Taking Comissioners' Statement 'C' beginning on page 74 of report.

Cost of 15 miles section and branches to January 1, 1904, as per estimate of E. G. Evans, accepted by commissioners as correct, which, however, does not include interest during construction..	$316,626.33
Amount paid Clarke & Co., and Evans & Elkin for bonds and portion of stock, as per commissioners' statement on page 74..	140,409.03
Improvements by company to July 1, 1905, as per commissioners' statement, page 74..	77,611.82
Expenditures by government from July 1, 1905, to September 30, 1905, as per statement page 74..	4,642.79
Paid Brown Bros. under contract to improve Central Railway, as per statement, page 74..	56,234.72
Expenditure by government to complete Brown Bros. contract upon Central Railway, as per commissioners' statement page 74..	28,603.83
New rolling stock as per commissioners' statement, page 74..	23,779.88
Loss in operating road from August, 1902, to March 31, 1908, as per commissioners' statement, page 75.. ..	19,921.10
Miscellaneous expenditures exclusive of interest, as per commissioners' statement, page 75..	14,907.54
Legal expenses as per commissioners' statement, page 75	$4,595 00
Commission paid L. J. Tweedie on sale of $50,000 of bonds to Mr. Hickson, as per commissioners' statement, page 76..	500 00
Paid M. Robinson & Sons expressage on $368,000 bonds and exchange, as per commissioners' statement, page 76..	225 00
Paid George G. Scovil for gravel pit as per commissioners' statement, page 76..	3,000 00
Paid for plans, right-of-way, &c., less portion included in cost of 15 mile section, as per commissioners' statement, page 76..	7,300 00
Sundry other items paid by company, not already included, as per commissioners' statement, page 76.	859 94
Sundry expenditures paid by government, not already included, as per commissioners' statement, page 76	28,325 30
Cash paid over to new commissioners, Messrs. Archibald & Stone, as per commissioners' statement, page 76.	4,372 12

Down to that I have taken the different items of the commissioners' report and I have assumed that they are correct. Then, I take the interest that the commissioners say is correct upon the cost of construction as found by Mr. Shannon down to the 1st January, 1904.

Interest on cost of construction of the 15 mile section to Jan. 1, 1904, as per S. L. Shannon's report adopted by the commissioners' as correct (see pages 22 and 23).. ..	28,234 00
Interest paid from July 1, 1905, to March 31, 1908, as per report of commissioners, page 80..	68,770 65

Now, I add the following items which have been entirely omitted from the commissioners' report:

Paid George G. Scovil for ties purchased for 30 mile section and subsequently used on Central Railway	7,000 00

I understand that these commissioners have ignored and omitted that because they say that the payment of the subsidy was illegal. As a matter of fact, Sir, that $7,000 was paid under the contract which the government had with the New Brunswick Coal and Railway Company for the completion of the second section between Minto and Fredericton. Mr. Scovil had delivered along the line of railway something like 60,000 sleepers and the government thought proper, in the exercise of its best judgment, to pay to the company, on account of that material, the sum of $7,000 which forms a part of the payment upon subsidy account.

Mr. FOSTER. What became of these ties?

Mr. PUGSLEY. They were used upon the Central Railway which is now owned by the government.

Paid E. G. Evans for bridge plans for 20 mile section..	$1,025 00
Paid James Barnes amount of order given by Central Railway Company against subsidy on account of work done prior to 1901, and paid out of the subsidy..	8,500 00

They paid over this to Mr. Barnes. As hon. gentlemen will see by the statement given by these commissioners upon page 4 of the report, he had done work upon the Central Railway, and particularly in connection with the building of the Salmon river bridge, to the extent of $23,000. He had an assignment of the subsidy contract. He had received on account $8,000, but Dr. de Bertram had gone away owing him a considerable amount of money and Mr. Barnes refused, and I am not going to blame him for doing so, to transfer the subsidy contract to this new company unless they would agree to pay him $8,500 more on account of this $23,000 worth of work which he had done and which this company acquired on taking over the new line of railway. The company agreed that out of the subsidy of $3,000 per mile they would pay Mr. Barnes the sum of $8,500 and he assigned over the subsidy contract to the new company. That accounts for $8,500.

Paid for right-of-way on the 30 miles section, $300.

It would appear from a report from Mr. Evans, the engineer, that that should be $600.

Paid Barnes Construction Company loss on boarding house account, noted on page 80 of commissioners' report, but not included in Evans' statement of cost, $6,789 02.

Mr. Evans has informed me that that is not included in his statement.

Balance of purchase price Central Railway improperly deducted by commssoners, making the $180,000		$39,590 97
Interest on $60,000 paid on account purchase of Central Railway from, say, Jan. 1, 1903, to July 1, 1905, at average of 6 per cent, 2 years and 6 months..		9,000 00

That I am satisfied is a low rate of interest because during a considerable portion of the time, the interest, as these commissioners themselves say would be 6½ to 7 per cent.

Interest on $120,000, balance of purchase price of Central Railway, from August 6, 1903 to July, 1905, an average of 5 per cent say 2 years..	$12,000 00
Interest on $60,000 expended for improvements between August, 1902, and December 31, 1904, given on page 68 of synoptic report of legislative assembly, to July 1, 1905, this amount forming part of the item of $77,611.82 shown on page 74 of commissioners' report, say 2 years at average 5 per cent..	6,000 00

Interest on balance of the $77,611.82, $17,611.82 for say 3 months at 5 per cent..		$ 240 00
Interest on loss on operation from August 1902. to December 31, 1904, $17,500, say 1 year at average 6 per cent..		1,050 00
Interest on cost of construction of the 15 mile section and branches, from completion of main line January 1, 1904, as follows:—		
Evans' statement	$316,626 33	
Add interest during construction as per Shannon's report..	28,234 00	
	$344,860 33	
Deduct advances by I.C.R. in rails and iron as per statement, page 73.. ..	39,485 00	
	$305,375 33	

I think it is fair to deduct the advance by the Intercolonial Railway because the company would not be paying interest on these rails and so I take it off.

Interest on this amount of $305,375.33 from January 1, 1904, to July 1, 1905, 1½ years, at average 5 per cent	$ 22,903 00
	$940,903 03

I think that is a low average rate of interest because as I have said these commissioners recognize that for a considerable part of the time the company was paying from 6½ to 7 per cent. For a part of the time they would be only paying 4 per cent on the bonds actually sold and therefore I average it at 5 per cent.

Forward..		$940,317 03
Additional new rolling stock		
Amount given in Auditor General Report of 1907, page 228..	$30,500 00	
Amount allowed by commissioners..	23,779 88	
	$ 6,720 12	6,720 12
Snow plough not included in Evans' statement..		1,800 00

There you get $948,000 in all or within $10,000 of the total receipts from the bonds and from the subsidies both provincial and Dominion. But, Sir, that does not include the salaries which were included in the statement of the audit by Mr. Sharpe and therefore I think it is not unreasonable to take the difference between the cost of construction as given by Evans including interest during construction and the statement of Mr. Sharpe.

Difference between cost of construction as given by Evans, including interest during construction.. ..	$344,860 33	
And cost as given by auditor Sharpe....	368,056 33	
	23,196 00	23,196 00
		$972,033 16

Amount received from sale of guaranteed bonds and Dominion and province subsidies as per statement of commissioners..	$958,000 00
Difference..	$ 14,033 15

Adding these altogether you have a total of $972,033.16 or $14,033.15 more than the total receipts which were obtained from the bonds and also from the provincial and Dominion subsidies. I assume therefore that we may very well deduct for salaries a part of the amount which was allowed by Mr. Sharpe. These commissioners think a certain amount ought to be deducted and if you do deduct in the vicinity of $14,000 you will have the receipts and expenditures about balancing each other.

I do not know and I cannot say whether I have figured this interest correctly or not, but what I do say is that no statement is correct, no statement ought to be given to the people of this country, no statement ought to be presented to this parliament which does not take account of the interest during that long period from 1901 to the 1st of July 1905, upon the cost of the Central and upon all the improvements to the Central. No statement ought to be presented to this House or to the country which does not take account of the interest upon the cost of construction between the 1st of January 1904 and the 1st of July 1905. I have endeavoured in this statement of interest to figure upon a moderate basis. I have not figured at the higher rate, but I figured upon a low average and I am satisfied that if these commissioners had gone to the trouble of ascertaining what the interest actually paid was and had sought to make out an interest account, it would be larger than the amount I have stated to the House. At all events I leave the matter for the consideration of the members of this House.

Mr. R. L. BORDEN. Before the minister leaves that—he has reflected upon the commissioners two or three times in respect to their alleged default in not obtaining data as to the interest, and he says that the whole account could be made out in two days. It is two weeks since he has had notice of this matter. Why has he not procured a correct statement of the interest if it is so easy to ascertain it.

Mr. PUGSLEY. I will tell my hon. friend why; I have not access to these various banks.

Mr. R. L. BORDEN. Why not?

Mr. PUGSLEY. Because I have not the right to have access to them. That was the duty of the commissioners and why did they not do it? These commissioners were charged with the duty of doing it. They were charged with the duty of reporting as to the receipts and the expenditures of this company. Although Mr. Hazen, the premier, is a director ex officio of this company and was then, and although the provincial secretary was then and is now an ex officio member of this company they did not choose themselves to ascertain what had been the expenditures but they charged this commission with the duty of doing it and they gave them power of summoning before them all parties and having brought before them all books, and all accounts. And the hon. member from Elgin (Mr. Crothers) has put this before the House as a report which is worthy of the confidence of this House and upon which the House should Act. And, when asked as to how this interest account was made up, the premier of New Brunswick said it would take months to make out a statement as to how they arrived at the interest. What I do submit to the members of this House and to the people of this country with all confidence is that when these commissioners issued this report they ought to have ensured that the interest amount was absolutely accurate; they ought to have known that it could be relied upon.

Now, Sir, what do these commissioners recommend? They recommend that the directors of this company, and more especially the ex officio directors, the Hon. Mr. Tweedie and myself, should be called to render an account to this company for its receipts and expenditures. Sir, I have always been ready to render an account of my dealings with this company as an ex officio director. I would have been glad if, instead of transferring the matter to this forum and taking up the time of this parliament, the provincial government had taken some steps to carry out the recommendations of these commissioners and to have an account taken. But, Sir, the legislature of New Brunswick has now been prorogued and no action of any kind was taken on this report by the provincial government. The only reference that was made to it so far as I have observed, and I read the papers daily, was to put two series of questions to the government, one of which was answered in the manner to which I have directed attention. Sir, I have waited until now, waited since the last of March, when this report was signed and published. I have waited until now for some action to be taken on the part of the provincial government to have the report of these commissioners carried out and to have some steps taken to have an accounting. They have not chosen to take any steps to that end, although under the law the present Attorney General and the present Provincial Secretary are ex officio directors of the company and are entitled

to call upon me and every other director for an accounting. They have taken no steps to do so, and why? Because they knew that if they brought an action in the Supreme Court in Equity, the objection would probably be raised in this parliament that the matter was sub judice and therefore could not properly be brought up in this parliament, and they would have been further away than ever from their cherished design of driving me from the government. They have not done so, and I have taken the only course open to me: I yesterday instructed my solicitor—the legislature having prorogued only a few days ago, to issue a summons in the Supreme Court of Equity of the province of New Brunswick, making the New Brunswick Coal and Railway Company and the other parties defendants, so as to bring all parties before the court for the purpose of having an accounting as to the receipts and expenditures made by that company, and for the purpose of having a decree made as to the state of its accounts. Having taken that course, Mr. Speaker, it seems to me that I have done all that I can properly do, and what it is right and proper that I should do.

While I may not perhaps be as careful as I ought to be, particularly in reference to my own affairs, and although in respect to those loans which were made to the company, I ought perhaps to have taken a receipt or a promissory note from the company, yet I want to say that the man has yet to live who can stand up and say that I have ever wronged an individual or the public in respect to a single dollar. I have always been prepared, in the legislature of New Brunswick, where I spent many years, and before the people of the province, who know me, to meet any charges that have ever been made or can be made with regard to myself. In this parliament I am a comparative stranger, but I have endeavoured to present the facts of the case as I believe them to be. I have endeavoured to point out errors, inconsistencies, falsehoods, inaccuracies of the grossest kind, evidences of the greatest partisanship, in this report. I think I can acquit my conscience of having done anything but what I should do in presenting the facts of the case to this House.

In conclusion, Mr. Speaker, I submit myself to the judgment of this House. I recognize that I could not remain a member of this House or a member of this government if I ceased to have the respect and regard of the members of this House. I feel that I could no longer be worthy to sit among hon. gentlemen who occupy seats in this House if I had been guilty of any act unworthy of a public man. I desire therefore to leave my case in the judgment of this House; and, Sir, with your permission, in order that the members on both sides of the House may feel the more free to discuss this case and comment upon it, I will ask the liberty to retire while the discussion is going on and until the House comes to a conclusion upon it.

Mr. O. S. CROCKET (York, New Brunswick). Mr. Speaker, I would not have thought that any hon. member of this House, much less one occupying the responsible position of a Minister of the Crown, would have ventured to defend himself against such grave findings as are contained in the report of this Royal Commission, upon such flimsy pretexts as those that have been advanced by the Minister of Public Works this afternoon and this evening. I ask hon. members on both sides of this House to ponder for a moment the passages which have been quoted from that report by my hon. friend from West Elgin (Mr. Crothers), and then ask themselves if in all the heat and verbosity and repetition which the Minister of Public Works has exhibited, there is one single statement that breaks down or in any way impairs the force of the arraignment with which he stands confronted before the country to-day. I ask the members of this House what they think of all this talk about a typographical error, which does not affect in the slightest degree one single transaction of the very many transactions for which this commission has condemned the Minister of Public Works. My hon. friend from West Elgin has already dealt with that typographical error. I was surprised that the Minister of Public Works would attempt in this House to represent that that error in the statement regarding the capital stock of the New Brunswick Coal and Railway Company was a deliberate attempt on the part of the commission to deceive the public. Why, if the hon. minister had looked at the opposite page of the report he would have seen that the commission set out fully that the capital stock of the company was $100,000 and that the number of shares Mr. Skinner disposed of amounted to $43,000, and could not possibly have amounted to $430,000. But, Mr. Speaker, as in a former case in which the Minister of Public Works was involved, this typographical error has been used for the purpose of drawing a herring across the trail. Now, Mr. Speaker, I have read with the greatest care this report, I have read also with the greatest care the evidence on which that report is founded, and I am prepared to say, speaking as a member of this House, that there is not one accusation or finding in that report that is not absolutely borne out by the evidence. The Minister of Public Works has stated in his closing remarks that he has endeavoured to show the inconsistencies and errors and mistakes that

appeared in that report. I am here to-night to show by the evidence, which I have with me, that the statement which the hon. gentleman has made to this House to-night with reference to these matters is absolutely contradicted by the evidence, and much of it by his own statement before the commission; and I regret very much that the Minister of Public Works, under the pretext of giving us an opportunity of discussing this question freely should have seen fit to withdraw from this House, because I intended to put a few questions to him in reference to the matters which I say he has represented, in a false manner before this House.

Mr. FOSTER. Let him be called back.

Mr. CROCKET. This report finds that the New Brunswick Coal and Railway Company, of which the Minister of Public Works (Mr. Pugsley) was the leading spirit was guilty of every conceivable form of malfeasance. After a full examination of every officer and member of the company, of every banker who did business with it, of the company's solicitor, of every man who was supposed to have any knowledge of its affairs, this commission found that there was a misappropriation of $134,000, that bonds had been illegally endorsed and granted, that subsidies had been illegally paid, that books and accounts had been falsified. In short they found this company guilty of a violation of every principle and rule of conduct which should govern the administration of trust money, and in addition found it guilty of the violation of every one of the statutory safeguards which were thrown around it in the public interest. I would like to know if the editor of the Toronto 'Globe' will be agreeably disappointed when he reads the speech made by the minister this afternoon and evening. I would like to know if the editor of that journal will be of the opinion that the Minister of Public Works has defended himself in so convincing a manner that any fair minded man can fail to acquit him at the bar of public opinion.

Contrast the statement made by the minister with the evidence he gave before the commission. The hon. minister denied that he was the general manager of this company and characterized the statement to that effect as absolutely false and not borne out by the evidence. He sought to create the impression that he was not the head and front of this company. Well, in this connection I desire to refer to the evidence of that bosom friend of the minister, Mr. Geo. McAvity, who was president of this New Brunswick Coal and Railway Company. Mr. McAvity stated, as will be found in the report of his evidence at page 534, that Mr. Pugsley was the financial head of the company. And at page 363, Mr. McAvity further said that Mr. Pugsley substantially controlled the whole business. Again at page 534, Mr. McAvity, when asked:

If your manager told you, would you issue a check?

Mr. Powell—Mr. Pugsley was your manager?

Ans. We called him the financial head of the company. He was the representative of the government in the company.

Mr. CARVELL. Where does the general manager come in? You said you were going to prove from Mr. McAvity's evidence that the Minister of Public Works was the general manager.

Mr. CROCKET. Mr. McAvity's statement was that Mr. Pugsley was the financial head of the company.

Mr. CARVELL. That is right.

Mr. CROCKET. And further, that Mr. Pugsley substantially controlled the whole business. What further evidence does my hon. friend from Carleton want of the Minister of Public Works acting as general manager, than the statement by the president of the company that he controlled the whole business? There is another piece of testimony on this account also, which will be found in the statement the Minister of Public Works has himself referred to. That is the statement made by Mr. Sharpe, and it is spoken of as an audit of the accounts of this company. It will be found at page 199 of the report, orders in council and other documents. On the 31st of May, 1904, there is a charge, in that statement of the managing directors salary and fees, $5,000. I would ask my hon. friend from Carleton (Mr. Carvell), seeing that the Minister of Public Works has departed, to whom that could have reference, if not to the Minister of Public Works? Mr. Pugsley, when asked what salary he got, if he got any as managing director, replied that Mr. Sharpe had submitted a proposal that he should get $5,000, but that the other ex-officio director of the board, the provincial secretary, now lieutenant governor of the province, had turned the proposal down. And this, I take it, is the $5,000 which the minister referred to as the salary of the managing director. There can be absolutely no question that the Minister of Public Works was the controlling spirit, the head and front of that company. There can be no doubt at all either that he not only managed all the financial affairs of the company but that the idea of the formation of that company originated in his fertile brain. As has been pointed out, there was the late A. I. Trueman, who was the partner of the Minister of Public Works, there was his friend Mr. McAvity, there was Mr. Skinner—every member of the directorate and every member of that company was known as belong-

ing to the Liberal machine in the province of New Brunswick. And also as has been pointed out, not one of them put a single dollar into the treasury of the company; every dollar that the company handled they got out of the treasury of the province of New Brunswick or out of the treasury of the federal government at Ottawa.

Now, the Minister of Public Works has sought to cast discredit upon this commission by representing to this House that they were not justified in the statement that this company kept no books, and he—rather ingeniously, I thought—quoted from the report the statement in reference to the books which were kept at Norton and which related to the portion of the Central road from Norton to Chipman, and asked the members of the House, in view of that statement, what they thought of the statement that this company had no books or records. Why, at the very bottom of the page from which the minister quoted was a statement that outside of these books there were no records kept by the company, and more than once in their report the commissioners state that the books at Norton and so far as that portion of the road was concerned were well kept. But the books, the lack of which the commissioners comment upon, are books relating to the construction of the so-called 15-mile section and the other expenditures in connection with the purchase of the Central Railway and the receipt and disposal of moneys procured as subsidies and raised upon bonds, &c. This company was incorporated in 1901 to build a line of railway from Chipman to Gibson, opposite the city of Fredericton, a distance of 45 miles. A contract was entered into between the government and the company, the government granting the subsidy for the building of that line. There is not a book to be found, and there was not a book available for the examination of this commission with reference to that portion of the work. There was a secretary to that company, and a treasurer and a president. The Minister of Public Works referred to J. J. F. Winslow, of Fredericton, who became, after the death of Mr. G. W. Allen, the secretary of the company, and who, in Mr. Allen's lifetime, acted as his clerk. And it appears by the evidence of Mr. Winslow, who was actually the secretary of this company, that he did not know even who the treasurer of the company was, that Mr. Allen kept no books, that he (Mr. Winslow) after he became secretary, endeavoured to make up a book from scattered data which Mr. Allen furnished him, a statement which is on the face of it incomplete, and which never professed—and nobody ever stated that it professed—to represent the complete transactions of the company. It is in the evidence of Mr. McAvity that he had no books. He states in his evidence not only that he had no books, but that he could not find any books except the books of the company at Norton. And there had been no contention made, until the effort of the Minister of Public Works to-day, to controvert the statement that there were no records or books of account that could be relied upon to show the expenditure of the large amount of money that passed through the hands of the company. Not only had this company no books of account, but the books of account of the Barnes Construction Company to whom they let the contract for the construction of the Fredericton-Gibson section were not available. The Minister of Public Works sought this evening to create the impression that again this commission had attempted to deceive the public by stating that the company had no books by making reference to the statement that Mr. Shannon, the auditor of the Intercolonial Railway, made when he examined the books of the Barnes Company that he was making up a statement of cost for the purpose of obtaining a federal subsidy. Why, that statement appeared in the report itself, that Mr. Shannon had access to the books that the Barnes Company had at the time. But when the commission sought to obtain these books, they were not available, the books had disappeared and the commission made an effort to find the books of the Barnes Construction Company, and notwithstanding this they were not produced before the commission. But I propose to read from the evidence of Mr. Barnes with reference to that. I refer to page 643 of the evidence:

Q. Have you any cheques or drafts that were given by you or accepted by you in connection with this transaction

A. I did not keep track of them.

Q. Have you any cheques or drafts in connection with this matter between you and company?

A. I don't think it. The business was wiped out and that was the end of it.

Q. Did you destroy your drafts?

A. I did as a general thing.

Q. Your cheques?

A. I destroyed them. At the end of the year the cheques are checked over and that is the end of them.

Q. Is that your invariable custom?

A. As a general thing I do.

Q. Have you heard any one tell of your books since?

A. No.

Q. Have no idea where they are?

A. No.

This is the evidence of the manager of the Barnes Construction Company with reference to the books which this commission sought to get before it, to determine as to the correctness of the payments made to him. Not only with reference to the Barnes Construction Company were books found to be missing, but when we come to

the loans alleged to have been made by the New Brunswick Real Estate, Loan, Trust and Investment Company, of which the minister was practically the sole owner, the evidence is that there were no books. I desire to give the evidence with reference to that, which will be found at page 697. Judge Trueman, of whom the Minister of Public Works made mention, was the secretary, it appeared, of this company, a company that kept no books and made loans without any record, and without charging interest:

Q. I should like to know about the credits or payments made to you before this $5,000 was got by you?

A. If Judge Trueman were living, I would assume you could get it from him or from Mr. Allen, the secretary.

This, it will be understood, is the examination of the Minister of Public Works.

Q. Mr. Allen had no books?—A. Mr. Allen told me he was keeping a correct account.

Q. You cannot give us the amounts that were paid to you on account of these advances you made to Mr. Evans or the company or for the use of the company, down to the 1st day of July, 1904?—A. No, I can't; my reason is this, I keep no personal trace of my money matters at all.

This is the evidence of the Minister of Public Works:

Judge Trueman had a power of attorney and my secretary had power of attorney as well; these accounts I know were loaned and Judge Trueman reported to me on the 30th of June that there was considerably more than $5,000 due to the company.

That is the New Brunswick Real Estate Loan and Investment Company.

Q. I was asking you if you could give us the amounts?—A. That is the reason.

Q. We are to understand that you did not keep books of your own financial transactions?—A. Yes, I could say that, I can say that I did not. Since I have been in business I have kept partial books of accounts, no credit amounts. All these matters I trusted entirely to Mr. Allen and to Mr. Trueman.

Further, on page 698:

Judge Trueman was treasurer and secretary and was running the transactions.

And yet there is the statement of the Minister of Public Works that the secretary and treasurer of that company, with this name, the New Brunswick Real Estate, Loan and Investment Company, carried on its business without keeping any books. Yet the minister reflects upon the commission because they had not brought before them the executor of the Trueman estate to question him with regard to Judge Trueman's books and papers. He does this although when before the commission he himself stated that there were no books kept by this company. Not only in reference to these two companies—the Barnes Construction Company, to which thousands of dollars were ostensibly paid out of the treasury of the New Brunswick Coal and Railway Company, and the New Brunswick Real Estate, Loan and Investment Company by which loans were alleged to be made to the New Brunswick Coal and Railway Company, were the books missing and the records lost, but even in regard to the firm of J. M. Robinson & Company, who discounted bonds to the amount of $373,000. Would you believe that when Mr. Robinson was before that commission and was asked about the record of that transaction, he stated that he could not find his books or the record of that transaction.

Mr. CARVELL. I want my hon. friend to tell me where he finds that evidence, because he must know that Mr. Robinson produced his books, statements and accounts for every cent of it and we have the accounts submitted to the commissioners containing every cent of that amount. I think my hon. friend is not doing himself justice.

Mr. SCHAFFNER. Do not worry about him.

Mr. CROCKET. At page 649 this evidence of Mr. J. M. Robinson will be found.

Q. Did you find your books of that year?—A. No.

Q. Have you instituted a search for them?—A. I searched all over my papers and was not able to find them; I presume they were destroyed.

Q. Were the books of that year destroyed?—A. Yes,—well I cannot find them.

Mr. Robinson's brother was also brought before the commission and gave precisely the same evidence, that the books could not be found. I think, after hearing these extracts from the evidence, the House will be able to measure at their true value the statements made by the Minister of Public Works with reference to the books and records of the company.

Furthermore there is the evidence of Mr. Corbett who was appointed to make an audit and who claimed that he could not make an audit from the data put before him. At page 175 of the evidence, Mr. Corbett said that he could not find any book of account from which he could make these things up. So I might quote from several other witnesses. Mr. C. N. Skinner has been referred to. I believe he acted as solicitor for this company. Mr. Skinner was asked in reference to an item of $1,800, that he seems to have got out of the treasury of the company. He stated that he had nothing to show what he got the $1,800 payment for and he had no account against the company. That was the class of evidence with which the commission had to

deal. As I stated before, every officer of this company, including the president and every director who was living, was summoned before the commission and questioned in regard to all these transactions, and there is line after line and page after page in that report of nothing but: I cannot remember, I do not remember, I do not know anything about it. Yet in view of a record of that kind, the Minister of Public Works has the temerity to come before the parliament of Canada and draw upon the fact that the great majority of the members of this House are not familiar with these transactions, making a statement which he hopes to spread broadcast throughout this country for the purpose of discrediting this commission.

One of the first errors in the report which the minister pointed out was a statement that there was a note of $10,000 which was discounted by the Hon. F. P. Thompson in the month of November, 1902, of the proceeds of which no trace could be found. The minister stated that if the commission had turned up the account of the Barnes Construction Company they would have found that amount credited there. I have the account of the Barnes Construction Company with me here now, and I would challenge the Minister of Public Works, if he were here, or his counsel the member for Carleton (Mr. Carvell) to show——

Mr. CARVELL. I accept the challenge—

Mr. CROCKET. In the month of November, 1902——

Mr. CARVELL——if my hon. friend will permit me—just give me time to look up my papers. I presume my hon. friend has the Barnes Construction account here. I ask him to turn to page 502.

Mr. CROCKET. Yes, find me a payment of $10,000 in the month of November.

Mr. CARVELL. Now, I will tell the hon. gentleman that if he will look down under the date of February 21,——

Some hon. MEMBERS. Oh, oh.

Mr. CARVELL. Hold on, now.

Some hon. MEMBERS. Sit down.

Mr. DEPUTY SPEAKER. Order.

Mr. CARVELL. I tell my hon. friend and he knows it, the $10,000 is there and—

Some hon. MEMBERS. Oh, oh, order.

Mr. CARVELL. And if he will turn up to——

Some hon. MEMBERS. Oh, oh.

Mr. CARVELL. Mr. Chairman, I ask——

Mr. DEPUTY SPEAKER. Order.

Sir WILFRID LAURIER. Order.

Mr. DEPUTY SPEAKER. Order. I rise to order and the hon. gentleman will please take his seat. The hon. member for Carleton (Mr. Carvell) was speaking, I understand, with the permission of the hon. member and in that case he should be heard.

Mr. CROCKET. I was quite willing that the hon. gentleman should point out that payment. He accepted my challenge to point out the payment in the month of November, 1902, of $10,000 and he has not done it.

Mr. DEPUTY SPEAKER. The hon. member for Carleton, New Brunswick, in accepting the challenge and privilege granted to him should confine himself exactly to the terms of that privilege.

Mr. CARVELL. I will explain this at a later date.

Mr. CROCKET. In that connection, the statement of the commission was clear that there was a note discounted in the month of November, 1902, marked 'F.P.T.', which are the initials of the Hon. F. P. Thompson and that no trace can be found of the proceeds of that note which were obtained from the bank in the month of November, 1902. The Minister of Public Works stated that if they had looked at the account of the Barnes Construction Company they would have found that amount credited there. That statement is absolutely contrary to the evidence and the account of the Barnes Construction Company will show that that statement is not correct. Nearly every other statement that the Minister of Public Works made this afternoon is capable of contradiction and of refutation from the evidence brought before the commission. He spoke of the Hon. F. P. Thompson as a prominent and honourable man against whom nothing should be said. I have no desire to reflect in the slightest degree upon the Hon. F. P. Thompson, but, I think, in view of the reference which is made in this report itself to the Hon. F. P. Thompson, the Minister of Public Works would have been well advised if he had left out the high encomium which he pronounced upon that gentleman. At an earlier page in the report it is stated, and the evidence is on record in this book, that when this contract was entered into between the government of New Brunswick and the Central Railway Company and when the contract in pursuance of this contract was let by the Central Company to Dr. de Bertram for the transfer of the provincial subsidies. Dr. de Bertram was required to assign to the same Hon. F. P. Thompson and a friend in Fredericton no less a sum than $28,000 before the government would consent to the transfer of these subsidies to Dr. de Bertram. The Minister

of Public Works this afternoon, notwithstanding what was admitted by Senator Thompson and Sheriff Sterling on the stand, comes into parliament and states that some gentlemen who are thoroughly familiar with the affairs of the Central Railway Company have told him that this statement is absolutely false. As a matter of fact, there is no man in Canada to-day who is more familiar and has been more familiar with the affairs of the Central Railway Company from their inception down to the present time than the Minister of Public Works himself. I may say in that connection that there was a memorial presented to the Lieutenant Governor in Council in New Brunswick in the year 1892 containing seventeen specific charges of corruption and malfeasance against members of the government at that time, amongst whom was to be found the Minister of Public Works. Paragraph 5 of the memorial reads:

That the said Central Railway Company, or those representing their interests and managing the earning and obtaining payment of the subsidies under their contract with the provincial government, were unlawfully and corruptly asked and compelled to pay and did pay the said Attorney General Blair and the Hon. Wm. Pugsley, then and now Solicitor General, and members of the executive government of the province, large amounts as part of the arrangements for and to enable them to get payments of the said subsidies under their said contract, and the payment of the said subsidies were delayed until payment was made to or for the said Attorney General and Solicitor General, and other members of the executive, to aid them in their elections, or the election of their supporters of the general assembly.

So, you will see that the name of the Minister of Public Works has been connected with the affairs of the Central Railway Company from their inception away back in the year 1889.

Mr. FOSTER. Was that $28,000 paid to Messrs. Thompson and Sterling for construction work?

Mr. CROCKET. It is hardly necessary for me to say that it was not. That was paid—and there is no evidence to the contrary—for no other purpose than graft. I have no hesitation in saying that it was a pure graft. There was no evidence adduced before that commission to justify in any manner at all the payment of that $28,000 of public moneys out of subsidies voted by the government to these two gentlemen, absolutely none. But, Dr. de Bertram, who obtained the contract, was required to assign the subsidies and that amount was paid to these gentlemen. So much for the very first inaccuracy or error that the Minister of Public Works has pointed out in this report.

Now, he has also stated that there is no foundation for charging illegal payment of subsidies in connection with the construction of the 15-mile section from Chipman to Minto. In order that the House may understand this matter I will give a brief resume of the legislation under which the subsidies were paid. In the year 1882 there was a general Railway Subsidy Act passed by the legislature of New Brunswick which was called the Lobster Act and which provided for the payment of subsidies to the Central Railway among many other railways that were projected at that time in New Brunswick. That subsidy Act provided for a payment of $3,000 per mile. The distance from Chipman to Gibson was 45 miles, which would make a total subsidy payable for the whole 45 miles of $135,000. Of that amount, before New Brunswick Coal and Railway Company was incorporated, $13,000 had been paid on account of work that had been performed under previous contracts in the years 1890 and 1896. Out of the subsidy $5,000 was paid, in 1890, on account of work performed by Dr. de Bertram and $8,000 on account of work alleged to have been performed under a contract in 1896. Of the subsidy voted by the legislature $13,000 was exhausted before the New Brunswick Coal and Railway Company obtained its contract, and the right to receive any moneys from the government. That $13,000 had been paid on account of the 15-mile section which, at the rate of $3,000 a mile, would entitle it to a subsidy of $45,000. But $13,000 had been paid which left a balance available under the Act of $32,000. This contract, which was entered into with the New Brunswick Coal and Railway Company for the construction of the 45 miles of railway, provided, not for a subsidy of $3,000 a mile as provided for by the Act, but for a subsidy of only $2,500 a mile and in that regard there is a very interesting order in council to which I wish to direct the attention of the House. The order in council is dated July 2, 1901, and this extract from it appears on page 4 of the proceedings.

That the provincial aid so to be given shall be at the rate of $2,500 per mile, for a distance not exceeding 45 miles, and that the Lieutenant Governor shall cause the first mortgage bonds of said company to the amount of $250,000 to be guaranteed by the Receiver General pursuant and subject to the provisions of the said Act passed at the last session of the legislative assembly.

Under the order in council a contract was entered into by which the government granted a subsidy of $2,500 per mile to this company. At $2,500 a mile the total amount that would become payable to this company for the construction of the whole 45 miles would be $112,500, or the total amount

for the 15 miles which were constructed would be $37,500, $13,000 having been paid under the prior contract. That would leave a margin of $22,500 between the amount of the subsidy fixed by the legislature at $3,000 per mile and the amount that the government contracted to pay over to this company. There is a very interesting story in connection with how that difference of $22,500 was disposed of. I have already referred to the order in council of the 2nd of July, 1901, and that order in council, after providing for the payment of a subsidy of $2,500 per mile to the company although the Act provided for $3,000 per mile, makes this further provision:

The Provincial Secretary also reports that there has been paid by the Receiver General to the Central Railway upon and on account of the subsidy of $3,000 per mile, payable under the said Act, 45 Vic., chap 34, in respect to the line between Chipman and Fredericton the sum of $13,000, and the said Central Railway Company has also lodged with the Receiver General orders against such subsidy to the additional amount of $8,500, and as the subsidy payable under such Act is $3,000 per mile, and the work done on said line has by reason of the lapse of time since it was done and for other reasons become of comparatively little value, he recommends that the said sum of $13,000 shall not be deducted from said subsidy, and also that the amount of such orders or such portion thereof as the Lieutenant Governor in Council may deem just, shall with the approval of the legislature be paid to the holder or holders of such orders, said amount to be paid pro rata as each section of 10 miles is completed.

Now, the orders for $8,500 which are there referred to are orders, $7,500 of which were held by William Pugsley and C. N. Skinner and the order in favour of Mr. W. F. Whitehead for $1,000, Mr. Pugsley had himself received $2,250 and Mr. Whitehead $300 on these orders previous to the passing of this order in council. And yet this order in council makes that provision, an order in council which on its face appears to have been drawn by the then Attorney General himself. There is another order in council passed on the 12th of April, 1902, which is to be found on page 44 of these documents and that makes further reference to the $8,500 of orders which were held by the Minister of Public Works and Mr. Whitehead. This second order in council on this subject is rather interesting and it sets forth——

Mr. FOSTER. What is the date?

Mr. CROCKET. 12th of April, 1902.

Mr. FOSTER. He was then Attorney General?

Mr. CROCKET. Mr. Pugsley was then Attorney General. It says:

That there was paid by the Receiver General to the Central Railway Company on account of the subsidy of $3,000 per mile, payable under said Act, between Chipman and Fredericton, the sum of $13,000, and the said New Brunswick Coal and Railway Company have shown to the satisfaction of the Provincial Secretary that they are liable to pay the sum of $8,500 for work done on the railway between Chipman and Fredericton, which the company undertake to pay and for the payment of which the Lieutenant Governor in Council engaged to ask legislative authority to pay.

Bear in mind that the only orders amounting to $8,500 that were lodged with the Deputy Receiver General were orders lodged by Mr. Pugsley and Mr. Skinner for $7,500 and another order for $1,000 lodged by another member of the New Brunswick legislature, W. T. Whitehead, another member of the Grit ring in the province:

That on further considering the provisions of the said 45 Vic., chap. 344, the Provincial Secretary is of opinion that the company is by law entitled to be paid a subsidy at the rate of $3,000 per mile. No legislative authority for payment of said $8,000 is necessary.

These are the orders of Messrs. Pugsley, Skinner and Whitehead:

That the said sum of $13,000 as paid on account of work done by the Central Railway Company, and said amount should be deducted from the subsidy to be payable to the New Brunswick Coal and Railway Company, that the company is, however, willing that in addition to the said sum of $13,000, there shall also be retained by the province the further sum of $1,000, which, as the distance from Chipman to Gibson is 45 miles, would make the subsidy actually available to this company $2,500 per mile. It is recommended that there be paid to the New Brunswick Coal and Railway Company the said sum of $8,500, the same to be chargeable against the said subsidy of $3,000 per mile, the same to be paid on the understanding with the said company that the said sum of $13,000, said sum of $8,500 to be now paid and said amount of $1,000, or $22,500 in all, shall be deducted from the subsidy of $3,000 per mile, payable under the said Act, so that the total remaining subsidy to be paid to the company (including said $5,000) shall be at the rate of $2,500 per mile, and that provincial debentures for the said amount to be issued by the Receiver General in amounts of $500 each, bearing interest at a rate not exceeding 4 per cent per annum, such debentures to be signed by the Provincial Secretary and to be under the great seal of the province; that the said debentures be issued as provided for by section 6 of the said Act, that the same be sold and the proceeds thereof applied to the payment of the said sum of $8,500.

That is the way, Mr. Speaker, that the difference in the aggregate of the amount in the subsidy payable under the contract with the company and the subsidy provided by the Act is accounted for; $13,000 having been previously paid, $2,250 of that on the orders of the Minister of Public Works and Mr. Skinner, and $8,500 more on the same orders upon which $2,250 had been

paid and another $1,000 that seems to have been lifted at the same time. In view of these records, I think that the statement made by the Minister of Public Works about there being no ground for saying that there was any illegal payment of subsidies will not carry very much weight. The records show indisputably that the company received on account of this fifteen mile section $57,000 although under the contract they were entitled to be paid only $37,500 on account of the fifteen mile section. The statement will be found on page 42 of this case. There was paid on account of the fifteen mile section and the branches $77,000, of which $20,000 was for the branches, leaving $57,000 of subsidy paid to this company for fifteen miles where $45,000 was the maximum that was payable to the company under the provisions of the Act. There is no question but that that amount of $70,000, including the $13,000 previously paid, has been paid in subsidies under the Act of 1882 in respect of the main line and exclusive of the branches on account of which $20,000 was paid under a later Act, notwithstanding that only fifteen miles of railway have been built, which would justify a subsidy of $45,000. So that there has been illegally paid in connection with that fifteen mile section $25,000 of subsidy. I have already indicated what became of $8,500 of this amount, that amount having been paid under these orders which were held by the Minister of Public Works and Mr. Whitehead, and which appear in the records here as having been lodged with the deputy receiver general, and having been a first charge on the subsidy as it should be earned under the contract. There is another interesting fact in connection with the payment of this $2,250 to Mr. Pugsley and Mr. Skinner. I will put on the record the references in the report so that there may be no misapprehension. There will be found on the record an assignment from Dr. de Bertram to Wm. Pugsley and C. N. Skinner for $7,500 on pages 92 and 93. Then there is an order from Mr. Pugsley and Mr. Skinner to the receiver general to pay $2,750 to the Bank of New Brunswick at page 97. Then, the Attorney General, the late Mr. Blair, writes to the Deputy Receiver General inclosing the order of Messrs. Pugsley and Skinner and directing him to write to the Bank of New Brunswick stating that that $2,750 will be a first charge on the subsidy, and will be paid out of the first moneys earned—at page 98. The Deputy Receiver General accordingly writes to the bank—page 99. Then there is an order from Messrs Pugsley and Skinner to the Receiver General directing him to pay David O'Connell $2,000, and Mr. Pugsley incloses order to Mr. Babbitt, deputy receiver general, the same day and asks that a letter be sent to Mr. O'Connell similar to the one that was sent to the Bank of New Brunswick. Mr. O'Connell, I may say, is a money lender in the city of St. John; so that Messrs. Pugsley and Skinner do not seem to have lost very much time in hypothecating the assignment of the subsidies they obtained. Then there is a further order signed by Messrs Pugsley and Skinner to the Receiver General for $550, and a letter asking the Receiver General to send to Mr. Trueman a letter addressed to the bank similar to the one that was sent to O'Connell; that is dated the 4th of January, 1896, and is found at page 103. So that there were orders outstanding against the $7,500 assignment, amounting to $5,300. I have already referred to the order in council that was passed providing for the payment of a further sum of $8,500 on account of these orders; and it is very significant that the Deputy Receiver General should be instructed later on to make a payment of $5,630 out of the subsidy that was paid under the order in council of 1902 to David O'Connell, the money lender, who was Mr. Pugsley's creditor under the other assignment, and that he should receive a payment out of a further subsidy that was voted by the provincial legislature and out of a subsidy that was paid illegally. So that when the records and the evidence are examined, it will be found that there has been no warrant, to say the least, for the statement that the Minister of Public Works has addressed to the House on this subject this afternoon. The Minister of Public Works has also stated that the reference made in this report to the guarantee of bonds is unfounded and false; he spoke of it as one of the most serious misrepresentations made in the report. The reference is to be found at page 19, beginning at the bottom of page 18:

> Notwithstanding this fact, it appears conclusive from the evidence that the whole $250,000 par value of these 3 per cent bonds had been guaranteed and delivered to the company up to the 6th of August, 1903.

The evidence bears out that statement, but before proceeding to discuss that point and in order that the House may have a clearer understanding of this question of the guarantee of bonds, let me further refer to the legislation passed in that connection. In the session of 1901 an Act was passed incorporating the New Brunswick Coal and Railway Company. During the same session another Act was passed authorizing the Lieutenant Governor in Council to guarantee the bonds of any company which would undertake to construct a line of railway from Chipman to Gibson to the extent of $250,000 upon the conditions, however, set out clearly in

the statute, that the province should not be liable for one cent or that any portion of the bonds should be guaranteed until the line was completely constructed and in operation and a certificate to that effect given by the government engineer. That Act was subject further to this distinct provision that the bonds should not be guaranteed until this company had established and in working order a mining plant capable of mining 500 tons of coal per day. Those were the conditions precedent to the right of the government to guarantee any bonds under the Act of 1901. There was an Act passed in 1902 by the legislature amending that Act to this extent. Section one provides that notwithstanding the provisions of the Act of 1901 the Governor in Council may guarantee bonds upon progress estimates subject, however, to their not exceeding in amount the cost of the work already completed relatively to the whole cost of the road, and also providing that there shall be retained such an amount of first mortgage bonds, until the establishment of the mining plant provided for by such Act, as will, in the opinion of the Lieutenant Governor in Council be sufficient to provide the cost thereof. That provision has never been removed or modified in any way with reference to the retaining of the bonds providing for a mining plant. This amendment I have quoted, although it provided for the issue of bonds upon progress estimates, provided also that there should be kept in mind the cost of the work already completed relatively to the whole cost of the road.

In the session of 1903 there was a further Act providing that there might be a further issue amounting to $200,000 for the purchase of the Central Railway, the Act setting out that $180,000 was to provide for the purchase price of the Railway and $20,000 to recoup the company for expenses made for the betterment of the road. In 1904, a further Act was passed and that Act is rather an interesting one. It contains the section which the commission has spoken of as an obscure section, and which opinion the Minister of Public Works tried to make light of this afternoon. When hon. members see the manner in which this was smuggled into the Act they will conclude that the commission were quite justified in speaking of this provision in the way they did. The Act in question is entitled an Act to amend the law authorizing the granting of aid to certain railways. There are five sections in it. The New Brunswick Coal Company and Railway Company is mentioned in the recital and the first section confirms the purchase of the Central Railway by that Company. The second section relates to a distinct and separate railway, the Restigouche and Western Railway, and refers to an Act affecting entirely that railway. Then the fourth reads:

If by reason of work on any section of the said line of railways being or having been found to be more than ordinarily expensive, it is found necessary to do so, the Provincial Secretary, by and with the authority of the Lieutenant Governor in Council, may endorse such guarantee on the bonds required to complete such road, and the amount of such guarantee may be greater than the mileage completed bears to the whole mileage of the line.

That section related to the Restigouche and Western Railway, and when the references made in that statute are looked up, it will be seen that they deal entirely with that road. But what does the ingenious Attorney General of that province do in the same Act? He adds this as section 5:

Section 5. The said Act, Edward VII., chapter 41, shall be construed as if the provisions of section 4 had been enacted at the same time as said Act and as part thereof.

What member of this House is there who, reading the provisions of that Act would have taken them to amend the Railway Act governing the guaraantee of bonds to the Central Railway. The provision for the guarantee of bonds regardless of mileage in section four related entirely to the Restigouche and Western. I ask if the Minister of Public Works (Mr. Pugsley) who was then Attorney General of New Brunswick had wished the legislature to clearly understand the effect of the Act he was attempting to pass, he would have made a provision in the way it appears in this statute I have quoted. Why, when that Bill was brought down, the Hon. Mr. Hill, who was a strong supporter of the government, stated that he could not support the Bill because it referred to two different railways and was so mixed up that he could not understand its effect.

That was the way in which provision was made for the guaranteeing of bonds beyond the progress estimates proportioned upon the completed work in comparison with the whole mileage of the road. Now, bearing in mind this legislation, and bearing in mind the Act of 1901, I say, and the statement cannot be controverted, that there never was an amendment made to the Act of 1901 which did away with the provision requiring bonds to be retained for the purchase of a coal plant capable of mining 500 tons of coal per day, and which plant was estimated to cost $50,000. Furthermore, when we consider the Act of 1902, although it provided for the issue of bonds upon progress estimates, it was subject to the provision I have pointed out, that there must always be borne in mind the cost of the completed work relatively to the cost of the whole line, so that, until the Act of 1904, this section of 15 miles was

not entitled to any more than its proportion of the $250,000. The fact is that, notwithstanding that, before the Act of 1904 was passed, just as the commission has stated in its report, every dollar of the $250,000 bonds were guaranteed. The Minister of Public Works cannot dispute that statement. And not only that, but a further amount of $200,000, which was provided in the year 1903 for the purchase of the Central Railway, also had been exhausted, with the exception of $52,000, before the Act of 1904 was passed. Now, I ask any lawyer in this House, or any member of this House who cares to examine these statutes and orders in council, if it is possible for any one to claim that under that legislation, speaking of the issue and guarantee of bonds before the Act of 1904, the whole issue could legally have been guaranteed. There is absolutely no question whatever that these bonds were guaranteed in contravention of the provision of he law, and, in that connection, it should be borne in mind that the Minister of Public Works (Mr. Pugsley) was responsible not only as ex officio director of the Coal Company for the distribution of moneys that went into the treasury of that company, but he was responsible as Attorney General and as a member of the Executive Council for the payment to that company of all moneys from the treasury of the province of New Brunswick. He not only disregarded all these provisions that had been mentioned, but did so in absolute violation of the law and without excuse or justification of any kind.

Proportioning the guarantee of bonds of $250,000 for the whole line of railway, 45 miles from Gibson to Chipman, the 15-mile section would have been entitled, of course, to one-third of that amount. But the Minister of Public Works, as Attorney General of the province, claimed that the first 15-mile section was costing more per mile than the unconstructed 30-mile section would cost, and that for that reason the 15-mile section was entitled to get more than one-third of the bonds. Now, if the evidence is turned up, it will be found, and found in the very document the Minister of Public Works read, bearing the signature of Mr. Evans, and dated 2nd January, 1903, that the estimated cost of the 15-mile section was $130,434, and of the 30-mile section $213,848, making a total of $344,282. That would leave less than 39 per cent for the 15-mile section and more than 61 per cent for the unconstructed 30-mile section. In addition, the Act provided that $50,000 should be retained for the mining plant. Deducting that, you find that $200,000 would remain and that the 39 per cent for the 15-mile section would amount to $78,000 and the 61 per cent for the 15-mile section would amount to $122,000. Besides this, the government had passed an order in council guaranteeing to the federal government the payment of $40,000 for rails advanced by the Intercolonial Railway for use on the 15-mile section and providing that the company should deposit their bonds with the Receiver General to cover the purchase price. This would leave but $38,000 as the maximum amount that could before the passing of the Act of 1904 have been legally guaranteed. Notwithstanding that, the Minister of Public Works was compelled to admit this evening that on August 6, 1903, $338,000 of bonds had been issued and guaranteed. It is true that he said $200,000 would be bonds authorized for the purchase of the Central Railway. But taking him even at that, there would be left $138,000 of bonds that had been issued before the passing of the Act of 1904 for the 15-mile section when, under the statute and orders in council, that section was entitled to receive but $38,000. So that, on his own statement, we find that the government of which the hon. gentleman was a member—and there is no doubt that he was responsible for all these transactions—issued bonds to the amount of $100,000 in absolute violation of the law.

There are some other matters to which I wish to refer, and, as the hour is late, I will ask your permission, Mr. Speaker, to move the adjournment of the debate.

Motion agreed to.

On motion of Sir Wilfrid Laurier, the House adjourned at 12.15 a.m. Thursday.

HOUSE OF COMMONS.

THURSDAY, May 6, 1909.

The SPEAKER took the Chair at Eleven o'clock.

BUSINESS OF THE HOUSE.

Sir WILFRID LAURIER moved:

That on Friday, instead of the time devoted to Private Bills being limited to one hour, under rule 25, the time be extended until the Private Bills order be exhausted or otherwise disposed of.

Mr. R. L. BORDEN. Does this require notice, or has some arrangement been made? I do not understand it.

Sir WILFRID LAURIER. It should be on the Order Paper. This matter was discussed and the understanding was arrived at on Tuesday last.

Mr. HENDERSON. I think perhaps the reason that it is not on the Order Paper is that the notice says that the right hon. gentleman will move it on Friday.

Sir WILFRID LAURIER. No, on Thursday.

Mr. HENDERSON. The notice, I think, says that it should be moved on Friday.

Sir WILFRID LAURIER. No, I think not. If my hon. friend will look at the Votes and Proceedings, he will see it says Thursday.

Mr. R. L. BORDEN. Yes, it is on the Order Paper.

Motion agreed to.

QUESTIONS.

COLLECTION OF MAILS AT GLACE BAY.

Mr. MADDIN—by Mr. Taylor—asked:

1. Who collects the mails from the boxes in the town of Glace Bay, in the county of Cape Breton, and what does he receive for his services?
2. Was the contract given after tenders? If so, how many persons tendered, what are their names and the amount of each tender?

Hon. RODOLPHE LEMIEUX (Postmaster General):

1. Daniel McIntosh, $400 per annum.
2. The contract was awarded to the lower tenderer after public tenders were invited. Only two tenders were received, one from Mr. Daniel McIntosh at $400 per annum, and the other from Mr. Daniel Merlin at the rate of $314, for six trips per week, or $470 for twelve trips per week. As 12 trips per week is the frequency of collection, Mr. McIntosh's tender was the lower.

DREDGING AT PORT ARTHUR AND MISSION RIVER.

Mr. BOYCE—by Mr. Taylor—asked:

1. What are the contract prices for dredging at present paid by the government in Port Arthur harbour, in the Kaministiquia river, and at Mission river, respectively, per cubic yard, scow measure, for rock and other materials?
2. Who are the contractors, and what amounts were paid during the year 1908?
3. Who were the inspectors on the dredges in the three places above referred to?

Hon. RODOLPHE LEMIEUX (for the Minister of Public Works):

1. Port Arthur Harbour:
   Rock excavation, $3; other materials, .26.
   Mission and Kaministiquia Rivers:
   Rock excavation, $2.
   Other materials, .09.
2. Port Arthur:
   R. Weddell, $3,627.67; The Great Lakes Dredging Company, no payment made yet under above contract.
   Mission and Kaministiquia Rivers:
   The Great Lakes Dredging Company, $390,966.67.
3. Port Arthur:
   I. W. Cousins, dredge 'No. 6.'
   Mission and Kaministiquia Rivers:
   James Horrigan, dredge 'No. 15.'
   A. G. Forrest, dredge 'No. 5.'
   F. G. Flanagan, dredge 'No. 8.'
   Wm. McCall, dredge 'Dominion.'
   Geo. L. Allan, dredge 'No. 15,' replacing James Horrigan from 1st to 5th December, 1908.

POST OFFICE AT GREENFIELD, P.E.I.

Mr. FRASER asked:

1. Has the post office at Greenfield, Prince Edward Island, been removed from where it was formerly kept by James Ennis?
2. Who is postmaster at present at Greenfield?
3. Why was the reported removal made, and who asked to have the change made?
4. Were any complaints made against the former postmaster? If so, what was the nature of the complaints?

Hon. RODOLPHE LEMIEUX (Postmaster General). Information having reached the Postmaster General that the post office at Greenfield was not in the most central location, a report was obtained which was to the effect that the office was too far in what is known as the 'Upper end of the District,' and accordingly steps were taken to remove the same to a site better calculated to serve the postal needs of the people. Before the transfer of the office took effect, the proposed postmaster refused to accept the position, and the actual postmaster notifying the inspector to take delivery of the equipment, no other course remained except to temporarily close the office, pending further inquiries which the inspector desires to make after a personal visit to the ditsrict. Apart from the alleged inconvenient site of the office, there were no complaints against the postmaster.

MAIL CONTRACT BETWEEN LORNE VALLEY, PRINCE EDWARD ISLAND, STATION.

Mr. FRASER asked:

1. How many tenders were received by the Post Office Department up to March 26, 1909, for the carrying of the mail between Lorne Valley, Prince Edward Island, and the station on the Prince Edward Island Railway called 48 Road?
2. What is the name of the tenderer, the amount of each tender, and which tender was accepted?

Hon. RODOLPHE LEMIEUX (Postmaster General):

1. Five.
2.

Andrew Finlayson	$50 00
Ed. A. MacGrath	54 00
Malcolm MacDonald 35 cents per double trip	54 60

James McLeod $60 00
Wesley MacLeod.. .. .. 70 00

The tender of Mr. Andrew Finlayson was accepted.

FIRST READING.

Bill (No 176) to incorporate the St Maurice and Eastern Railway Company.—Mr. Ethier.

TRENT VALLEY CANAL—CLAIMS FOR DAMAGES.

Mr. R. L. BORDEN. Before the orders of the day are called, I would like to mention to my hon. friend the acting Minister of Public Works——

Hon. RODOLPHE LEMIEUX. Pardon me, I am not acting Minister of Public Works. I simply answered a question in the absence from the Chamber of the Minister of that department.

Mr. R. L. BORDEN. Then, pardon my misapprehension. I would like to ask the government to lay upon the Table of the House, before the end of the session, a statement of the payments for damages in connection with the Trent Valley canal, from and including the city of Peterborough to the county of Victoria; I am referring only to those within the county of Peterborough. I wish to have the names of the persons, the date, the amounts paid and the purpose for which paid. There ought to be no difficulty about giving me this information before the end of the session.

Mr. GRAHAM. That is in the Department of Railways and Canals.

Mr. R. L. BORDEN. Then, the Minister of Railways will pardon me for overlooking him.

Mr. GRAHAM. Oh, certainly.

Mr. R. L. BORDEN. I am informed that part of it is in the Public Works Department.

Mr. GRAHAM. I will ask the Minister of Public Works if he has any such information.

SUPPLY—HON. WM. PUGSLEY AND THE REPORT OF THE CENTRAL RAILWAY COMMISSION.

The House resumed adjourned debate on the proposed motion of Mr. Fielding, 'that Mr. Speaker do now leave the Chair for the House to go into Committee of Supply,' and the proposed amendment of Mr. Crothers thereon.

Mr. O. S. CROCKET (York, N.B.). Mr. Speaker, before the adjournment of the debate last night, I was discussing the defence of the Minister of Public Works to the charges contained in the report of the Royal Commission, that this company of which he was the head and front, had no records or no books of account, and to the further charges, that the government of which the Minister of Public Works was a member had illegally paid subsidies over to the New Brunswick Coal and Railway Company, and had also illegally endorsed the bonds of that company. I quoted several passages from the evidence with respect to the books and the records which were kept by the New Brunswick Coal and Railway Company, or rather with respect to the lack of those books, which I think fully bears out the statements and the reflections contained in that report. I desire to add one or two passages from the evidence in this connection. In the first place, I wish to quote from the evidence of Mr. J. J. F. Winslow, who succeeded the late G. W. Allen as secretary of the Coal and Railway Company. At page 41, Mr. Winslow was asked:

Q. Was there a treasurer of the company?—A. I do not think there was. I kept track of the expenditure pretty well during the time I was secretary. I would not know about all the expenditures. What I did know I kept account of.

That is the answer of the secretary of the company.

At page 43:

Q. Had you anything to do with the transfer of the railway to the government?—A. I did not know anything about that.

Here we have the answer of the secretary of the New Brunswick Coal and Railway Company, who was supposed to have all the records and accounts, and he states he knew absolutely nothing about the transfer of the Central Railway to the Company.

At page 47, referring to the accounts which Mr. Winslow had made up after Mr. Allen's death from scattered data we have this evidence:

Q. You made up the account yourself?—A. Yes, in fact I made up a new account.

Q. From whom did you receive vouchers?—A. I received Mr. Allen's own vouchers from what I found in the former secretary's office.

At Page 50:

Q. If I understand you right when you entered Mr. Allen's office you found no books of account being kept when you commenced to work for the railway?—A. No, sir.

There is the statement of the secretary after this company had been in business for three years that he found no books of account being kept.

Q. You went to work at that stage to make up an account?—A. Yes.

Q. You gathered all the data you could from Mr. Allen and the papers in his possession; how far did you go back in making that account?—A. I went back in the case of

the Peoples' Bank to the start, that was the first of these items, November 22, 1901; they started to build the railway in October, 1901.

At Page 52:

Q. All accounts you know of which were kept by the company for any other people, person or corporation?—A. When Mr. McAvity became president he wanted to get things straightened out as they should have been. He got Mr. Sharpe and myself to make up the best sort of a statement we could out of what material we had.

Mr. SPROULE. That is fine book keeping.

Mr. CROCKET. Then on page 55 Mr. Winslow says:

When we had any payment to make prior to my being secretary, money would be paid to Mr. Allen. He would get enough to pay Mr. Barnes on his running account and then pay into his private account and from that check out.

At Page 58:

Q. From his private account and the funds of the company were in his private name in the bank?—A. He would make provision for anything he knew was coming due by getting the money from the Peoples' Bank. It would be deposited to Mr. Allen's account.

Now Mr. Speaker, I ask the members of this House what they think of the financial business of this company amounting to over $900,000 being transacted upon such a basis as that. And yet the Minister of Public Works would endeavour to make the members of the House believe that there were adequate records and adequate data from which this commission could have arrived at the expenditure of every dollar of the money of the Company. The Minister of Public Works made reference to a statement made by Mr. Shannon, the auditor of the Intercolonial, who went down to investigate the affairs of this company in order to determine the question of the payment of the Federal subsidy.

At Page 476, of the volume entitled Orders in Council and Documents we have a report of Mr. Shannon, and I notice in it this statement:

After the contractors relinquished the work——

That was of the 15 mile section from Chipman to Minto which they had undertaken to build for $117,000.

After the contractors relinquished the work, the company requested them to go on and complete the work, and the company would pay the actual cost of the same. To ascertain therefore the actual cost, I requested that I should be furnished with all vouchers, cheques, &c., but this I found to be impossible.

That is the statement of Mr. Shannon, auditor of the Intercolonial Railway, the same gentleman to whom the Minister of Public Works referred last night as having examined these accounts in detail. Furthermore with reference to the absence of records and books, I wish to quote from the evidence of Mr. G. N. Babbitt, Deputy Receiver General of the province of New Brunswick. There has been issued by the New Brunswick Coal and Railway Company, bonds to the amount of $450,000, all of which were guaranteed by the Provincial Secretary on behalf of his government. Mr. Babbitt was asked whether there was any registration or record of these bonds in his office at Fredericton, he being the deputy receiver general and the one who should have that record. On page 27 I find this evidence:

Q. After this, did you or did you not yourself personally know that the government guaranteed any bonds which had been issued by the company?—A. Yes, I knew there were orders passed to do it.

Q. In the way of information in your office?—A. The bonds were not brought to the office and recorded.

Q. Did you ever see the bonds yourself at all?—A. No, I never did.

Q. They never came near your office at all?—A. No.

Q. Personally you do not know to whom they were delivered or what became of them?—A. No.

Q. You say that no registration was made of these bonds in your books?—A. Yes.

What do you think of that way of transacting business by the government of any province in this Dominion? Here was an issue of $450,000 bonds guaranteed by the province and no register or record kept of them in the government office at Fredericton. Furthermore on page 28:

Q. Had any coupons been paid by you as Deputy Receiver General in connection with the bonds which has been guaranteed?—A. Oh, yes.

Q. Have you any idea as to the amount of general coupons you paid?—A. Yes.

Q. About what amount?—A. The full amount.

Q. What would that be?—A. About $18,000, $9,000 on the half year.

Q. They would be coupons on how many thousand dollars worth of bonds?—A. $450,000 at four per cent.

Q. That is the only way you know the bonds had actually been issued, was by paying the interest coupon on them?—A. Yes, I might say that.

Q. You said the first coupon—the first conpon was presented for payment in what year? Was all that issue of $450,000 out then?—A. The July coupon, 1905, due July 2, 1905.

So that the Deputy Receiver General actually had no knowledge of the issue of these guaranteed bonds until 1904 after the great bulk of them had been issued and disposed of and had no record of them at Fredericton. Further I want to refer to the evidence of

the then provincial secretary, Mr. Tweedie, now governor of the province, upon the question of the accounts, page 524:

Q. As a matter of fact, did you ever look to see if they did keep accounts?—A. Yes.

Q. You found they did not?—A. They did not keep them satisfactorily to me. I raised the devil with them.

But he does not seem to have raised any books. We have the evidence of the Minister of Public Works himself upon this question at page 703:

Q. Did you ever see an account-book of the company showing the moneys received or disbursed by the New Brunswick Coal and Railway Company?—A. No.

That was the answer which the Minister of Public Works gave—the gentleman who made the speech yesterday.

These books will probably be kept by Mr. Winslow, the treasurer of the company, or Mr. Allen, the secretary.

Both these gentlemen unfortunately died before this investigation began.

Q. I have the only book, so they say?—A. Who says?

Q. Here is the book and the only book of account except what was kept at Norton, I think there are about half a dozen pages in it. I do not see any account at all of this there?—A. I cannot help that.

Q. Notwithstanding that you were in the interests of the province, you and the provincial secretary, appointed to see that the provincial moneys were correctly accounted for and expended, you never took pains to see whether the company kept books or not?—A. Mr. Allen was a gentleman of high standing and Mr. Winslow was the treasurer.

In view of the evidence I have quoted, hon. members ought to know pretty well what value to attach to a statement made by the Minister of Public Works. All this, I wish hon. members to bear in mind, despite this section 2 of the Act of 1901, which authorized the guaranteeing of these bonds. Section 6:

The company shall keep such books and accounts as may from time to time be required by the Lieutenant Governor in Council, and such books and accounts shall at all times be open to the inspection of the Lieutenant Governor in Council or such person as he may appoint to inspect and audit the same. And all books and accounts shall be each half year audited by the expert accountant appointed by the Lieutenant Governor in Council, and the expense of such audit shall be borne by the company.

Think of the record of evidence such as I have adduced this forenoon, in the face of a statutory provision of that kind. Then I ask hon. members if they take any stock in the statement made by the Minister of Public Works yesterday afternoon that there was no justification for the reflections made upon him.

I also dealt in part last evening with the minister's defence to the charge that the government had illegally paid subsidies out of the treasury of New Brunswick and in contravention of the provisions of the Act. I pointed out that under the Act of 1882, there was a subsidy of $3,000 per mile for the line from Chipman to Gibson, a distance of 45 miles, and that the total subsidy was $135,000. Of that line only 15 miles have been built up to the present which, on the basis of $3,000 a mile, would make the maximum subsidy available $45,000. Prior to the appearance on the scene of the New Brunswick Coal and Railway Company, $13,000 of that subsidy had been paid on account of work done on that 15 miles. So that there was payable in subsidies to the New Brunswick Coal and Railway Company, on account of this 15 mile section, under the Act of 1882, but $32,000. Notwithstanding that the government of New Brunswick, on representations made to it by the Minister of Public Works (Mr. Pugsley), paid $57,000, or $25,000 for which there was no authority of any kind in law. I pointed out further that of that $25,000, $2,550 had been paid on orders which were held by the Minister of Public Works and by Mr. W. T. Whitehead, another member of the Liberal machine; in New Brunswick. These orders had been obtained a few days after the contract was entered into between the Central Railway and Mr. de Bertram in the year 1895. Mr. Pugsley obtained his order the very day after that contract was entered into—Mr. Pugsley and Mr. Skinner jointly. In order that there may be no misapprehension, I propose to put on the record these assignments because the Minister of Public Works referred yesterday afternoon to these statements of these assignments to him as something with reference to which there was some error. I shall have to crave the indulgence of the House to put these statements on record. At page 92 of vol. labelled 'orders in council relating to the Central Railway,' we have this document:

St. John, October 9, 1895.

To the Hon. James Mitchell,
Provincial Secretary.

Dear Sir,—I hereby request that you pay to Wm. Pugsley and Chas. Skinner, or their order, the sum of $7,500 out of part of the subsidy made payable to me under the agreement dated October 4, 1905, and made between the Central Railway and Her Majesty Queen Victoria, represented by the provincial secretary, and which agreement is for the building of a line from Chipman to the Newcastle coal fields, a distance of 15 miles, so soon as the same may fall due and as it may become payable. And for the purpose of securing such payment to the said Wm. Pugsley and Chas. Skinner, or their order, I hereby, in consideration of the sum of $1 to me paid by them, receipt of which I acknowledge, assign to them, their executors, administrators or as-

signs, the said sum of $7,500, part of said subsidies aforesaid.

LOUIS G. DE BERTRAM.

That is the day after the contract was entered into, this assignment was made by Dr. de Bertram, who got the contract, to Pugsley and Skinner. Then there was an order a little later in favour of W. T. Whitehead of which I have made mention. At page 97 we have this further communication:

St. John, New Brunswick,
November 18, 1895.

To the Honourable
The Receiver General of New Brunswick,

Sir,—You will please pay to the order of the Bank of New Brunswick the sum of $2,750 out of the first moneys which shall be coming to us from you as such receiver general, under the letter of order of Louis G. de Bertram, dated the 5th day of October, 1895, and filed with you on the 8th inst., said moneys being a portion of the subsidy to be paid by the province for and in respect of the extension of the Central Railway from Chipman to the Newcastle coal fields.

C. N. SKINNER,
WM. PUGSLEY.

Then there is a letter on page 98 to Mr. Babbitt:

St. John, New Brunswick,
November 18, 1895.

Geo. N. Babbitt,
Fredericton, New Brunswick.

Dear George,—I inclose you order of M. M. Pugsley and Skinner on the Central Railway subsidy, and I would like you to write a letter in the usual form addressed to the Bank of New Brunswick, stating that the order for the $2,750 will be a first charge upon the subsidy earned under the contract with the government by the Central Railway Company, and will be paid out of the first moneys earned and payable under such contract for the extension of the railway mentioned in such order.

Yours faithfully,
ANDREW G. BLAIR.

Then there is a letter on the following page from Mr. Babbitt to the manager of the Bank of New Brunswick in accordance with this instruction. At page 100 there is this further order to the Receiver General of New Brunswick:

November 26, 1895.

To the Receiver General
of the Province of New Brunswick.

You will please pay to David O. Connell of the city of St. John, in the city and county of St. John, or to his order, the sum of $2,000 out of the moneys which will be coming to us under a certain assignment or transfer from Louis G. de Bertram to us, bearing date the 5th day of October, 1895, of the sum of $7,500, portion of the subsidy which will be payable by the province of New Brunswick to the said Louis G. de Bertram as the assignee of the Central Railway Company in respect of the extension of the Central Railway from Chipman, in the county of Queens to the Newcastle coal fields, and which subsidy to the said amount of $7,500 was by the said transfer dated the 5th day of October, 1895, and assigned and transferred to us. The transfer hereby given to the said David O'Connell of the said sum of $2,000 is subject to a previous assignment heretofore made by us to the Bank of New Brunswick of $2,750.

C. N. SKINNER,
WM. PUGSLEY.

Then there is a letter from Mr. Pugsley to the deputy Receiver General asking him to send to Mr. David O'Connell a letter similar to the one he had sent the Bank of New Brunswick, so that the House will see that, as soon as this assignment was procured from de Bertram, the Hon. Mr. Pugsley at once pledged it and raised money, through the bank and from Mr. David O'Connell, who was a money lender in the city of St. John. At page 103 there is a further letter to the Deputy Receiver General as follows:

St. John, June 4, 1896.

G. N. Babbitt, Esq.,
Deputy Receiver General,
Fredericton, N.B.

Dear Sir,—Mr. Skinner and I have handed to Mr. Trueman, which he will forward to you, a further order against the subsidy coming to us re Central Railway for $550. Will you kindly send him a letter addressed to the bank, similar to the one sent to Mr. O'Connell. This comes next after the orders to the B.N.A., B.B.N.A., and Mr. Connell on file with you

Yours truly,
WILLIAM PUGSLEY

So that there were outstanding against this assignment of $7,500 of the subsidy for Messrs. Pugsley and Skinner, orders to the amount of $5,300. Now, on May 28, 1896, an order in council was passed authorizing the payment of $8,000 of subsidy on account of work to the amount of $23,000 that had been done on that 15 mile section, and immediately we find further correspondence and directions from Mr. Pugsley. At page 105 will be found the following letter

St. John, June 3, 1896.

To the Receiver General of the province of New Brunswick.

You will please pay to the Bank of New Brunswick the sum of five hundred and fifty dollars out of the subsidy which will be payable by the province in respect of the extension of the Central Railway from Chipman to the Newcastle coal fields on account of the assignment to us by Louis G. de Bertram of $7,500 of said subsidy. This amount is to be a charge on the balance due us on said amount as per memo, below next after balance of $1,250 due said bank, $700 due Bank of British North America and $1,550 due David O'Connell.

Yours truly,
WILLIAM PUGSLEY,
C. N. SKINNER.

This is the further memo:

Amount of assignment to C. N. Skinner and W. Pugsley	$7,500
Amount paid on first estimate	2,250
	$5,250
Amount due B. N. B.	$1,250
Amount due B. B. N. A.	700
Amount due D. O'Connell	1,550
	$3,500
Balance now pledged for $550	1,750
	$5,250

Now, on page 131 of this file there is a statement of $8,000 of bonds that was issued to pay this subsidy and the disposition of them, and this is the statement as it appears on record:

Central Railway—Date of Bonds.

1896.		
	Forward	$139,000
May 28, 1870 to 1885, sold to O'Hara & Co., proceeds used to pay—		
	Merchants Bank	$2,000
	Bank B. N. A.	300
	Bank N. B.	1,500
	W. T. Whitehead	300
	D. O'Connell	450
	J. Barnes	3,450
		8,000
See ledger, 1896, page 636.		
		$147,000

Now, hon. members who have followed the documents which I have read will see that these payments to the Bank of British North America, the Bank of New Brunswick and D. O'Connell were under the orders of Messrs. Pugsley and Skinner, totalling $2,250. The Bank of New Brunswick was paid $1,500, which left a balance of $1,275 referred to in Mr. Pugsley's memo. D. O'Connell was paid $450 on account of $2,000, which left $1,550 due to Mr. O'Connell. There was a further payment of $300 to the Bank of British North America, presumably on the order of Mr. Trueman. Then, Mr. Whitehead was paid $300 on his order for $1,000. So that is the way in which the $8,000 was disposed of that was authorized by order in council of May, 1896.

Now, Mr. Speaker, in view of these facts the order in council to which I referred last night, dated 12th April, 1902, which was after the Minister of Public Works (Mr. Pugsley) had re-entered the New Brunswick cabinet, becomes very interesting. That order in council, as I pointed out, provided that there should be deducted from the subsidies payable on account of the 15 mile section, not only $13,000 previously paid under the old contract, but a further sum of $8,000 to pay these very orders on account of which the Minister of Public Works (Mr. Pugsley) had already received $2,250, and Mr. Whitehead $300. And another portion of the record, which is very suggestive, I think, in connection with the assignment of these subsidies to Messrs. Pugsley and Skinner, is a letter which will be found at page 192 of the book entitled 'Orders in Council and Documents.'

St. John, May 16, 1904.

G. N. Babbitt,
Deputy Receiver General,
Fredericton.

Dear Mr. Babbitt,—A note of the New Brunswick Coal and Railway Company of $14,106 came due to-day at the Bank of New Brunswick and I have given the bank a sight draft on you for the amount. Attached to the draft is a letter from Hon. Mr. Tweedie engaging to pay the bank the $14,000 on the 4th of April last, and the $106 is for the interest.

An order in council was passed for the payment, and I am sending a copy of Mr. Tweedie's letter to him to-night asking him to instruct you to pay the amount and likewise to pay an amount of $5,600 odd to David O'Connell.

Mark that, Mr. Speaker, a direction in the year 1904 to pay out of further subsidies provided by an order in council the sum of $5,600 to the same David O'Connell, who held Mr. Pugsley's order under the first assignment and who was Mr. Pugsley's creditor in that connection.

This cheque can be given to the Bank of Nova Scotia at Fredericton to-morrow if you get the Premier's authority for payment. The exact amount is $5,630. These two accounts together will make less than $20,000 which is the sum which I assume the Premier will direct you to pay on subsidy account. This is pursuant to the statute passed at the last session, which authorized the payment on branch lines and is authorized by the engineer's report. He reports 7·7 miles completed, and there is grading for some distance further, and also the chief engineer of the company reports about a mile of additional rails ready to be laid upon the extension to another of the coal miles. You need not accept the draft until you hear from the Premier, and if it should be necessary to hold it over for a day or two, get the bank to so instruct its Fredericton agent.

Yours very truly,
WM. PUGSLEY.

And in that way the entire amount of the subsidies which were authorized for the construction of the branch lines was disposed of, ($20,000) and of that sum David O'Connell, money lender, of the city of St. John, received $5,600 under the direction of Wm. Pugsley. Now I think, in view of this record, the statement which the Minister of Public Works made, and the strictures he passed upon the commission for commenting upon this matter, will not carry very much weight, either in this House or with anybody who reads his speech, and who reads the record that I have adduced.

Now, Mr. Speaker, with reference to the illegal guaranteeing of bonds. Last night I quoted the several Acts that were passed from the year 1901 to 1904 in relation to the guarantee of bonds of the New Brunswick Coal and Railway Company. I showed that under the Act of 1901 not one dollar of these bonds was entitled to be guaranteed until the whole line of 45 miles from Chipman to Gibson was completed and in operation. I showed furthermore that in 1902 a further Act was passed amending the Act of 1901, in this way, that the bonds might be guaranteed upon progress estimates, but always bearing in mind the cost of the completed work relative to the cost of the whole line; providing furthermore, that there should be retained out of the bonds of the company a sufficient amount to provide for a coal plant, which was valued at $50,000. So down to the year 1904, under these two Acts in relation to the issue of bonds on the Gibson-Chipman section, the government only had authority at any time to guarantee a proportionate amount on this 15 mile section. I showed furthermore that under this Act of 1902, an estimate which was made in January, 1903, by the engineer, Evans, of the relative cost of the two sections, the 15 mile section and the 30 mile section which is unconstructed, the 15 mile section being estimated at $130,000 and the unconstructed section at $213,000, showed that the unconstructed portion of 30 miles of this railway was entitled to at least sixty-one per cent of the guarantee of these bonds, and that there was available for the constructed portion of the 15 miles less than thirty-nine per cent. Now working that out, it would be clear to anybody who cared to examine the record, that deducting, in the first place $50,000 to provide for bonds for the coal plant, which was never done away with, there was left for this whole section of 45 miles $200,000. Sixty-one per cent of that amount would give $122,000 to the 30 mile section, and $78,000 to the 15 mile section, and that allows for the increased estimate of the cost per mile of the 15 mile section over the cost of the construction of the 30 mile section. So there was left $78,000. Now from that $78,000 should be deducted an amount of $40,000 which the provincial government by order in council guaranteed to pay to the Dominion government for rails supplied by the Intercolonial to the contractors for use on the 15 mile section, amounting to $40,000. That order in council specifically provided that the company should deposit with the Receiver General bonds covering the purchase price of those rails, $40,000, and that order in council had never been altered, and has never been altered down to this date. So if you take $40,000 from the $78,000, the government could legally guarantee only $38,000 bonds in respect of the 15 mile section. Notwithstanding that, the rails have never been paid for, the government in New Brunswick owe the federal government for those rails to-day, the coal plant has never been provided, and the whole amount of $250,000 has been guaranteed for the construction of 15 miles of this railway. And yet the Minister of Public Works criticised and attacked, and vehemently attacked, this Royal Commission for holding that he as a member of the government was responsible for the illegal guaranteeing of bonds of the New Brunswick Coal and Railway Company.

Now, Sir, the Minister of Public Works produced a statement which he said he addressed to the late Mr. Shadbolt, manager of the Royal Trust Company in St. John, on the 6th of August, 1903, in reference to the distribution of certain bonds which the company had. In 1903, after these Acts were passed to which I have alluded, there was a further Act passed authorizing, in addition to the guaranteeing of $250,000 for the construction of the Gibson-Chipman line, a further guaranteeing of bonds to the amount of $200,000 for the purchase of the Central Railway from Norton to Chipman, $180,000 of which was said to be for the purchase of the road, and $20,000 to recoup the company for improvements they had put upon it. I will quote a section from the Act of 1903, this is the proviso:

> Provided however that before guaranteeing the said bonds hereby authorized to the amount of $200,000 in respect to the said Central Railway, it shall be made to appear to the Lieutenant Governor in Council that a clear title has been obtained by the said, The New Brunswick Coal and Railway Company, to the said Central Railway, and that the bonds so to be guaranteed, together with the said bonds to the amount of $250,000 authorized by said Act 1 Edward VII, chapter 12, are secured by a first mortgage upon the said whole line of railway from Norton to Gibson.
>
> Before such bonds in this section provided for shall be so guaranteed hereunder, all bonds of the said, The New Brunswick Coal and Railway Company, which are secured by mortgage to the Royal Trust Company of Montreal, shall be cancelled and a new first mortgage to secure the whole issue of $450,000 to the satisfaction of the Lieutenant Governor in Council shall be executed covering the said whole line from Norton to Gibson.
>
> 2. The rate of interest upon the said bonds so to be issued under this section shall not exceed four per cent per annum.

The rate of interest provided on the $250,000 bonds for the Chipman-Gibson line was three per cent. This Act provided for a new issue covering a loan of $450,000 and for the substitution of four per cent bonds for the three per cent bonds that had been previously issued. Bearing that sec-

tion in mind, I wish to draw the attention of the House to a statement to which the Minister of Public Works referred yesterday afternoon. This statement will be found at page 518 of the documents relating to the New Brunswick Coal and Railway Company:

Bank of Montreal, St. John, New Brunswick,

Memorandum for E. M. Shadbolt, Esq., agent Royal Trust Company at St. John.

You will please deliver the bonds of the New Brunswick Coal and Railway Company guaranteed by the province, as follows:

To Bank of Montreal, 140 bonds.. ..	$ 70,000
To the Bank of British North America 40 bonds..	20,000
To the Bank of New Brunswick, 54 bonds..	27,000
To the Bank of New Brunswick, for Peoples' Bank of New Brunswick, 140 bonds..	70,000
To Arthur I. Trueman, solicitor of company, 171 bonds..	85,500
To Bank of New Brunswick, in addition to above, 132 bonds..	66,000
	$338,500

(Sgd.) WM. PUGSLEY,
Attorney General.

August 6, 1903.

The Arthur I. Trueman referred to here was the solicitor of the company and the partner of the Minister of Public Works. That statement bears date the 6th of August, 1903. So that, over the signature of the Minister of Public Works we have the evidence that there were issued and guaranteed at that time $338,500 of these bonds. By the Act of 1903 that I have already quoted, the government could not guarantee any bonds for the purchase of the Central Railway until the title was completed and vested in the government. The deed of conveyance to the coal company bears date the 21st of August, 1903. So that, even in respect to the further issue of $200,000 which, the Minister of Public Works states, is included in the $338,500, there was an illegal guarantee of bonds. But, take the minister's own statement, give him the $200,000 as having been issued, admit that the whole issue of $200,000 was exhausted on account of the purchase of the Central Railway, and we have $138,000 of bonds which were issued and guaranteed to that date, the 6th of August, on account of the fifteen-mile section. That, Mr. Speaker, is just exactly what the commissioners say in their report, a statement which the Minister of Public Works has characterized as being absolutely false.

Furthermore, there is another memorandum in addition to the memorandum that I have already read, at page 519, to this effect:

Bank of Montreal, St. John, New Brunswick.

MEMORANDUM FOR BONDS SIGNED AND DELIVERED LATER.

That is later than the 6th August.

1903—	
November 6, delivered to Arthur I. Trueman, 40 bonds..	$ 20,000
November 16, delivered to Dr. Pugsley, 40 bonds..	20,000
December 23, delivered to Arthur I. Trueman, 30 bonds..	15,000
1904—	
January 20, delivered to Dr. Pugsley, 8 bonds..	4,000
January 29, delivered to Dr. Pugsley, 105 bonds..	52,500

Now, that exhausted the whole issue of $450,000 of bonds. Every one of these bonds was guaranteed, with the exception of the last $52,000, before the Act of 1904 was passed which authorized the guarantee without respect to mileage. That Act was passed on the 18th day of April, 1904—that very suspicious Act which I submitted to the attention of the House last night, an Act which related to another railway entirely distinct from the New Brunswick Coal and Railway Company, but which, in its last section, which scarcely any lawyer and certainly no layman in any legislature would understand, and passed on the last day of the session, provided that the bonds of the New Brunswick Coal and Railway Company could be guaranteed without respect to mileage.

Mr. R. L. BORDEN. That is to say without regard to the cost of the work?

Mr. CROCKET. Yes, without regard to the cost. But it is a fact and it appeared from the record that every one of these bonds was guaranteed by the government excepting the last $52,500 before the passing of the Act of 1904 on the 18th day of April. The section which authorized the guaranteeing of bonds irrespective of the mileage reads as follows:

If, by reason of the work on any section of said line of railway being or having been found to be more than ordinarily expensive, it is found necessary so to do, the provincial secretary, by and with the direction and authority of the Lieutenant Governor in Council, may endorse such guarantee on the bonds required to complete such section and to provide rolling stock therefor, although the amount of such guarantee may be greater than the mileage completed bears to the whole mileage of the line.

I would submit that there is no court in this country which would hold that, even in the face of that section as it exists on the statute book to-day, the government were authorized to exhaust the whole issue of $450,000 or the $250,000 with respect to the Gibson-Chipman section. How can it

be so contended, in view of these last words, 'although the amount of such guarantee, may be greater than the mileage completed bears to the whole mileage of the line'? That provision must be read with reference to the former legislation which provided, in the first place, that there should be no guaranteeing until the whole line was completed and as modified by the Act of the following session which provided for progress estimates upon a pro rata basis. But, I say that even to-day, with the law as it stands on the statute book, the exhausting of the entire issue of $250,000 was a distinct violation of the statute which the Minister of Public Works or no other lawyer in this country can justify for one moment. I want, in reference to the minister's statement as to the guaranteeing of the bonds and the incorrectness of the commissioners' finding, to refer to the evidence of Mr. Shadbolt at page 267. Mr. Shadbolt, as I have said, was the manager of the Royal Trust Company, the institution which was looking after the substitution and exchange of the three per cent bonds for the four per cent bonds. His evidence is as follows:

I think the whole issue was guaranteed by the government, that is my understanding of it.

There is the statement of Mr. Shadbolt who was the custodian of all of the $250,000 of bonds that it was his understanding that the whole issue had been guaranteed on the 6th day of August, and that, Mr Speaker, is the statement which the commision have put in the report and which the Minister of Public Works has stated was false.

Q. A guarantee was placed on the bonds?—A. Yes.

That is Mr. Shadbolt's evidence conclusively that the guarantee of the province was placed on all those bonds on the 6th of August, 1903. Then, an interesting question arises with regard to the disposition and the use which was made of these bonds. In that connection I wish to put before the House the evidence of the Minister of Public Works himself, when he was on the stand before this commission in the month of December last. At page 720 of the evidence, I quote the Minister of Public Works:

Q. On the 6th of August I see a letter by you to the bank of Montreal in which you say you will please deliver the bonds of the New Brunswick Coal and Railway Company guaranteed by the province as follows, to the bank of Montreal $70,000, to the bank of New Brunswick $20,000, to the bank of New Brunswick $20,000, to the People's bank of New Brunswick $70,000, to the bank of New Brunswick $66,000, A. I. Trueman $85,000. Can you tell us have you any record as to what these bonds were given to the bank of Montreal for?—A. To the bank of Montreal they were given for the purpose of taking the place of bonds which the bank of Montreal held.

Q. Central security?—A. Central security.

I suppose that should be 'collateral security,' but it is printed 'Central' here.

Q. Have you any record as to what was done with these moneys for which these bonds were hypothecated?—A. That was all done through Mr. Allen the secretary.

Q. Did you know at the time what it was for?—A. I have no doubt that Mr. Allen informed me.

Q. Have you any recollection of his informing you?—A. Yes.

Q. What was the hypothecation for? A. Mr. Allen communicated with me very frequently. I may say Mr. Allen gave me evidence that it was for the purpose of the company.

There was the evidence of the Minister of Public Works that Mr. Allen gave him evidence that it was for the purposes of the company, although he had not a receipt or a letter or a document of any kind to show it.

Q. Would this remark apply also to the bank of British North America?—A. Yes.

Q. To the Bank of New Brunswick?—A. No, a note may have been negotiated through myself or Mr. Allen so far as the Bank of New Brunswick is concerned.

Q. The People's bank of New Brunswick?—A. That would be bonds left with the People's bank as security for the advances they were making or loans making to the contractors.

Q. To the Barnes Construction Company?—A. The Barnes Construction Company.

Q. At that particular time the way Barnes was paid, it appears in evidence was by notes of the company for the discount of which arrangement had been made with the People's bank?—A. Yes.

Q. Altogether I see to the bank of New Brunswick $93,000, who had negotiated the loans for which these bonds were held as collateral by the bank?—A. Either Mr. Allen or myself.

Q. Can you give us any statement of what became of the moneys that were got from the bank, some by the hypothecation of these bonds?—A. I could not do this for the reason I told you it was four or five years ago when Sharpe was making his audit.

There is the Minister of Public Works admitting that these bonds were negotiated by himself or Mr. Allen, and when he was asked as to what was done with the money that was received on account of them he says that he could not tell for the reason that it was four or five years ago, and not a record or letter of any kind to account for the disposition of the money.

Q. It is in evidence that the audit never was made. Mr. Corbet says things were not in a position to make it?—A. I can tell you this, Mr. Sharpe's instructions were to look over that with the utmost care, I can say this that all statements that would in any way assist Mr. Sharpe were handed to him by me that

were in my possession, at this time it would be impossible for me to give details.

Mr. Chairman.—What date was this given to Mr. Sharpe?—A. The spring of 1904.

Now, I want the House to bear that statement in mind in connection with a statement which was made in the report of the commission that there was a false and fraudulent statement in the audit of Mr. Sharpe; I want the House to bear in mind that Mr. Pugsley, the Minister of Public Works, gave Mr. Sharpe the papers and data from which that statement was made.

Then at page 722 Mr. Pugsley said:

Mr. Sharpe was ordered by me to make an audit up to the 30th of June 1904, till some time in that year.

The Chairman.—Up to the time Mr. McAvity took charge?—A. Yes, it had to be made before Mr. McAvity would take charge, I think for that purpose all the vouchers and statements which I had and which I understood Mr. Trueman had were delivered over to Mr. Sharpe for his information.

The members of the House heard last night what the Minister of Public Works said as to its being the business of the commission to get the papers which Mr. Trueman had, he said they should have gone to his executor. But here is the minister stating under oath before the commission that all the papers that Mr. Trueman had and that he had, had been passed over for the purpose of this audit.

Q. The $66,000 was for this purpose, arrangement was made with the bank of New Brunswick, I think. I negotiated the loan for the company under which the bank was to loan the company sufficient money to pay the accounts that Mr. Evans and Mr. Elkins were to pay to Drexell & Company and Clarke.

Mr. Pugsley says he negotiated this loan. In fact, Mr. Speaker, practically all the negotiation of moneys was conducted by the Minister of Public Works, and the evidence shows it from one end to the other.

Q. This $55,000?—A. Something more than that, $66,000 was the amount of bonds given to the bank of New Brunswick for that purpose, they made a loan against these bonds of the amount to pay Drexell & Company and Clark & Company their claim.

Q. It was from that source that the money purchased the option that Evans and Elkins had from Clarke and Drexell?—A. Yes.

That is the only account that the Minister of Public Works gave in reference to what became of the money that was raised on bonds, the $66,000 out of which he said the Clarke & Drexell option was paid amounting to $55,000.

Q. Do you know what became of this $85,000?—A. Of these, Mr. Trueman as I understand, that is my recollection, out of these Mr. Barnes was settled with and Messrs. Evans and Elkins what was needed to get the title, also what was necessary to get the title from the minority shareholders, and the balance was applied for the purposes of the company.

Q. What was done with it you can't say?—A. I can't tell now from recollection.

Q. What was done with the bonds that were hypothecated to raise the money I suppose, do you know of your own knowledge what was done with the money that was got from the banks when these bonds were hypothecated with the bank?—A. I suppose it would be known whether these bonds were collateral to notes of the New Brunswick Coal and Railway Company or were not, the bank records would show that.

Q. On the 6th day of November, 1903, I see Mr. Trueman got 40 bonds amounting to $20,000, do you know what became of these?—A. I do not know unless you call my attention to something in connection with them, I presume they were for the purpose of the company, I might say, why I cannot tell as to the bonds, there were outside all these loans by the New Brunswick Coal and Railway Company loans obtained from me personally, or through my having endorsed notes, it may be that some of the proceeds would be used in returning these moneys, they were used for the purposes of the company.

There is the statement of the Minister of Public Works that he received out of the proceeds of bonds hypothecated by himself moneys for the return of loans made by himself personally. Now, Mr. Speaker, I think that will have some bearing in connection with the 'W.P. $5,000' loans that were set up. There is not one of these cheques that are set out in the evidence as money loaned the H. B. Coal and Railway Company by the Pugsley's N. B., R. E. and W. Company, that bears the name of the N. B. Coal & Railway Company, they were all payable, some to Elkins, some to Evans, and one I think to the Canada Permanent Loan Company. But not one of these cheques bears the name of the N. B. Coal & Railway Company upon its face, and there is no doubt, and nobody can read this evidence without coming to the conclusion, that the Minister of Public Works whilst kiting these bonds through all the banks was giving cheques of his own and mixing up his own transactions all through with the transactions of the Railway Company and kept no books.

Q. If you had made these loans, do you know what loans you made and what you did with the proceeds?—A. Not at this late date.

Q. There are no records from which you can tell us?—A. There were records handed to Mr. Sharpe, as to what was done with the different bonds.

Q. On November 16, 1903, there were 40 bonds, $20,000 were got by yourself, do you know what you did with these bonds?—A. They were used for the purposes of the company.

Q. What did you do with these bonds?—A. My impression is they were handed to the Bank of New Brunswick.

Q. What became of the loan that went through the bank —A. I presume that you would find that a note of the New Brunswick Coal and Railway Company was discounted.

Q. Does that tell what became of the money which came from the bank?—A. It would tell you that the money went to the company. Then I presume Mr. Allen, the secretary, or Mr. Winslow would have an account of it.

That presumption of the Minister of Public Works is quite erroneous for neither had an account of it.

Q. Mr. Allen and Mr. Winslow have both passed over to the great majority?—A. Yes.

Q. To come to the next one, 23rd December, I see where Mr. Trueman got $15,000 of bonds, do you know what was done with them?—A. On my order?

Q. Yes.—A. They were for the purposes of the company.

Q. What was done with them?—A. I cannot tell you now from memory.

Q. You have no record to show?—A. Tell me the numbers of the bonds and I have no doubt I can go to the bank and see the records.

Q. That would not show the disposition made of the money?—A. It would show whether these bonds were used as collateral.

Q. Only to what loan put up as collateral, not to how applied?—A. It would not show what Mr. Allen, the secretary, did with the money, but it would be traced to the hands of the company.

Q. The ultimate destination you do not know?—A. I could not be supposed to tell you from memory.

That is the kind of evidence which the Minister of Public Works, the gentleman who negotiated these bonds and the loans on the securities of these bonds, gave to the commission in December last. I ask hon. members to bear that evidence in mind and contrast it with the statement which the minister made here yesterday.

There is another feature commented on in this report, and which I think deserves the attention of the House, and that is the misleading character of the reports which were made to the Lieutenant Governor in Council, on which reports these orders in council were issued for the endorsement of the bonds. The Minister of Public Works complained very vehemently of the reference which is made to the report that was signed by Mr. Evans, the engineer of the company, on the 2nd of January, 1903, and he read that report in an attempt to show that the commission were wrong in their reflections respecting him. The commission referred to only one of these reports. The evidence, however, gives three just such reports as the minister quoted last night, including the one he quoted. The first is dated April 2, 1902, page 143 of the documents. That report states that work had been done under the contract to the extent of $20,029.25. That is all the work the report showed had been done, but there was an attempt made to show expenditures for the purpose of rolling stock and the payment on account of the option for the purchase of the Norton-Chipman branch, which had no right however to figure in the estimate of cost for the purpose of issuing the subsidy moneys on the fifteen-mile section. That is what the commission, I suppose, alluded to. There are two or three pages of that report having reference to this and other matters having no relation to the question of issuing subsidies. The only amount that did not come under the Act was the money expended on that particular section, $20,229.25. Yet upon that report, prepared by the Minister of Public Works, an order in council issued authorizing the guarantee of $60,000 of bonds on $20,000 of work.

There is another dated the 1st of September, 1902, on page 148. That proceeded, on the same line as the first with respect to the expenditure on the Norton and Chipman Railway, and sets out that the work down to that time amounted to $67,634, and upon that report an order in council was issued authorizing the guarantee of bonds to the extent of $120,000.

On January 2, 1903, and that is the report of the Minister of Public Works I have referred to, there was a statement of work only to the value of $74,574, and on that the recommendation was made that bonds should be issued to the extent of $140,000.

From the report of September, 1902, to the report of January, 1903, there had been less than $17,000 of work performed between these dates, yet there is a report recommending an increase on the bond issue to the extent of $20,000.

These reports the commission characterizes as misleading, and no one can read them without coming to the conclusion that they were made for the purpose of procuring an issue of bonds against the spirit and letter of the Act. So that the Minister of Public Works is as far astray in this as in almost every statement he made in connection with these matters.

Now, I come to what I consider the most grievous accusation contained in this report, the one to which there can be absolutely no reply, and in respect to which I say it is a disgrace that any one guilty of the conduct therein charged should remain in the government of Canada in control of its greatest spending department. I refer to the statement regarding the misappropriation of $39,000 in respect of the purchase of the Central Railway, and I am going to read what the commission say with reference to that. It will be found on page 51 of their report.

Mr. Evans stated the small ledger was all he had seen out of the wreck in the way of books, and the others must be at Hampton showing expenditures. These, however, could not be found.

He swore that the above $140,409.03 was all he ever got under his agreement with the New Brunswick Coal and Railway Company to pay him $180,000. What became of the balance, in

round numbers $39,000, he could not tell and would not even attempt to surmise. He made several earnest attempts to get this balance which he thought was due him, but was told he did not give a complete title, &c., and getting tired out after a time, he accepted the last payments as a settlement.

It was stated in the House of Assembly the full $180,000 was paid for the Central Railway. This statement was made with the full knowledge that some $39,000 of the $180,000 had not been paid and was not to be paid. It was known besides that Mr. Sharpe had prepared under instructions, a statement that the full amount of $180,000 had been paid, and such statement was allowed by the government to be put on file at Fredericton without correction. In an order in council dated July 12, 1904, prepared, we believe, by the Hon. Mr. Pugsley, it was declared that this $180,000 had been paid for the railway from Norton to Chipman. These statements were made although Mr. Pugsley had participated in the negotiations with Mr. Evans by which the amount, about $39,000, was abandoned, and we cannot conceive how such a fact could have been forgotten by Mr. Pugsley.

I ask you if any more serious accusation could be made against any public man than that contained in the quotation I have read. It charges misappropriation of Public Works participated in the negotiations in this connection, that he had the full knowledge of the facts; and although the commission does not say that the misleading statement in the legislature was made by Mr. Pugsley, I will prove from the record that it was. Let me say that, from my reading of the evidence, if the commission have erred at all in this case, it has been on the side of leniency. There are many matters in that report upon which they could have framed a strogner indictment than they have done. The commissioners do not mention Mr. Pugsley as having made that statement, but I shall show that he did make it, and made it twice. Not only did he do that, but, as a member of the government, he allowed to be placed on file a statement prepared by Mr. Sharpe, under instructions, in which that false allegation appears. I have already read the evidence of Mr. Pugsley himself in which he said that he gave the data and papers to Mr. Sharpe, and I can give a further quotation in which he admits that he himself instructed Mr. Sharpe with regard to the preparation of that statement. Furthermore in an order in council, drawn up by the Minister of Public Works, when he was attorney general of New Brunswick, I find that false and fraudulent statement, and of course it was made with his knowledge. Can there be any more serious charge presented against any public man? It is completely confirmed by the evidence. Mr. Evans had been manager of the Central Railway from Norton to Chipman a number of years. The stock in that railway was held by Clarke and Company and Drexel and Company, bankers of Philadelphia. They held 6,365½ shares of the total capital stock and in addition $545,000 worth of bonds. The road was losing money very rapidly and in the spring of 1900 the owners came to the conclusion to cease operating, Mr. Evans, who had been managing the road for them, obtained an option from Clarke and Company and Drexel and Company for the whole road, 45 miles, rolling stock, franchise, &c., and in addition another railway known as the St. Martin and Upham Railway, for $50,000. Then the New Brunswick Coal and Railway Company was shortly after organized. Whether it was organized in connection with this scheme is not made clear, but there is much in the evidence to justify the conclusion that this fact was known at the time of the incorporation of that company and that it was part of the scheme. However, after a time the New Brunswick company obtained from Mr. Evans, who had this option on the two railways for $50,000, an option on the Central line for $180,000. That option was obtained on the 28th of August, 1901, and it provided for the payment by the New Brunswick Company of $180,000 in the following manner: $15,000 in one month from date, which would be due on the 1st October; $15,000 in five months from date; $15,000 in 12 months from date; and $15,000 in 15 months from date, and the balance, $120,000 in two years. That was the agreement entered into between Evans and Elkins and the coal company. Mr. Evans stated that after a time that agreement was modified and it resulted in an agreement being entered into by which Evans and Elkins were to pay a large amount for improvements and betterment, amounting I think to $50,000. But the upshot of the whole thing was that, after a number of payments had been made, this amount of $39,000 was abandoned. Mr. Evans, as stated in the report did not receive $180,000, or within $38,000 of that sum I will quote from the evidence, so that there will be no mistake:

In addition to that the company was to assume the management of the road and operate it, and as soon as the other fifteen miles was completed and in running order?—A. Yes.

Q. They had to bear all the expense of maintenance of way while they were so operating?—A. Yes.

Q. I find no provision that you, in the meantime, were to lay out and make any expenditures on the road, you and Mr. Elkins, capital expenditures?—A. That is correct, there was nothing in the agreement.

Q. That is the only agreement you had, including all the terms of the agreement between you?—A. I want to say, that there was an understanding that I should put the road

in shape, between me and the company, there was a sum mentioned, I think, but it was a moral obligation on my part to put the road in as good shape as I could.

Q. There was a sum mentioned between you and the Coal and Railway Company, which would be the amount of expenditure you were to make on the road?—A. Yes.

Q. Do you remember what the amount was?—A. I think it was about $50,000.

Q. That was not in writing?—A. No, it was an understanding I had.

Q. A loose understanding, not put in writing?—A. Yes.

Q. Up to this time a considerable portion of this $50,000 had been expended in August, 1901?—A. That $50,000 was to extend over and include the indebtedness on the road; I had to assume the indebtedness existing on the road when Clarke & Co. gave us their option.

So that, perhaps, I should correct the statement. The understanding was not subsequent, as I stated, but seems to have been collateral with the original agreement that Evans and Elkins should make these expenditures on the road, although it was not put in writing. Then, at page 368:

Q. You paid the expenses on the road after you had given the option to the New Brunswick Coal and Railway Company?—A. Yes.

Q. From recollection can you say what the amount of those expenditures were?—A. The total expenditures up to the time the New Brunswick Coal and Railway Company took it over was somewhere about $77,000.

Then, at page 369:

A. The New Brunswick Coal and Railway Company took it over the 1st of August, 1902, I think.

And on the same page:

A. I was financed by myself personally, by Mr. Elkins personally, and by the two of us jointly and by moneys we received from the New Brunswick Coal and Railway Company, from time to time.

Then, at the following page, which appears here as 520, not 320, apparently a typewriting error:

Q. Are you able to give us the moneys you actually received from the New Brunswick Coal and Railway Company?—A. I can, using the books.

Q. With the aid of this book, can you give us the moneys you actually received from the New Brunswick Coal and Railway Company?—A. Yes.

Q. And the dates at which they were received?—A. I take it for granted that the dates are the dates they were received.

Q. You can, from this book, tell us the moneys you got from the New Brunswick Coal and Railway Company?—A. Yes, up to that time.

Q. Call out the moneys you actually did receive. (Witness refers to book and gives the following figures):—

October, 1901..	$12,500 00
February, 1902	9,500 00
July, 1902..	5,000 00
September, 1902..	$ 5,000 00
October, 1902..	5,795 00
November, 1902..	3,000 00
December, 1902..	2,000 00
January, 1903..	3,750 00
February, 1903..	3,500 00
March, 1903..	3,000 00
April, 1903..	15,000 00
June, 1904..	22,224 06
	$74,769 06

Q. Since that date, have you received anything since June, 1904?—A. There was $3,750 and $5,000. I am not getting that out of the book.

Mr. MACDOUGALL. Have you the dates for that?—A. No, I am just giving this out of memory.

Mr. POWELL. That makes a total of $83,519.06. Take the first amount, $12,500, I see a statement in the recital in an order of council that $15,000 had been paid you at that time, what about that?—A. I only received that amount.

Q. Did the cheque drawn for $15,000 come to you, do you know?—A. No, I don't know whether it was cheque or in cash. But if it were a cheque it would be for that amount, $12,500.

Q. At any rate that is all you got?—A. Yes.

Q. Did you give a receipt for $15,000?—A. I don't know, sometimes a receipt was given and sometimes not. If I gave a receipt it was for $12,500.

Q. I see also there is an entry of an amount you had received, another $15,000, that is stated in an order in council, is that correct, second payment?—A. The second payment was $9,500.

Q. You find these books to be correct?—A. I do.

Q. The second payment of $15,000 would be due under the terms of the option, it was not paid to you at that time?—A. No.

The order in council stated that he had been paid $15,000.

Q. I see that by the records you are credited by Mr. Shadbolt, who was acting for the Royal Trust Company, acting as agent for Drexel & Company, with a payment of $55,800, I think?—A. The option was for $50,000. I borrowed $5,000 from them, I was in need of money and borrowed that from them.

Q. Do you remember that that $55,000 was paid by you to the Royal Trust Company for Clarke and Drexel?—A. Yes.

Q. And some interest?—A. Yes, I think it was $800.

Q. Paid in settlement of the option you held from Clarke and Company and Drexell and Company?—A. Yes.

Q. You then received from them on that payment, from the Royal Trust Compnay, the stock that you had the option for, and the bonds you had the option for in connection with the Central Railway?—A. I presume they were turned over to the New Brunswick Coal and Railway Company.

Then, at page 574:

Q. How much cash did you get from the Coal and Railway Company in connection with the sale to them of the Central Railway Company?—A. $74,769.06 and $3,750 and $5,000.

Q. Altogether the cash received by you from

the Coal and Railway Company was $83,519.06?—A. Yes.

Q. In connection with the sale to the company of the Central Railway Company?—A. To the New Brunswick Coal and Railway Company, yes.

Q. You told me that, in addition to that, there was an amount that was paid in to Clarke and Company and Drexell and Company in satisfaction of your option of $55,000?—A. Yes.

Q. That made a total of cash?—A. $139,319.06.

Q. That is correct?—A. Yes.

There is the statement of Mr. Evans that the total sum paid to him under the agreement with the Coal and Railway Company was $139,319.06, and that statement was never controverted by any witness who was examined before the commission, and indeed, it was known to Hon. Mr. Pugsley himself, as I will show by quoting from Mr. Pugsley's own evidence.

Q. In addition to that, did you either, as cash or in any other consideration receive from the company anything on account of the sale?—A. Yes.

Q. What are the two items and dates (refers to book)?—A. June, 1904, $1,089.97.

Q. That was an amount incurred as a liability to the Intercolonial Railway when you left?—A. Yes.

Q. One amount is Intercolonial Railway, $1,089.97?—A. Yes.

Q. What is the other amount?—A. Vouchers, $1,570.85 in June, 1904.

Q. Explain this item, Intercolonial Railway?—A. It was a matter of indebtedness to the Intercolonial from the Central Railway, a matter of the Central Railway Company under the option due the Intercolonial Railway.

Q. That under the option you should have paid?—A. Yes.

Q. Now, then, this $1,570.85 is vouchers, explain that?—A. There would be sundry accounts.

Q. Incurred which had not been paid?—A. Yes.

Q. Which you, under the option, should have paid?—A. Yes.

Q. These two items you should have paid, amounting to $2,660.22?—A. Yes.

Q. So that, adding these two items——

One of which was not paid for, Mr. Speaker.

—if the Coal and Railway Company has paid these two items, the total amount you have received in cash and otherwise from the company in connection with the sale of the Central Railway is $141,679.82?—A. Yes.

Q. Outside of that, did you receive, directly or indirectly, from the Coal and Railway Company, any money or other consideration in connection with the sale of the Central Railway?—A. No; I take it for granted that these figures are correct.

Q. Then, as I understand it, there is a balance of $38,028.12 in connection with the sale of the Central Railway to the New Brunswick Coal and Railway Company, which you have never received?—A. Yes.

Q. The last payment you received was in June, 1904?—A. Yes, according to the book.

At one o'clock the House took recess.

House resumed at three o'clock.

Mr. CROCKET. Mr. Speaker, at one o'clock I was quoting from the evidence of E. G. Evans in regard to the amount that was paid for the Central Railway from Norton to Chipman, and I desire to put on record one or two further extracts from his testimony. At page 593 he was asked this:

Q. You say you had negotiations with Mr. Pugsley and others. Did you ever ask for the balance of this sale of the Central Railway—$38,000?—You knew you were to get $180,000?—A. Yes.

Q. You know that amount was voted by the legislature of the province?—A. Yes.

Q. You understood that $180,000 was charged as having actually been paid to you and Mr. Elkins?—A. I don't know that.

Q. Notwithstanding all that you say, all you ever got was this $140,000, odd?—A. Yes.

Q. All you ever got?—A. Yes.

Page 594:

According to the contract, $15,000 in two months, $15,000 again, $30,000 and $15,000, none of these were made on time, I could have cancelled the agreement if I had wished, under the agreement because the agreement was never carried out.

Q. You were worried and simply threw it up?—A. Yes.

Q. Threw it up, without being paid any more than $140,000?—A. Yes.

Q. Have you any idea who got the balance?—A. Not the slightest.

Q. You knew the province had paid it?

I wish to call the attention of the House to that evidence in view of the statement made by the Minister of Public Works in answer to a question which I put to him that the deductions from this amount were made by arrangement between Mr. Evans and Mr. Allen. The minister stated that distinctly. There is Mr. Evans' evidence. When he is asked:

Have you any idea who got the balance?

He says:

Not the slightest.

Q. Have you any idea who got the disposition between the $12,500 and $15,000?—A. No.

Q. No information?—A. No.

Q. No belief about it? (Objected, Mr. Carvell.)—A. I can't say what I don't actually know.

Q. You have no information about the matter?—A. No.

Q. Neither you or Mr. Elkins got it, you are positive about that?—A. Yes, I am positive; I don't think Mr. Elkins did, for I would have known if he did.

At the bottom of the page the chairman asks:

Q. Can you, from the figures, give us just how much you did receive out of that $180,000? Was there an understanding with somebody as to what you did receive and that there was a balance, or does it still stand in that way?—A. I understand the matter is

closed. I would be perfectly willing to receive it.

Page 594:

A. The matter was discussed with two or three parties.

Q. Who were they?—A. I think Mr. Allen, Mr. Trueman and Dr. Pugsley was another.

The chairman.—You afterwards gave them to understand that the thing was closed, you did not expect any more?—A. Yes.

I think, Mr. Speaker, that that evidence is pretty conclusive upon the question as to the amount that was actually paid for the Central Railway. The evidence was not disputed by anybody. There was no pretense made by the Minister of Public Works, or by any witness who was examined before the commission last summer, that this statement was not based upon fact and no attempt was made to dispute the statement in any single particular. It must be, I submit, taken as indisputable that only that amount of money was paid to Mr. Evans for the option on the Central Railway between Chipman and Norton. Mr. Evans could not have been more emphatic or explicit than he is in his statement as set out in the testimony which I have now read. Further, in Mr. Evans' evidence. to show that these negotiations were carried on with the knowledge of the Minister of Public Works, we find, at page 597, the following:

Q. Do you remember with whom negotiations were had by you with respect to the abandonment?—A. No, I don't remember, my impression is, I think there were two or three, I think Mr. Allen was there and Dr. Pugsley, I think so.

There is Mr. Evans' statement that Dr. Pugsley was cognizant of this arangement. But I can establish from the evidence of Dr. Pugsley himself. at pages 712 and 713, that he was fully aware of the abandonment of that sum.

Q. Eventually, Evans was settled with, was he not?—A. Eventually, he was settled with, yes, and Mr. Elkins and they gave an order on the trust company.

Q. Mr. Evans said that he was not paid in full. There was a balance, about $38,000 was struck off from his account, at the settlement?

This is to the Minister of Public Works himself:

A. I can't tell you as to the correctness of the amount. I think there is some error, I would not suppose he was not settled with, because the agreement was that the company was to have a clear title to the road, that they did not do and never were in a position to do. Mr. Evans and Elkins were settled with and, I understood, to their satisfaction.

Q. Did you participate in the settlement and negotiations?—A. I can't recall that, very likely I was informed of them.

Further on:

Mr. CROCKET.

At any rate a settlement was made. By the terms of this settlement Messrs. Elkins and Evans handed over all the bonds and stock to the New Brunswick Coal and Railway Company, all they had?—A. That was the effect of it, they gave an order to the Loan and Trust Company, then the bonds were handed to the Bank of New Brunswick, I don't recall the particulars of the settlement with Evans and Elkins, but I find a memo. which would show that I was informed of it at the time.

I want the House to bear in mind that, from the evidence of the Minister of Public Works himself, he had a memorandum which showed that he was informed of the settlement which was made with Messrs. Evans & Elkins at the time by which this sum of $38,000 was abandoned. The Minister of Public Works has endeavoured to create the impression in this House that $180,000 was, notwithstanding the evidence of Mr. Evans, paid for the Central Railway and he has sought to create the belief that the balance of $38,000 was for the acquisition of the stock of the Central Railway Company which Evans & Elkins did not hold. As I pointed out from the evidence this morning Evans & Elkins held 6,300 odd shares of the stock of the Central Railway Company. The Act which provided for the purchase of this railway contained a provision that the directors of the Central Railway Company representing three-fourths of the stock could give a complete title to the New Brunswick Coal and Railway Company. The stock which Evans & Elkins acquired from Drexell & Company and Clarke & Company did not quite represent the three-fourths of the stock which the Act provided should be acquired before the transfer of the line, and consequently it was necessary to acquire an additional amount of stock. That stock was acquired from Dr. de Bertram and the evidence of that is to be found on pages 651 and following. Mr. Skinner was examined at this stage about $1,800 he appeared to have received from the treasury of the New Brunswick Coal and Railway Company.

Q. When you speak of getting something like $1,800. I understand it is as solicitor for the New Brunswick Coal and Railway Company?—A. I have nothing to show, I have never looked into it. As I understand it, it was for the Coal and Railway Company; I transacted a whole lot of business between the two companies.

Q. When you speak of this $1,800, you are not able to state whether it was from the Central Railway Company or the New Brunswick Coal and Railway Company?—A. I do not think I could state that now.

Q. What about the $1,000, would not that date help you?—A. (Referring to paper) 29th August, 1903, that would be the last.

Q. That would be merely in connection with your trip to New York?—A. No, that was all done separate.

Q. What consideration did you give de Bertram?—A. Between $400 and $500.

Chairman.—Would that be in the interest of the New Brunswick Coal and Railway Company?—A. I have no idea now, I cannot say.

Q. And the particular object was to get the stock?—A. I got all the stock.

Here we have it, Mr. Speaker, that Mr. Skinner, who acquired the additional stock that was necessary to effect the transfer of the railway under the terms of the Act, states distinctly that he got all the stock and that all he paid for it was between $400 and $500. And yet the Minister of Public Works will attempt to leave the impression upon this House that the difference between the amount that Elkins and Evans received and the amount that was charged the province, $180,000, or nearly $38,000 in all, was appropriated for the acquisition of that stock, which the evidence shows was got for $400 or $500. Now, Mr. Skinner having got that stock the transfer was made, and that is all that was ever paid in the purchase of the Central Railway from Norton to Chipman. For that sum of $140,000 odd paid to Evans and Elkins and the aditional sum of between $400 and $500 paid to de Bertram, the transfer of that railroad property was made to the New Brunswick Coal and Railway Company. I say it is absolutely indisputable that that is all that was paid for that purchase, and I have referred to the evidence that the Minister of Public Works participated in the negotiations and that he had a memorandum showing that he was informed of the particulars at the time. Bearing that in mind, what do we find? I will take up now this indictment just in the order in which the commission has presented it. In the first place, I think I have established beyond controversy the first statement in that report that that was all the money that was paid for the Central Railway. Then the report says:

It was stated in the House of Assembly the full $180,000 was paid for the Central Railway.

If that was stated, Mr. Speaker, it was an absolute falsehood and misrepresentation made to deceive the legislature of New Brunswick which had voted this money for that purpose. The commission did not say that the Minister of Public Works made that statement, but I say it was the Minister of Public Works who made that statement on the floor of the New Brunswick legislature. I have here the debates of the legislature of the province of New Brunswick for the year 1905, and at pages 34 and 35 of the official 'Hansard' of the legislature of New Brunswick is this statement made by Hon. Mr. Pugsley in reply to Mr. Hazen:

Hon. Mr. Pugsley, in reply to Mr. Hazen's questions in regard to the New Brunswick Railway, stated that some of the questions could not be answered until he had heard from the president of the company, which he hoped to do early next week. In the meantime he would answer such questions as he had the information with regard to. The total mileage of the road is 69 miles, 45 miles from Norton to Chipman, and 23 miles beyond Chipman including branches. By the Act, the company was authorized to acquire the railway from Norton to Chipman, and were required to do so as a condition of obtaining the $200,000 worth of bonds which were authorized. Of these amounts $180,000 was for the purchase of the road and $20,000 for repairs. There were $540,000 of first mortgage bonds against the road, and for this sum of $180,000 a clear title was obtained. As to the amount expended in construction from Chipman towards Fredericton he could only speak up to the time of the audit of Mr. Sharpe, to the 31st of May, 1904. The auditor's statement shows that up to the 31st of May the sum of $368,056.33 had been expended. In addition to that $180,000 had gone to the purchase of the Central Railway, and there were $34,000 additional.

There is the statement recorded in the official debates of the legislative assembly of New Brunswick that the Minister of Public Works represented to that legislature which authorized the guarantee of these bonds that $180,000 had gone to the purchase of that property, when the fact, as proved by this evidence, was that less than $141,000 had gone to that purpose, and the Minister of Public Works knew it when he made the statement. But that is not the only time the Minister of Public Works made the statement in the legislature of New Brunswick. On the 22nd of February, 1906, at page 63 of the report will be found another very emphatic statement on the point:

Hon. Mr. Pugsley, in answer to Mr. Clarke's inquiry as to whether the attention of the government had been called to the charge made in the 'Gleaner' that close friends of the government had obtained a sum of $150,000 in connection with the Central Railway, and as to what steps the government proposed to take to disprove the charge of corruption thus made, said: The attention of the government has not been called to these charges except through the inquiry that has been made in this House. My own information with regard to this charge is that the statement is absolutely false. It is absurd on the face of it, for the total amount paid by the New Brunswick Railway Company for the Central Railway was $180,000, and to assume that $150,000 of this was given away to the friends of the government is too absurd for serious contradiction. As to how the money given to the New Brunswick Company was disposed of last session, the government furnished the fullest information to this House; it also insisted on a thorough audit of all the accounts of the railway, and two experienced auditors were selected to do this work.

And I have shown, Mr. Speaker, that these audits were not audits at all. Mr. Corbett, who was examined, stated that he had not sufficient data to make an audit, and he refused to assent to the statement that the statement which he had prepared was an audit, saying that it was simply a statement made on the basis of the information furnished to him.

One of these was F. S. Sharpe, who has since died, and after his death Mr. Corbett, another experienced accountant, completed the work. In that way the government satisfied themselves that everything was bona fide. For a further answer to this question I may say that when the members supporting the government authorized us to go to the limit of $250,000 for the purpose of improving this road made a condition that before any of that money was expended there should be a thorough audit. The government after a complete examination of the accounts advanced the money and has thus taken every possible means of ascertaining the whole truth in regard to this road. I have not the slightest hesitation in saying that no statement could be more false that that made by the 'Gleaner.'

So there were two separate occasions on which the Minister of Public Works, while Attorney General of the province of New Brunswick, made a statement which was false to the legislature of New Brunswick, and the evidence that I have adduced shows that at the time he made it he was aware of its falsity. That establishes the second statement in the indictment. The commissioners also say:

This statement was made with the full knowledge that some $39,000 of the $180,000 had not been paid and was not to be paid. It was known besides that Mr. Sharpe had prepared, under instructions, a statement that the full amount of $180,000 had been paid, and such statement was allowed by the government to be put on file at Fredericton without correction.

Now, what is the record with regard to that? The statement to which the commissioners refer will be found on page 198 of the orders in council and documents in connection with the New Brunswick Coal and Railway Company. It is headed 'Approximate Balance Sheet of the New Brunswick Coal and Railway Company as of 31st May, 1904,' and among the assets is the item: 'Central Railway Purchase, $180,000.' I have already referred to the evidence showing that this statement was prepared by Mr. Sharpe after all the data and information had been furnished to him by the Minister of Public Works and his partner Mr. A. I. Trueman; and further, it appears from the evidence that it was the Minister of Public Works while Attorney General of New Brunswick who particularly instructed Mr. Sharpe to make that statement.

There is this further statement by the commission:

In an order in council dated July 12, 1904, prepared, we believe, by the Hon. Mr. Pugsley, it was declared that this $180,000 had been paid for the railway from Norton to Chipman.

That order in council is also in the records, and it will be found on page 82 of this volume of orders in council and documents. This is the passage that refers to the payment for the Central Railway:

An audit has been made by Mr. F. S. Sharpe, a chartered accountant, from which it appears that the cost of construction and rolling stock amounts to $368,056.33, and adding to this the amount paid for the line of 45 miles from Norton to Chipman of $180,000, and also $38,892.90, being the cost of improvements made to the Central Railway and charged to capital account.

There is the evidence to justify the third statement contained in that very serious indictment, that an order in council, prepared, they believe, by the Hon. Mr. Pugsley, contained that false statement. Then, the commissioners sum up as follows:

These statements were made although Mr. Pugsley had participated in the negotiations with Mr. Evans by which the amount, about $39,000, was abandoned, and we cannot conceive how such a fact could have been forgotten by Mr. Pugsley.

Now, I ask any hon. member of this House who is disposed to give this question any fair consideration if he has any doubt that the commission were amply justified in every detail of that statement. If that is the fact, then I ask the Prime Minister if a gentleman who has been found guilty, and who is guilty under this evidence, of such a serious offence is a fit and proper person to be in charge of the greatest spending department of the federal government. So much for that which I consider the most serious finding contained in the report.

I propose now to give some few samples from the evidence of how this money has disappeared; and the commission do not set out all the examples that might have been set out from an examination of the evidence. They set out three or four, but there are at least half a dozen others just as glaring which they have not embodied in the report. I have already quoted the evidence of Mr. Evans as to the payment which he received on account of the first instalment on account of the purchase of the Central Railway. He was entitled to receive $15,000. An order in council had set that out. The evidence I have already quoted shows in the most positive manner that he received only $12,500 of that $15,000. That evidence will be found on pages 590, 591, and 594 of the evidence. So that on the very first payment under this agreement for the purchase of the Central Railway there was a switching of $2,500. Mr. Evans was asked who got that. He

said he had not the slightest idea; and yet the members of this House heard the Min ister of Public Works say last night that Mr. Evans arranged with Mr. Allen for the deduction of these amounts so that they could go for other purposes in connection with the railway.

The second instalment of $15,000 was due in February, 1902. I have also read from Mr. Evans' evidence showing that of this he received only $9,500. His attention was called, on page 572 of the evidence, to the statement in an order in council that he had received $15,000 before and also this $15,000; and notwithstanding that, he affirmed most positively that all he had received of the second $15,000 which was checked out of the funds of the Company for that purpose, was $9,500—a switching in that instance of $5,500 from its legitimate course.

On pages 35 and 36 of the report, speaking of the difference between the aggregate of the discounts that had been made by the New Brunswick Coal and Railway Company at the People's Bank, and the amount that had been received by the James Barnes Construction Company, the commission say:

> This difference is pretty well accounted for by three notes; first one for $1,250 discounted January 22, 1902, marked on account A, G, B, of the proceeds of which there was no trace, the second being the fifth note discounted by the bank, on February 5, 1902, amounting to $25,000, marked on account Evans, and third by a note for $10,000 discounted on November 19, 1902, marked F, P, T. As to the latter, you could not trace what became of the proceeds, but in the case of the $25,000 note, discounted February 5, 1902, above mentioned, we found that the proceeds thereof were placed to the credit of the company, thus opening the only really checkable current account ever kept by the company with the Peoples' Bank.

At page 35:

> This account was checked out in seven amounts and closed March 8, 1902. It shows to whom the cheques were made payable, but these cheques were handed to J. J. F. Winslow by the bank on January 19, 1904, and Mr. Winslow could not find them, so he stated. Four cheques amounting to $5,262.68 were made payable to Geo. W. Allen, and we could find no trace of what became of the money. Two cheques dated February 8, 1902, of $4,000 and $15,000, respectively, were drawn payable to E. G. Evans.

So that the House will observe that the $25,000 placed to the credit of the New Brunswick Coal and Railway Company at the Peoples' bank, is the only checkable account of all the transactions of that company. The $25,000 was obtained on account of Evans and presumably destined for the hands of Mr. Evans on account of the purchase of this railway. Yet, Mr. Evans states most positively that all he received was $9,500 out of the $25,000 so marked as his cheque. There were two cheques on that $25,000 after it had been placed to the credit of the company in the Peoples' bank. One was for $4,000 and the other for $15,000, dated February 5, which were marked in the account in the People's Bank, one was for $4,000 and is the sum I have already referred to, off which there was sliced $5,500 in transit to Mr. Evans. Then the $4,000 seems to have gone astray in toto. So that there were two cheques for $19,000 in all which were presumably intended for Mr. Evans, but out of which he only got $9,500 or only fifty per cent.

Those are two instances which the commission have mentioned in their report, but there are others. There are the notes which were discounted by Mr. Barnes of the Barnes Construction Company and Mr. Pugsley. In the first place there is a note for $13,500, which was discounted at the Bank of New Brunswick on the 3rd of October, 1903. Those were the notes to which I suppose the Minister of Public Works referred when he boasted last night of his having financed a loan to the great benefit of the people of New Brunswick. The commission remarked that they cannot understand the necessity of either Mr. Barnes or Mr. Pugsley endorsing the notes, because the banks held as collateral bonds guaranteed by the province and which were ample security for the advances made. On that day there was a note discounted for $13,500 as will be found in the bank account at page 652 of the documents, and on the same day there is credited to Mr. Barnes only the sum of $10,225.04. The note for $13,500 was to pay on account of the work of the Barnes Construction Company. That company received only $10,225.04, leaving $3,274.76 which was switched in transit.

There is another note to which the commission make no reference. It was given on the 18th of November, 1903, for $13,000, discounted by Mr. Pugsley and Mr. Barnes in the Bank of New Brunswick. It is entered in the bank's account at page 652. Barnes' account is credited only $8,400 on that day or three days afterwards. $8,400 credited on a note discounted for $13,000, leaving a shortage of $4,600. There is another note for $14,000 and this is not mentioned in the report either. It was discounted by Mr. Pugsley and Barnes the 23rd of December, 1903, at the Bank of New Brunswick. It will be found in the bank's current account also, and of that sum Mr. Barnes appears to have received $10,781.40, or $3,218.60 was switched off before it reached Barnes. So that there were four notes endorsed by Pugsley and Barnes, presumably on account of the 15 miles section under the Barnes con-

tract. These four notes amounted to $52,336, and the lifts which were taken off them reached a sum of no less than $12,525.93; or nearly twenty-five per cent, which should have gone into the construction of that road, disappeared in transit after Mr. Pugsley had got the money from the bank. That is fully borne out by the evidence, and I defy the hon. member for Carleton (Mr. Carvell) or the hon. Minister of Public Works—if he would reconsider his decision and return to the House—to show that statement is not fully borne out by the evidence.

In addition we have upon that point the evidence of Mr. Barnes at page 646 and 647. My hon. friend the Minister of Public Works said last night that the commissioners would not put any questions about any of these matters, but his statement in that regard is, like all the others, directly contrary to the evidence and the fact. At page 646, Mr. Powell examined Mr. Barnes as follows:

On October 3, I see in your account you are charged with $10,225.04 in the Bank of New Brunswick and the same date there is a discount of $13,100, now the difference is about $3,300, what became of that difference? —A. I don't know.

And further:

On October 20, $11,836, proceeds of Bank of New Brunswick also, on that date there is $11,800 odd dollars, got by discount, you were charged with $10,408.65, the difference would be about $1,400; do you know what became of that?—A. No.

Q. Who were on the note?—A. I can't say. 'I can't say,' though the records show that he and Mr. Pugsley were on it.

Q. On the 23rd December, $14,000 is got out of the Bank of New Brunswick, St. John, on the company account (1903); on that date you are charged with $10,781.40 only. Do you know what became of the difference, $3,300? —A. No.

So, I think that any hon. gentleman who should attempt to reflect upon the commissioners for setting out these facts, in view of the evidence I have quoted, would be a very bold gentleman indeed. Now, it is but fair to say that the Minister of Public Works (Mr. Pugsley) himself was questioned when he was on the stand as to one of these notes. His evidence will be found on page 706.

Q. I find a note of about $13,000 or $14,000 discounted by you and Mr. Barnes in the Bank of New Brunswick or the British North America, out of which Mr. Barnes got $10,000. If this thing is so easy and properly kept, please tell me what you did with the balance between the $10,000 and the proceeds? —A. Any balance to pay Mr. Barnes went to the secretary, Mr. Allen.

Q. Will you swear to that?—A. I am positive about that.

Q. Where is the record?—A. Mr. Allen had the record. I would not keep a record, why should I keep a record?

Though the Minister of Public Works states that he received that money, that he had it in his hands and that Mr. Barnes received only $10,000 of the proceeds, we find that he states that he sent the balance to the secretary of the company. I ask you if it is reasonable to suppose that any custodian of funds would send such an amount of money as that to anybody without being able to produce a letter either from himself to Mr. Allen or from Mr. Allen to himself, or a receipt or record of any kind bearing out his statement? He is asked for the record, and he says that Mr. Allen has the record. I read the evidence of Mr. Winslow, who succeeded Mr. Allen as secretary, showing that Mr. Allen had no books of account at all and that what data he had Mr. Winslow was familiar with, and there is not one entry in the account or one document that could be produced accounting for this difference between the amount Mr. Pugsley received on the discount of that note and the amount which Mr. Barnes received.

So, these are a few samples of the manner in which the money has disappeared. There are one or two others to which I wish to refer, and to quote a little evidence concerning them before I conclude my remarks. The name of Mr. Geo. McAvity is rather familiar in this chamber, as I think it is all over the country, and it will remain familiar, associated with that of the Minister of Public Works, so long as the government refuse to take any action to recover that $35,000 which he lifted out of the treasury here at Ottawa. Mr. McAvity became president of this company on July 1, 1904. There had been no president for about two years previous to that. Mr. Ernest Hutchinson, who was the first president, got so disgusted with the manner in which things were going, that he refused to lend his name any longer to the company. But Mr. McAvity was called in as president in 1904. In the Legislature, the present Minister of Public Works (Mr. Pugsley) made a statement as to the great things that were to be expected by reason of Mr. McAvity having condescended to accept the trust and management of this great institution. At page 106 of the Debates of the Legislative Assembly the hon. gentleman is reported as saying:

As stated, the premier insisted upon a change of management. Not that Mr. Evans the then manager was not a competent man and thoroughly conversant with railway management, but the premier thought it would be wise to place affairs in the hands of an experienced and thoroughly competent business man, if such could be found, to take hold of the enterprise. Such a man was found in Mr. George McAvity, of the city

of St. John. I am accused by the opposition of being optimistic, of looking upon the rosy side of things, of having large ideas regarding the future of our province. I confess to that. I am glad that I am optimistic. I had far rather be an optimist than to stand like some members of the opposition with my eyes upon the ground blocking the wheels of progress. Of Mr. McAvity it need only be said that he is known throughout the length and breadth of this Dominion, and beyond its confines, as a progressive and successful business man, a member of a firm which has made an eminent success of its business and has built up one of the leading industries of the city of St. John.

I am inclined to think that members of this House will agree with the statement made by the minister that Mr. McAvity is known throughout the length and breadth of the Dominion, and that statement is truer to-day a great deal than it was when Mr. Pugsley made it on the floor of the New Brunswick Legislature in 1905.

But, bearing that statement in mind, let us see how the minister's optimism with respect to Mr. McAvity has been justified in the management of this road. At page 364 of the evidence, will be found Mr. McAvity's own statement as to the manner in which he executed this trust.

Q. When you became president in 1904 and continued at the head office, didn't you control the finances?—A. I took the presidency in 1904, they were starting a new set of books, Mr. Sharpe was auditing the books, and a new set of books had to be opened up.

Q. Where is this set of books?—A. They never were opened to my knowledge.

That is the way Mr. McAvity started in to execute this important trust.

Q. From the time you became president to the present time, you have not a single book kept in your office or under your supervision except the book you now bring and which was made up from other books?—A. But the books that were held at Norton, at the head office. This book is made up from one received, I had paid me and from data in my office.

Q. Not from a book you had yourself?—A. I had no books to keep.

Page 368:

Q. Do you know what books were opened?—A. Not of my personal knowledge.

This is the eminent business man who managed this road. Then at page 380:

Q. I will call your attention here on page 5 'brought forward $52,250,' this was during your regime?—A. That is since I took charge.

Q. I see in lead pencil 'less W. P. $5,000'—that is carried forward a total credit item on the 5th page. I see this in lead pencil 'less W. P. $5,000' ?—A. I never saw that before.

Although it subsequently appeared that Mr. McAvity had signed a cheque which was filled out in the handwriting of the Hon. Wm. Pugsley for that amount.

Q. That $5,000 so far as this cash book appears from view?—A. That would be previous to my taking charge.

Q. That is carried forward in pencil, on page 7 it is reduced to $47,250, then on page 9 it is carried forward in ink $47,327.70—can you give any explanation of this, how W. P. would get $5,000?—A. I did not make the entry, I have not the slightest idea.

Q. Do you know who W. P. was?—A. I have not the slightest idea.

Money of which he was the custodian, $5,000, had gone into the hands of W. P. and he had not the slightest idea as to how it got there.

Q. Do you know who W. P. was?—A. I have not the slightest idea.

Q. Do you know anybody connected with the business to whom W. P. would refer?—A. I have not the slightest idea.

Q. Do you know a person with the initials W. P. prominently connected with the business of the company?—A. I know persons with those initials.

Q. You know a man connected with the financial affairs?—A. I cannot say why they were put there.

That, Mr. Speaker, was the evidence of Mr. Geo. McAvity, whom the Hon. Wm. Pugsley recommended so highly on the floors of the New Brunswick legislature as a man who was going to straighten out the affairs of this road. At page 360:

Q. As director, would you inquire into the business of the company?—A. No. In the position I was in I never gave any time or attention to it.

At page 361:

Q. There were no meetings of directors?—A. None that I attended.

Page 363. He says that Mr. Pugsley substantially controlled the whole business. Now for these services, I may say, Mr. McAvity charged $5,000 a year, and the evidence shows that $2,380 had been paid him as interest on some coupons from the month of January to the month of March, on the sum of $216,000. This amount, $2,380, he did not know anything about, and could not account for it. In this investigation he was asked about it, and had no explanation. But a few days afterwards his counsel, the member for Carleton, appeared with a statement showing that it had been charged up by Mr. McAvity as salary. When he was questioned, he had no knowledge and could not account for the money; but when he came back upon the stand, after a consultation with his counsel, he is questioned with respect to the money and said that he had put it in his pocket on account of his salary. Now, there is another section in the Act of 1901 which I read this morning, with reference to the conditions upon which this guarantee should be endorsed. There is a specific section in the Act providing that

the salary of that officer, and the amount of wages paid for his services

shall be subject to the approval of the Lieutenant Governor in Council, who may fix or alter the amount from time to time as long as the said guarantee of the province shall remain outstanding.

Notwithstanding that provision there was nobody who knew the salaries of any of the officers of this company. They seemed to be taking money exactly as they needed it, and as they desired it, and to be taking it in very large sums. On that head I wish to quote from the evidence of the Minister of Public Works himself. Page 742:

Q. What salary did Mr. Allen get?—A. I don't remember.

The ex officio director of this company representing the government in the interest of the people of the province, with that provision in the Act I have referred to, that the salary should be fixed by the Lieutenant Governor in Council, states in his evidence that he was not even aware what salary was paid to the secretary of the company, or that he did not remember.

Q. Do you know what salary Mr. Trueman got?—A. I do not remember.

Q. Did the directors get any remuneration?—A. They got some remuneration.

Q. You all got some?—A. I do not believe I got much. Take the accounts, and I think I am out of pocket, I think outside the New Brunswick Real Estate, Loan and Trust Company you will find I am out of pocket personally.

Q. Had you any arrangement as to what you would get?—A. No.

Q. You did get something as director or manager?

Now, mark that question. The member for Carleton said there was no evidence that Mr. Pugsley was manager of this company. He did not dispute it on the ground that he was manager. He says:

A. I do not think so. It was proposed to give me something, I think Mr. Sharpe submitted it for consideration. There were certain accounts had to go before Mr. Tweedie, as premier, for payment, and he refused to allow anything for me.

Q. He was not generous?—A. He was extremely careful, he was heartbreaking at times.

Now, that is the evidence of the Minister of Public Works in regard to his knowledge of the salaries that were paid the officers of this company. He could not give the commission any information of any kind on that point, notwithstanding that under the terms of that Act he and the Provincial Secretary were appointed a board to see that those terms were carried out.

Now, in reference to this proposal of Mr. Sharpe, the Minister of Public Works told us in his evidence that this employee of the company, and a temporary employee, had proposed that $5,000 should be paid to him, Mr. Pugsley, as managing director. I quoted last night the statement of Mr. Sharpe, of the 31st May, 1904, in which the $5,000 was written down as salary and fees of the managing director. Is it any wonder that the commission, in their report state that had it not been that the Minister of Public Works swore to it they would have believed that that $5,000, with reference to which the only entry was a lead pencil entry of W. P., was salary, and not a loan which he, the Minister of Public Works, stated that he made to the company.

I do not propose to discuss further the question of the 'W.P. $5,000.' I just ask the members of this House to consider this fact. There was a loan company, the New Brunswick Real Estate Loan and Trust Company, incorporated for the purpose, if we are to attach any importance to their name, of loaning money amongst other things. That company, as I showed last night from the evidence of the Minister of Public Works, had no books of account. The only entry in reference to the matter was 'W.P. $5,000,' which was a lead pencil entry in the bank book of Mr. George McAvity. Neither in the books of the New Brunswick Coal and Railway Company, nor in the books of the New Brunswick Real Estate Loan and Trust Company was there any entry of the amount of $5,000 or of the amount of the loans that the Minister of Public Works alleged that he had made to the company in the name of the New Brunswick Real Estate Loan and Trust Company. I ask if there is any jury in this land which could be expected to believe for one moment the statement which the Minister of Public Works submitted to that commission? Is it any wonder that the commission declined to give that statement credence? The Minister of Public Works, on the stand, produced these cheques; not one of them was marked or made payable to the New Brunswick Railway and Coal Company. They all bore the names of other parties who, no doubt, had some connection with the old Central Railway. There was Elkins on one cheque, Evans on another cheque, Trueman on another cheque, and, I think, the Canada Permanent Loan Company on another. I ask the members of this House if a loan company making a loan to any other company would make it in the way in which the Minister of Public Works has alleged that he made the loans of this amount of money? The thing is, I have no hesitation in saying, absolutely incredible, and I showed by reference to the evidence of the Minister of Public Works this morning that he admitted that out of

the proceeds of these bonds he had recouped himself for loans that he had made. I think the explanation will be found there of how he received the amount of these alleged loans to this company.

Now, in reference to the lack of books and the confusion in the business of this company, I am going to put upon record further extracts from the evidence of Mr. Barnes. There was one question with regard to four drafts which he had charged the company with having paid, amounting to $1,026.50, $3,600, $2,620 and $1,127. He was asked, at page 642 of the evidence, what that money was for, and he replied:

I don't remember. It was the company's place to keep these cash accounts.

Q. You don't know, you can't give us any explanation of a single dollar of that $8,000 advance?—A. No.

Q. You don't know who got them?—A. No.

Again:

Q. Have you any cheques or drafts that were given by you or accepted by you in connection with this transaction?—A. I did not keep track of that.

Q. Have you any cheques or drafts in connection with this matter between you and the company?—A. I do not think it. The business was wiped out and that was the end of it.

Q. Did you destroy your drafts?—A. I did as a general thing.

Q. Your cheques?—A. I destroyed them.

Q. Have you heard any tell of your books since?—A. No.

Q. Have you no idea where they are?—A. No.

And he actually told the commission that he had never seen a document in reference to the settlement that the New Brunswick Coal and Railway Company made with him on account of his construction contract. I say, if these witnesses were examined before any jury in this country there is not the slightest doubt but that they would render a unanimous verdict, declaring their refusal to believe witnesses who gave such evidence as that, and yet that is the class of testimony that this commission have had to deal with. The Minister of Public Works, speaking in the House last night, asked: 'Why did the commission not call so and so? They did not want any information; they did not want to give us a chance.' It was very amusing to me, and I have no doubt, to the majority of the members of this House to hear the Minister of Public Works criticise and actually attack Mr. Hazen and Mr. Flemming as attorney general and provincial secretary of the province of New Brunswick because they were now ex-officio directors of this company and they were not able to make up the interest account in connection with moneys that were handled by the Minister of Public Works himself while he was an ex officio director of the company.

There is another matter which was referred to in this report and to which the Minister of Public Works has made reference himself. That is the buying off of Mr. Wheaton who tendered for the construction of this fifteen-mile section. There were two tenders, as appears by the report and by the evidence sent in for this work. One was that of Mr. James Barnes, amounting to $117,000, and the other was from Mr. Wheaton, amounting to $109,000, or $8,000 less. These two tenders were referred to a committee of the railway company, consisting of Mr. Pugsley, Mr. Skinner and others. The contract, although Mr. Wheaton was the lower tenderer and was an experienced contractor, as the commission state, notwithstanding what the Minister of Public Works stated last night, Mr. Wheaton was bought off pending the decision of the executive of which Mr. Pugsley was a member. He was paid $5,000 to withdraw his tender so that the contract went to Mr. Barnes, or the Barnes Construction Company, for $117,000 for the construction of this fifteen-mile section. That did not include the rails or the engineering expenses and another item or two which Mr. Shannon, in his report, says would have amounted to $70,000.

Mr. HUGHES. Nor the ties.

Mr. CROCKET. It included the ties, I think, but not the rails. The contract went to Mr. Barnes, and, let me say in reference to Mr. Barnes, that he was also a member of the New Brunswick legislature, a member of the Grit machine of the province of New Brunswick, as every member of this directorate was a member of the Liberal machine in that province and he had associated with him in the Barnes Construction Company the Hon. F. P. Thompson and Mr. W. T. Whitehead and other prominent figures in the Liberal party of the province. They were his chief associates. The commission do not find that Mr. Barnes' associates were advised of the buying off of the lowest tenderer, but if hon. gentlemen will look at the evidence they will find that there is abundant evidence in Mr. Barnes' own statement to justify the finding that these gentlemen were advised of the buying off of the tender of Mr. Wheaton. The upshot was that the contract went to Mr. Barnes for $117,000. What occurred? Last night the Minister of Public Works said that the reason that the contract had been awarded to Mr. Barnes was that he had been such a successful contractor and that Mr. Wheaton had been a failure. The evidence is just to the contrary and the result shows that the minister's statement in regard to Mr. Barnes was absolutely unfounded, because, certainly, if he had never made a failure before, he made a failure of this contract for

he was compelled to throw up the contract in the spring of 1903 and, do you know, that the company actually took that contract off his hands and entered into an arrangement with him for the construction of the road upon a percentage basis agreeing to give him the actual cost of construction plus 15 per cent and that is a way a lot of the grafting was done in connection with this business. I have no hesitation in expressing it as my opinion that the importation of Mr. Barnes into this and the awarding of the contract to Mr. Barnes under these circumstances was with that particular end in view. The Minister of Public Works has spoken about the cost of this fifteen mile section and the unfairness of the commission in allowing only $316,000. Why, Mr. Speaker, that $316,000 is $25,000 more than the Minister of Public Works himself figures in the statement which is on the files. Although the commission express the opinion that this was entirely too much to allow for the construction of that line, they do nevertheless allow the whole amount of $316,000. Mr. Shannon in his report points out that if the New Brunswick Coal and Railway Company had done its duty and held Mr. Barnes to his contract the road could have been built for less than $200,000. Mr. Barnes agreed to build his end of it for $117,000 and Mr. Shannon shows that the rails and the engineer's expenses and another item or two would not have amounted to more than $80,000 extra. Furthermore, Mr. Wetmore the provincial engineer was instructed by Provincial Secretary Tweedie to visit the locality and make an examination of the work, and a letter from Mr. Tweedie is on file in which he expresses the greatest dissatisfaction with the manner in which things have been going on. I think it is in reference to this, that the commission used the expression that he had called into play a force which he could not control, and the force which he could not control was the force of the Minister of Public Works. In August, 1903, Mr. Wetmore made a complete report of the value of the work up to that time, and he valued it for the branches and all at $195,000, and that report was sent to Mr. Tweedie. Mr. Tweedie wired Mr. Wetmore for an estimate of what it would cost to complete the road and Mr. Wetmore made another report saying that $31,000 would have completed it. Therefore, on the report of the engineer of the government this road was worth only $226,000. Before the commission evidence was offered as to the cost of similar roads in New Brunswick, and while they have allowed the whole $316,000 it is clear from a perusal of the report that they allowed many thousands of dollars more than was honestly spent in the construction of the railway.

Before I conclude, Mr. Speaker, I feel that I cannot, as a member of the New Brunswick Bar, allow to pass unchallenged the bitter, vindictive and malicious attack which the Minister of Public Works saw fit to make upon an honoured member of the Supreme Court Bench of New Brunswick. I say this, and no one knows it better than the Minister of Public Works, that we have never had upon the Supreme Court Bench of our province—and we have had many eminent judges there—a judge who occupied a higher place in the esteem of the people of the province than does the Hon. Mr. Justice Landry. Not only is Mr. Justice Landry respected and honoured by the people of his own race—and let me say that he is recognized as the most distinguished man the Acadian race has given to the province of New Brunswick—not only is he honoured by the people of his own race and his own creed, but he is honoured by the whole citizenship of New Brunswick irrespective of race and irrespective of creed. And, Sir, it will require far more than the denunciation of the Minister of Public Works to detract from the high reputation which Mr. Justice Landry enjoys, not only in New Brunswick, but throughout this whole Dominion. If there is one quality more than another for which Mr. Justice Landry is distinguished it is his absolute fairness, honesty, and integrity. I repeat that no one knows that better than the Minister of Public Works. I was very much surprised, as a member of this House and as a member of the Bar of New Brunswick, that a gentleman occupying the high position of a minister of the Crown, should make such an unwarranted and malicious attack upon that distinguished citizen of our province. As a member of this parliament and as a member of the Bar, I resent in the strongest possible terms the conduct of the Minister of Public Works in seeking to besmirch the good name of that honoured man. I challenge the Minister of Public Works to point to one single act with which Mr. Justice Landry can be connected either in his public career or his judicial career which does him other than the greatest credit. Mr. Justice Landry was a member of the provincial government of New Brunswick in the days when we had no New Brunswick Coal & Railway frauds. In the regime of that government of which Mr. Justice Landry was a member there was never a single scandal of any discription that could be charged against the administration, and in that government Mr. Justice Landry was the minister of the spending department. I have the feeling that no one will regret more than the Minister of Public Works himself the attack which he was so unwise and so indiscreet as to make in this House last evening upon that honourable and distinguished member of the New

Brunswick judiciary. I do not think that Mr. Justice Landry requires any defence from me. In the documents that I have read to-day and the citations that I have made from the evidence is to be found a vindication of Mr. Justice Landry if vindication were needed. I challenge any member of this House to show wherein the evidence given before that commission does not bear out to the fullest extent every finding made. Not only that, Mr. Speaker, but if this commission has erred at all it has erred on the side of leniency. I have already pointed out three or four instances in which the name of the Minister of Public Works should have been set forth in the report and where it was omitted, I suppose, out of consideration for the high office he occupies. But if, as the Minister of Public Works said, the commission was actuated only by a reckless desire to destroy him, is it likely that they would have refrained from mentioning his name in reference to some of these transactions where his name is mentioned in the most discreditable manner in the evidence which was adduced before the commission.

Now, Mr. Speaker, as to the character of this commission, perhaps some members of this House who are not familiar with the public men and with the judges of New Brunswick may take some stock in the statements of the Minister of Public Works, but I can assure them that these the commission, to prove this. The editor ple who live in the maritime provinces. I could quote from an editorial of the St. John 'Globe' of April 12 last, which refers to these violent attacks made upon the commission to prove this. The editor of the 'Globe,' is one of the most consistent Liberals in the Dominion, who is one of the most honourable Liberals in the Dominion, and who though possibly he may not be, an intense admirer of the Minister of Public Works, has certainly up to this time enjoyed a good standing in the Liberal party. I could point to this editorial in the St. John 'Globe' to show that it resented these attacks and stated that the commissioners are men of the highest character, as everybody in New Brunswick knows. And, Sir, it will require more than such an attack as was made upon that commission last night to disturb the effect of the findings in that report. I apologize for detaining the House at such great length, but in view of the position which the Minister of Public Works took with regard to the evidence I thought it was necessary. He started out by stating that these findings were not borne out by the evidence and he expressed regret in his own speech and in some of the interruptions during the speech of the hon. member for West Elgin that the matter was to be confined to a discussion of the report, because what he wanted was the evidence. The Minister of Public Works acknowledged that he had two volumes of the evidence of the witnesses, and there are only two volumes. Yet did he allude to the evidence from the beginning to the end of his five hours' speech yesterday? Not to one syllable, and why? Because he knew that the evidence condemned him more strongly than the report. He made a great talk in the newspapers about the necessity of having the evidence; he admitted yesterday that he had it; but he declined to use it, for the reason I have stated. Now the House has the evidence, and I think I have established by quotations from it that there was not one shadow of justification for the position the Minister of Public Works took in his speech yesterday.

A word or two in reference to a statement that was made by the hon. member for Carleton and also by the Minister of Public Works while the hon. member for West Elgin was speaking yesterday; that was, that they had not had an opportunity of giving evidence, and that the commission had attempted to cut them off. Does my hon. friend from Carleton say that he did not appear as counsel for the New Brunswick Coal and Railway Company? Does he say that Mr M. G. Teed did not appear as counsel with him? Does he say that Mr. A. P. Barnhill did not also appear as counsel for the ex-commissioners, Messrs. McAvity and King? I ask the hon. member for Carleton to contrast the conduct of this commission with the conduct of the Insurance Commission which was appointed by this government some years ago, the chief purpose of which I have always thought was to get a crack at the member for North Toronto (Mr. Foster). An attempt was made to shatter the reputation of the hon. member for North Toronto by the operation of that Insurance Commission. There were charges made of every description. Mr. Foster appeared before that commission, and he was refused again and again the privilege of putting questions through the mouth of his own counsel. And yet a party which issued instructions for the conduct of a commission on such lines as that has the temerity to criticise the conduct of the commission appointed by the New Brunswick government under which the fullest possible opportunity was offered to every counsel who desired to appear on behalf of anybody who had any conceivable interest in the inquiry. I cannot give a better idea of the fairness of Mr. Justice Landry than to quote from pages 61 and 62 of the report of the evidence:

St. John, July 8, 1908.

Commissioners met, pursuant to notice, in the Admiralty Court Room, at 10 a.m., to hear evidence.

The Chairman. This is, virtually the first session of the commission for the particular purpose of taking evidence. It is true, that we met at Fredericton and sat there a short time, but, employed most of the time on the examination of legislation concerning the railway, and in examining certain documents. We called some witnesses but, inasmuch as this is a public investigation, and as everybody who is interested should have every right to be present, personally, or by counsel, we would like it understood that what we did at Fredericton in the matter of taking evidence is open to the inspection of anybody. The evidence is typewritten, and the witness may be recalled for the purpose of cross-examination or for other purposes.

Mr. M. G. Teed, K.C., who was present, said: A few moments ago I received a telegram from Mr. F. B. Carvell, at Ottawa, stating that he had been retained to appear for the New Brunswick Coal and Railway Company in this investigation, and he wished me to appear to-day and ask for an adjournment. We all know he had his parliamentary duties to attend to, but I am not otherwise aware of the reasons he has for assisting the adjournment. But I should think it would be very important that the company should be represented. I hope your honour may make such an adjournment and allow the hearing to go over until after prorogation of parliament, which, I understand, will be the end of next week.

Mr. Powell. I do not see how this application can be complied with. It cannot be for the reason of the absence of counsel. There are numerous counsel in the city of St. John who could be engaged. I certainly would oppose a postponement. It does not look like a bona fide application. If there was any real necessity for an adjournment I would consent.

The Chairman. I think we can hardly accede to this request just now, at any rate. I appreciate the interest which this company would have in the proceedings, and perhaps the necessity of their being present—certainly we would be assisted if they were present, but this investigation is likely to take some little time, and I think it is impossble for us to commence by adjournments to accommodate everybody. If we so commenced we would not know where we would land. Mr. Carvell is employed at Ottawa, and he cannot leave until after adjournment of parliament, the date of which is doubtful. If we were to commence by acceding to all the requests that were made for adjourning, I do not know when we would be liable to close. I think we would meet so as to have the evidence transcribed, and it would be open to these people to have witnesses recalled at any time for the purpose of examination or anything else.

Mr. Teed. Inasmuch as this is the first application on behalf of the New Brunswick Coal and Railway Company—while I can understand the force of much Your Honour says—I think in this case they might consider themselves prejudiced if not represented.

The Chairman. There is a great deal in what has been said by Mr. Powell that counsel could be obtained. I have had a similar application from the Minister of Public Works, asking an adjournment that he might be present, himself. That letter was written some time ago, and I replied to it, and in his answer he does not insist on an adjournment. If counsel could state a definite time at which he could be present, we would endeavour to accede to his wishes, but, we could hardly adjourn unless there was some fixed date at which we could be assured that the meetings would be held.

After that Judge Landry wrote to the Minister of Public Works as to the importance of his being examined as a witness, and request after request was made by the Minister of Public Works for an adjournment, and his convenience was consulted absolutely. At that very sitting of the commission Mr. Teed appeared as counsel for the company. At the next sitting, in the following week, the hon. member for Carleton appeared as counsel for the company and Mr. A. P. Barnhill appeared as counsel for the ex-commissioners, and on the 20th of August, three months before the Minister of Public Works was examined, he himself appeared as counsel and I happened to be at a session of the commission in which he was conducting an examination of witnesses. In view of this record, it seems to me to have been very bold on the part of the Minister of Public Works to hazard any criticism of the commission in reference to their treatment of the parties and the privileges of counsel. But could any sane or sensible man be expected to take any stock whatever in the argument that was put up by the Minister of Public Works last night, that he, the managing director of this railway company, who had the responsibility of the company upon him more than any other man, who was familiar with its transactions from beginning to end, who negotiated practically every loan with the banks—that he, having attended the sessions of this commission, having followed, I assume, as every other citizen did, in the press of New Brunswick, the evidence that was given, would go on the stand in the month of December and not be able to clear up those matters with reference to which there was any doubt. Would anybody believe for one moment that a gentleman of the ability of the Minister of Public Works and of his ingenuity would come forward to give evidence and then simply, because he was not asked a certain question, fail to give any information which would tend to clear up the tangled affairs of the company. But, as a matter of fact, he was asked, as I pointed out by the evidence, what became of the proceeds of the notes which were discounted on the guarantee of these bonds and which he handled, and his evidence speaks for itself. He had no record, no receipts, everything had been handed over to two men, both of whom had

gone to their majority, and he could give the commission no information or enlighten ment. Then he criticised the Attorney General of New Brunswick and the provincial secretary because forsooth they have not been able to supply the evidence which the Minister of Public Works failed to give us regarding his own manipulation of the funds of the company. In view of this evidence, the statement of the Minister of Public Works made yesterday cannot have much weight in the minds of impartial men.

Mr. O. TURGEON (Gloucester). I have no intention, Mr. Speaker, of following the hon. gentleman who has just addressed the House through the many tortuous windings of the lengthy speech he has made. When my hon. friend from West Elgin (Mr. Crothers) brought in a resolution yesterday to the effect that the Minister of Public Works (Mr. Pugsley) should be asked to resign or be dismissed, he appealed to the very tender regard which the English people have always had for the character of their public men, and he hoped that the high record they had shown in that respect would not be departed from in this instance in Canadian public life. With that sentiment, I am in perfect harmony with my hon. friend and so is every true Canadian who has the honour at heart of the men to whose guidance are entrusted the destinies of this great nation. But because we are jealous of the character of our public men is no reason why we should fall into the opposite extreme and create bad impressions, not only among our own people, but in countries outside of Canada, regarding the conditions of Canadian public life. The time has come, it seems to me, when we ought to cry halt in our endeavour to achieve political success by suspecting scandals where they do not exist. Changes of government have taken place before this session. We have had recently a change of government in New Brunswick. A few years ago we had a change of government in Ontario, when the party which had held the reins of power for many years was compelled to give place to its opponent. Inquiries of all kinds have been made, commissions appointed and changes have also taken place in other provinces, but are we to expect that whenever there is a change of government, its successors must appoint commissions to find out evils in the administrations of its predecessors, and have those reports brought before the federal Parliament, as in this case, which are foreign to our jurisdiction. My hon. friend from Elgin, to add to the solemnity of his language, made several times the declaration that he was standing for the report of a judicial commission. Well, for my part, every time I took up the report of this judicial commission, I found it impossible, according to my own conscience and my own intelligence to reconcile my judgment with every assertion made in that report.

Fearing, perhaps, that if the name of Judge Landry did not appear at the head of that commission, there would be less respect for its findings, my hon. friend from York county made a reference to the standing of Judge Landry before the bar and the people of New Brunswick and the people of the Acadian race whose interests he has advocated so ably on so many different occasions. Well, no man in this House could have a greater respect for Judge Landry than the member for Gloucester who is now addressing you. One of my proudest recollections is to have had the good fortune, in the starting years of my public life, to have had the honour of collaborating with him in his endeavour to bring the Acadian race, by means of education to the level of the other races.

Meanwhile my respect for Judge Landry, the respect in which he is held in the province of New Brunswick and which he specially enjoys as a judge of the Supreme Court of that province, does not grant him the gift of infallibility, and his judgment with that of the other commissioners, of whom my hon. friend has spoken so highly is not necessarily to be accepted without question. When I study this report of the commission, I find myself at times unable to find in it any evidences of the judicial attitude. I am not a lawyer or, as the saying is, the son of a lawyer—I am only the father of a lawyer;—but I appeal to every man of legal training and legal ability in this House to say if he can find in this report the judicial tone which the hon. member for west Elgin (Mr. Crothers) has endeavoured to make the House believe it had and because of which, apparently, he sought to invest it with infallibility. When I look at this document, I fail to recognize the wisdom, the lucid explanation of legal matters characteristic of my old friend Judge Landry and shown by him on many a previous occasion. I fail to see the evidences of careful thought in this report. I wholly fail to appreciate the conclusions resting upon assumptions which, at times, can hardly be said to be sound. I find in some of the conclusions of this report rather the characteristics of a political harangue by a stump speaker, regardless of the responsibility of his utterances. There are only a couple of points to which I wish to call attention, and which particularly struck me from the first. These points I cannot explain to myself; I believe they are enough to cast suspicion on the judicial findings of this report based upon evidence which is not at our command to-day, we are here called upon to pass judgment upon the

political life of one of the biggest men, to use the expression of my hon. friend from York (Mr. Crocket), whom the province of New Brunswick has ever produced. We are called upon to eliminate from public life a man who has been at the head of affairs in his own province, and who in this parliament has taken a foremost place and since he has been amongst us has commanded the sympathy and admiration of every hon. member. And why should we be called upon to discuss this report? The legislature to which it belongs has not seen fit to discuss it. This report was placed upon the table of the House of Assembly of the province of New Brunswick, and for thirty days thereafter that House was in session, and no action was taken, or attempted to be taken, upon the report. What is the reason that the present leader —the temporary leader I may say—of that House did not see fit to call the attention of the legislature to this report and ask the legislature to review it? But we, the great parliament of Canada, are called upon to discuss a question beyond our sphere and foreign to our duty while the legislature of New Brunswick for whose benefit this report is made, has left the discussion of it over for another year at least.

One of the first points to which I wish to call the attention of this parliament is to be found in the second paragraph of the conclusion of the report. It may be said again that I am appealing to that figure which is called a typographical error. In saying that $430,000 and $500,000 are misprints here for $43,000 and $50,000. But leave out the possibility of a typographical error, and I ask you again, if these commissioners were really alive to the responsibilities of their actions and findings, could it be possible for such an error to be allowed to pass?

> On the face of it the motive of the promoters as stated was to develop the coal mines of Queens county. Responsible and respectable men from various parts of the province were obtained to lend their names as directors; and from the fact that $430,000 of the total $500,000 authorized capital was to be distributed as founders' shares, we conclude that the interested parties had visions of ultimate large profits, with absolute certainty of no personal loss.

If this was a typographical error, if the commissioners had in view merely the sum of $43,000, then there was no reason for 'visions of ultimate large profits with absolute certainty of no personal loss,' and therefore these words should not have been used in this report. Another point to which I wish to call attention is the great difference in the conditions of railway building as they exist now and existed twenty or thirty years ago. It strikes me that if I were called upon to require an estimate for the construction of a railroad I would apply to engineers with experience in railroad construction; I would not be simply guided by the estimates which may have been given by engineers twenty or thirty years before the date of the construction of this 15-mile section, and conclude that because a few miles of railroad may have been built in the early days in New Brunswick for $10,000 a mile or less, to-day you can build in other sections of the province a railway for a somewhat similar amount or double the amount. We must remember that conditions of railway building have changed completely, in the cost of labour, in the cost of materials, and in every other way. There can be no possible comparison between the cost of railway building in the two periods. Thirty years ago you could get labour for the asking. I knew men in those days working on railroads in my own county for 75 and 80 cents a day, and they were paid out of the stores of the contractors whatever price the contractors chose to ask for their goods. In those days railway ties could be bought for a few cents apiece. I have the testimony of my hon. friend from Kent county who, in his early years, sold railway ties for 15, 13 and 12 cents apiece. Now I ask you, Mr. Speaker, how much has the present Minister of Public Works or his predecessor had to pay for railway ties? Why, Sir, the prosperity of Canada has advanced the value of every possible commodity. I am safe in saying that in Kent county to-day it costs 200 per cent more to construct a railway than it did in the former period. It is also to be remembered that modern railways are much more solidly built, they are built for the purpose of transporting coal and heavy freight, whereas in former days they were built for the transportation of a few boxes of fish and a few passengers. And because this railroad has cost 100 per cent more than our friends think it should have cost, they say there has been a misappropriation of $242,000 upon that section. I say, Mr. Speaker, that such a conclusion lends itself to doubt and suspicion on the part of every honest man who wishes to come to a correct conclusion. These two points are sufficient, I think, to answer the contentions of our hon. friend opposite. It is not my intention to follow in detail the long speech of the hon. member for York, N.B. (Mr. Crocket). It was not my purpose in rising to defend the hon. the Minister of Public Works. That hon. gentleman has proved on many occasions that he is quite able to defend himself; he has proved it twice already during the present session; he proved abundantly last night that he needs no one to come to his defence when he is attacked, that he is well able to stand against the calumnies of his political op-

ponents. I may say that since this debate was begun yesterday I have had some conversation with hon. members, both of this House and of the Senate, and they are by no means in sympathy with the motion of censure. I am confident that this motion does not meet with the approval of every Conservative in the Dominion of Canada, nor even of every Conservative member in this House. I am sure that the Minister of Public Works yesterday satisfied every member in this House who desires to form an impartial judgment, that as ex-officio director of this company he knew everything that was being done; and if at one time when he had to take over this road it was found that the company had got into financial difficulties, I say it is no new thing in our province of New Brunswick. We have found in the past that when our public men were endeavouring to develop the great resources of our country they did not meet with the encouragement they were entitled to. To-day we are doing everything possible to develop the west, knowing that its development will mean the progress of the east. I think that when our public men enter into schemes for the development of our province of New Brunswick, and of the Dominion of Canada, they are deserving of more encouragement than they receive That has been a trouble that has existed in the past. I hope that after all, when this matter has been thoroughly sifted, when the judgment of this parliament and of the country has been pronounced, it will be that these men who were acting in the interest of the province are deserving of more encouragement than they had received. Hon. gentlemen opposite contend that $20,000 a mile should have been sufficient to build that railway. What did we find in the legislature of New Brunswick when that very report was laid upon the table of the legislature of the local legislature?

Only two weeks ago, and since that report has been placed upon the table of the House, Premier Hazen, the leader of the government, has undertaken to give the guarantee of the province of New Brunswick for a railway with the same objects as this one had, that is for the development of an iron mine, for a railway which traverses the county of Gloucester from Nipisiquit river to Bathurst, and which will assist in the development of the iron ore deposits there. He does not estimate the cost of the railway construction in New Brunswick at $5,000 or $10,000 but he gives a guarantee of $15,000 a mile and this when he knows that the very same company are also applying to this government for a subsidy of $6,400 a mile. The fact that he is willing to give the guarantee of his province to the extent of $15,000 a mile is an admission that railway construction in New Brunswick cannot be carried on for $8,000 or $11,000 or even for $20,000 a mile. Therefore, his action, patriotic as it may be, in giving this guarantee, which I approve of, and I have advised his supporters to second his efforts in this matter, is a contradiction of the finding of this commission as to the cost of railway construction in New Brunswick. In conclusion, I wish again to say that, whatever the vote upon the opposition side of the House may be, we, on this side of the House, feel convinced of the moral innocence of my hon. friend the Minister of Public Works. He has devoted a lifetime to the public affairs of the province of New Brunswick and in every sphere into which his activities have entered he has won a high place in the affection and esteem of patriotic Canadians in all parts of the Dominion who have observed his public conduct. To-day every Liberal in the province of New Brunswick, every unbiased man, to whatever party he may belong, feels, as my right hon. friend the Prime Minister said a few days ago that he felt, proud of the Minister of Public Works. Every friend of ours in the province of New Brunswick is satisfied that the Minister of Public Works has faithfully discharged the trust which was reposed in him when he was called to the federal arena to give his important services, not only to the great Liberal party to which he belongs, but to the Dominion at large. I shall consider it my duty to vote against the resolution and I feel that in doing so I shall have the confidence and support of all of my constituents in the county of Gloucester. I feel also that I shall have the sympathy and support of the great Acadian race in the province of New Brunswick, of which the hon. member for York has spoken, which has shown its appreciation of the development of the resources of this country under a Liberal government for the last thirteen years and which has no ground to alter its views with regard to any public man because of anything contained in the report of this commission.

House divided on amendment (Mr. Crothers).

YEAS:

Messieurs

Armstrong,	Lennox,
Barker,	Lewis,
Barnard,	Lortie,
Barr,	Macdonell,
Blain,	Magrath,
Borden (Halifax),	Marshall,
Boyce,	Meighen,
Bradbury,	Northrup,
Broder,	Owen,
Burrell,	Paquet,
Campbell,	Perley,

Clare,
Cowan,
Crosby,
Crocket,
Crothers,
Currie (Simcoe),
Daniel,
Doherty,
Edwards,
Elson,
Foster,
Fraser,
Goodeve,
Gordon (Nipissing),
Haggart (Lanark),
Henderson,
Herron,
Hughes,
Jameson,
Kidd,
Lalor,
Lancaster,
Porter,
Reid (Grenville),
Roche,
Russell,
Schaffner,
Sexsmith,
Sharpe (Lisgar),
Sharpe (Ontario),
Smyth,
Sproule,
Staples,
Taylor (Leeds),
Taylor (New Westminster),
Thoburn,
Thornton,
Wallace,
White (Renfrew),
Wilson (Lennox and Addington),
Worthington.—63.

NAYS:

Messieurs

Aylesworth,
Beauparlant,
Black,
Brodeur,
Brown,
Calvert,
Carrier,
Carvell,
Cash,
Chew,
Chisholm (Inverness),
Clark (Red Deer),
Clarke (Essex),
Congdon,
Conmee,
Dubeau,
Dugas,
Ethier,
Fielding,
Fortier,
Gauvreau,
German,
Girard,
Gladu,
Graham,
Guthrie,
Harris,
Harty,
Hodgins,
Kyte,
Lanctot (Laprairie-Napierville),
Laurier (Sir Wilfrid),
Lavergne,
Law,
LeBlanc,
Lemieux,
Loggie,
Low,
Macdonald,
MacNutt,
McAlister,
McCoig,
McColl,
McCraney,
McIntyre (Perth),
McIntyre (Strathcona),
McKenzie,
McLean (Huron),
McLean (Sunbury),
McMillan,
Major,
Marcile (Bagot),
Martin (Regina),
Martin (Wellington),
Mayrand,
Meigs,
Michaud,
Miller,
Molloy,
Nesbitt,
Neely,
Oliver,
Papineau,
Pardee,
Paterson,
Pickup,
Proulx,
Prowse,
Rankin,
Reid (Restigouche),
Richards,
Ross,
Rutan,
Savoie,
Schell,
Seguin,
Sinclair,
Smith (Middlesex),
Smith (Nanaimo),
Smith (Stormont),
Stratton,
Sutherland,
Talbot,
Templeman,
Turcotte (Nicolet),
Turgeon,
Turriff,
Verville,
Warburton,
White (Victoria, Alta.)—90.

Mr. TURGEON.

PAIRS:

Messieurs

Ministerial.	Opposition.
Currie (Prince Edward),	Maclean (York, S.),
Borden Sir Fred'k),	Osler,
Bureau,	Monk,
McGiverin,	McCarthy,
Emmerson,	Wright,
Fisher,	Lake,
Allen,	Ames,
Bickerdike,	Bristol,
Béland,	Forget,
Chisholm (Antigonish),	Chisholm (Huron),
Fowke,	Beattie,
Tolmie,	Stanfield,
Gordon (Kent),	Stewart,
Gervais,	Price,
Todd,	Maddin,
Sifton,	Middlebro,
Robb,	McCall,
Murphy,	Haggart (Winnipeg),
Martin (Montreal, St. Mary's),	Nantel,
Devlin,	Blondin,
Roy (Montmagny),	Arthurs,
Seeley,	Rhodes,
Lovell.	Donnelly.

Amendment (Mr. Crothers) negatived.

Motion (Mr. Fielding) agreed to, and the House went into Committee of Supply.

Immigration—salaries of agents and employees in Canada, Great Britain, and foreign countries, $200,000.

Mr. FOSTER. Will the Minister of the Interior give us an explanation of this decrease of $100,000 as compared with the previous year? I notice that the Minister of the Interior is not ready. I am inclined to think the Minister of Finance will not make much progress between now and six o'clock and may be we might go now and come back five minutes earlier and by that time we may have the Minister of Public Works with us.

Mr. FIELDING. I did not know that my hon. friend (Mr. Foster) was so anxious to have the Minister of Public Works here.

Mr. FOSTER. Oh yes, I am.

Mr. FIELDING. I think perhaps that owing to the absence of some of the officials it would be convenient to call it six o'clock, and as the Minister of the Interior cannot be present then we will resume with the estimates of the Agricultural Department unless something unexpected occurs.

Mr. URIAH WILSON. Could the Minister of the Interior say when we will go on with his estimates?

Mr. FIELDING. Perhaps later on in the evening.

Mr. FOSTER. Time would be saved if we knew the day before what estimates would be taken up.

Mr. FIELDING. The expectation was that the debate would continue until the evening and the officials are not present.

Mr. FOSTER. Is there any reason why the debate did not continue?

Mr. FIELDING. Yes, I understand that several hon. gentlemen opposite who intended to speak were so absolutely knocked out by the hon. member for Gloucester (Mr. Turgeon) that they abandoned their case.

Mr. FOSTER. I am very glad we have official intimation that the answer of the government to the attack of my hon. friend from York (Mr. Crocket) is to be found in the speech of the hon. member for Gloucester.

At six o'clock, Committee took recess.

After Recess.

Committee resumed at eight o'clock.

For the development of the live stock industry, $52,000.

Hon. SYDNEY FISHER (Minister of Agriculture). This is the usual item for the live stock division of my department. The reduction of $13,000 is due to the fact that a considerable number of employees in the city of Ottawa, having been brought into the inside service, have been transferred to civil government. Otherwise the item is the same as that of last year.

Mr. GEORGE TAYLOR. I think I must, on behalf of the agricultural constituencies, protest against the Minister of Agriculture waiting until a week or ten days of the end of the session before bringing down his estimates. I do not think it is fair to the farmers. We should be in a position to spend several days in criticising this department and getting information. If we are to get through by the 19th, as it is intended to try to do, we cannot do more than ask for a little information on one or two items. I trust that the minister will next session see that his estimates shall be the first taken up, so that those representing agricultural constituencies will have a chance of getting as much information as possible.

Mr. FISHER. I may say that I tried to get on with my estimates in the early part of the session, but hon. gentlemen opposite wanted to put them off, and did not allow me to proceed. Then, other work was taken up by other ministers, and I had not a chance to go on with my estimates. I can assure my hon. friend that I will give him all the information that is asked from me. In fact, he is one of those who on some occasions have stopped me giving information. I have been rather accused of deluging the House with information, and I am ready to do it again. I can assure my hon. friend that he need not hesitate to ask questions. If I have the information, I will give it; if I have not got it, I will get it as soon as possible.

Mr. GEO. TAYLOR. I can only say that if we allowed the hon. minister to take the time he usually takes in giving information, we would not prorogue on the 19th, which the Prime Minister is very anxious that we should try to do, and which we on this side have agreed to try to do, and we always live up to our agreements.

Mr. J. D. REID. I understand that there was about $75,000 expended last year on developing the live stock industry?

Mr. FISHER. About $65,000, less $4,000 or $5,000 that was unexpended.

Mr. LAKE. Is the whole of this reduction due to transferring the employees to another vote?

Mr. FISHER. Yes.

Mr. LAKE. I see that the total vote for the Department of Agriculture is reduced by about $380,000. Does that mean the same thing?

Mr. FISHER. Practically, yes.

Mr. LAKE. I think it would be a pity if the votes were cut down. There should rather be a greater expenditure on this particular service.

Mr. FISHER. We expect to have to pay a very much less amount for compensation for the slaughter of animals, which as far as I can remember at the moment is the only direct reduction. I am asking just as much generally for agricultural work, and in some instances a little more than last year, as the work extends.

Mr. BLAIN. Will the minister explain how the money was expended last year?

Mr. FISHER. I have here a general detail of the expenditure. For British Columbia we allotted about $3,000, which was made up as follows: For farmers' institutes and stock judging, $500; for annual fair, including stallion show and auction sale of thoroughbred stock, $650; for expert judges at fairs, $300; for development of the sheep industry, $600; and for a general representative of the department in the province, $1,000; making $3,000 for British Columbia. In Alberta, a total of $2,668, the items are practically the same as those in British Columbia, but a little larger. In Saskatchewan, $2,668, in Manitoba the same kind of thing. In Ontario a lesser amount, only $1,200.

Mr. BLAIN. How is that?

Mr. FISHER. Because its provincial government does so much on these lines that there is no demand for us to do that kind of work. The work is done and the farmers are receiving the benefit and we are able to economize in that province. In Quebec about $2,500. That is partly to help the live stock association. It is unfortunate perhaps that there are in Quebec associations which are not affiliated to the General Dominion Association. Still they are doing good work in their own province; and if they were not kept up, there would be a very serious damage to a very important industry in that province. I am obliged to give them assistance to the extent of $600. We have also taken upon ourselves to do a good deal more in the way of institute work in the province of Quebec among the French Canadian farmers because the provincial government does not do as much and here is a great demand for assistance and addresses. We are therefore spending a larger amount there than in the other provinces, where a great deal of that kind of work is done by the provincial authorities, and the language being different makes the cost a little more. In New Brunswick, $1,000; in Nova Scotia, $1,100. We give to the Maritime Special Breeders' Association, which holds a winter fair in Amherst, New Brunswick, assistance to the extent of a little over $2,500. Then we have a special work for the encouragement of what is called a record of performance among dairy stock. This was inaugurated two years ago by my department to encourage the breeders of thoroughbred dairy cows to test their animals and establish a record of performance. That is a very useful work. The stock breeders have taken advantage of it very greatly and we have been obliged to increase the expenditure. To-day we have three men, whose whole time is taken up by it. It is a work which requires a government official so as to insure absolute confidence in the test. We began with only one man but we had so many demands for the test that we had to add another. A third has to be added and I think shortly more still. This shows that the people are taking an interest in the work and that it is effective. We also publish reports of the live stock branch and have some general expenses for travelling and office expenses, and we also deal in this branch with what are called national live stock records. A few years ago there were thoroughbred records of the different kinds of animals in the different provinces, and my department undertook, after discussions with the different breeders of thoroughbred live stock, to establish national records. To-day we have national records, recognized, not only all over Canada but outside of Canada, as absolutely trustworthy and these certificates are received in foreign countries with confidence. That costs about $10,000 a year. We also do a little in the way of developing and encouraging the sale of thoroughbred stock from one province to another. In the old days the only good market, if not the only market, for the thoroughbred breeders in Ontario was in the United States. There was a great demand for thoroughbred stock in the west and the east when my department undertook to bring together the purchasers and sellers and give them facilities for the transfer of stock. That takes $1,500 or $1,600. We have besides a general representative in Manitoba and the west, whose salary and office expenses come to about $1,600. I wish that time would allow me to give a more complete description of the work, because I am rather proud of it, and I think it is doing good for our farmers and live stock breeders.

Mr. LAKE. Has anything been done with regard to the removal of the cattle embargo in England this last year?

Mr. FISHER. No.

Mr. LAKE. Has the minister taken anything into consideration in connection with a project mooted in the west for the shipment of chilled meat rather than shipping it in live condition?

Mr. FISHER. Within the last few days I have had representations made me by some gentlemen from Manitoba, who propose a very large scheme indeed and ask government assistance. The scheme, as submitted to me, was so large, I had to tell them frankly it could not be considered. They have modified it materially and propose a smaller scheme, which is still a very large one. At this stage of the session, it will be impossible for me to pass the necessary legislation, but I will carefully examine into the matter, and if between now and next fall a more economical scheme can be worked out, I shall be very glad to recommend assistance. I believe that the establishment of a dead meat export trade from Canada would be very valuable to our Canadian stock producers. There are, however, difficulties in the way which so far no one has been able to overcome. Whether this scheme will overcome these difficulties or not, remains to be seen.

Mr. LAKE. This is of the greatest importance to every raiser of live stock in Canada, and I am glad to hear the minister declare that he will take it into his consideration. He should certainly try and evolve some scheme which will enable us to put our meat to the very best advantage on the markets of the old world. I am sorry to hear that nothing was done to

have the embargo on our live stock removed. It seems to me we ought to be taking steps all the time to have it removed or have some alternative scheme adopted such as this dead meat scheme, so that our stock raisers may get something far nearer the value of their stock than they are now getting.

Mr. STAPLES. Has the Minister of Agriculture had any communication from the live stock association of Manitoba asking for assistance to ship their stock to the exhibition at Seattle during the coming summer? I have had a letter from the association which I presume the minister has received also and therefore shall not read it. We have not bothered the minister much during the session, but those interested in agriculture think that this great industry is not getting the consideration it ought, and I regret very much that the hon. minister held up his estimates as usual to this late hour. I believe the minister (Mr. Fisher), from the way he looks at me at this moment is in a better humour than he was just before six o'clock when he took his hat and hurriedly left the building. I am glad that he has come back and that he appears to be in as philosophical a state of mind as he does to-night. I hope he will use his influence to get for the agriculturists of this country a due proportion of the appropriations for the development of their great industry. On a previous occasion this session, I accused the minister of sitting back quietly and allowing other ministers to dip their hands into the treasury and get large appropriations for their departments, while the Department of Agriculture was allowed to suffer. I have pointed out to him, and I would do the same to-night, that nearly all the money that is paid into the treasury comes from the farmers of this country, and yet they are not getting the consideration they are entitled to. I hope the minister will see his way to granting to the agricultural associations of Manitoba the small request they make for an appropriation of $7,500 to enable them to take their stock to this great exhibition which is to take place in the near future. It would be a great boon not only to the prairie provinces but to the whole of Canada. No doubt, the minister will answer that these appropriations must be made from the federal standpoint and that Manitoba stands in the same position as other provinces in relation to such claims as this. But I think he will appreciate the fact that, owing to the agricultural situation of Manitoba, Saskatchewan and Alberta, they have not been able to take advantage of the appropriations made to them on previous occasions to assist exhibitors to the same degree as other provinces lying close to where these exhibitions have been held. I hope the minister is in good humour to-night and will give us the consideration we deserve.

Mr. FISHER. My hon. friend (Mr. Staples) seems to think that I was not in a good humour this afternoon. I was in a very good humour; I was out at the Experimental Farm where I like to be. I left the House under the impression that hon. members were going to continue the debate for some time; I was told, in fact, that it might continue until two or three o'clock in the morning. When I came back, I was surprised, and, I confess, pleased, to find that the question was closed, and that something else might be taken up. I am consequently in a very good humour because this debate is closed and we are able to go on with the proper work of the session, instead of it being interrupted in the way it has been. The hon. gentleman advises me to get larger appropriations for the benefit of the farmers. I know that hon. gentlemen opposite often suggest individual increases of expenditure; but, unfortunately, the sum total has to be considered, and the same hon. gentlemen object very much to the increase there. But individual items cannot be increased without increasing the sum total. Therefore, I have to regard the treasury of the country and the criticisms which are levelled at the government as a whole and try to keep the sum total down as low as I can. If I am successful in doing that, my hon. friends must not criticise me too hard for my success in economy. At the same time, I think I have shown that I do not hesitate to ask for money for agricultural expenditure when necessary, and when I can see my way clear to spend it for the real advantage of the farmers. The increase in the agricultural expenditure, which is so great, is the evidence of what I have done. The hon. member asked me with regard to communication from the live stock men of Manitoba regarding live stock exhibits at Seattle. I shall have to answer the hon. gentleman much as I did the secretary of the association. It has been known for a long time that Canada was going to exhibit at Seattle—the announcement was made long ago. All preparations for this exhibit were made four or five months ago. Money was put into the estimates for this exhibition, and the money was allotted to the different parts of the work in connection with it. It is only within the last few weeks that the Manitoba farmers have waked up, apparently, and the request has been forwarded to me by the secretary of the association. As I have said, all the money voted for the exhibition has been allotted, and there is none available for the exhibit of live stock. I must say, however, that I do not consider that a matter to cause us very deep regret.

Why? For two reasons: In the first place, the quarantine arrangements on the United States border are such that the sending of live stock to the exhibition at Seattle would be almost impossible. I do not think any live stock owners in Canada would care to undergo the restrictons which the quarantine regulations of the United States impose on them in sending their live stock to Seattle. Hon. gentlemen may say that these quarantine regulations may be suspended or some modification ot them may be reached. Well, I have information that the authorities of that exhibition have been trying to secure a suspension of the regulations or some modification of them, and have failed.

Mr. STAPLES. Did the hon. gentleman (Mr. Fisher) as Minister of Agriculture, endeavour to have them set aside?

Mr. FISHER. No, I did not, for I think it has been shown in times past that that has been done by the exhibition authorities. We have never meddled in the matter. And I might say that of late years the representations which I have made to the department at Washington to modify their quarantine regulations have not been very successful, and the quarantine regulations against animals from Canada going across the border have been made more and more severe of late years. Another thing: that exhibition is an exhibition for the Pacific slope. They have practically very little if any market on that Pacific slope for Canadian live stock. And I venture to think that the majority of the breeders of Canada, whether in the west or in the east, would not consider it worth their while—and if they did make the attempt it would not be very profitable—to exhibit at Seattle. Again, to allow an exhibit at Seattle and give that assistance which the hon. gentleman hints at for the province of Manitoba, would mean that that assistance would have to be given to the other provinces as well.

Mr. STAPLES. I understand it is asked for the three provinces.

Mr. FISHER. If I were to give assistance in this respect to farmers of the west, I would have to give similar assistance to farmers in the east. Looking back on what has been done in years gone by for this work, I could not undertake to give the assistance asked for without getting at least $20,000 to make me sure to be able to meet all demands, and I think it would be run up to $25,000 or more. That is equal to about one-third of the expenditure anticipated at the Seattle exhibition, and I could not, with justification, honestly and conscientiously ask parliament to grant me the appropriation for that purpose, because I do not think the results would be commensurate with the expenditure.

Mr. STAPLES, The hon. minister (Mr. Fisher) seems to have given this subject consideration, not only at present, but at former times, and appears to have come to the conclusion that the agricultural association which has written this letter has not considered all the points before writing. I do not know personally whether they have or not. But my knowledge of the farmers who are identified with this association is that they are very careful to consider all these points before they will make a request the nature of which is indicated in this letter. However, since the minister has told us that he does not see his way clear to make this small grant, I suppose the farmers will have to be content to go without the advantage they would have, had they been able to get their stock to that exhibition. While I am on my feet I want to ask the minister if he has given any further consideration to the request that has been made by Mr. J. R. Ryan of Montreal with reference to disseminating through the Dominion certain thoroughbred stock, stallions for breeding purposes. The minister knows that we had Mr. Ryan up here after the convention a short time ago, and the minister said he would take a little time to consider the request which was made by Mr. Ryan's company. I would like to know what conclusion he has come to. As I listened to Mr. Ryan I thought he had a proposition from which, if the government saw fit to give it a little support, the breeders throughout the country especially would reap some benefit.

Mr. FISHER. My hon. friend I think was present when I received Mr. Ryan and some of his friends regarding that matter of breeding. The proposition was one which sounded very attractive, and I can understand how attractive it would appear to many farmers throughout the country who would keep the stallions and take the fees which would be paid for their service. I was not at all surprised that a large number of petitions in favour of the proposition were signed by people all over the country. But I myself looked upon the proposition with a little suspicion because of its very attractiveness and apparent lack of reason why a group of gentlemen should make such an offer. However, I received the deputation along with several gentlemen of the House, and we had a little discussion on it. As a result, I asked Mr. Ryan to make me a definite proposition. The proposition which he submitted at that time was one for an assistance of $50,000 to be paid to the National Bureau cf Breeding, in consideration of their dis-

tributing 100 thoroughbred stallions in Canada, in other words, at the rate of $500 a horse, they to provide the animals and look after them. I asked Mr. Ryan why he needed that assistance. He had stated to us that he got the horses for little or nothing, and he did not want consideration for the price of the horses. I asked him, therefore, to submit to me a scheme in detail, and he did submit a scheme on a smaller scale, asking for $25,000 a year subsidy for this particular association, in consideration of providing 50 thoroughbred stallions to be distributed over the country, and to be put into the hands of the farmers who would receive the fees, and they would charge $10 a service for the horses. I asked why they needed this $25,000 from the government. He submitted to me a scheme of their expenses. When I came to examine that scheme I found it on so large a scale that I thought I could understand the proposition. I knew perfectly well that through the officers of my department and through the machinery which I had, all the work Mr. Ryan and his friends were proposing to do for $25,000 a year, could be done for about one-third or less by the department. I was not prepared therefore to pay that liberal subsidy for this purpose.

But I found other difficulties. This was a scheme for the purpose of spreading English thoroughbred blood in the country. Now, no man in Canada is more appreciative of the value of English thoroughbred blood among the horses of Canada than myself. I think it would be a very good thing indeed to get a considerable infusion of that blood into the horseflesh of the country, and I would do a good deal to accomplish that. At the same time I cannot help remembering, as a minister, that if the country subsidizes thoroughbred stallions we are creating a keen competition to the owners of other stallions in Canada, that the owners of hackneys, the standard breed horses and others of the lighter kind, would be injured by such subsidizing of the English thoroughbred stock; and if they felt so injured, they would be perfectly justified, and I might expect they would ask me to do just as much on behalf of the other breeds. I realized that such an arrangement as this for the propagation of English thoroughbred stock in Canada would necessarily and legitimately lead to the calling for a similar expenditure on behalf of the hackney horses, and on behalf of the standard bred horses, and perhaps some other breeds, and I could not see my way to recommend to parliament an expenditure of this character. Some people may say that it would not interfere with the other horses. But it stands to reason that if to-day, in a particular neighbourhood, there is a pure bred hackney stallion and no other pure bred stallion, and you subsidize a pure bred English stallion, he would certainly take away some of the custom of the hackney stallions, and the hackney breeders would be justified in saying that the country's money was being used to hurt them; and if that money was paid out for the one class of stock it ought to be paid out for the others, and I would not be able to answer their objection. Under these circumstances I could not see my way to accepting the proposition that was made, and I wrote to Mr. Ryan saying that I could not entertain his proposition.

Mr. BARR. I would like to ask the minister if he has taken any steps to provide accommodation for the housing of cattle when they reach Liverpool. Cattlemen and shippers complain that they experience great difficulty in that respect when they reach Liverpool. They frequently cannot find accommodation for their cattle during the time that they are effecting a sale. A great many of them think that the governmen should take steps to remove that difficulty. I am sorry to see that this estimate is reduced this year by $15,000.

Mr. FISHER. I have explained that this is not a reduction, that this amount represents the salaries which have been transferred to civil government in Ottawa, and that the expenditure is the same.

Mr. BARR. I am glad to know that it it not a reduction. Still, the expenditure is very small and we do not find that the whole reduction has been very large.

Mr. FISHER. No.

Mr. BARR. The whole reduction of $585,000 is not due to the change with regard to the salaries?

Mr. FISHER. The reduction of $380,000 is on account of exhibitions.

Mr. BARR. I think there should be no reduction as far as agriculture is concerned. We find that the Minister of Militia and Defence (Sir Frederick Borden) is able to obtain some $7,000,000, while the Department of Agriculture is only obtaining less than a million, and if you take away archives, patent records, census and statistics, which are certainly not for the benefit of agriculturists any more than any other class in Canada, you take away about half of the appropriation. Under these circumstances I quite agree with the last speaker that the agriculturists are not receiving justice at the hands of this government. I believe that the vote should be increased, notwithstanding the condition of the money market. I think that almost any other branch of the government could better af-

ford to suffer than the Department of Agriculture. There is certainly a reduction that I am glad to know is not as bad as it looks.

Mr. FISHER. My hon. friend made a suggestion with regard to the receipt of Canadian cattle at Liverpool. I do not think he quite understands the situation. When Canadian cattle land at Liverpool they are obliged to go into government lairages, where the imperial government provides the accommodation and where the cattle are slaughtered. I have never heard that there was any want of accommodation for cattle arriving in any part of England. We have no control over these lairages. The imperial authorities maintain them entirely and Canadian cattle must go into them. In regard to the comparison of expenditure between the Department of Agriculture and other departments, I must not say anything in defence of my colleagues, but I do not think that the Department of Agriculture is suffering.

Mr. BARR. I suppose the minister has done all he could to relieve the situation which requires that cattle shall be slaughtered upon arriving in England?

Mr. FISHER. Yes.

Mr. BLAIN. I will take this opportunity to direct the minister's attention to the hog raising industry in Canada, which, I think, would properly come under this item. My hon. friend is the master of the agriculture interests of Canada——

Mr. FISHER. The servant.

Mr. BLAIN. Well, we do not always think that he is the servant. Sometimes he is the master. I had the opportunity of presenting some very important figures to the House during a former discussion this session as to the condition of the hog raising industry. My hon. friend had before him a deputation of the Swinebreeders' Association of Canada complaining of the condition of the hog trade and pointing out that while there was a large importation of hogs into Canada a very small amount of hog products were exported to the United States. They also brought the condition of the tariff to his attention. The tariff rate on hogs coming into Canada is two cents a pound, while the United States tariff rate is five cents a pound. Last year we inported over $1,000,000 worth more than we exported and it seems to me that this would be a legitimate question for my hon. friend to turn his attention to. When the Swinebreeders' Assocation, representing the farmers of this country, point out that the condition of the hog industry is such that it requires special protection this government should devote some attention to it. It may be that it would require a sum to be placed in the estimates to make a complete examination into the condition of the trade in Canada. Perhaps my hon. friend could take some portion of this money and devote to it. We have some converts on the subject and if my hon. friend will not listen to myself or to any hon. gentleman on this side of the House he may listen to some of his own friends. This session we have the hon. member for Wentworth (Mr. Sealey) and the hon. member for South Oxford (Mr. Schell) as converts to the idea of affording protection to the swine industry of Canada. The hon. member for Wentworth, in the early part of the session, placed a resolution on the Order Paper calling upon this government to increase the duty on hog products. My hon. friend, of course, withdrew it, but he ventured to suggest to the government that it was the duty of the government to comply with the request of the Swinebreeders' Association and he was endorsed by the hon. member who represents South Oxford, also a supporter of the government. My hon. friend is asking the committee to vote a considerable sum of money for the improvement of the stock industry in Canada. While my hon. friend is a supporter of a government that is supposed to be giving some protection to the industries of the country, I hope he will not forget the farmers. My hon. friend has an opportunity now to do something for the farmers by complying with the request of the Swinebreeders' Association and it seems to me that it would be an opportune time to place a sum in the estimates, or see that some portion of this money is used to make a thorough investigation of the hog industry so that the government will know whether it is in the best interests of Canada that a higher protection should be placed upon hog products. My hon. friend had a special opportunity during last year. We had a great presidential election in the United States in which the tariff question occupied a foremost place. My hon. friend has treated this House in days gone by to statements of what he was able to do with the United States government. This ought to be an opportune time for the Minister of Agriculture to use his influence with the United States government, and if he is not able to persuade his own government to increase the duty on pork to four cents a pound perhaps he may be able to persuade the United States government to decrease their duty on pork so that the farmers of Canada might have an equal opportunity with the farmers of the United States to share in the growth of this industry. I suppose the minister will have to tell the committee that he has paid no attention to the revision of the tariff in the United States. When he was in opposition he told us that it would only take a moment

to open the United States market to the farmers of Canada, but probably he has not lately been reading ancient history. My hon. friend shakes his head at that, but I would impress upon him that it will not do for this government to profess that they are the friends of the farmers when they turn deaf ears to deputations of farmers who come to them, and when they refuse the demands of their own supporters in this House that the farmers be given equal justice under the tariff. If my hon. friend does not prove his own statement that he is the greatest friend of the farmers, then the farmers must turn a deaf ear to the hon. gentleman when he comes to Halton and other places and tells them of all he has been doing for them. Let the Minister of Agriculture tell us now whether he intends to do anything for the farmers in connection with the hog raising industry, and whether he will expend some of this vote in finding out whether the Swinebreeders' Association were right when they told the government that the Canadian market is being flooded with pork from the United States. These gentlemen did not ask that the duty on pork should be five cents a pound as it is in the United States, our own tariff being two cents, but they made the humble request that the Canadian duty shall be four cents. I am surprised that the Minister of Agriculture has nothing in the estimates for the purpose of helping this industry and that he has no comforting assurance to give now to the farmers of Canada.

Mr. GEO. TAYLOR. I wish to point out—!

Mr. FISHER. Will the hon. gentleman allow me to answer the hon. member for Peel?

Mr. GEO. TAYLOR. No, I want to take your part and to convince the hon. member for Peel that the Minister of Agriculture has done something for the hog raising industry.

Mr. FIELDING. Anything about blouses?

Mr. GEO. TAYLOR. Now, if the hon. gentleman from Peel will look at the Auditor General's Report page D—43 he will find that the Minister of Agriculture has done something for the hog industry. He expended last year $44,656 on the development of the live stock industry and out of that vote he paid a gentleman named C. Beaudry at Ottawa $13.50 for 18 hours work in drawing plans for piggeries. It will be seen that the Minister of Agriculture is making a start in assisting the hog industry. He paid $13.50 for plans for piggeries and the rest of it he paid out to his friends for their time and travelling expenses in parading up and down the country. Here are some of the items we find here: F. Charlan, travelling expenses, February 27 to March 13, 1908, $50.75. A. T. Charron, expenses attending meetings $106.85. George W. Clemons, expenses, $156.33. E. B. Elderkin, Amherst, travelling expenses, $346.83 and services 335 days at $3 a day, and so it goes on, and he gives $13.50 to his friend for drawing plans for piggeries. That is what the minister is doing for the benefit of the swine breeders of Canada.

Mr. STAPLES. Now that the hon. member (Mr. Geo. Taylor) has pointed out what the Minister of Agriculture has done in the way of providing plans for piggeries, and seeing that the Minister of Public Works has just returned to the government probably the Minister of Agriculture will put in a vote for the construction of some of these institutions.

Mr. FISHER. My hon. friend from Leeds (Mr. Taylor) reads an item or two from the Auditor General's Report and he ignores all the others, but I do not take him very seriously. The work of the live stock division of the department in the country at large has been so beneficial that I can leave it in the hands of the farmers much better than I can in the hands of the man who makes the agricultural implements for the farmer and who is well protected therefor. My hon. friend from Peel alludes to a deputation of swine breeders who came to Ottawa, and I may tell him that I sympathize very much with those who are engaged in that industry. There is no doubt that the industry has been suffering of late years. Representations were made as to a proposed remedy and my hon. friend (Mr. Blain) alludes to it as higher protection. I will tell my hon. friend frankly and freely that I do not consider higher protection a panacea for all the evils in the world.

Mr. BLAIN. The deputation that waited on the minister, after consultation with the farmers of Ontario, decided upon the remedy—and I take it they know what is best for their own industry—and the remedy they suggested was an increased duty on pork so as to make it about equal to the United States tariff.

Mr. FISHER. That may be and these gentlemen like most people in Canada and elsewhere look at the question from their own standpoint.

Mr. BARR. Quite right.

Mr. FISHER. My hon. friend says 'quite right.' He seems to be of the opinion that it is well if possible to raise prejudices between the different classes and the people who are engaged in the different industries in the country. To me that is

not the proper statesmanship to apply to the solution of difficult questions. I think that if a remedy can be found for any particular industry which will not hurt any body else, it is much better than to adopt a remedy which does hurt other people. My hon. friend (Mr. Blain) says that higher protection would be the panacea, but I tell him frankly that I do not agree with him.

Mr. BLAIN. Then my hon. friend differs from the farmers.

Mr. FISHER. I do sometimes. There are farmers and farmers; there are some farmers who think one thing and there are some farmers who think another thing, and I thank God that in Canada all the farmers as a class do not set their interests against the interests of other people in the community, but believe that the industrial classes and the consuming classes as well as the farmers have to be considerd in dealing with such questions. I am glad that I belong to the class that thinks that way and acts that way in the public interests. My hon. friend seems to think that is the only remedy—higher protection. It matters not whom it hits or how much it hits the rest of the community. That I do not consider to be true national policy or true statesmanship. I think it is well that any class in the community should be helped and that in helping that class we should at the same time help the rest of the community. The farmers of Canada have generally condemned the policy of exclusive protection for a few people at election after election. My hon. friend knows well that when this government brought down their tariff. the essence of which is not protection, he and his friends allowed it to be passed without daring to put themselves on record by challenging a vote of the House on a single item. Did my hon. friend and his friend two weeks ago, when the Finance Minister brought down his tariff, move for any changes in it? No. They allowed it to be passed unanimously by this House, and it has gone out not only to this country but to the world that the Fielding tariff is the best tariff Canada has ever had, and I venture to think that in the future as in the past the electors of Canada, especially the farmers, will support the government which brought that tariff down and put it on the statute book of this country. My hon. friend talks about the swine-breeders. I am ready to help the swine-breeders, very ready. They are an intelligent people; they have been doing good things not only for the swine-breeders of Canada, but for the people of Canada at large. It has been only since the first tariff of Mr. Fielding was brought down in 1896 that the bacon industry of Canada has grown to any appreciable extent; and it is through the information that has been spread abroad through the country to a large extent that the swine-breeders of Canada have been able to produce in the last ten years over $100,000,000 of swine products for export. I am ready to go further and continue that policy of education and information, which helps not only the people concerned, but everybody in the country. I do not wish to raise the price of the pork which the labouring classes of this country have to buy. I wish to help the farmers of the country to produce the pork so that they can sell it at present prices and make a splendid profit on those prices.

Mr. BLAIN. Will my hon. friend permit a question?

Mr. FISHER. No. I wish to continue my argument unbroken, and my hon. friend can argue against me when I am done. I believe that the best profits in every industry are made by cheapening the cost of production rather than by raising the cost of the article. When you raise the cost of the article, you hurt the consumer of the article, though you may possibly for the moment increase the profits of the producer, but when you lower the cost of production, you give the producer his profits without raising the cost to the consumer, and therefore the consumer is not hurt. In this particular industry of swine breeding and pork production our greatest rivals are the Danes and the Irish. They have beaten us in the English market in the sale of pork products. Now, instead of raising the prices of pork products to the people of Canada, who have to buy them, I want to find out how the Danes and the Irish succeed in beating our people in the British market, and for that purpose I have asked and have obtained permission from my colleagues to bring down a vote in the supplementary estimates for the purpose of sending a special commission of farmers interested in the swine breeding industry of Canada, to Ireland and Denmark to investigate the methods of production in those countries. My hon. friend seems to think that I am not taking care of the interests of the swine breeders in Canada because we do not bring down a higher tariff. I believe I am doing what is better—better for the swine breeders themselves, and certainly better for the whole consuming public of Canada; and I believe it is better than my hon. friend's sole panacea for all the commercial troubles of the country—higher and higher protection. My hon. friend alluded to the United States elections. I watched those elections with interest, because anything that goes on in the United States is of interest to us in Canada, and also because conditions in the United States are similar to conditions in

this country. If my hon. friend had watched those elections closely, he would have seen that the tariff was one of the most important issues, and he would have seen lately that President Taft declared that he was elected in November last to revise the tariff downwards and not upwards, not to increase protection, but to decrease protection. If there is any lesson to be learned from the success of the Republican party in the last elections, it is that even that party, rabid and extreme protectionists as they are, were obliged to promise the electors that they would reduce their tariff and not increase it. If this is the case, the idea that my hon. friend brings forward, that we must remedy all our evils in this country by raising our tariff higher and higher on everything, is not following the example of the United States, but is something quite different; and I believe that what I am prepared to do for the swine breeders of Canada is more in their interest, more in the interest of consumers, and better altogether for the country. I am prepared to do that. I have not ignored their demands. One of their demands was that a commission should be sent to Denmark and Ireland, and I am glad to be able to say to the House and the country that the government are going to bring down an estimate for that purpose, and I trust that hon. gentlemen opposite, who are so solicitous at the moment for the interests of the swine breeders, will assist us in passing that item unanimously.

Mr. HENDERSON. It is rather surprising to me that under an item in the estimates we should branch off on a discussion of the tariff; but as the Minister of Agriculture has set us such a good example, perhaps we had better deal with that question for a while. The hon. gentleman's policy, I admit, is a policy of importation, as against the old policy of production, which existed prior to his coming into office. The tariff of the Liberal-Conservative government was framed to produce all we could in Canada, but the hon. gentleman seems to think that the proper policy is to promote importation. Now, I am not going to advocate any increased protection. I do not need to do so, because the hon. Minister of Agriculture and his associates have done that for me. I do not know that we have ever had a higher protectionist government in power in Canada since 1878 than we have to-day. I had occasion a short time ago to enumerate a number of articles—and I gave only a very few, though I might have gone on by the half hour enumerating article after article—on which they raised the tariff away and beyond what the Conservative party ever thought of. What induced the hon. gentleman to agree two years ago that a woman's shoe should be raised from 25 to 30 per cent, and how can he say he is a free trader or a low tariff man? Why does he tax the women on their shoes? Is it because he himself has no women to look after? Even if he has not, he ought to have some regard for those who have. He ought to have some regard for those who have wives and daughters. But he says: 'Let the women pay the duty; a tariff for revenue only is what I want.' All he thinks of is the money. On ladies' furs, cloaks, muffs and tippets he has increased the duty from 25 to 30 per cent, and then he tells us he is a low tariff man; but if raising the tariff makes him a low tariff man, the hon. gentleman must be in a class by himself. Even the porridge we get for breakfast had to be increased in duty in order to satisfy his low tariff proclivities; and now he wants to make us believe that if we have a higher tariff on pork products, that will increase the price to the consumer, and he says he is looking after the consumer. Let me tell him that if we can increase the raising of hogs and their products in this country, we will do more to cheapen the market for the consumer than anything else we can do. But so long as you permit hog products to come in and invade our market in such a way that our producers are driven out of business, our consumers will have to pay high prices for these products. I have a statement here prepared by officers of the hon. minister's own government—men who speak with authority. Do they say that food products are cheaper to-day than they were under the Conservative regime? Quite the reverse. Let me give a few illustrations. Fresh meat and bacon, they say, have increased 45 to 50 per cent the last ten years; bacon has advanced 45 per cent; beef, 50 per cent; veal, 57 per cent; mutton, 55 per cent. Does this show the hon. gentleman has done anything for the consumer? Has he done anything for the producer? We are not producing the quantity of hogs and bacon that we did many years ago. By promoting a policy of importation, the hon. gentleman, instead of causing a large number of hogs to be raised and a larger quantity of bacon to be supplied, has reduced the production. But what does he care so long as he gets a revenue? Promote importation, kill off the industries of the country if you can, never mind the farmer. The hon. gentleman was kind enough to come to my county during the last election and make a strong appeal to the electors to reject me, who, though not a farmer myself, have always advocated the interests of the farmers, who has always stood by them in advocating protection of their fruits and their grains and in urging the adoption of a farmers' policy all along the line. The hon. minister went all the way to a town in the heart of my

county to address a mass meeting. About 400 were present, 200 of whom were Conservatives who went out of curiosity to see what kind of a man that was who would advise them to take a man from Toronto who knew nothing about farming and elect him as their representative instead of one who for 20 odd years had advocated their interests. Not only did he do that, but he went to South Ontario and opposed the late representative of that county, a representative live stock man, and urged the people to turn him down and put in a man who had no claim to represent them in parliament. I am not finding fault with the hon. minister for having done that, but if he has no sympathy with the farmers, why does he not say so? He went to East Elgin and endeavoured to defeat a gentleman who was aiding the farmers by buying their products as largely as any man in this country. His policy is importation. Get your hog products, bacon and hams and pork from the United States, if you do not import these things, we will get no revenue. That is his policy. What he is looking after is customs revenue, and he has no care for the farmers. We do not want class legislation, he says, which will help one class and hurt another. Well, I undertake to say that legislation which will help the farmer will help the business man. The more you reduce the amount of pork produced in this country the higher the price. That is fully born out by this statement prepared by officers of the government.

Mr. FISHER. What is that?

Mr. HENDERSON. It is a statement prepared by the civil servants, officers of this government. It is thoroughly authentic. The hon. minister based his Civil Service Bill on it. I think the minister had better just make up his mind that the farmers have some rights and that it is not for him to cry them down on every occasion and say that they come to him as a class and want something for themselves which will hurt others. I do not think that this will hurt others. Let him give a little consideration to the swine breeders. I do not know what their requests are. I am not going to tell him what he should do, but I think something should be done. He complained in Halton that I had advocated a higher tariff on hog products. Well, what do you think the people said? They said, 'He is the man we want, we will stick to him' and they elected me by a larger majority than ever. The minister had better take warning. The farmers know what they want and are not going to be turned away by any such representation. I am convinced that a tariff which would give a little better encouragement to the hog industry would be a very good thing. But that question is not before us now, and I am not here to advocate it to-night. I would be glad, however, to see that done. My impression is that it would increase the production of hogs and their products, and if you could increase that production by 25 per cent that would reduce the price to the consumer; and instead of having bacons and hams increase 45 to 50 per cent over what they sold at ten years ago, the consumer would get them at a lower price. If the farmer could sell twice as much hog products, he would make more. Now he is not carrying on the business to the same extent simply because he does not find it remunerative.

Now, the minister has my ideas on that question. But I do not think he has any reasons to cast reflections upon the farmers and to say they want class legislation. They are a class and a large class, and they have just as good a right to have their class considered as any other in the community. I think anything that will help the farmers will help every other class, the manufacturers, business men, private individuals and even the gentlemen who prepared this document, for I believe it will be the means of increasing the supplies in the market and so lowering the price,—it will be better for all classes. In considering the live stock industry along these lines, the minister will be doing more for the farmers and all other classes.

Mr. FISHER. When I visited the county of Halton, I did my hon. friend (Mr. Henderson) the credit of saying he was one of the most convinced, consistent and outspoken protectionists in Canada.

Mr. HENDERSON. I notice that the hon. minister did that, and that he misrepresented me. He did not tell the truth about me. I am not referring to what he says now, but here is what I charge him with: he declared that I had made the statement in the House that I would put a Chinese wall about this country. If the hon. gentleman had been fair, he would have stated, what I think he knew, that that remark was made with reference to agricultural products, and agricultural products alone, but he gave the impression in that mass meeting that that was the kind of protection that I demanded for everything, that I was an all-round protectionist along that line. I hope, if he goes to the county of Halton again, he will say that he made a mistake, for I never made use of such an expression. 'Hansard' reveals the fact that I was speaking of agricultural products. I am a moderate protectionist, and not as high a protectionist as the hon. minister in many things. I do

not believe that it is essential or necessary. I would be satisfied with a lower tariff in many cases in which he has increased the tariff. I think it would be better to move along the line of reducing the duty on certain things, and, if the effect of high duties is to enhance the price, to secure these articles to the people at a lower rate. I make this statement because I want to put myself right. I thank the hon. gentleman for the explanation which I hope he is going to give of what he said in the county of Halton.

Mr. FISHER. I have no doubt that I said in the county of Halton what the hon. gentleman (Mr. Henderson) quotes me as saying, because I confess that I understand now for the first time that he limited his expression.

Mr. HENDERSON. 'Hansard' will show.

Mr. FISHER. I accept the hon. member's statement. He is one of those who do not attempt any subterfuge, do not deny what they have said; he has the courage of his convictions and stands by those convictions. If I expressed myself as he says I did, it is only because I thought I was stating his opinion. I regret if I have misrepresented him. He has spoken of the effect of the tariff and increased cost of certain articles, pork products, beef, meats, &c. I will point out to him that we have not raised the duty on one of these articles since we came into office.

Mr. HENDERSON. No, you are encouraging importations.

Mr. FISHER. The proposition of the hon. member for Peel (Mr. Blain) is that we should raise the duty on pork products so as to raise the price.

Mr. BLAIN. Let the hon. minister speak for himself.

Mr. FISHER. That is a part of it, but only a part of it. We contend we do not require to raise the duties to raise the price; the price has gone up because of other causes. The hon. member for Peel said that a deputation came and asked me to raise the duties. They also asked me to send representatives to Denmark to inquire into the swine industry. I propose to do that, I think it will do the swine industry more good than the other and will not raise antagonism between that industry and others. As to questions of tariff, and introducing it into this discussion in Supply, I plead not guilty, because the hon. member certainly brought it in and I only had to reply to what he said. I believe our course is the right one and that the results will be better than if we had followed the course he proposes.

Mr. BLAIN. I did not suppose for a moment, when I ventured to direct the attention of my hon. friend the Minister of Agriculture (Mr. Fisher) to the condition of the hog industry that he would altogether lose his head in this discussion. He has branched out into the whole tariff question in Canada, as he is quite willing to do sometimes; and, if the time of this House is being taken up, at this late date of the session, with a discussion of this kind, the hon. gentleman must be held responsible for it. I was clearly within my right when I undertook, on an agricultural item to direct attention to one specific industry, and if my hon. friend had dwelt upon this for half an hour as he has, dealing with the whole tariff question, it is a matter for himself and the House to consider and one for which I am not responsible, and no man within the sound of my voice would venture to hold me responsible for the course the discussion has taken. I am sure the farmers would have been very pleased if the minister had been as frank with the deputation that came to see him and his government as he has been with this committee. He says that the farmers want special legislation for themselves. He had not the courage, when the farmers' deputation met him a few weeks ago, to tell them, as he did this committee, that he was opposed to an increase of the duty on pork. Will he venture to say that he did? He has views and opinions on this question, he says. But he would allow the farmers to come down, as he did a few weeks ago, and meet him and his government with their specific request, a request which has been read in this House by one or two of his own supporters, a request for an increase in the duty on pork coming into Canada. They pointed out to him and his government that the duty on pork coming into Canada was two cents per lb. while the duty on pork going into the United States was five cents per lb. The farmers pointed out that this was unfair to their interest as between 85,000,000 of people on one side and 7,000,000 on the other. And the deputation, without going into a general discussion of the tariff, asked one specific thing, and that was that the government should increase the duty on pork from two cents per lb. to four cents per lb. And my hon. friend had not the courage to stand up before the deputation and tell them that he was opposed to their request. I will allow him to interrupt me, if he wishes to do so; I will not be so discourteous to the hon. minister as he was to me in the discussion. I am prepared to say he was afraid of the farmers; he did not have the courage to tell them squarely that he was opposed to it, but sent them home with the thought that possibly they might get the reform they asked for. It will be my business to tell the farmers that the hon.

minister says that the farmers are asking for class legislation, specific legislation in their own interest. And why should they not have protection If we are to have a tariff why should not the farmers have some benefit from it? I may say to my hon. friend that the member for Wentworth read a portion of a resolution from the Swine Breeders' Association and this is a part of it:

While we hesitate to trouble your department in the matter, we are prompted to do so by the alarming circumstances that there is fifty per cent less hogs produced to-day than there was six months ago, entirely as a result of low prices and the unfair competition, whereas if properly encouraged the resources are quite capable of producing double the quantity of six months ago.

That was the specific statement of these farmers. I may say that the farmers of this country have a right to some consideration. The members of the government, including the hon. gentleman himself, have been playing fast and loose upon this very tariff question. He goes up into the county of Halton and misquotes my hon. friend who represents that county (Mr. Henderson), and tells the farmers that my hon. friend who represents the county is in favour of a Chinese wall upon everything. My hon. friend corrects him now, and he accepts the statement. The minister could have found my hon. friend's statement in the 'Hansard' before he went up to Halton county, if he had wished; but he wanted to misrepresent him I suppose.

Mr. DEPUTY SPEAKER. The hon. gentleman must recall those words.

Mr. BLAIN. I will keep within the rules.

Mr. DEPUTY SPEAKER. I have ruled that the hon. gentleman must not state that another member of this House desired to misrepresent an hon. gentleman, and these words must be withdrawn.

Mr. BLAIN. I bow to the ruling of the Chair, without any lecturing.

Mr. DEPUTY SPEAKER. Order. The hon. gentleman must not comment on a ruling of the Chair in that manner.

Mr. BLAIN. I say that the minister went up into the county of Halton and misrepresented my hon. friend.

Mr. DEPUTY SPEAKER. I think it is undesirable that that expression should be used; I think the hon. gentleman should use a form of expression less open to objection.

Mr. BLAIN. I bow of course to the ruling of the Chair. My hon. friend from Halton made a statement here that the Minister of Agriculture went up into his county and told the electors that my hon. friend was in favour of a Chinese wall, meaning that he wished to prohibit everything coming into the country. That is not my statement. My hon. friend from Halton has made that statement in the presence of the Minister of Agriculture. The Minister of Agriculture accepts my hon. friend's statement. It is not mine, I am not discussing it. That is the condition. Now then for myself, Mr. Chairman, I say that the Minister of Agriculture is misleading the farmers of this country, or making an effort to mislead them.

Mr. DEPUTY SPEAKER. Order. To say that an hon. gentleman is endeavouring to mislead the people is to attribute to him something that I think is not within parliamentary usage. It may be possible to say that the words of the hon. gentleman have misled; but to state that an hon. member endeavours to mislead, is I think not within parliamentary rules.

Mr. BLAIN. I say, Mr. Chairman, that the minister is not frank with the farmers of this country when he allowed a deputation to come before him with a specific request, he is not frank enough to say to them that he is opposed to their request. But he takes the opportunity, in this general discussion, to make the statement that he is not willing to increase the tariff on pork. Now, the minister has stated that I was not ready to divide the House upon the question of the tariff, or rather that I was quite willing, as a representative of the people, from time to time to point out the faults of this government when they did not measure up to the requirements and wishes of the farmers. I am here to say that the minister is well aware that at every session of parliament since I have been a member of it, I have directed the attention of the government to the condition of the farmers. I had the honour of moving more than one resolution calling upon the government to increase the tariff upon the products of market gardens, and my hon. friend and his leader and every member of the government recorded their vote against that motion. They said to the farmers of this country, not only in speech but in vote, that they were opposed to increasing the tariff upon farm products, upon pork, and upon other things wherein the farmers requested a change of tariff. I admit that this is perhaps not an opportune time to bring this matter up. But I am glad I have brought it up, because we have a frank statement from the minister to-night that he is opposed to my request, and the farmers will understand his position and the position of the government. This very session of parliament I presented, on the floor of this House, the condition of the hog raising industry before the revision of the tariff. If I had left it until after the

revision of the tariff, the minister would have said: 'You should have directed the attention of the government to this matter before the budget was brought down.' We took good care to direct the attention of the minister to this question before the tariff was brought down, and the government had an opportunity to make that correction. The minister, therefore, cannot say to hon. gentlemen on this side of the House that we have not directed the attention of the government to this condition of things. I have no hesitation in saying that the farmers of this country believe that it would be in their interest to get even-handed protection as long as we have a protective tariff. If the time comes when we are able to have a lower tariff the farmers will be prepared to submit, but they are not prepared to submit that the manufacturers of this country and other interests shall have a high protection when they get along with a reasonable protection upon the articles they produce. To all their arguments the Minister of Agriculture turns a deaf ear, and then goes out upon the hustings and says: 'This government ought to receive the support of the farmers because we are very much interested in their success.' I must congratulate the Minister I suppose if he is in any better humour now, because he has told the House that he is going to expend a sum of money in trying to open up a market, or rather looking into the hog industry in other parts of the world. I suppose he would say this was in the interest of the farmer. Anything that will make the hog raising industry more profitable to the farmer I am in favour of. But I have no hesitation in saying that I am opposed to a tariff that allows, and did allow last year during six months alone, one million dollars worth of American pork to come into this country under our low tariff, while we have been able to send so little to the United States under the five cent tariff they impose against the Canadian hog products. I think it is the duty of the Minister of Agriculture to look into this matter, and to see to it that while he is taking care of the manufacturers and others, he pays some attention to the interests of the farmers. I believe that the farmers know their business, and when they come to this government and state that the tariff should be increased from two to four cents a pound, I am one of those who believe that the farmers know what they want, and I am very glad to hear the minister state frankly that he is opposed to the request of the farmers.

Mr. FIELDING. It seems to me that there is some difference of opinion in regard to the political economy in my hon. friend from Halton (Mr. Henderson). I confess that I had thought that he was quite a high grade protectionist, but he rather intimates to-night that that is not so. I must say that what we heard from him to-night is more in the direction of the old free trade idea than we expected to find from that side of the House. But, it is really sad to find this difference of opinion among hon. gentlemen who hitherto have been proud to represent themselves as protectionists. If there is any difference of opinion regarding the hon. member for Halton I am sure there can be no difference of opinion as to the high grade protectionist views of the hon. member for Peel (Mr. Blain).

Mr. BLAIN. On farm products.

Mr. FIELDING. Whatever may be said regarding the views of others, he is a high protectionist. On farm products? Does my hon. friend mean to say that he is going to be a free trader on every thing else and a high protectionist on farm products? That would prove that the farmers were seeking some exceptional legislation and on their behalf I deny that such is the case. I say that the farmers do not want any consideration that will not be given equally to all other branches of industry. I want to take exception to the right of my hon. friend to stand on that side of the House and, in a lordly manner, speak in the name of his party and tell us what we should do on the tariff question. I want to point out to my hon. friend that he has been repudiated by a high authority in the Conservative party.

Mr. BLAIN. I wish to say that when I speak in this House I speak for myself.

Mr. FIELDING. Oh.

Mr. BLAIN. My hon. friend will not find me speaking for my party. It is to be expected that with a party as progressive as ours we will have gentlemen holding different views.

Mr. FIELDING. Quite so; but I rather think that my hon. friends on the other side of the House have a policy on this tariff question which has had varied names but which was last known by the almost forgotten expression of 'adequate protection.' We had a tariff discussion this session. My hon. friend spoke in that debate. I do not remember that he spoke for himself alone. I do not remember that he said: 'I know the men sitting around me do not believe in my views and I stand here alone.' I do not think my hon. friend presented such an idea as that. I think that when he takes the ground he is taking that the government should do what he wants them to do, he tries to convey the impression that that is what his political party want the government to do. If he only means that it is his individual opinion, I say that opinion is entitled to great respect, but I do not think my hon. friend has usually conveyed the impression that

he occupied a position of splendid isolation on that question. I find that after my hon. friend made his tariff speech not many days ago a very excellent journal devoted some attention to it.

Mr. BLAIN. I did not see that.

Mr. FIELDING. Then my hon. friend will be very glad that I am reading it. I hope that I shall be able to lend to the rhyme of the poet the music of my voice.

We suppose——

Says this Conservative journal:

—that any particular line of industry for which increased protection is demanded is entitled to have its special claims presented, no matter how doubtful a case anybody may beforehand fancy it to have; but when at this era a proclamation is heard such as Mr. Blain of Peel uttered, that there should be a tariff high enough to keep out of Canada every dollar's worth of goods that we can produce, one is prompted to express some amazement. Mr. Blain is a Conservative. If the party were to father his views, we fancy that it would injure itself seriously, indeed probably remain out of power indefinitely in Canada. We doubt if there was ever a time when a country in which such a doctrine was or could be very sensible; and the present time, when in the home and citadel of high protection, namely, the United States, there is a popular revolt which is forcing the protectionist and ruling party to scale down the tariff, would, we imagine, be a peculiarly inopportune time for the Conservative party in Canada to allow itself to go further than it has in the direction of high tariff.

I would not feel justified in delaying the committee to read the whole article, but if any hon. gentleman wishes to read what this important Conservative journal says upon this subject, I shall be glad to send him over the paper.

Mr. J. A. CURRIE. What is the name of the paper?

Mr. FIELDING. I will give my hon. friend the name of the paper in a moment.

Canada could produce (i.e., manufacture) numberless things, to attempt to produce which would be folly. If this country were to adopt such a dictum as Mr. Blain's, that we should keep out every dollar's worth of goods that we can produce, we would keep out great quantities of manufactures which could certainly be produced in Canada, but only at such a comparatively high cost that if our people were compelled to pay the proportionate retail prices, the expense of private living here would be desperately increased. We imagine that the people of Canada would refuse to have this sort of thing fastened upon them to any greater degree than at present. At any rate, whatever might be argued as to the possibility of such a doctrine being tolerated in eastern Canada, there is no chance of the new western Canada putting up with it; and, so from merely a party point of view, if the Conservative party hopes for any gain in the prairie provinces—where it needs to gain if it is to succeed—the less said about high protectionism the better. Canada has a tariff more than high enough to contribute efficiently towards national solidarity, a tariff high enough to give ample protection to every Canadian industry which has a fair excuse for existence; a tariff apparently well calculated to produce as large a revenue as our governments need to be entrusted with. We fancy, then, that it is a good tariff to let alone, except to cut down where undue business combines are shown to be sheltered by it.

That is the declaration of a Conservative journal in this Dominion of Canada. That is the declaration of the Ottawa 'Evening Journal.' Will some one say that it is a mere individual opinion? The Ottawa 'Evening Journal' is published by a gentleman who was a candidate for the Conservative party in the city of Ottawa and the night before that article was published he was chosen to be president of the Conservative association of Ottawa. So, they bid farewell to adequate protection.

Mr. HENDERSON. I confess I was more than surprised to hear the Finance Minister stating that he had understood in the past that I was one of those high protectionists. Apparently he thought I belonged to his class. Can he not recall that year after year, time after time, I have declared myself against the high protection of the Minister of Finance; at any rate, against the high taxation methods—what I think the minister means by high protection.

Mr. FIELDING. I read the article; I did not mean anything.

Mr. HENDERSON. Has he never heard me denounce the government for putting over $2,000,000 a year on the poor man's luxury his tobacco, while they required the duty on wine? Has he never heard me denounce the high duty that he has placed upon the sugar which goes into the consumption of every family? The policy of the Conservative party was free raw sugar and only at the last moment, for revenue purposes, was the ex-Minister of Finance compelled to put half a cent a pound on sugar which, no doubt, would have been removed, in accordance with the policy of the Conservative party as soon as the revenue righted itself. During the present session the Minister of Finance has heard me denounce again and again the increased duties put on articles of ordinary consumption and of absolute necessity. He talks about the west——

Mr. FIELDING. I simply read the article.

Mr. HENDERSON. Then you are responsible for all it says.

Mr. FIELDING. Oh no.

Mr. HENDERSON. The hon. gentlemen threw in a little comment.

Mr. FIELDING. Very little.

Mr. HENDERSON. Just enough to try and make the people of the west believe that the Conservative policy was not in their favour. But he did not tell the people of the west that, knowing that if they went out to shoot a bear or a fox or a chicken, the Liberal party actually increased the duty on guns from 20 per cent to 30 per cent.

Mr. TALBOT. What about gophers?

Mr. HENDERSON. My hon. friend may have lived on gophers, but ordinary white men do not eat them. However, I do not think they shoot gophers, I understand they catch them with snares. But anyway I am only joking and I do not intend to say anything offensive to the hon. gentleman. My argument is that so long as the government get revenue out of the tariff they don't care who is hurt. They tell the western man that he may buy his guns in England and get the benefit of the preference, but the fact is that guns are imported largely from the United States and not from England, and they pay 30 per cent. I see the Minister of Customs is smiling when I mention the preferential tariff. He thinks the preference brings money into the treasury; well, it puts the money into the British manufacturers' pockets and the Canadian pays the bill. Let me show my friends in the west the effect of this tariff for revenue only, and I will give a few examples. The Minister of Finance says we have almost forgotten the words 'adequate protection,' but the fact is that we do not need to advocate adequate protection now because the government has given us something more than adequate. I have often heard them ask what was the meaning of 'adequate protection,' but a reference to the dictionary would tell them. I never had any doubt but that it meant a tariff that would give the Canadian producer and the manufacturer a fair share of the markets of this country for his products.

Mr. M. CLARK. Will the hon. gentleman accept the definition of 'adequate protection' that was given to him by his own leader?

Mr. HENDERSON. I do not know what that definition was, but I have the greatest respect for any opinion given by my leader.

Mr. M. CLARK. Will the hon. gentleman allow me to tell him that in the debates of 1902 in this House, Mr. Borden defined it as a tariff against the United States at least as high as the tariff of that country against us.

Mr. STAPLES. I challenge the hon. gentleman (Mr. Clarke) to read that from 'Hansard'.

Mr. GEORGE TAYLOR. Mr. Borden never made that statement.

Mr. HENDERSON. I do not recall that the leader of the opposition made that statement in 1902, and the leader of the opposition is a very careful man who does not make statements that he has not well studied out. At all events what was good in 1902 in the tariff might not be very good to-day.

Mr. ARMSTRONG. Mr. Borden never said it.

Mr. HENDERSON. Five years ago 25 per cent was sufficient protection on a woman's shoe, but two years ago the Minister of Agriculture raised it to 30 per cent. The tariff changes according to conditions. I do not remember that Mr. Borden ever made the statement attributed to him, and no doubt to-morrow my hon. friend from Red Deer will bring 'Hansard' to me to verify it if he can, but anyhow it is not worth quarrelling over. I have my own idea of what 'adequate' means, and my hon. friend from Red Deer, who is a scholar, has also a conception of its meaning. The Minister of Finance has a better conception of it than any of us, because he is a scholar and he has studied all these things, but I never understood adequate protection to mean anything else than a tariff that would give a reasonably fair share of the markets of this country to the Canadian producer and allow him a reasonable profit on the money he has invested. I do not know if my hon. friend from Red Deer is satisfied with that definition, but at all events that is my understanding of it. We do not ask for anything more than adequate protection, although the Minister of Agriculture is willing to give a woman's shoe more than adequate protection. The Minister of Finance is willing to raise the duty on the sportsman's gun from 20 per cent to 30 per cent although 20 per cent was adequate. The government was also anxious to make the ladies of the western country who need fur jackets and fur mitts and fur coats in that cold climate, pay more than adequate protection on these articles. My difficulty with the Minister of Finance is——

Mr. FIELDING. You and I have no difficulty.

Mr. HENDERSON. Well, perhaps we have not. I am a moderate, reasonable protectionist, and the Minister of Finance has no difficulty I am sure in being the same. If there is any quarrel over the word 'protectionist,' I would ask the Minister of Customs to reduce the duty on bis-

cuits from 27½ per cent down. I am not saying he has anything more than adequate protection to-day, but I believe 27½ per cent is adequate protection, and if it were more than adequate I have confidence enough in the Minister of Customs to believe that he would reduce the duty.

Mr. PATERSON. Hear, hear.

Mr. HENDERSON. Nobody is asking him to increase that duty. We have been told by gentlemen opposite to-night that we have never challenged the tariff. How could we challenge it?

Mr. FIELDING. Hear, hear.

Mr. HENDERSON. It is high enough. The Minister of Finance says 'hear, hear.' Nobody on this side of the House has asked for any increase in the duty on many articles. If the Minister of Finance wants my opinion on the tariff, I will give it to him. I believe our duties are sufficiently high; what we want is a readjustment. You have too much on one thing and too little on another. For instance you have too much on tobacco and too little on wine. I do not know that a general increase of the tariff is being asked for by any one; if such were the case, you would find me in opposition to it. The Liberal policy was not to increase the tariff all along the line. They simply on one day increased one item and on another day increased another. They worked these increases so insidiously that the people in the west as well as in the east did not know that they were worked into the tariff; and consequently these gentlemen go through the country and boast that they are the low-tariff party. They know they are not. They point to their preferential tariff; but the Finance Minister told us the other day practically that it was a curse to the country, because the sugar planters of the West Indies had taken advantage of it to form a combine. They increased the duty on linen from 25 to 30 per cent, and the old country linen producer puts the price up until with the duty it is just under what you would have to pay if you imported linen from the United States. Let me enumerate a few articles on which the prices have been increased, taken from a table prepared by officers of the government:

Articles.	Price, 1897.	Price, 1907.
Shirtings	15 cents.	18 cents.
Sheetings	22 "	32 "
Factory cotton	5 "	8 "
Prints	12½ "	15½ "
Muslins	25 "	30 "
Ginghams	12½ "	15 "
Denims	15 "	20 "
Ticking	18 "	25 "
Bedding	15 "	20 "
Flannelette	8 "	10 "
Canton flannel	9 "	14 "

I need not go on with the list, I think I have given sufficient to show how this tariff encourages importation instead of encouraging production. Under the Conservative policy of promoting production on the farm and in the factory, people got articles at a reasonable price, but under this new policy of promoting importation in order to get revenue, you see the prices we have to pay. Possibly we get goods at a lower rate of duty; but what signifies that if we have to pay thirty or forty or fifty per cent more on the cost of the goods? I do not regard it as of moment that we are able to fill the treasury with money to build municipal bridges or wharfs where there is no water, or to do a great many other things that are not called for in the country, if you are taking it out of the pockets of the people by compelling them to pay a higher price for what they consume. Now, I think I have made the Minister of Finance thoroughly to understand my position on the tariff. I am a moderate protectionist. I do not believe in raising the tariff simply to get revenue. Readjustment is what we want. If I had my way, I would put the duty on agricultural implements down to 10 per cent. I would say to the men who are manufacturing reapers and mowers: 'If you do not put the price down ten per cent below what it was last year, I will bring down the duty.' If they will not reduce the price, I say reduce the duty. But if they will reduce the price, I am not so unpatriotic as to say that these things should not be made in Canada. The government should use the tariff as a power to regulate the prices of manufactured articles. My hon. friend, the Finance Minister, has told us that the people of the Northwest want a low tariff. Why then does he not lower the duty on agricultural implements to 10 per cent? The hon. member for South Grey (Mr. Miller) told us the other day that the government had reduced the duty on ploughs and some other agricultural implements to 17½ per cent. I am sure that was a surprise to the Finance Minister as it was to me. I hope the hon. member for South Grey did not intend that speech to go to the Northwest. The only two articles on which the duties were reduced to 17½ per cent were mowers and binders. If the minister wants to do something for the west—and I do not believe that the people there are free traders, I do not believe that even my hon. friend from Red Deer (Mr. Clark) would want absolutely no duties at all, I believe the people there are willing to pay their fair share to the revenues of the country—but there are certain lines on which they want the duties reduced. Take agricultural implements, I will say put the duty on these heavy implements that cost a lot of money

and which the farmers must have, down to a lower figure. I think the manufacturer can stand it, especially on the larger implements such as binders and mowers, because they are large exporters and do not rely on the home trade. They have an enormous foreign trade, and if their home trade were wiped out they could live on their foreign trade.

Mr. TALBOT. What about buggies and carriages?

Mr. HENDERSON. The duty on these is just where the hon. gentleman contended it should be.

Mr. TALBOT. Adequate protection.

Mr. HENDERSON. That is where his own government put it. If he has any fault to find with it he must tell the Finance Minister or the Minister of Customs that he made a mistake. I do not think he will because I believe his own vote supported the government in placing the duty exactly where it is.

Mr. PATERSON. If you will bear with a usually silent member, as you have with the hon. gentleman who has just spoken, I will not take up much time. My hon. friend has mentioned one article which, better than anything else, will explain the dfference between the two poltical parties, so far as the tariff is concerned. He says that the Conservative government put raw sugar on the free list. That is true. We have made it dutiable, and there is the difference. But the people of this country do not use raw sugar. They use refined sugar. My hon. friends opposite put a duty of 80 cents on refined sugar, which the people had to pay, and not one cent of which went into the treasury because the raw sugar came in free. It all went to the refiners. The late government got no revenue from their duty, but the consumer was taxed 80 cents on every 100 pounds he used. What did we do? We put a tax on the raw sugar and have thereby put millions into the treasury. Have we raised the price to the consumer? Certainly not, because the people do not use raw sugar. My hon. friend laughs.

Mr. HENDERSON. I am laughing at the idea that a duty on raw sugar did not increase the price.

Mr. PATERSON. Under my hon. friends there was no duty on raw sugar, but the people paid on the refined sugar which they did use, 80 cents per 100 pounds. Under our policy we put a duty on the raw sugar, which has brought millions into the treasury, and the people do not pay any more on the sugar they consume. Under the policy of the party opposite the people paid on the sugar they used a tax of 80 cents per 100 pounds but the refiner got it all. Sugar is not higher now because we give the refiner only 36 cents protection against 80 given by hon. gentlemen opposite. That is the way our tariff is arranged. When the hon. gentleman alludes to biscuits, they are just the same as scores of other articles in the tariff. The duties are lower to-day than they were then. In all the changes made, out of the hundreds and hundreds of articles in the Trade and Navigation Returns—they run up to fifteen hundred or sixteen hundred different articles—in all you will not find that half a score under the general tariff are higher than under their tariff ,and the $60,000,000 or $80,000,000 of British goods come in at a reduction of 33⅓ per cent. As we dealt with sugar, so we did with other manufactured goods. We lowered the duties in many cases, but that did not injure the manufacturers because we reduced the tariff on their raw material. One word with reference to my hon. friend the Minister of Agriculture's allusion to the Chinese wall speech of the hon. member for Halton. I am sure he will accept the explanation of the hon. gentleman. I can only tell my hon. friend from Halton (Mr. Henderson) that if I had been there and were making a speech, I would in all good faith have said what the Minister of Agriculture did. I understood the hon. gentleman to say that he would put a Chinese wall around the country or words to that effect, and would shut out everything we could produce. I understood the hon. member for Peel (Mr. Blain) to say also that he would shut out anything we could produce or make in the country.

Mr. J. A. CURRIE. Can the hon. gentleman tell the House the difference between ordinary raw sugar and the brown which is manufactured by the refiners in Montreal?

Mr. PATERSON. The sugars which are admitted free are sugars that are under No. 16, Dutch standard.

Mr. J. A. CURRIE. The custom of the trade now is to use the granulated sugar. But at the time the hon. gentleman's government came into power the bulk of the sugar used was the ordinary brown sugar, and it was right for the Conservative party to admit it free.

Mr. PATERSON. My hon. friend has only established this, that under the national policy the people had to use unwashed sugar.

Mr. J. A. CURRIE. My hon. friend is fond of his little joke.

Mr. PATERSON. That is not a joke, it is the fact.

Mr. J. A. CURRIE. He thinks that he is the only man in this House who knows anything about the tariff. Let me point out to him that the competition of the beet root sugar from Germany, which is a white

granulated sugar, compelled our refiners to make white granulated sugar out of the raw cane sugar, and everybody to-day buys the white granulated sugar and not a pound of the brown sugar. The brown sugar that comes from the West Indies is raw and which was admitted free in those days is just as good as the raw sugar of commerce that you buy from the manufacturers in Montreal.

Mr. PATERSON. But it paid 80 cents per 100 pounds on coming in.

Mr. J. A. CURRIE. It does now.

Mr. PATERSON. It did then. Oh, you can't tell me anything about sugar.

Mr. J. A. CURRIE. Just a moment while I am on my feet; I do not wish to delay the estimates. I think we had better come back to a few of these agricultural items. Hon. members opposite are continually making believe that there is a difference between the manufacturer and the farmer. To my mind, the farmer is the largest manufacturer in the country. He employs more labour than any body else, he pays more for his tools and uses more tools than other producers do, and he works harder than the man of any other class. If there is any one who should be protected, to my mind it is the farmer, for he produces fully 65 per cent of the products of this country. Now, I call the attention of hon. gentlemen to a few figures —and I will permit the Minister of Finance (Mr. Fielding) and the Minister of Agriculture also (Mr. Fisher) to sleep on the items that I have to bring forward. I took occasion to go through the Trade and Commerce returns to ascertain the amount of goods imported into this country that might be raised and should be raised on the farms of this country. In the first place, I find that of farm animals we imported $1 649,574 worth. Of breadstuffs, our imports amounted to $16,524,968—and we proclaim ourselves a great country for the production of breadstuffs, and the government takes credit for being good to the people of the Northwest whose chief product is breadstuffs. Of green fruits, our imports were $5,312,798. The green-fruit growers claim that they are not protected but are under unfair competition from the growers in the United States who can get into the market here earlier in the season than we can. In gloves and mitts, which our mothers and grandmothers used to make years ago, we imported $2,987,556. Of axle grease—which used to be a common article manufactured in this country—we imported last year $878,268 worth. Hides are a product of the animals grown on the farms of Canada, and one would think that we could produce our own hides. But, on the contrary, we find that we imported last year $4,908,871 worth of hides. And still we pride ourselves in being a great cattle-growing country, and speak of ourselves as doing everything to protect the farming interest of our country. Of honey our imports last year amounted to $35,405. Hops—something our farmers grow in Kent county and all through the western part of the Ontario peninsula—used to be exported from this country. Last year, we imported $235,923 worth. Turn again to the leathers and manufactures thereof; one would think that when we import the hides we would surely make the leather, but we find that we imported of these goods $3,780,303 worth. Milk, that surely is the product of this country yet we find that last year we imported $199,624 worth. Then we come to plants and trees — we have nurseries of our own, and yet we bring in $276,683 worth. Our imports of provisions, such as butter, cheese and articles of that description amount to no less than $4,655,980. And still we are told the farmer is not in need of protection. Of seeds and roots—and these articles surely should be produced in this country—we imported $4,559,454 worth. And now I come to the item of sugar. Hon. gentlemen opposite have claimed that they have endeavoured to stimulate the sugar industry, and surely all must agree that the sugar industry should be successful in this country. One or two factories have been successful, but owing to some cause, whether the lack of proper protection or not, a large number of these factories have gone out of business. The result is that instead of producing our own sugar, as is done in Germany and France under virtually similar conditions of climate and soil, we imported last year $12,433,111 worth. Then we come to tobacco. The hon. Minister of Agriculture (Mr. Fisher) has an item in his estimates for the encouragment of the growth of tobacco in this country. The tobacco industry is certainly a growing industry and the tobacco growers of Canada have shown clearly that they can produce as good tobacco as can be produced anywhere in the world. In spite of that, instead of protecting the tobacco industry of western Ontario, we imported last year $4,356,820 worth of tobacco.

Mr. FIELDING. Does the hon. gentleman (Mr. J. A. Currie) wish a higher duty on tobacco?

Mr. J. A. CURRIE. I think that some method should be adopted to encourage the growing of tobacco in this country. I feel satisfied that, if the tobacco industry of this country is properly encouraged, within a very few years, instead of merely producing our own supply of tobacco, we shall become an exporting country. If the hon. minister (Mr. Fielding) will turn up the returns of this country back in the forties

and fifties, he will find that in those days Canada exported tobacco. But he will not go back that far. The next item I have here is that of green vegetables, representing an industry in whose success my hon. friend from Centre York (Mr. Wallace) has shown a deep interest. Last year, we imported $1,117,253 worth of green vegetables. The last item is an article that we on this side are all agreed should be produced in this country—woollens. Last year, our imports of woollens amounted to no less than $23,145,029. Certainly, a very large proportion of these goods should be produced in this country. Now, how much is represented altogether by these imports of goods that might be produced on Canadian farms? Last year, the Northwest produced wheat to the value of perhaps $80 000,000. Yet we find that articles imported into this country in direct competition with the product of our farms represented a value of no less than $87,157,628.

Now, the hon. minister (Mr. Fielding), I suppose, has such a fine, keen, acute mind that he would try to put questions to me to show that I must be either a protectionist or a free trader or nothing. I can tell the hon. minister that I find that his party is in practically the same shape as they were in 1878, when Alexander Mackenzie was defeated. At that time, their policy was one of tariff for revenue only, which is the policy they claim to have now. The question of tariff for revenue only was never fought out on the platform in this country except in 1878, and then it was swamped so badly that it is only of recent years we have heard anything more about it. The hon. minister knows that Sir John Macdonald pointed out that the policy of tariff for revenue only was one which put upon the farmer and the artisan the greatest amount of taxation. Sir John Macdonald introduced his national policy in opposition to the policy of Alexander Mackenzie. It was not a policy of high protection, but of adjustment of the taxation so as to increase the industries suited to the country, while taking a minimum of taxes out of the pockets of the people. I would recommend the hon. member for Red Deer (Mr. Michael Clark) to read the speeches in the campaign of 1878. He will find there a great distinction between free trade and tariff for revenue only, and a great distinction also between the national policy and the policy of high protection. I do not think any Conservative can stand up and defend the policy of high protection. We are said to be high protectionists. I have always understood that protection, as advocated by Sir John Macdonald and the Conservative party to be in the truest sense a national policy for this country. Now, what is it that causes trouble to the farmers with regard to the sale of their products? The market was all right when they had good times in the United States, and they could find a high market for their products. But hon. gentlemen know that within the last two or three years there have been hard times in the United States, and the farmers there have had difficulty in selling their products, and the result is that their surplus is shipped into this country at a lower price than our farmers were getting, and our farmers must take a lower price. I think the discussion perhaps has gone a little further afield than it should. But so far as I am concerned, I believe that the welfare of this country lies in a proper system of protection for the articles the farmers produce.

Mr. DEPUTY SPEAKER. The discussion has been very broad. I have no desire to stop it if the committee really desires to engage in a discussion of tariff issues; but I think I should remind the committee that the item is that for the development of the live stock industry.

Mr. MICHAEL CLARK. I am perfectly sure, Mr. Chairman, that you as well as the committee will have no reason to complain of the length of any observations I address to the House, because I have from the beginning of this discussion had exactly the view you have expressed, that our opinions upon the tariff would have been better expressed in the budget debate. I did take what I hoped was a pardonable liberty in asking my hon. friend from Halton (Mr. Henderson) if I might introduce him to his leader's definition of adequate protection in the debates of 1902. With his usual courtesy he granted me leave to give his leader's definition. I have the definition which I gave here, and I think the House will corroborate what I noted down immediately, and it is substantially what I said: 'A tariff against the United States at least as high as that of the United States against us.' Now the hon. member for Halton is not only very courteous, but he is a somewhat wily old member of this House, and he had far too much sense to contradict me, because he knew I was perfectly correct. He had this advantage over the member for Macdonald (Mr. Staples), that he had a better memory of what his leader had said; so he did not expose himself in the way that the member for Macdonald did. Some other members gave the member for Macdonald their moral support by asserting—referring to the leader of the opposition—'He never said it.' I have in my hands now the 'Hansard' of 1902, and I will read from the speech of the leader of the opposition what he said in that debate, as found on page 1334 in volume 1:

One would expect that if we intend to maintain and build up our own products and manu-

factures against such powerful and tremendous competition as that which we must anticipate from the United States, we would fix our tariff of customs against that country on a scale at least as high as is that of their tariff against us.

Mr. STAPLES. The hon. gentleman asked my hon. friend from Halton (Mr. Henderson) if he would accept the definition of adequate protection as given by his leader, and my hon. friend from Halton answered that he would, and I said that the leader of the opposition never did make any such definition of adequate protection. I say still that he never made any such definition, and I challenge the hon. gentleman to read from 'Hansard' the context in that speech, and he cannot find that the leader of the opposition defined adequate protection in the terms he has used.

Mr. MICHAEL CLARK. If I am not wearying the patience of the House, I will take up the point as it has been raised by my hon. friend from Macdonald. The speech from which I am quoting——

Mr. GEO. TAYLOR. I rise to a point of order. This discussion has no reference at all to the item before the Chair. I think we ought to adhere to the item under discussion. We have wandered far away from the item, and I ask that we now come back to it.

Mr. DEPUTY SPEAKER. The point of order raised by the hon. member for Leeds (Mr. Taylor) is certainly well taken. The discussion for the last hour has been almost entirely out of order. I have not felt called upon to insist on the rule, because it appeared to be the desire of the committee to discuss the tariff generally. But now that the point of order has been raised, I must rule that the committee come back to the discussion of the item for the development of the live stock industry.

Mr. ARMSTRONG. I think my hon. friend from Peel (Mr. Blain) was within his right when he sought to show the Minister of Agriculture the necessity of making some improvement in the hog industry, in view of the manner in which it is languishing at present. I feel it is my duty to call upon the Minister of Agriculture to take immediate steps to improve the position of that industry. If he will examine the agricultural press he will find that he is being severely condemned for the manner in which that industry is languishing. In turning up the trade and navigation returns I find that last year 11,770,000 pounds of lard, valued at $1,000,000, came into this country. Of bacon, ham, shoulders and sides, 7, 304,000 pounds, valued at $851,000, came in from the United States. Of pork, barreled in brine, 9,204,000 pounds, valued at $713,000, came in. Surely my hon. friend from Peel was within his rights in calling the attention of the Minister of Agriculture to the position of the swine industry. In view of the fact that in the neighbourhood of 30,000,000 pounds of swine products are annually coming into this country, surely my hon. friend was within his rights in calling the attention of the Minister of Agriculture to the fact that the swine industry was not increasing, but that it was an industry that was in need of a radical change. The Minister of Agriculture tells us that he is going to send a few farmers over to Denmark to see if they can bring back some new ideas. If these men return within the next few months it will take years for the swine industry to get back to anything like the position it held some years ago. Let him look at the pork manufactories in Canada and see the small amount of pork that is being exported and he cannot help but come to the conclusion that his department is responsible for the position of the swine industry to-day. When you take into consideration the very large imports of that product from the United States and other countries you cannot help but come to the conclusion that the minister has been neglecting that industry. He may look at the butter industry and the man who is at the head of the dairy department in the country may tell the people just as much as he likes that we are producing just about the same quantity as we ever did, he can say that it is because of the increase of population, or he can offer other excuses along these lines, but the fact remains that instead of these products having largely increased as they have in other countries, the increase has been very much less. Let the minister go to New Zealand and see the wonderful developements in production and increase in exports that have taken place there. Let him go to the Argentine Republic and see what they are doing in the live stock industry there. If he compares the exports of these countries with our exports he cannot help but feel humiliated, as every Canadian does in this agricultural country, at the lack of advancement in the development of this live stock industry. I do not wish to take up the time of the House——

Some hon. MEMBERS. Hear, hear.

Mr. ARMSTRONG. The hon. member for Assiniboia (Mr. Knowles) says 'hear, hear.' If the hon. member for Assiniboia would take a little more interest in the development of the farm industry of our great west than he does in this House, instead of yelling 'hear, hear,' when he knows full well that the Minister of Agriculture has been neglecting his duty in regard to these important subjects, he would be doing something for the general benefit of the people of his province.

Mr. KNOWLES. Mr. Speaker, I rise to a question of privilege. I have listened painfully to the hon. gentleman (Mr. Armstrong) many times in this House, and I have never thought that the Minister of Agriculture has neglected any of his duties.

Mr. DEPUTY SPEAKER. There is no question of privilege in the remarks which the hon. gentleman has made.

Mr. ARMSTRONG. The hon. gentleman is naturally interested in his constituency, and after the remarks we have listened to I do not know that I will attempt to make any reply. When I call attention to the fact that we are making these large importations of the products of the farm, I cannot help but feel that something should be done, and done immediately, whereby our farm products could be increased and whereby the swine industry, the butter industry and the live stock industry could be developed along more extensive lines than at the present time. I feel that if the minister would take into consideration not only the question of developing the swine, the butter and the live stock industries of this country, but the question of securing the best possible markets for the products of the farm, he would be doing a greater measure of justice to the farmers of this country than he is doing at the present time.

Mr. ELSON. I desire just to say a few words in reference to the question of the development of our live stock industry When I take up the trade figures issued by the Department of Trade and Commerce it seems to me as if the money expended for the development of the live stock industry during the last couple of years has not produced results such as we could desire. We see that the export of live cattle in the year 1906 was about $2,000,000 greater than in the year 1908, showing that we are falling back to a very great extent in the development of our cattle industry. While the number of cattle exported was 25,000 less, the number of horses was several hundred less and the value very much reduced. The export of sheep was just about the same. In the products of the hog—ham and bacon—we have fallen back about a million dollars. It appears to me that the money which has been expended in the past couple of years has not had the desired effect in developing our live stock industry. How does the Minister of Agriculture account for this great falling off in our exportation of live stock? It is true that our population is a little greater than it was two years ago and no doubt consumes more, but still the increase in the production of stock and animal products should be greater than the increase of population. Parliament has voted a considerable amount every year for the development of the live stock industry. We are willing to vote for that purpose, provided we can obtain good results, a still larger sum. But, when we see that the results are not satisfactory and that our country is going backward in regard to its live stock industry, it seems to me that something should be done to improve this condition. I would ask the minister how he explains the falling off in the exportation of live stock?

Mr. FISHER. Unfortunately we have not complete statistics year by year of home consumption or of the number of animals in the country. I have no doubt whatever that the falling off in the export of horses is due to the increased demand in this country to supply the needs of the new settlers in the Northwest. I do not understand the exact reason for the falling off in the export of cattle, but the decrease in the export of dairy products in the last few seasons would doubtless be due to the diminished production of milk on account of the drought; the decreased production of Canadian butter not keeping pace with the relatively increased consumption at home. The dry season has also affected the hog industry very seriously. It is largely dependent upon the dairy industry, and when dairying is short the cost of producing pork and its products increases. The price of grain and feed stuffs during the last few years has been exceptionally high, with the result that our farmers have been discouraged in rearing hogs. Although the price of pork has been rather high, and very high lately, the farmers say that the margin of profit between the cost of production and the price to them was not sufficient to encourage them to increase production. It is for the purpose of finding out whether there are methods of production in Denmark and Ireland which are more economical than our own that I propose to send this commission to these countries. If we can get any hints which will help our industry it will be well worth the expenditure. I would prefer to send farmers who themselves are engaged in the industry rather than officers of my department, whose reports might be criticised and might perhaps not be considered so acceptable.

Mr. ELSON. The falling off in the export of butter is really astonishing. In 1907 about $7,000,000 worth of butter was exported and in 1908 only $1,000,000 worth, showing a falling off of $6,000,000 in one year. The inference might possibly be that the farmers were making cheese instead of butter, but there is a falling off in the export of cheese to the extent of $2,000,000 worth. All along the line of the live stock and dairying industry there seems to have been an immense falling off during the past year.

Mr. HERRON. I was sorry to hear the statement made by the Minister of Agriculture with regard to the Alaska-Yukon-Seattle exposition. It would seem strange if the stock raisers of the west do not themselves know what is for their own interest in that respect. I have the very strongest requests from the executive officers of the association representing the three western provinces asking for some small assistance to enable them to exhibit their live stock at Seattle. But the minister positively refused to entertain that request. I should have thought that these gentlemen must have taken into consideration the difficulty regarding the quarantine and that they believed this difficulty could be overcome. The western breeders have invested very large sums of money to improve the breed of horses and cattle; and as we do a considerable trade with that part of the United States the Seattle exhibition would be a grand opportunity to show what western Canadian farmers have succeeded in accomplishing. About $8,000 is all that these gentlemen ask; it is a small sum for such a worthy object, and I have had numerous letters and telegrams from them asking me to urge the minister to give this aid.

Mr. FISHER. The returns which have reached me have come from Mr. Bell of Winnipeg, representing as I understand the Western Farmers' Association. The hon. gentleman is more fortunate than I am with regard to receiving letters and telegrams of that kind.

Mr. LAKE. I have received copies of resolutions from the farmers' associations in Saskatchewan, which I understood had been sent to the Minister of Agriculture.

Mr. FISHER. I think the only communication I have received was from Manitoba.

Mr. J. D. TAYLOR. I would remind the minister that a number of British Columbia breeders exhibited at the Portland exhibition a few years ago and did very well indeed. Are the quarantine conditions more onerous now than they were then?

Mr. FISHER. Yes.

Mr. J. D. TAYLOR. I would recall the attention of the minister to an application from a resident in my district, Mr. Page of Matsqui which engaged the attention of this House on a former occasion. I understood the Minister of Agriculture to say then that Mr. Page had a claim; perhaps not a legal claim, but sufficient of a claim to warrant the government in giving consideration to it, and this led Mr. Page to hope that at some time or other he might get compensation from the government. The facts of the case are: Mr. Page was a breeder of horses and he sent quite a large consignment to the United States, feeling that the regulations then in force permitted him to have them entered free of duty as they were imported to be sold for breeding purposes. The customs officers of the United States told him his interpretation of their law was wrong, and, as he had irregularly imported these horses into the United States they were seized and confiscated and sold, resulting in the loss to Mr. Page of the entire shipment. Mr. Page then made a claim to the Department of Agriculture, stating that his exportation was under the terms agreed upon between the two countries and as understood by the Canadian department, and being led into error by accepting the Canadian interpretation of the American regulations his claim comes before the department as a matter of compassion, or perhaps I should say of common justice. I undrstood the minister to say on the occasion I have referred to that he was disposed to do something for Mr. Page. Does the hon. gentleman consider that incident entirely closed, or is it possible that something may yet be done?

Mr. FISHER. I have considered the incident entirely closed for some years. The question is not a question of any action on the part of this government. The action was taken by the American authorities, and we have no control over their interpretation of their own law. The actual fact was this: Under the American regulations horses imported for breeding purposes are free of duty. This gentleman brought horses into the United States to sell, and the American authorities interpreted the regulations to mean that that was not bringing them in for breeding purposes. This government have nothing whatever to do with the action of the American authorities, and I never understood that Mr. Page expected or asked for compensation from this government. I think he asked that we should deal with the American authorities, and we did so. We represented to the Secretary of State at Washington that it was a case of hardship, and asked that it should be reconsidered. It was reconsidered and discussed at headquarters at Washington, and I think it was the Attorney General of the United States who declared that the interpretation put upon the American regulations by the officers at the frontier, was a legal and proper interpretation. I do not see how we could possibly have done anything more than we did, and I cannot understand how Mr. Page or any body else could claim that the government of Canada could be held responsible for such an action.

Mr. J. D. TAYLOR. My recollection is that the hon. minister said something

which led Mr. Page to believe that this government would do something for him. I have had a letter from him asking me to mention the matter again.

Mr. FISHER. I cannot remember any words of mine that could be so interpreted.

Mr. BLAIN. Has the hon. minister before him the request in writing that was made by the Swinebreeders' Association?

Mr. FISHER. No, I haven't it here.

Mr. BLAIN. Did my hon. friend say that it referred to anything except the unfair competition found in the Canadian market?

Mr. FISHER. I cannot say that the writing did, but the deputation that came to me made a request for this commission. My hon. friend accused me a few minutes ago of lack of courage in not telling the swinebreeders what I have told the House to-night. My hon. friend ought to know that the government always refuses to say to any deputation what they are going to do with regard to tariff matters.

Mr. BLAIN. Do I understand that another deputation waited on the hon. gentleman, but that it had no reference to the tariff?

Mr. FISHER. Certain swine breeders approached my hon. friend the Minister of Finance and my hon. friend the Minister of Customs, as well as myself, in regard to the tariff. Then a deputation of swinebreeders came to me in my office and asked for this commission. I am inclined to think that they were largely the same men. I can remember some of them—Mr. Brethour, Mr. Featherstone and Mr. Flatt—and there were several members of parliament with them.

Mr. GEO. TAYLOR. Are these the men to be sent over?

Mr. FISHER. No. They said they did not wish swine-breeders to be sent; they preferred that swine feeders should be sent.

Mr. ARMSTRONG. Is there not some way in which the minister could make better progress than by sending over a commission? It appears to me that it is not a bad suggestion in itself, but it will be many months before this commission will be able to make a report, and a still longer time before the people will be educated up to their ideas. Could not the minister take some more aggressive course to remedy this state of affairs?

Mr. FISHER. We have always acted on the line of educating the farmers, impressing upon them what has been found by experiment to be the best method of fattening hogs. That, of course, does not affect the price of the hog or the cost of the feed. All we can do is to explain the relative values of different feeds, and leave them to find the best feed, and feed it in the cheapest way possible. We propose to continue that work of education, and I hope it will have some effect. In the past it has had a very great effect. But largely because feed has been scarce and high lately, the profits on hog feeding have not been as great as they were a few years ago. During the last two years the price of hogs sold on the Canadian market has been usually high. It is always the case in the fall of the year that the price of hogs goes down; but I may say that the average price during the last two years has been higher than it was in the two years before.

Mr. SEXSMITH. One reason to my mind why the farmers are going out of the raising of hogs is the very unstable condition of the market. The minister knows well that it is very irregular. At one time of the year there is a price that will perhaps make the raising of hogs profitable. The fall of the year, when the bulk of the hogs are marketed, and when the farmer expects to receive his profit, is the time when the price is very low. There is a general impression in the part of the country that I come from that the packers have an organization, and at a time of the year when they are about to put in their supplies for home consumption, they put the price down. I would like to ask the minister if he does not think that if the Canadian farmer had the home market for himself, it would help to regulate the price to a considerable extent. I am not going to advocate high protection, but I do believe in fair trade; and if my neighbours charge us five cents a pound to get an article into their country, I think we would be justified, to a certain extent anyway, in protecting our own industries. However, we have not time to discuss that question now, but I cannot agree with the minister that such a policy would raise the price to the consumer. He said he was very pleased to belong to the agricultural class. I agree with him, as I am a farmer myself. He also said that the farmers were very charitable and did not ask for a tariff which would raise the prices to the masses. I quite agree that they are charitable or they would not have supported this government so long in return for so little; but the farmers in the riding I represent believe in protecting their own market to the extent, or very nearly so, asked by the Swine Breeders' Association. Does the hon. minister not think it would be well to look into the matter from the packers' standpoint so as to ascertain whether the general belief be true that they combine to unduly press the prices down, especially in September and October?

Mr. FISHER. I did have an investigation made into the comparative prices of the live hog at the station to the packing houses and the wholesale price of the finished products in the shape of bacons and hams and the retail price to the consumer. What I had done was to compare the prices in these different articles in Chicago, Buffalo, Toronto, Montreal and Liverpool over a period covering six months. We took the prices as we found them reported in the Trade journals every week, beginning in September or October, 1907 and during the six months following. The result showed that if we took the price paid for the live hog at the station and made reasonable allowance for the cost of manufacture, transport, &c., the price received for Canadian bacon on the Liverpool market, wholesale, delivered there, was not an undue profit over the price paid the farmer. But if you take the price paid by the Canadian consumer in Montreal or Toronto for the finished bacon over the counter, it was much larger on that portion of the hog sold in Canada than on the portion sold in England. In other words, the retail price in Canada showed a profit much larger than the retail price in England. As far as our investigation went, the figures would indicate that the increase lay between the departure of the pork from the factory and its sale by the retailer, but just how it was distributed we had no means of finding out. My impression, from that investigation, is that if to-day the packers are making very large profits, they are doing that on the retail sale in the Canadian market and not on their sale in the English market. The price paid to the Canadian farmer at the station for the live hog seemed to be as high as the packer could pay and make a fair profit on his business when he sold at the prices in the English market. That investigation took place a year ago, and I have not had time to have it repeated, but I will see that it is repeated this coming season and find out more information for the benefit of the farmers and the trade.

Mr. OWEN. Is the hon. minister aware that thousands of cattle are slaughtered in this country every year, affected with tuberculosis and sold to the people? I have had several complaints recently.

Mr. FISHER. I am not aware that thousands of cattle affected with tuberculosis have been sold in the country. In the meat establishments, which are under the control of my department since the Meat and Canned Food Act has been passed, here are no carcasses affected with tuberculosis which are allowed to pass through and enter into consumption. There is a small percentage of the cattle slaughtered in those establishments found affected with tuberculosis, but I would be sorry to admit for a moment, in the general way my hon. friend uses the term, that there are thousands of cattle slaughtered in Canada which are thus affected.

To encourage the production and use of superior seeds of farm crops and for the enforcement of the Seed Control Act, $49,000.

Mr. GEO. TAYLOR. There is a reduction here of $19,000.

Mr. FISHER. That is due to the transfer of the salaries to the civil government.

Mr. LAKE. Is the hon. minister distributing seed at present?

Mr. FISHER. The only distribution is in small packages by post from the Experimental farm.

Mr. SEXSMITH. How is it proposed to expend the money?

Mr. FISHER. There are salaries to officers outside of Ottawa amounting to $7,500. There is a very considerable amount of travel of the staffs, which costs about $8,000. The printing and stationery take $6,000. The book called 'The Farm Weeds of Canada' will call for an expenditure from this year's appropriation of $6,000. Part of the expense of the new edition has already been paid out of this year's vote. We also propose to issue a publication on grasses, clovers and forage crops, which is expected to cost $6,000. Supplies for the laboratory will cost $1,250, and supplies for the Calgary laboratory $750. The expense of enforcing the Seed Control Act, apart from the salaries of officers, is $2,000. Then, we assist in conducting seed fairs and field competitions in the growth of seed grain, and assist the associations. This costs $12,000. There is a special grant to the Canadian Seed Growers' Association and Provincial Seed Exhibition of $5,500.

Mr. SEXSMITH. You have lecturers going about?

Mr. FISHER. Yes, that is included in the salaries. They also assist in enforcing the Seed Control Act.

Mr. LALOR. Are the farmers still permitted to sell seed grain without inspection? I know from inquiry among some of the men dealing in seeds that they doubt very much whether this Act can be made very successful so long as the farmers are permitted to sell to their neighbours seed grain that is not inspected. As I understand it, the inspection reaches only the dealers, but one of the great sources of trouble in the distribution of foul seed is the farmers selling seed grain to one another.

Mr. FISHER. The Seed Control Act has a provision under which a farmer growing seed can sell it to his neighbours. That

was discussed when the Seed Control Act was passed, and there has been no amendment to that section; the law remains as it has been for some years. My hon. friend (Mr. Lalor) was here, I think, when the Act was passed, and knows the reasons why the provision was put in. I need not dwell upon them now.

To encourage the production and sale of Canadian tobacco, $5,000.

Mr. FISHER. I was glad to hear an hon. member say that we ought to encourage the tobacco growing industry of this country. He will approve a vote for that purpose. I have been doing a little work in this way for some time back, and this year hope to do still more. What I did before was not under a special vote, but under the general encouragement of markets and agricultural products of the country. But this year, expecting to do more, I am asking for a special vote. The work we have been doing has been to give instruction to the tobacco growers and to carry on experiments especially in the curing of the tobacco. I think there is no doubt that Canada can produce a very large quantity of tobacco. The soil is suitable, and the climate seems to be suitable. But the curing and handling by the farmers has been deficient. We are trying to help them in this matter. In the coming season I propose, partly through this vote—but there will have to be a vote for special buildings—to establish three experimental stations, one in Essex county, Ontario, one in Montcalm, and one in Rouville, in Quebec, these latter two very small ones not costing as much as the single one in Essex, to carry on experiments in the way of growing tobacco and some new kinds, and especially in the curing of the tobacco in accordance with the experiments we have been conducting, and also with the experiments in handling that have been carried on in the United States.

Mr. BURRELL. Is there to be any expenditure for the encouragement of tobacco growing in British Columbia?

Mr. FISHER. I was not proposing to establish an experimental station in British Columbia this year. My tobacco expert has not been able yet to study the conditions in British Columbia and work out what is the right thing to do, but I propose to have him go there and study the situation, and if we can do anything in the way of experimental work there we shall be glad to undertake it.

Mr. ARMSTRONG. I am glad the minister has decided to establish an experimental station in the western peninsula. I know the need of it there, and I hope he will give it his energetic attention.

Mr. BLAIN. How does the minister make his statement correspond with the statement in opposition to the manufacture of cigarettes in this country?

Mr. FISHER. If they would use no tobacco in Canada but export it all, I should be glad. I do not use it myself, and should like to see others follow my example. But if they are going to use tobacco, I would like to see them use good tobacco.

Contributions towards maintenance of and expenses of representation at International Institute of Agriculture, $10,000.

Mr. FISHER. I suppose I should give an explantion of this.

Mr. GEO. TAYLOR. A short one.

Mr. FISHER. I will try to be short. I have this to say to my hon. friend, however —I sympathize with his desire to put these items through as quickly as possible, but he must not expect that his friends are to be allowed to say just what they wish and we to say nothing. This International Institute of Agriculture was finally established in Rome last year, the initiative having been taken in 1905, when the representatives of the great powers in Europe and America practically joined and decided to establish it. It seemed to me—and on investigating I am confirmed in the opinion —that this is an institute which may be productive of the greatest good in the agricultural world. It is an organization of an international character for the purpose of collecting statistics and other information and distributing it. It is practically a clearing house of agricultural information. And, although we in Canada sometimes plume ourselves on the advanced state of our agriculture, and our experimental progress in all agricultural subjects—I confess that I pride myself on that as a Canadian —there is no doubt that we can learn from other countries, and we can learn very much from the older countries of Europe and Asia, as well as from the newer countries of America. This institute is for the purpose of collecting information from all these countries and placing it at the disposal of the members. On the invitation of the authorities, we agreed to adhere, first in a modest way in what is called the fourth class. But when I came to examine the matter, I found that that was hardly commensurate with what I believed to be the importance of Canada as an agricultural country and the importance of our agricultural interest, and so asked that Canada be raised to the second class, where we have to pay a somewhat larger contribution toward the expenses of the institute. Another thing we have to do is to have an officer or representative of the country in the management of the institute. I was fortunate enough, last fall, when I went to represent this government, to be able to secure the services of a gen-

tleman from Montreal, Mr. Arthur Boyer, well known in the public life of Quebec, a gentleman who has lived in the city, but is familiar also with the agricultural conditions and the country life of Canada. He was also familiar with the French language, and a gentleman of high character and great intelligence. So well were we represented at the meeting in Rome last November, that the Hon. Mr. Boyer was chosen one of a small executive committee of five to manage the affairs of the institute. We have also to prepare and send to the institute agricultural and statistical information from our own country in order that it may be tabulated along with such information from other countries, and I am asking for $10,000 for the purpose of doing this work.

Mr. SEXSMITH. How is that information to be made available to the farmers?

Mr. FISHER. The Department of Agriculture will get the information and distribute it. The information, however, will probably be of a character rather suitable for students and the scientific farmer, than the ordinary farmer. But we hope to be able to distribute to the farmers abstracts of the statistics. A farmer who wants this information can send to the department and get it. This institute at Rome will secure information from all countries in the world with regard to any new process that it may be desirable to introduce, or any new discovery that may be made of importance to agriculture generally.

Steamers to replace 'Argus' and 'Challenger,' $40,000.

Mr. FISHER. These are vessels required for the quarantine service and have been so long in use that they are now almost unsafe, and our engineers report that they must be replaced.

Mr. CROSBY. What has the 'Challenger' been doing?

Mr. FISHER. The 'Challenger' is one of the boats at the Grosse Isle station in Quebec, the 'Argus' is stationed at Halifax.

Mr. CROSBY. What does the hon. gentleman expect it will cost to put a boat on the quarantine station at Halifax to replace the 'Argus'? I understood the minister to say that that boat was about to be condemned. As a matter of fact that boat has not been in use for over a year.

Mr. FISHER. She has been under repairs.

Mr. CROSBY. I think she has been out of commission altogether for over a year.

Mr. FISHER. She has been somewhat out of repair, and not working.

Mr. CROSBY. For how many months?

Mr. FISHER. Perhaps six months.

Mr. CROSBY. The crew of that boat has been doing nothing all that time. If the minister intends to put a boat on that service that will be equal to the requirements at Halifax, I do not think that he can possibly do it with $10,000.

Mr. FISHER. If I find I cannot do it with this vote I will have to ask for more in a supplementary vote.

Mr. GEO. TAYLOR. Last year the hon. gentleman had $30,000, and this year he is asking for $40,000.

Mr. FISHER. We were not able to use the $30,000 and it lapsed.

Mr. CROSBY. The hon. minister has a crew there now, who are being paid, and it is essential that we should have a boat to do the work. There is a great necessity for that boat. It is important that he should try at the earliest possible date to put a boat on that service.

Mr. FISHER. Before the end of the last fiscal year we advertised for a boat to be purchased. A large number of boats were presented to the commission appointed to examine them. and the commission condemned them all. They were of all prices, of all sizes and of all shapes, and none were satisfactory to the commission. The commission was composed of an officer from the quarantine staff, one from the Marine Department and one from the Public Works Department, all experts. Not having been able to buy a boat, plans and specifications are now in course of preparation for the purpose of getting a boat built. I think before long or before next fall we will succeed in having a boat.

Mr. GEO. TAYLOR. Surely the statement that the hon. member for Halifax makes that the minister has kept a crew under pay a whole year doing nothing and no boat on which to employ them is not correct?

Mr. FISHER. The crew have other work at the station which they have been doing.

Mr. CROSBY. I would rather have the crew kept idle for a year than have a boat put upon this service that is not suitable. I am glad to hear that the minister has made efforts in the direction he has indicated. If the hon. gentleman finds it impossible to get a boat already constructed, and I imagine that he will find it difficult to do that, it would be really better to build a boat for that service, and I hope that this will be done as speedily as possible.

Mr. FISHER. I would like to carry all but the experimental farm item.

Mr. GEO. TAYLOR. Reserving that item for a general discussion on any other item?

Mr. FISHER. Certainly, any question any hon. gentleman wishes to ask on any other item may be asked upon that.

Mr. LAKE. Any other item that has not already been carried or discussed?

Mr. FISHER. On any other of the items, except those which we have discussed, any hon. gentleman may ask any question when the experimental farm item comes up.

Mr. GEO. TAYLOR. Item 42 stands.

Mr. FISHER. Yes.

Mr. ARMSTRONG. Then I understand that it will be quite in order to discuss any of these subjects?

Mr. FISHER. Any one of these items which have been carried just now.

Mr. BLAIN. I suppose it will be understood that any item which any hon. gentleman wishes to bring up and discuss will be discussed on this item which is allowed to stand?

Mr. FISHER. Not the ones which have been passed and discussed.

Some resolutions reported.

ROYAL LIFE INSURANCE COMPANY.

Mr. McCRANEY moved that Bill (No. 177) respecting the Royal Victoria Insurance Company and to change its name to the Royal Life Insurance Company of Canada be read the first time.

Mr. LENNOX. This is a Bill in reference to which quite a number of gentlemen in this House have instructions. It is a matter that there is a very great deal of feeling about. I have already brought this to the attention of my hon. friend the Minister of Finance, and I do not think it ought to pass to-night. I think it ought to stand over. It is a matter of very great importance. It is an effort to change the name of the Royal Victoria Insurance Company to the Royal Life Insurance Company.

Mr. FIELDING. I think the almost invariable practice with a Bill coming from the Senate is to place it upon the Order Paper for the first reading; otherwise, it cannot get into the possession of the House. It does not commit any body to anything. I have no knowledge of the Bill but I do not think that we should refuse to give it its first reading.

Mr. LENNOX. If it will come up again.

Mr. FIELDING. It will be put on the Order Paper and be reached with Private Bills in due course.

Mr. LENNOX. What is the object of the Bill?

Mr. McCRANEY. I have no personal knowledge of the Bill. I am moving it in a formal way to get it on the Order Paper.

Motion agreed to, and Bill read the first time.

FIRST READING.

Bill (No. 178) for the relief of John Wake.—Mr. McCraney.

SECOND READINGS.

Mr. McCRANEY moved that Bill (No. 166) respecting the Central Railway Company of Canada, Bill (No. 171) respecting the Quebec and New Brunswick Railway Company and Bill (No. 176) to incorporate the St. Maurice and Eastern Railway Company be placed upon the Order Paper for second reading at the next sitting of the House.

Mr. GEO. TAYLOR. May I ask the hon. gentleman who introduces this motion to explain about the Quebec and New Brunswick Railway Company. Is that the railway that we were discussing here to-day?

Mr. McCRANEY. I have no personal knowledge of the company.

Motion agreed to.

MANITOBA AND NORTHWESTERN RAILWAY COMPANY.

Mr. FIELDING. We have received a message from the Senate calling our attention to the fact that an error was made in a Bill which has been transmitted to this House. They have asked that the clerk of the Senate may be permitted to make a correction in the Bill rather than the Bill itself should be recalled. I understand that there is a precedent for that course. I therefore beg to move:

That leave be given to the Clerk of the Senate to make amendments to the Bill (No. 81) an Act respecting the Manitoba and Northwestern Railway Company of Canada, as desired in their message of this day, and that a message be sent to the Senate to acquaint their honours therewith.

Mr. GEO. TAYLOR. Are they in the habit of making typographical errors in the Senate as well?

Mr. FIELDING. Some one stated yesterday that that sort of thing is in the air. I may say that the message requests this House to permit the clerk of the Senate to correct a clerical error in the amendment made by the Senate to Bill (No. 81) by substituting the words 'section 9' for the words 'clause 8,' and also to substitute the word 'are' for the word 'is.'

Mr. GEO. TAYLOR. These are clerical errors, not typographical.

Mr. FIELDING. Yes.

FIRST READING.

Bill (No. 175) respecting the Canadian Patriotic Fund.—Sir Frederick Borden.

Mr. FIELDING moved the adjournment of the House.

Mr. GEO. TAYLOR. What business will be taken up to-morrow?

Mr. FIELDING. At the morning sitting it is intended to take up a number of Bills on the Order Paper.

Mr. LAKE. The Immigration Bill?

Mr. FIELDING. The Prime Minister requested me to speak of Bills generally. I cannot say as to the Bills that may be controversial. At the afternoon sitting the House will be moved into Committee of Supply, so that the hon. member for Maisonneuve (Mr. Verville) may have an opportunity to bring some labour matters before the attention of the House, as to which he made a request to the government some days ago. In the evening session, as already understood, private Bills will be taken up for the whole evening.

Mr. GEO. TAYLOR. I thought the motion of the hon. member for Victoria and Haliburton (Mr. Hughes) had the right of way.

Mr. FIELDING. I think my hon. friend (Mr. Hughes) is content to let the Empire slumber for a few days longer.

Motion agreed to, and House adjourned at 12 o'clock midnight.

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FIRST SESSION—ELEVENTH PARLIAMENT, 1909.

Abbreviations of well known words and Parliamentary expressions are used in the following :—1°, 2 3°, First Reading, Second Reading, Third Reading ; 3 m. h., 6 m. h., 6 w. h., Three Months' Hoist, Six Months' Hoist, Six Weeks' Hoist ; *, without remarks or debate ; Accts., Accounts ; Adjn., Adjourn; Adjd., Adjourned ; Amt., Amendment ; Amts., Amendments ; Amalg., Amalgamation ; Ans., Answer ; Ass., Assurance ; B., Bill ; B.C., British Columbia ; Can., Canada or Canadian ; C.P.R., Canadian Pacific Railway ; Com., Committee ; Co., Company ; Conc., Concur, Concurred, Concurrence ; Consd., Consider ; Consdn., Consideration ; Cor., Correspondence ; Deb., Debate ; Dept., Department ; Depts., Departments ; Div., Division ; Dom., Dominion ; Govt., Government ; His Ex., His Excellency the Governor General Hse., House ; H. of C., House of Commons ; Incorp., Incorporation ; Ins., Insurance ; I.C.R., Intercolonial Railway ; Man., Manitoba ; Mess., Message ; M., Motion ; m., moved ; Neg., Negatived ; N.B., New Brunswick ; N.W.T., North-west Territories ; N.S., Nova Scotia ; O.C., Order in Council ; Ont., Ontario ; P.E.I., Prince Edward Island ; P.O., Post Office ; Par., Paragraph ; Prop., Proposed ; Q., Quebec ; Ques- Question ; Recom., Recommit ; Ref., Refer, Referred, Reference ; Rep., Report, Reported ; Reps., Reports ; Res., Resolution ; Ret., Return ; Ry., Railway ; Rys., Railways ; Sel., Select ; Sen., Senate ; Sp., Special ; Stmnt., Statement ; Sup., Supply ; Suppl., Supplement, Supplementary ; Wthdn., Withdrawn Wthdrl., Withdrawal ; Y.N., Yeas and Nays ; Names in Italics and parentheses are those of the mover.

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Public Works—Buildings—N.B. (Grosse Isle) 3211 (ii).

Public Works—Buildings—N.S. (Bridgewater) 1283; (Halifax) 1289; (New Glasgow) 1291 (i).

Public Works—Buildings—Ont. (Kingston R.M.C.) 1512 (i).

Public Works—Buildings—Ottawa (additional wing) 1253; (museum) 1275; (peat testing) 1502; (Royal Mint) 1271 (i).

Public Works—Buildings—Que. (Cookshire) 1293 (i); (detention hospital) 3221 (ii); (Joliette) 1293; (Knowlton) 1301; (Montreal P. O., enlargement) 1316 (i); (Montreal, examining warehouse) 3211 (ii); (Montreal, postal station) 1306; (St. Johns) 1317; (Sherbrooke drill hall) 1317 (i); (Sherbrooke) 3222 (ii); (Three Rivers) 1318 (i).

Public Works—(contingencies) 3672 (ii).

Public Works—Harbours and Rivers—.N. S. (Annapolis ice piers) 2344; (Bay St. Lawrence) 2455; (Blue Rocks) 2455; (Breton Cove) 2456; (Cow Bay) 2466; (Middle River) 2477; (South Lake, Lakevale) 2480 (ii).

Public Works—Harbours and Rivers—Que. (Anse a la Barbe) 2513; (Anse l'Ilot) 2513; (Batiscan) 3276; (Bonaventure river) 2559; (Bonaventure) 2077; (Chicoutimi) 2523; (Clarke City) 2527, 2540; (Doucet's Landing) 2545; (Douglastown) 2546; (Father Point) 2548; (Gaspé) 2550; (Lake St. John) 2556; (Laprairie ice piers) 2900; (Magdalen Islands) 2557; (Mistook) 2557; (Nicolet) 3246; (repairs) 2554; (Richelieu river) 2559; (Rimouski) 2557; (St. Alphonse de Bagotville) 2900; (Ste. Anne des Monts) 3288; (St. Francis du Lac) 3285; (Ste. Fulgence) 2906 (ii); (St. Jean des Chaillons) 2906; (St. Maurice) 2900; (St. Michel, Yamaska) 3262; (St. Nicholas) 2908; (Saguenay dredging) 2802, 2887; (Saguenay River) 3284; (Sorel) 3289; (Yamaska) 3291 (ii).

Trade and Commerce (annuities administration) 6660; (Chinese administration) 6655; (commercial agencies) 6657 (iv).

Ways and Means (sugar) in Com., 5101 (iii).

ARMSTRONG, Mr. J.E., *East Lambton.*

Agriculture Dept., Expenditure *re* Employees (Ques.) 2756 (ii).

Agricultural Fertilizers, B. 110 (Mr. Templeman) in Com., 4447 (iii).

Animals Contagious Diseases Act, Amt. B. 18 (Mr. Fisher) in Com., 754 (i).

ARMSTRONG, Mr. J. E.—*Con.*

Books entering Canada under British Preferential Tariff, &c. (Ques.) 2586 (ii).

Budget, The, 4910 (iii).

Canada-France S.S. Subsidy B. 146 (Mr. Brodeur) in Com. on Res., 4440 (iii).

Canada Life Assurance Co.'s B. 56 (Mr. Clarke) on Amt. (Mr. Lennox) 5460 (iii).

Civil Service Act (letter carriers) Amt. B. 137 (Mr. Lemieux) in Com., 6327 (iv).

Civil Service Salaries, in Com. on Res., 406 (i).

Cochrane Town Site, G. T. P., Interference *re* (Ques.) 2586 (ii).

Cold Storage Plant, Govt. Assistance to (Ques.) 2756 (ii).

Envelopes, Complaints *re* Mutilation of through Mail (Ques.) 349 (i).

Experimental Farms, Location in Canada, on prop. Res. (Mr. Lapointe) 1939 (i).

Free Mail Delivery in Cities, Names, Mail routes, &c. (Ques.) 2585 (ii).

French SS. Subsidy: *See* 'Canada,' &c.

Fruit Marks Act, Number of Inspectors, &c. (Ques.) 3477 (ii).

—— Regulations *re* Inspection, on M. (Mr. Burrell) to Com. of Sup., 3376 (ii).

Grand Bend Dock, Approaches (Ques.) 2586 (ii).

G. T. P. Loan B. 128 (Mr. Fielding) in Com., 5255, 5329 (iii).

G. T. P., Resignation of Mr. Morse, Action of Govt. (Ques.) 345 (i).

Holstein Cattle at Experimental Farm, &c. (Ques.) 2756 (ii).

Mackey's Station Post Office, Complaints *re* Management (Ques.) 545 (i).

Mail and Stage Routes, Total Number of Miles, &c. (Ques.) 481, 813 (i).

Mail Boxes purchased and entered without Duty, Authority *re* (Ques.) 547 (i).

Mail Contracts expiring on April 1, 1909, Renewals, Tenders, &c. (M. for ret.*) 685.

—— Inquiry for Ret., 4801 (iii).

—— Renewals without tender in April, 1909, &c. (Ques.) 477 (i).

Oil, Gas, &c., Borings, Details of Expenditure of $35,000, Cor., &c. (M. for ret.*) 684 (i).

Ontario and Michigan Power Co.'s incorp. B. 34 (Mr. Conmee) in Com., 5423, 5565 (iii).

Postoffice Act (letter carriers) Amt. B. 136 (Mr. Lemieux) in Com. on Res., 4249 (iii).

Post Office Act (registered letters) Amt. B. 19 (Mr. Lemieux) in Com., 741 (i).

Railway Commission Vacancy, Appmt. of Practical Farmer, on prop. Res. (Mr. Staples) 2638 (ii).

ARMSTRONG, Mr. J. E.—*Con.*

Royal Mint, Coins manufactured, Sale and Purchase of Silver, &c. (M. for ret.*) 354 (i).

Rural Free Mail Delivery, on M. for Sup. 2774 (ii).

Rural Mail Routes, Location, &c. (Ques.) 347 (i).

Number of routes, &c. (Ques.) 6408 (iv).

Purchase of Boxes, Duty, &c. (Ques.) 179 (i).

—— Total Expenditure on Routes (Ques.) 677 (i).

St. Joseph Wharf Expenditure in 1908 (Ques.) 2586 (ii).

SUPPLY—

Adulteration of Food (fraudulent marking) 455 (i).

Arts, Agriculture, &c. (census, &c.) 696 (i); (live stock industry) 5871; (tobacco) 5881 (i).

Canals—Lachine (cement) 1566 (i).

Civil Govt.—Agriculture (salaries) 643; Civil Service Commission (salaries) 393, 705; Govt. Railways (salaries) 462; Finance (salaries) 384 (i); Mines (salaries) 3675; Post Office (contingencies) 726; (salaries) 721; Sec. of State (salaries) 461 (i).

Excise (methylated spirits) 448; (Stamps, &c.) 439 (i).

Inland Revenue (electric power export) 455 (i).

Post Office (inspectors' salaries) 1052; (rural delivery) 1714 (i).

Public Works—Buildings—Ont. (Glencoe) 1374; (Ottawa, peat testing) 1391 (i).

Public Works—Harbours and Rivers—Ont. (Au Sable) 3292; Que. (Doucet's Landing) 2546 (ii).

Weights and Measures (electric light inspection) 453 (i).

Telephone Rates in Canada, Control of by Govt. on prop. Res. (Mr. Lennox) 1788 (i).

Thedford, Arkona and Fort Frank Rural Mail Delivery, Delay in Establishing, &c. (Ques.) 476 (i).

Trade Relations with Germany, Improvements, &c. Total Exports, &c. (Ques.) 482 (i).

ARTHURS, Mr. J., *Parry Sound.*

Burks Falls, and Trout Creek Mail Routes, Contractor, Tenders, &c. (Ques.) 3193 (ii).

McKenzie, Mr. D., Resignation as Postmaster of Three Brooks, N.S., Apptmt. of a Successor (Ques.) 4640 (iii).

Magnetawan River Improvements, Amount expended, Estimated Cost, &c. (Ques.) 476 (i).

Natural Resources Conservation Commission, on prop. Res. (Mr. Fisher) 6378 (iv).

Ontario and Michigan Power Co.'s incorp. B. 34 (Mr. Conmee) in Com., 4534 (iii).

Public Works Expenditure *re* Byng Inlet, &c. (Ques.) 1178 (i).

ARTHURS, Mr. J.—*Con.*

Quebracho Extract, Quantity imported, Pet. *re* Duty, (Ques.) 1178 (i).

SUPPLY—

Excise—(inspectors salaries, &c.) 436 (i).
Militia (annual drill) 2311 (ii).
Penitentiaries—Dorchester (supplies) 917; Generally (supplies) 894 (i).
Public Works—Buildings—Ont. (Glencoe) 1373 (i); Dredging—Dom. (vessels, repairs) 3338; Harbours and Rivers—Ont. (Lake Nipissing) 3308; (Little Current) 2973; (Maganatawan) 2981; (Monetteville) 3308 (ii).

Voters' Lists, Parry Sound, Cost of Revision, &c. (Ques.) 669 (i).

AYLESWORTH, Hon. A. B., (Minister of Justice) *North York.*

Bourke, Mr., Retirement of: *See* 'Miner, Bill.'

B. C. Penitentiary, Escape of Convict Bill Miner, Rep. *re* (Ans.) 350 (i).

Buell, Mr., Emplymt. by Govt. before Rw Commission (Ans.) 3252 (ii).

Canada Life Assurance Co.'s B. 56 (Mr Clarke) in Com., 3005 (ii).

C. P. R., Issue of New Stock, on M. (Mr. W. F. Maclean) to Com. of Sup., 1342 (i).

Coal Oil Explosions, Investigation *re* Deaths &c. (Ans.) 1057 (i).

Cobalt Lake, Disallowance of Act, on M. (Mr. Clarke) for Cor., 1750 (i).

Commissions, Secret or Illicit Payments Prevention (B. 31) 1° m., 325 (i).
See 'Secret,' &c.

Criminal Code Amt. (B. 148) 1° m., 463 (i); 2° m., 6383, 6391; in Com., 6756; on Senate amts., 7085 (iv).

Criminal Code (flogging) Amt. B. 4 (Mr. Bickerdike) on M. for 2°, 556; in Com., 567 (i).

Death Penalty Commutations, Number in the last 25 years (Ans.) 670 (i).

Ewart, Mr. J. S., Emplymt. *re* Hague Tribunal (remarks) in Com. of Sup., 7061 (iv).

——— Emplymt. re Newfoundland Fisheries (Ans.) 5630 (iii).

Exchequer Court Act (registrar) Amt. (B. 98) 1°m., 2127 (iii); in Com., 5340 (iii).

Exchequer Court Act (appeal) Amt. (B. 151) 1°m., 4695 (iii); in Com., 6744 (iv).

External Affairs Dept., on prop. Res. (Mr. Murphy) 1991 (i).

Extradition Act Amt. (B. 149) 1°*, 4634; in Com., 5236 (iii).

Florence Mining Co.'s Appeal *re* Ont. Legislation, on M. (Mr. Lennox) to Com. of Sup., 6935 (iii).

Graft and Secret Commissions: *See* 'Secret.'

AYLESWORTH, Hon. A. B.—*Con.*

Judges in Quebec now receiving Pensions, Date of Apptmts. (Ans.) 5634 (iii).

Judges of District and County Courts, Salaries (B. 193) prop. Res., 6122; in Com. on Res., 6769 (iv).
See 'Yukon.'

Kingston Penitentiary, Number of Prisoners, &c. (Ans.) 4226 (iii).

——— Tenders for Coal, &c. (Ans.) 4226 (iii).

——— Tenders *re* Potatoes (Ans.) 4227 (iii).

Lebel, Mr. Achille, Request *re* Pet. of Right, &c. (Ans.) 3253 (ii).

Man. County Court, Apptmt. of Judge (Ans.) 342 (i).

Miner, Bill, Escape from B.C. Penitentiary, Admission of Detectives (Ans.) 1183 (i).

——— Investigation *re*, on M. (Mr. J. D. Taylor) to Com. of Sup., 1820 (i).

——— (remarks) in Com. of Sup., 932 (i), 7046 (iv).

——— Letter *re* visit of Mr. A. D. McIntyre (Ans.) 2595 (ii).

——— on M. (Mr. J. D. Taylor) for Ret., 1192 (i).

——— Moneys received prior to escape (Ans.) 4899 (iii).

N.B. Supreme Court, Vacancies, &c. (remarks) 6687 (iv).

Newmarket Canal, Holland River, on Amt. (Mr. Wallace) to Com. of Sup., 3128 (ii).
See 'Supply.'

New Westminster Penitentiary, Warden from 1876 to 1888, &c. (Ans.) 2769 (ii).

Ontario and Michigan Power Co.'s incorp. B 34 (Mr. Conmee) in Com., 4473 (iii); 5994 (iv).

Prisoners, Paroled or Pardoned, Cost of Ret (Ans.) 673 (i).

Railway Act Amt. B. 106 (Mr. Graham) in Com., 6213 (iv).

Railway Belt, B.C., Litigation between Dom. and B.C. (Ans.) 3043 (ii).

St. Vincent de Paul Penitentiary, Contract with J. G. Herous *re* Timber, &c. (Ans.) 6405 (iv).

——— Insufficient Number of Guards, &c. (Ans.) 1417 (i).

——— Manufacture of Furniture (Ans.) 673 (i).

Secret Commissions Prevention (B. 31) 1° m., 325; in Com., 1122, 1479 (i); Sen. Amts., 4412 (iii).

Street Car Traffic on Sundays and Dom Legislation (Ans.) 1415 (i).

SUPPLY—

Canal—Trent (Holland River) 1888 (i).
Civil Govt.—Justice (salaries) 440 (i).
Miscellaneous (Hague Tribunal) 7057 (iv).

AYLESWORTH, Hon. A. B.—*Con.*

SUPPLY—*Con.*

Penitentiaries—B.C. (salaries) 7046; Kingston (skis) 7057 (iv).

Usury Act, 1908, Prosecutions, Penalties, &c. (Ans.) 481 (i).

Waterways Treaty, Amendment by U.S. Senate, Ratification of by Govt. (Ans.) 4288 (iii).

Waterways and Boundaries Treaty and Welland Canal Construction (Ans.) 6292 (iv).

Wells, Judge, Absence with and without Leave (Ans.) 4898 (iii).

Yukon Act Amt. (B. 156) 1° m., 4882; in Com., 5235 (iii).

BARKER, Mr. S., *East Hamilton.*

Canadian, Liverpool and Western Ry. Co.'s incorp. B. 44 (Mr. Girard) in Com., 1685 (i).

Fisheries in B.C., Depletion of, on M. (Mr. J. D. Taylor) to Com. of Sup., 6504 (iv).

G.T.P. Loan Bill 128 (Mr. Fielding) on Amt. (Mr. Ames) to M. for 3°, 5602 (iii).

I.C.R. Branch Lines Extension, &c., on prop. Res. (Mr. Emmerson) 2169 (ii).

Ry. Commission Vacancy, on prop. Res. (Mr. Staples) Ques. of Order, 2662 (ii).

Ry. Level Crossing, Accident near Kingston (remarks) 255 (i).

SUPPLY—

Canals—Lachine (cement) 1568; St. Lawrence (district office) 1573; Soulanges (slope trimmings) 1571 (i).

Civil Govt.—Aud. Gen's Office (extra clerks) 3434 (ii).

Labour Dept.—Miscellaneous (opium conference) 3434 (ii).

Legislation—House of Commons (debates) 3437; (promotions) 3436; (voters' lists) 3436 (ii).

Lighthouse and Coast Service (Lime Kiln crossing) 3438 (ii).

Militia (R. M. College) 3423 (ii).

Post Office (rural mails) 3423 (ii).

Public Works—Harbours and Rivers—Que. (Clarke City) 2541 (ii).

Railways—I.C.R. (Aston, track scale) 3415; (working expenses) 3421; Miscellaneous (Quebec Bridge) 3421 (ii).

Winnipeg and Northwestern Ry. Co.'s B 29 (Mr. McCraney) in Com., 2141 (ii).

BARNARD, Mr. Geo. H., *Victoria, B.C.*

Address, The, 70 (i).

Banfield Creek Lifeboat, Cost, Wreck, &c. (Ques.) 1730 (i).

Bibbington, Thos., Cancellation of Pilotage Certificate (M. for cor.*) 3991 (ii).

B. C. Wharfs, Inquiry for Ret., 3004 (ii). *See* 'Wharfs.'

Deferred Elections, on prop. Res. (Mr. Burrell), 2874 (ii).

Esquimalt Garrison (remarks) in Com. of Sup., 2298 (ii).

BARNARD, Mr. Geo. H.—*Con.*

Esquimalt Naval Fortifications, Expenditure by Imp. Govt. (Ques.) 474 (i).

——— Maintenance by Imp. Govt. (Ques.) 349 (i).

Esquimalt Permanent Corps, Inspection, Total Cost (Ques.) 2764 (ii).

Indian Reserves Reduction, Cor., &c. (M. for copies*) 1734 (i).

Kingston Penitentiary, Revenue from Sales, &c. (M. for ret.*) 1190 (i).

——— Inquiry for Ret., 3255 (ii).

Naval Defence of Canada, Aid to G. B., on prop. Res. (Mr. Foster) 3537 (ii).

Pilotage Rates, Scale of Charges for B.C., &c. (Ques.) 3476 (iv).

Robertson, Thos., Suspension by Pilotage Board (remarks) on M. for Sup., 6855 (iv).

St. Joseph's Hospital for Mariners, B.C., Arrangements *re* (Ques.) 3197 (ii).

SUPPLY—

Arts, Agriculture, &c. (experimental farms) 5950 (iv).

Civil Govt.—Labour Dept. (Labour Gazette) 654 (i).

Civil Service Commission (salaries) 708 (i).

Indians—B.C. (surveys commission) 1145 (i)

Militia (salaries) 2298 (ii).

Ocean and River Service (Govt. steamers) 6673; (life saving records) 6675; (naval militia) 6683 (iv).

Penitentiaries—Generally (supplies) 909 (i).

Public Works—Buildings—B.C. (Prince Rupert quarantine) 2081; (Victoria immigration) 2081 (ii); Yukon (Commissioner's residence) 1594 (i).

Public Works—Harbours and Rivers—Man. (St. Andrew's rapids) 2098; Ont. (Victoria) 2117 (ii).

Public Works—Dredging (generally) 6534 (iv).

Trade Commissioner at Shanghai, Vacancy, Apptmt. (Ques.) 2320 (ii).

Victoria Harbour Improvements (remarks) in Com. of Sup., 2100 (ii).

Victoria Post Office, Pet. from Letter Carriers (remarks) in Com. of Sup., 1712 (i).

Warships discarded by G. B., Offer to Fisheries Protection Service (Ques.) 2379 (ii).

Wharfs in N. S., N. B. and B. C., Amount expended since 1906 (Ques.) 348 (i).

——— Particulars of Expenditures (M. for ret.*) 1190 (i).

See 'B. C.,' &c.

BARR, Mr. J., *Dufferin.*

Agricultural Fertilizers B. 110 (Mr. Templeman) in Com., 4448 (iii).

Band of 36th Regiment, Payments to (Ques.) 4892 (iii).

See 'Thirty-Sixth,' &c.

Canada-France SS. Subsidy B. 146 (Mr. Brodeur) in Com. on Res., 4443 (iii).

BARR, Mr. J.—*Con.*

Canadian Medical Association incorp. B. 134 (Mr. Roche) in Com., 4842 (iii).

Civil Service Salaries, M. for Com. on Res., 321; in Com. on Res., 409 (i).

Commercial Feeding Stuffs B. 127 (Mr. Templeman) in Com., 5216 (iii).

Criminal Code (flogging) Amt. B. 4 (Mr. Bickerdike) in Com., Ques of Order, *re* irregular voting, 568 (i).

Customs Seizures for 1904-5-6-7-8, Number, Dates, Sale of, &c. (M. for ret.*) 826 (i).

——— Inquiry for Ret., 2773 (ii).

Experimental Farms, Locations, &c., on prop. Res. (Mr. Lapointe) 1953 (i).

Franking Privilege *re* Political Literature (remarks) in Com. of Sup., 1653 (i).

French SS. Line: *See* 'Canada,' &c.

Gabriel, Capt., Payment *re* Recruiting for 1908 (Ques.) 4893 (iii).

G. T. P. Lake Superior Branch Lines Subsidy B. 30 (Mr. Turriff) on M. for 2°, 667 (i).

Ontario and Michigan Power Co.'s incorp. B. 34 (Mr.Conmee) in Com., 4529; 5384; 5568 (iii).

Post Office Act (letter carriers) Amt. B. 136 (Mr. Lemieux) in Com. on Res., 4252 (iii).

Public Health Bureau, Establishment of by Govt., on prop. Res. (Mr. Black) 1105 (i).

Ry Act. (level crossing) Amt. B. 106 (Mr. Graham) in Com. on Res., 2392 (ii).

Railway Act (telephone crossings) Amt. (B. 32) 1° m., 326; 2° m., 876 (i).

Rural Mail Boxes, Number delivered in Dufferin County (Ques.) 341 (i).

Rural Free Mail Delivery, on M. (Mr. Armstrong) to Com. of Sup., 2793 (ii).

Seizures by Inland Revenue, Number for 1904-5-6-7-8, Dates, Amounts realized, &c. (M. for ret.*) 685 (i).

Senate, Abolition of, on proposed resolution, (Mr. Lancaster) 1461 (i).

Stork, W. W., Inspector of Animals, Details *re* Expenditures (Ques.) 6092 (iv).

Superior and Ontario Ry. Co.'s incor. B. 78 (Mr. Conmee) in Com., 3966 (ii).

SUPPLY—

(i);(cold storage) 3189 (ii); (exhibitions) (i); (cold storage) 3189 (ii); exhibitions) 727 (i); (experimental farms) 5955 (iv); (experimental farm, electric ry.) 3192 (ii); (live stock industry) 5842 (iii); (Year-Book) 702 (i).

Canals—Lachine (cement) 1567; (wharfs and basins) 791 (i).

Civil Govt.—Agriculture (salaries) 643; Customs (contingencies) 591; Post Office (contingencies) 725 (i).

Excise (inspectors, salaries) 436 (i).

Immigration (agents, &c.) 7026; (St. Boniface hospital) 7235 (iv).

BARR, Mr. J.—*Con.*

SUPPLY—*Con.*

Indians—B. C. (destitute) 1140; (schools) 1142 (i).

Indians—Ont. and Quebec (legal expenses) 994· (schools) 978 (i).

Indians—P.E.I. (medical attendance) 1000 (i).

Indians—Saskatchewan (farm implements) 1004 (i).

Penitentiaries—Kingston (supplies) 887 (i).

Public Works—Buildings—B.C. (Victoria immigration) 2083 (ii).

Public Works—Buildings—Dom. (engineers) 1619 (i).

Public Works—Buildings—Ont. (Glencoe) 1561; (Kingston Vet. hospital) 1534; (R. M. College) 1533 (i).

Public Works—Buildings—Ottawa (additional wing) 1259, 1270; (museum) 1275 (i); 3219 (ii); (telephones) 1607 (i).

Public Works—Harbours and Rivers—Ont. (Burlington piers) 2967; (Cobourg) 2963; Que. (Saguenay dredging) 2814 (ii).

Quarantine (generally) 3193 (ii).

Weights and Measures (electric light inspection) 453 (i).

Telephone Lines crossing Railways, Applications *re*, Refusals, &c. (Que.) 335 (i).

——— Number, &c. (M. for ret.*) 353 (i).

Thirty-sixth Regiment, Payments *re* Rental for Storage of Arms, &c. (Ques.) 4894 (iii). *See* 'Band.'

Towers in Dufferin County, Completion, &c. (Ques.) 341 (i).

BEATTIE, Mr. T., *London.*

Agricultural Fertilizers B. 110 (Mr. Templeman) in Com., 4457 (iii).

Bacon Curing Industry for 1907-8, Number of Hogs condemned, &c. (Ques.) 342 (i).

Hogs killed from Nov., 1907 to Nov., 1908, Condemnation of, &c. (M. for ret.*) 684 (i).

Judge, H. A., Emplymt. as Detective by Govt. (Ques.) 1399 (i).

London and Northwestern Ry. Co.'s incorp. (B. 102) 1°*, 2318; in Com., 3846; 3983 (ii).

Monarch Fire Insurance Co.'s (B. 82) 1°*, m. 1648 (i).

Naval Defence of Canada, Aid to G.B., on prop. Res. (Mr. Foster) 3534 (ii).

Silver Currency, coined in Canada for 1905-6-7-8, Profits, &c. (Ques.) 868 (i).

Street Car Traffic on Sundays, Dom. Legislation re (Ques.) 1414 (i).

SUPPLY—

Arts, Agriculture, &c. (experimental farms) 5951 (iv); (agricultural grants) 993; Penitentiaries—Generally (supplies) 893; Public Works—Buildings—Ont. (Glencoe) 1387 (i); Harbours and Rivers—Ont. (Rondeau harbour) 2979 (ii).

Zinc Discovery in Albermarle Twp., Bounty *re* (Ques.) 1077 (i).

BEAUPARLANT, Mr. A. M., *St. Hyacinthe.*

Criminal Code (flogging) Amt. B. 4 (Mr. Bickerdike) on M. for 2°, 563 (i).

Death Penalty, Commutations, Number for the last 25 years (Ques.) 670 (i).

Naval Defence of Canada, Aid to G.B., on prop. Res. (Mr. Foster) 3559 (ii).

BELAND, Mr. H. S. *Beauce.*

Natural Resources Conservation Commission, on prop. Res. (Mr. Fisher) 6375 (iv).

Pulp and Paper produced in Can., Quantity exported to G.B. and U.S., (Ques.) 3048 (ii).

SUPPLY—

Public Works—Harbours and Rivers—Que. (Lake St. Francis) 2554 (ii).

BICKERDIKE, Mr. R., *Montreal, St. Lawrence.*

Criminal Code (wife beating, &c.) Amt. (B. 4) 1° m., 92; 2° m., 556; in Com., 567 (i).

Immigration Act Amt. B. 17 (Mr. Oliver) in Com., 6166 (iv).

Ry. Act (level crossings) Act Amt. (B. 3) 1° m., 91 (i).

——— Remarks, 555 (i).

Smith, Thomas L., Patent Relief (B. 71) 1°*, 1318 (i); 3° m., 2578, 2950 (ii).

BLACK, Mr. J. B., *Hants.*

Dominion Atlantic Ry., Examination, &c. (remarks) in Com. of Sup., 2927 (ii).

——— Interview with Manager (remarks) 3003 (ii).

Fruit Marks Act, Regulations *re* Inspection on M. (Mr. Burrell) to Com. of Sup., 3397 (ii).

I.C.R. Branch Lines Extension, on prop. Res. (Mr. Emmerson) 2205 (ii).

Public Health Bureau, Establishment of by Govt. (prop. res.) 1081 (i).

SUPPLY—

Railways—I.C.R. (original construction) 2927 (ii).

Windsor, N.S., Post Office, Tenders *re* renovating, &c. (Ques.) 4288 (iii).

BLAIN, Mr. R., *Peel.*

Agricultural Fertilizers B. 110 (Mr. Templeman) in Com., 4467 (iii).

Animals Contagious Diseases Act Amt. B. 18 (Mr. Fisher) in Com., 755 (i).

Canada-France SS. Subsidy B. 146 (Mr. Brodeur) in Com. on Res., 4442 (iii).

Cigarette Prohibition Legislation, &c. (Ques.) 246 (i).

Disraeli Wharf (remarks) in Com. of Sup., 2357 (ii).

Fishery Regulation Treaty, &c. and Action of Ont. Govt. (remarks) 6531 (iv).

BLAIN, Mr. R.—*Con.*

Govt. Harbours and Piers Act Amt. B. 89 (Mr. Brodeur) in Com., 4421 (iii).

G.T.P. Loan B. 128 (Mr. Fielding) in Com., 5270, 5493 (iii).

——— on M. for 3° (remarks) 5555 (iii).

Hog Tariff from U.S. to Canada, Increase of (Ques.) 821 (i).

Immigration Act Amt. B. 17 (Mr. Oliver) on M. to rsm. adjnd. debate (remarks) 4414 (iii).

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——— Officers off duty from 12th to 17th Feb., 1909 (Ans.) 1976 (i).

Statutes, French Translation, &c. (remarks) 2022 (ii).

Stone, Broken and Rough, Tenders, Contracts, &c., from Marine Dept. (Ans.) 2593 (ii).

SUPPLY—

Civil Govt.—Marine and Fisheries (contingencies) 3702; (McLeod, Mr. O. L.) 3436 (ii); (salaries) 380 (i), 3687 (ii).

Fisheries (bait freezers) 6950 (iv); (biological stations) 3438 (ii), 6953; (breeding establishments) 6946; (commissions) 6957; (contingencies) 6981 (iv); Miscellaneous (Cushing & Co.'s claims) 3450 (ii); (customs licenses) 6958; (dog fish plant) 6950; (fish curing) 6952 (iv); (international commission) 3439, 3688 (ii), 6960; (oyster culture) 6949; (protection cruiser) 6947; (transportation) 6956; (Young, Mr. W. S., compensation) 6982 (iv).

Lighthouse and Coast Service (agencies, rents, &c.) 6889; (buoy steamer) 6910; (Clarke, Mrs. A. G., compensation) 6981; (construction) 6904; (ice breaking) 6915; (lightkeepers' salaries) 6981 (iv); (Lime kiln crossing) 3438 (ii); (maintenance) 6902; (meteorological service, L. F. Gorman) 6982 (iv); (pilot pensions) 3437 (ii); (property in St. John) 6915; (salaries) 6889; (West coast trail) 6981 (iv).

Marine—Dredging (plant, &c.), 6885 (iv).

Marine and Fisheries (hydrographic surveys) 6916 (iv); (investigation) 3450 (ii); (meteorological service) 6916 (iv).

Marine Hospitals (sick seaman) 3438 (ii); 6946 (iv).

Marine—Public Works (piers on St. Lawrence) 6888; (St. Lawrence ship canal) 6877; (Sorel ship yard) 6885 (iv).

Ocean and River Service (Govt. steamers) 6670 (iv); (ice-breaker for Northumberland Straits) 3437 (ii), 6673 (iv); (life saving rewards) 6675; (naval militia) 6683; (obstructions, removal, &c.) 6679; (patrol boats) 6682; (wrecks, investigations) 6679; (wrecking plant) 6680 (iv).

Railways—Miscellaneous (litigation, &c.) 2055 (ii).

Tadousac and Riviere du Loup Winter Navigation (Ans.) 344 (i).

Telephone Stations between Quebec and Montreal re Navigation (Ans.) 2594 (ii).

Warships discarded by G. B., Offer to Can. for Fisheries Protection (Ans.) 2379 (ii).

Waterways Treaty, International N. B. Fisheries, Par. in St. John 'Globe' (remarks) 1244 (i).

See 'Fisheries.'

Wharfs Bill: *See* 'Govt. Harbours,' &c.

Whitefish Spawn for Lake Winnipegosis. Contract *re* (Ans.) 1403 (i).

BRODEUR, Hon. L. P.—*Con.*

Winnipegosis Fish Hatchery, Total Expenditure (Ans.) 1402 (i).

BUREAU Hon. J. (Solicitor General), *Three Rivers and St. Maurice.*

Bourke, Mr., Retirement: *See* 'Miner, Bill.'

Criminal Code Amt. B. 148 (Mr. Aylesworth) on M. for 2°, 6389 (iv)

Extradition Act Amt. B 149 (Mr. Aylesworth) in Com., 5243 (iii).

Franking Privilege *re* Political Literature (remarks) in Com. of Sup., 1664 (i).

Immigration to U. S., Repatriation, &c., on M. (Mr. Paquet) for Cor., 853 (i).

Miner, Bill, Escape from B. C. Penitentiary (remarks) in Com. of Sup., 925 (i).

——— on M. (Mr. J. D. Taylor) to Com. of Sup., 1833 (i).

Political Weekly Letter, Franking and Distribution, &c. (Ans.) 1921 (i).

St. Maurice and Eastern Ry. Co.'s incorp B. 176 (Mr. Blondin) on M. for 2°, 6084 (iv).

St. Vincent de Paul Penitentiary, Manufacture of Church Pews (remarks) in Com of Sup., 900 (i).

SUPPLY—

Penitentiaries—B.C. (retirements) 924; (Dorchester electric lighting plant) 884 (supplies) 916; Generally (salaries) 886; Kingston (supplies) 886; St. Vincent de Paul (supplies) 914; Stony Mountain (supplies) 918 (i).

BURRELL, Mr. M., *Yale-Cariboo.*

Address, The, 72 (i).

Agricultural Fertilizers B. 110 (Mr. Templeman) in Com., 4449 (ii).

Animals Contagious Diseases Act Amt. B 18 (Mr. Fisher) in Com., 767 (i).

Bourke, Mr., Retirement: *See* 'Miner, Bill'

Cariboo Mail Service, Payments *re* (Ques.) 1731 (i).

———(remarks) in Com. of Sup., 3424 (ii).

Civil Services Salaries, in Com. on Res., 963 (i).

Comox-Atlin Election, Issue of Writ for 11th Parlt., Date of Nomination, Instructions to Returning Officer, &c. (Ques.) 682 (i).

——— Remarks, 825 (i).

Deferred Elections, Notice of Motion, 2815; (prop. res.) 2818; Amt. neg. (Y. 69; N. 115) 2876 (ii).

Experimental Farms, Locations, &c., on prop Res. (Mr. Lapointe) 1932 (i).

Fishery Regulation, &c., on M. (Mr. Taylor) 6528 (iv).

Franking Privilege and Political Literature (remarks) in Com. of Sup., 1672 (i).

Fruit Imports to B.C. from U.S., Quantities, Values, &c. (Ques.) 3250 (ii).

BURRELL, Mr. M.—*Con.*

Fruit Marks Act, Regulations *re* Inspection. on M. for Sup., 3364 (ii).

G.T.P. Loan B. 128 (Mr. Fielding) on M. for 2°, 5173; in Com., 5327 (iii).

Greenwood and Grand Forks Post Office Sites, Options *re* (Ques.) 814 (i).

Kelly-Douglas Contracts: *See* 'Supply—Public Works, Yukon,' &c.

Kettle River Valley Ry. Co.'s (B. 96) 1°*, 2120 (ii).

Miner, Bill, Escape from B.C. Penitentiary, on M. (Mr. J. D. Taylor) to Com. of Sup., 1839 (i).

—— (remarks) in Com. of Sup., 926 (i).

Ontario and Michigan Power Co.'s incorp. B. 34 (Mr. Conmee) in Com., 4482 (iii).

Quesnel Telegraph Station Supplies, Contracts *re* (Ques.) 1919 (i).

Railway Commission, Vacancy, Apptmt. of Practical Farmer, on prop. Res. (Mr Staples) 2663 (ii).

SUPPLY—

Adulteration of Food (fraudulent marking) 456 (i).

Arts, Agriculture, &c. (exhibitions) 730 (i); (experimental farms) 5949 (iv); (tobacco) 5881 (iii).

Civil Govt.—Labour Dept. (Labour Gazette) 655 (i).

Post Office (miscellaneous) 1716 (i); (rural mails) 3424 (ii).

Public Works—Buildings—B. C. (Vernon) 2075 (ii); Ont. (Kingston, R.M.C.) 1512 1532; Que. (Joliette) 1298 (i).

Public Works—Harbours and Rivers—B.C (Okanagan) 6544; (Quesnelle, &c.) 6544 (iv).

Public Works—Telegraphs—B. C. (Kamloops) 3348 (ii).

Public Works—Telegraph Lines—Yukon (Ashcroft-Dawson) 3352 (ii).

Telephone Rates in Canada, Control of by Govt., on prop. Res. (Mr. Lennox) 1807 (i).

CALVERT, Mr. W. S., *West Middlesex.*

N.B. Central Ry. Commission, Vote *re*, Ques. of Priv., 6412 (iv).

Toronto, Niagara and Western Ry. Co.'s (B. 42) 1°*, 626 (i); in Com., 2063 (ii).

CAMPBELL, Mr. G., *Dauphin.*

Address, The, 132 (i).

Budget, The, 4866 (iii).

—— Ques. of Order, 4956 (iii).

Burrows, T. A., Timber Permit *re* sections in twps. 30 and 31 (Ques.) 2592 (ii).

C.P.R. Co.'s B. 79 (Mr. W. McIntyre) in Com., 3156 (ii).

File Hill Indian Agency, Resignation of Mr. Godfrey, Charges against Inspector, &c. (Ques.) 3045 (ii).

CAMPBELL, Mr. G.—*Con.*

Fish Hatchery, Lake Winnipegosis, Amount expended, Qualifications of Inspector, &c. (Ques.) 820 (i).

Fishing in Lake Winnipegosis, Pet. *re* Summer closing (Ques.) 2381 (ii).

Irrigation Propositions for Land by Percy Aylwin, &c. (Ques.) 2380 (ii).

Lac du Bonnet, Opening for Summer Fishing (Ques.) 1728 (i).

Lake Manitoba, Rep. *re* Lowering of Waters, Pet. from Settlers, &c. (Ques.) 2593 (ii).

Manitoba Boundaries Question, Notice of Discussion, 3802 (ii).

Miner, Bill, Escape from B. C. Penitentiary, on M. (Mr. J. D. Taylor) to Com. of Sup., 1882 (i).

Mossy River Dredging, Expenditure of Appropriation, Delays, &c. (Ques.) 816 (i).

Northwest Fish Co., Leases, &c. (remarks) 6776 (iv).

Privilege, Ques. of, Bribing Deptl. Officials, &c., 6777 (iv).

Railway Commission, Apptmt. of Practical Farmer, on prop. Res. (Mr. Staples) 2643 (ii).

Squatters Claims on Dauphin Reserve (remarks) in Com. of Sup., 6287 (iv).

—— Burning of Buildings, &c. (Ques.) 3045 (ii).

SUPPLY—

Civil Govt.—Post Office (contingencies) 725 (i).

Dom. Lands (timber protection) 6288 (iv)

Legislation (members indemnity) 7066 (iv).

Marine and Fisheries (investigation) 3450 (ii).

Militia (salaries) 2298 (ii).

Miscellaneous (seed grain) 3465 (ii).

Public Works—Harbours and Rivers—Man. (Lake Dauphin) 2997 (ii).

Timber Berth, No. 1122, Original Applications, Tenders, &c. (M. for ret.*) 353 (i).

Whitefish Spawn for Lake Winnipegosis, Contract *re* (Ques.) 1403 (i).

Winnipeg and Northwestern Ry. Co.'s B. 29 (Mr. McCraney) in Com., 2130 (ii).

Winnipegosis Fish Hatchery, Total Expenditure, &c. (Ques.) 1402 (i).

CARVELL, Mr. F. B., *Carleton, N.B.*

Canadian, Liverpool and Western Ry. Co.'s incorp. B. 44 (Mr. Girard) in Com., 1690 (i).

Criminal Code Amt. B. 141 (Mr. Aylesworth) in Com., 6766 (iv).

Extradition Act Amt. B. 149 (Mr. Aylesworth) in Com., 5241 (iii).

Franking Privilege *re* Political Literature (remarks) in Com. of Sup., 1671 (i).

Franklin Montgomery Gray Patent Relief B. 132 (Mr. Rankin) in Com., 4889 (iii).

CARVELL, Mr. F. B.—*Con.*

G.T.P. Loan B. 128 (Mr. Fielding) on Amt. (Mr. R. L. Borden) to M. for 3°, 5579 (iii).

Mayes Affidavit, on Amt. (Mr. Daniel) to Com. of Sup., 4359 (iii).

N.B. Central Ry. Commissioners' Report, on Amt. (Mr. Crothers) to Com. of Sup., (remarks) 5657 (iii).

Ontario and Michigan Power Co.'s incorp. B. 34 (Mr. Conmee) in Com., 5393 (iii). 5975, on M. for 3°, 6004 (iv).

Royal Victoria Life Insurance Co.'s (B. 177), M. to place on order paper for 2°, 6082 (iv).

Secret Commissions Prevention B. 31 (Mr. Aylesworth) in Com., 1127 (i).

Smith, John Denison Relief B. 157 (Mr. A. K. Maclean) in Com., 6071 (iv).

SUPPLY—

Public Works—Harbours and Rivers—N.B. (St. John survey) 1642 (i).

Telephone Rates in Canada, Control of by Govt., on prop. Res. (Mr. Lennox) 1794 (M.) to adj. debate, 1810, agreed to (Y. 101; N. 47) 1811 (i).

CASH, Mr. E. L., *Mackenzie.*

Hudson's Bay and Pacific Ry. Co's (B. 43) 1°*, 626 (i); in Com., 2067 (ii).

Manitoba and Northwestern Ry. Co's. (B. 81) 1°*, 1648 (i); in Com., 3844, 3942 (ii); on Senate Amts., 5486 (iii); 6073 (iv).

CHISHOLM, Mr. A. W., *Inverness.*

Budget, The, 5085 (iii).

CHISHOLM, Mr. T., *East Huron.*

Canada-France SS. Subsidy B. 146 (Mr. Brodeur) in Com. on Res., 4441 (iii).

C.P.R. Additional Stock, Distribution of, on M. (Mr. Maclean) to Com. of Sup., 427 (i).

East Huron Public Works, Expenditure during 20 years (Ques.) 3477 (i).

Foot and Mouth Disease, States quarantined, Prevention, &c. (M. for ret.*) 684 (i).

G.T.P. Loan B. 128 (Mr. Fielding) on prop. Res., 4094 (iii).

Immigration Agents, Bonus Commissions, &c. (Ques.) 1407 (i).

Lands in Man., and N.W., Number of Acres undisposed of (Ques.) 2374 (ii).

Manitoba and Northwestern Ry. Co.'s B. 81 (Mr. Cash) in Com., 3947 (ii).

Peterborough West, Expenditure re Public Works for twenty years (Ques.) 4636 (iii).

Post Office Act (registered letters) Amt. B 19 (Mr. Lemieux) in Com., 746 (i).

Prince Albert and Hudson Bay Ry. Co.'s incorp. B. 62 (Mr. Neely) in Com., 2533 (ii).

CHISHOLM, Mr. T.—*Con.*

Public Health Bureau, Establishment of, on prop. Res. (Mr. Black) 1091 (i).

Public Works in Middlesex, Expenditures for twenty years (Ques.) 4228 (iii).

Public Works in South Wellington, Expenditure for last 20 years (Ques.) 3655 (ii).

Savings Bank Deposits, Increase of Interest (Ques.) 1396 (i).

SUPPLY—

Canals Welland (repairs) 2035 (ii).

Welland County, Expenditure *re* Public Works (Ques.) 3990 (ii).

Wingham Post Office Clock (Ques.) 4637 (iii).

CHISHOLM, Mr. Wm., *Antigonish.*

I.C.R. Branch Lines Extension, on prop. Res. (Mr. Emmerson) 2215 (ii).

Miner, Bill, Escape from B.C. Penitentiary (remarks) in Com. of Sup., 930, 949 (i).

SUPPLY—

Public Works—Harbours and Rivers, N.S. (Annapolis ice piers) 2347 (ii).

CLARE, Mr. G. A., *South Waterloo.*

I.C.R. Machinery at Moncton Shops, Purchase of &c. (M. for ret.*) 1191 (i).

CLARKE, Mr. A. H., *South Essex.*

Canada Life Assurance Co.'s (B. 56) 1°*, 868; 2° m., 1147 (i); in Com., 2571, 3004 (ii), 5481 (iii), 5995, 6006, 6028 (iv).

——— on M. (Mr. Henderson) to refer back to Special Com., 5434 (iii).

——— on Order for Com., 4164 (iii).

——— (M.) to disch. Order, 4472 (iii).

Canadian Medical Association incorp. B. 134 (Mr. Roche) in Com., 4844 (iii).

Cobalt Lake Act, Disallowance of (M. for cor. &c.) 1735 (i).

Experimental Farms, Locations, &c., on prop. Res. (Mr. Lapointe) 1955 (i).

Florence Mining Co.'s Appeal *re* Ontario Legislation, on M. (Mr. Lennox) to Com. of Sup., 6939 (iv).

Manitoba and Northwestern Ry. Co.'s B. 81 (Mr. Cash) on Sen. Amts., 6074 (iv).

Manitoba Radial Ry. Co.'s B. 141 (Mr. Molloy) in Com., 5483 (iii).

——— Objections, &c., 5483 (iii).

Meat and Canned Foods Act, Applications *re* Exemptions, Instructions to Carriers, &c. (Ques.) 156 (i).

Ontario and Michigan Power Co.'s incorp. B. 34 (Mr. Conmee) in Com., 5358 (iii).

Post Office Act (registered letters) Amt. B. 19 (Mr. Lemieux) in Com., 743 (i).

Public Accounts Com., (M.) to ref. Pub. Accounts, Aud. Gen.'s Rep., 1479 (i).

CLARKE, Mr. A. H.—*Con.*

Public Accounts Com., 11th, 12th and 14th. Reps. (M.) to conc., 6559 (iv).

Ry. Act (fires) Amt. (B. 7) 1° m., 94; 2° m., 375 (i).

Railway Act Amt. B. 106 (Mr. Graham) in Com., 6229 (iv).

Standing Orders Com., 1st Rep. of Com. (M.) to conc., 2019 (ii).

SUPPLY—

Public Works—Buildings—Ont. (Markham) 1388 (i).

Windsor, Essex and Lake Shore Rapid Ry. Co.'s (B. 120) 3802 (ii).

CLARK, Mr. M., *Red Deer.*

Animals Contagious Diseases Act. Amt. B. 18 (Mr. Fisher) in Com., 769 (i).

Budget, The, 4687, 4703 (iii).

Franking Privilege *re* Political Literature (remarks) in Com. of Sup., 1677 (i).

Mayes Affidavit, on Amt. (Mr. Daniel) to Com. of Sup., 4381 (iii).

—— Ques. of Order, 4395 (iii).

Par. in Toronto 'World' *re* Mr. Foster, Ques. of Priv., 3941 (ii).

Railway Commission, Vacancy, Apptmt. of Practical Farmer from N.W., on prop. Res. (Mr. Staples) 2641; (amt.) 2659, agreed to (Y. 94; N. 54) 2669 (ii).

SUPPLY—

Arts, Agriculture, &c., (live stock industry) 5861 (iii).

Immigration (agents, &c.) 7027 (iv).

CONGDON, Mr. F. T., *Yukon.*

Agricultural Fertilizers B. 110 (Mr. Templeman) in Com., 4469 (iii).

Deferred Elections, on prop. Res. (Mr. Burrell) 2838 (ii).

External Affairs Dept. B. 90 (Mr. Murphy) in Com., 4470 (iii).

Extradition Act Amt. B. 149 (Mr. Lancaster) in Com., 5246 (iii).

Mines and Minerals (M.) to conc. in 3rd Rep. of Com., 6919 (iv).

Naval Defence of Canada, Aid to G. B., on prop. Res. (Mr. Foster) 3523 (ii).

Railway Act Amt. B. 106 (Mr. Graham) in Com., 6221 (iv).

SUPPLY—

Lighthouse and Coast Service (agencies, &c.) 6900 (iv); N.W.M.P. (force) 3664 (ii); Yukon Govt. (administration) 6273 (iv).

Yukon Ordinances (beer tax) on prop. Res. (Mr. Oliver) 5893 (iv).

Yukon Ordinances (Mr. Oliver) in Com. on Res., 7079 (iv).

CONMEE, Mr. J., *Thunder Bay and Rainy River.*

Agricultural Fertilizers B. 110 (Mr. Templeman) in Com., 4465 (iii).

Allegash River, Diversion of Waters, on M. (Mr. Michaud) for Reps., 3086 (ii).

Canada Shipping Act Amt. B. 179 (Mr. Edwards) on M. for 1°, 5891 (iv).

Cobalt Lake Act, Disallowance of, on M. (Mr. Clarke) for Cor., 1746 (i).

Election Act (ry. employees) Amt. (B. 112) 1° m., 3468 (ii).

G. T. P. Lake Superior Branch Subsidy B. 30 (Mr. Turriff) on M. for 2°, 667, 1025 (i).

G.T.P. Loan, B. 128 (Mr. Fielding) in Com. on Res., 3622 (ii); Amt. (Mr. R. L. Borden) to M. for 3°, 5544 (iii).

Investigations into Deptl. Expenditures, &c., on Ques. of Order (Mr. Foster) 3850 (ii).

London and Northwestern Ry. Co.'s incorp. B. 102 (Mr. Beattie) in Com., 3847, 3983 (ii).

Mayes Affidavit, on Reading of Original, on Amt. (Mr. Daniel) to Com. of Sup., 4271 (iii).

Navigable Waters Protection Act Amt. (B. 150) 1°m., 4690 (iii).

Navigable Waters Protection Act Amt. B. 152 (Mr. Brodeur) on M. for 3° (amt.) 6128 (iv).

Ontario and Michigan Power Co.'s incorp. (B. 34) 1°*, 465; 2°m., 1026 (i); in Com., 4472, 4485, 5296, 5352, 5360, 5559 (iii), 5958; 3° m., 6000; agreed to (Y. 76; N. 39) 6005 (iv).

—— Ques. of Order, 4522 (iii).

Prudential Trust Co.'s incorp. (B. 91) in Com., 5484 (iii).

Ques. of Privilege, *re* 'Special Trains,' 4290 (iii).

Ry. Act (cattle-guards) Amt. (B. 99) 1°m., 2127 (ii).

Ry. Act (level crossings) Amt. B. 106 (Mr. Graham) in Com. on Res., 2388 (ii).

Secret Commissions Prevention B. 31 (Mr. Aylesworth) in Com., 1131 (i).

Superior and Western Ontario Ry. Co.'s incorp. (B. 78) 1°*, 1479 (i); in Com., 3845, 3963 (ii).

Thessalon and Northern Ry. Co.'s B. 104 (Mr. Smith) in Com., 5484, 5574 (iii), 6062 (iv).

Water Powers leased on Canals, Records, &c. (remarks) in Com. of Sup., 2039 (ii).

Winnipeg and Northwestern Ry. Co.'s B. 29 (Mr. McCraney) in Com., 2142 (ii).

COWAN, Mr. G. H., *Vancouver City.*

Address, The, 57 (i).

Bank of Vancouver (B. 52) 1°*, 738 (i); in Com., 2147 (ii).

COWAN, Mr. G. H.—*Con.*

British Columbia Life Assurance Co.'s incorp. (B. 55) 1°*, 868; 2°m, 1147 (i).

Budget, The, 4751; (personal explanation) 4751 (iii).

Central Park, B.C., Mail Delivery, Pet. *re* (Ques.) 2590 (ii).

Civil Service Salaries, on M. for Com. on Res., 306 (i).

Dixon's Entrance, Prince Rupert, Rep. from Imp. Govt. *re* (Ques.) 2590 (ii).

Fishing and Seining Licenses on Pacific Coast, Number granted (M. for ret.*) 3992 (ii).

Fishing Seine Licenses, Number on Pacific Coast, &c. (Ques.) 3482 (ii).

Grain Elevator at Vancouver, Construction of (Ques.) 2590 (ii).

G.T. Ry., Indebtedness to Canada, Payments made, &c. (Ques.) 3046 (ii).

Kitsilano Indian Reserve, Tel. to Mr. McInnes *re* Transfer to City (Ques.) 1973 (i).

Lighthouse Board, Reorganization of (Ques.) 1974 (i).

McPhaiden, Capt. D., Resignation as Shipping Master, Applications *re* Position (Ques.) 1973 (i).

Marine Supplies, System of Purchase, &c. (Ques.) 1974 (i).

Miner, Bill, Escape from B. C. Penitentary, on M. (Mr. J. D. Taylor) to Com. of Sup., 1844 (i).

Naval Defence of Canada, Aid to G.B., on prop. Res. (Mr. Foster) 3554 (ii).

Shanghaiing in Vancouver, Investigation *re* Rep., &c. (Ques.) 3481 (ii).

S. A. Bounty Act, Regulations (remarks) 2225 (ii).

SUPPLY—

Public Works—Buildings—Ont. (Glencoe) 1372 (i); Telegraph Lines Yukon—(Ashcroft-Dawson) 3349, 3350 (ii).

Vancouver Election Poll Clerks, Delay in Payments to (Ques.) 1418 (i).

CROCKET, Mr. O. S., *York, N.B.*

Courtney Bay Dredging Contracts (remarks) in Com. of Sup., 2111 (ii).

Customs Collector at Bathurst, N.B., Leave of Absence, &c. (Ques.) 5157 (iii).

Customs Collector at Fredericton, Superannuation of (remarks) in Com. of Sup., 605 (i).

Govt. Railways Act (damages) Amt. B. 20 (Mr. Graham) on M. for 1°, 242 (i).

Govt. Tenders, Opening and Receiving, on Amt. (Mr. Guthrie) to Prop. Res. (Mr. Reid) 265 (i).

Indian Point Dredging, Tenders *re*, Rock Prices, &c. (Ques.) 1397 (i), 2763 (ii).

CROCKET, Mr. O. S.—*Con.*

I. C. R., Wallberg Contract, Total Cost, &c. (Ques.) 3475 (ii).

LeBlanc, O. J., Dismissal as Fishery Overseer, Complaints, Investigation, &c. (Ques.) 2595 (ii).

Mayes Affidavit reading Originals, on Amt. (Mr. Daniel) to Com. of Sup., 4347 (iii).

——— on Ques. of Order to Amt. (Mr. Daniel) 4258, 4317 (iii).

——— Ref. to in debate on Govt. Tenders, 265 (i).

Meagher, Mathias, Apptmt. to Customs Staff at Debec, N.B., Salary, &c. (Ques.) 3655 (ii).

N.B. Central Ry. Commissioners' Report, on Amt. (Mr. Crothers) to Com. of Sup., 5756, 5777 (iii).

N.B. Supreme Court Vacancies, Apptmts, &c. (remarks) 6686 (iv).

Oromocto Wharf, Total Cost, Completion, &c. (Ques.) 2319 (ii).

Queens and Sunbury Mail Service, Established in Oct., 1908, &c. (Ques.) 2375 (ii).

Queens and Sunbury, Wharfs Construction, Estimated Cost, &c. (Ques.) 2320 (ii).

Ry. Act (level crossings) Amt. B. 106 (Mr. Graham) in Com. on Res., 2393 (ii).

St. John River Channel Survey, Rep., Letters, Instructions, &c. (M. for ret.*) 881 (i).

——— Inquiry for Ret., 3254 (ii), 5249 (iii).

SUPPLY—

Civil Govt.—Customs (Board of Customs) 585; (contingencies) 606 (i).

Fisheries (international fisheries commission) 3440; Miscellaneous (Cushing & Co.'s claims) 3453 (ii).

Indians—N.B. (medical relief) 3462 (ii).

Marine and Fisheries (fisheries conference) 3689; (investigation) 3450 (ii).

Penitentiaries—Dorchester (electric lighting) 885; (supplies) 916; Generally (supplies) 887 (i).

Public Works—Buildings —B.C. (Victoria immigration) 2085 (ii).

Public Works—Buildings—Generally (experimental farms) 1598 (i).

Public Works—Buildings—N.B. (Partridge Island water service) 3206 (ii); (St. John, drill hall) 1293 (i); (St. John, hospital fittings) 3210 (ii).

Public Works—Buildings—N.S. (Westville) 1292 (i).

Public Works—Buildings—Ottawa (additional wing) 1253; (museum) 1275; (Royal Mint) 1272 (i).

Public Works—Buildings—Yukon (Commissioner's residence) 1593 (i).

Public Works—Dredging—Dom. (vessels, repairs) 3338; Mar. Provs. (plant) 3340 (ii).

Public Works—Harbours and Rivers—Man. (St. Andrews rapids) 2106 (ii).

CROCKET, Mr. O. S.—*Con.*

SUPPLY—*Con.*

Public Works—Harbours and Rivers—Mar. Provs. (creosoted timber) 2511 (ii).

Public Works—Harbours and Rivers—N. B. (Beaver) 1622; (Buctouche) 1623; (Cape Bald) 1625; (Cummings Cove) 1625 (i); (Dorchester) 3237 (ii); (Dover) 1625; (Harvey Bank) 1626; (Heron island) 1626; (Mill's Point) 1626; (Moncton) 1627; (North Head) 1629; (Quaco) 1629; Richibucto, 1629 (i), 3238 (ii); (St. John surveys) 1641 (i); (St. John tidal waters) 3238 (ii); (St. John tributaries) 1637; (Shippigan harbour) 1645; (Whitehead wharf) 1646 (i).

Public Works—Harbours and Rivers—Ont. (Port Arthur) 2093 (ii).

Railways—I.C.R. (Gibson siding) 3418 (ii).

Tenders: *See* 'Govt.'

Waterways Treaty, N.B. Fisheries Regulations *re* (remarks) 1247 (i).

Wharfs in Queens and Sunbury, Tenders called in Oct. 1908, Estimates, &c. (Ques.) 2374 (ii).

Woodstock Armoury Bowling Alley, Operations, &c. (Ques.) 5157 (iii).

CROSBY, Mr. A. B., *Halifax.*

'Anticosti' Str., Amount of Work, Tenders *re*, &c. (Ques.) 671 (i).

Bounty on Steel Shipbuilding, Delegations *re* (Ques.) 6090 (iv).

Cariboo Breakwater, N.S., Amount of Expenditure (Ques.) 2152 (ii).

Civil Service Act (letter carriers) Amt B. 137 (Mr. Lemieux) in Com., 6329 (iv).

Coasting Trade, O.C. *re* Privileges to Foreign Ships (remarks) 6123 (iv).

Cold Storage Establishments in Halifax, Res. from Commercial Committee (remarks) 3567 (ii).

Criminal Code (flogging) Amt. B. 4 (Mr. Bickerdike) on M. for 2°, 566 (i).

Fenian Veterans, Land Grants to (remarks) in Com. of Sup., 6281 (iv).

Fishing Bounty, Forms of Application (remarks) 1021 (i).

——— Delay in sending Blank Forms (remarks) 1249 (i).

Fishing Bounties, Payments to in Liverpool County (M. for ret.*) 3992 (ii).

Fisheries Development, Apptmt. of Sel. Com. on prop. Res. (Mr. Sinclair) 491 (i).

——— Ques. of Order, 519 (i).

Govt. Employees and Interference at Elections (remarks) on M. for Sup., 6869 (iv).

Govt. Harbours and Piers Act Amt. B. 89 (Mr. Brodeur) in Com., 5903 (iv).

Govt. Tenders, Receiving and Opening, on Amt. (Mr. Guthrie) to prop. Res. (Mr. Reid) 215 (i).

CROSBY, Mr. A. B.—*Con.*

G.T.P. Loan B. 128 (Mr. Fielding) on Amt. (Mr. R. L. Borden) to M. for 3°, 5585 (iii).

Halifax Custom House, Total Cost, Contract, &c. (Ques.) 815 (i).

Halifax Post Office, Contract *re* Reconstruction, &c. (Ques.) 814 (i).

I.C.R., Annual Stmnt. (remarks) 2684 (ii).

——— Freight Clerks, Conciliation Board, Rep. (M. for copy*) 2597 (ii).

——— Investigation *re* Labour Disputes (remarks) on M. for Sup., 3261 (ii).

——— Settlement *re* Arbitration (remarks) 2127, 3568 (ii).

Johnston, Capt., Repayment of moneys from Str. Hestia (remarks) in Com. of Sup., 6889 (iv).

Labour Department B. 165 (Sir Wifrid Laurier) in Com., 6735 (iv).

Labour Hours for Workingmen, Restriction, &c., on M. (Mr. Verville) to Com. of Sup., 5945 (iv).

Militia at Halifax, Delay in Payments (remarks) 2672, 2773 (ii).

Political Interference: *See* 'Govt. Employees,' &c.

Preston, Mr. W. T. R., Transfer to Holland (remarks) in Com. of Sup., 6656 (iv).

'Scotia,' SS., Subsidy Terms, &c. (Ques.) 4895 (iii).

S. A. Bounty Act, Regulations (remarks) 2227 (ii).

Spry Bay Govt. Wharf, Expenditure *re* (Ques.) 4895 (iii).

Supply—Harbours and Rivers, N.B., Ques. of Order, 1635 (i).

SUPPLY

Arts, Agriculture, &c. (cold storage for fruits, &c.) 6983; (experimental farms) 5952 (iv).

Civil Govt.—Customs (Board of Customs) 586; (contingencies) 600 (i).

Fisheries (commissions) 6958 (iv); (Cushing & Co.'s claims) 3453 (ii); (customs licenses) 6959; (cruisers) 6947; (transportation) 6956 (iv).

Immigration (agents, &c.) 7032 (iv).

Indians—Generally (inspectors) 1164; (relief) 1167 (i).

Lighthouse and Coast Service (agencies, &c.) 6889 (iv).

Mail Subsidies and SS. Subventions (Canada and G.B.) 6650; (Canada and Nfld.) 6651; (contingent fund) 6655; (Halifax and Canso) 6651; (Halifax and Nfld.) 6651; (Halifax and Spry Bay) 6652; (Magdalen Islands) 6652; (P.E.I. and C. B., and Nfld.) 6652 (iv).

Marine—Dredging (plant, &c.) 6886; Public Works (St. Lawrence ship canal) 6877 (iv).

Militia (permanent force) 3422 (ii); (supplies) 6661 (iv); (warlike stores) 2317 (ii).

CROSBY, Mr. A. B.—*Con.*

SUPPLY—*Con.*

Miscellaneous (Canada and W. I. Trade Relations) 6556 (iv).
Ocean and River Service (Govt. steamers) 6671; (icebreaker for Northumberland Straits) 6673; (naval militia) 6683; (obstructions, removal, &c.) 6679; (wrecks investigations) 6679; (wrecking plant) 6680 (iv).
Post Office (rural mails) 3423 (ii).
Public Works—Buildings, B.C. (Victoria immigration) 2086 (ii).
Public Works—Buildings, N.S. (Halifax) 1289; (Shelburne) 1292 (i).
Public Works—Buildings, Ont. (Kingston, R.M.C.) 1510; (Whitby) 1528 (i).
Public Works—Buildings, Ottawa (additional wing) 1258; (Royal Mint) 1274; (telephones) 1611 (i).
Public Works—Dredging (generally) 6554 (iv).
Public Works—Harbours and Rivers, N.S. (Annapolis ice piers) 2343; (Cow Bay) 2467; (Peswick) 2474; (Portuguese Cove) 2480; (Sorel) 3291; (Spry Bay) 2474; (Tangier) 2484 (ii).
Quarantine ("Challenger") 5883 (iii).
Railways—G.T.P. (Quebec Bridge) 2053 (ii); I.C.R. (extensions) 6557 (iv).
Trade and Commerce (Chinese administration) 6656; (commercial agencies) 6656 (iv).

CROTHERS, Mr. T. W., *West Elgin.*

Civil Service Salaries Increases B. 187 (Mr. Fisher) on M. for 2°, 6341 (iv).
Govt. Tenders, Opening, &c., on Amt. (Mr. Guthrie) to prop. Res. (Mr. Reid) 579 (i).
—— Ques. of Order, 571 (i).
G.T.P. Loan B. 128 (Mr. Fielding) in Com., 5266; on M. for 3°, 5530 (iii).
Investigations into Deptl. Expenditures by Judge Cassels, on Amt. (Mr. Doherty) to Com. of Sup., 3756 (ii).
Letter Carriers at St. Thomas (remarks) in Com. of Sup., 3428 (ii).
N.B. Central Ry. Commissioners' Report, *re* Hon. Mr. Pugsley (amt.) to Com. of Sup., 5645; Amt. neg. (Y. 63; N. 90) 5830 (iii).
Port Stanley Pier, Wage of Labourers, Delays in Payment (remarks) 4047 (iii).
Post Office Act (letter carriers) Amt. B. 136 (Mr. Lemieux) in Com. on Res., 4248 (iii).
—— (registered letters) Amt. B. 19 (Mr. Lemieux) in Com., 744 (i).
Secret or Illicit Commission Prevention B. 31 (Mr. Aylesworth) in Com., 1125, 1482 (i).
S.A. Bounty Act (remarks) 2223 (ii).
SUPPLY—
Civil Govt.—Agriculture (salaries) 646; Customs (contingencies) 591; Inland Revenue (salaries) 429 (i).
Excise (inspectors salaries) 436 (i).
Penitentiaries—Dorchester (supplies) 917; Generally (supplies) 910; St-Vincent de Paul (supplies) 914; Stoney Mountain (supplies) 921 (i).

CROTHERS, Mr. T. W.—*Con.*

SUPPLY—*Con.*

Post Office (rural mails) 3428 (ii).
Printing and Stationery (salaries) 808 (i).
Public Works—Buildings—N.S. (Shelburne) 1292 (i).
Public Works—Buildings—Ont. (Simcoe) 1392; (Whitby) 1524 (i).
Westville Post Office, Contract Price, Inspector, &c. (Ques.) 2755 (ii).
Yukon Ordinances (Mr. Oliver) in Com. on Res., 7077 (iv).

CURRIE, Mr. J. A., *North Simcoe.*

Adulteration Act Amt. (B. 107) 1° m., 2490
Agricultural Fertilizers B. 110 (Mr. Templeman) in Com., 4450, 5203 (iii).
Ammonal Explosives Patent Relief B. 93 (Mr. Macdonell) on M. for 2°, 2.79 (ii).
Bonuses and Subsidies overdue, &c. (Ques.) 2763 (ii).
Canada Life Assurance Co.'s B. 56 (Mr. Clarke) in Com., 2571 (ii).
Canadian Liverpool and Western Ry. Co.'s incorp. B. 44 (Mr. Girard) in Com., 1692, 1865 (i).
Canadian Ships Docking for Repairs, Res. *re* (Ques.) 3053 (ii).
Canadian Ships, Duty *re* Repairs in Foreign Countries (Ques.) 2762 (ii).
Coal conserved for Home Market, on prop. Res. (Mr. McKenzie) 3108 (ii).
Cobalt Lake Act, Disallowance of, on M. (Mr. Clarke) for Cor., 1740 (i).
Cold Storage Act Amt. B. 147 (Mr. Fisher) in Com., 6742 (iv).
Commercial Feeding Stuffs B. 127 (Mr. Templeman) in Com., 5208 (iii).
Dominion Atlantic Ry., Examination by Govt. (remarks) in Com. of Sup., 2928 (ii).
Dumping Clause, Orders from Treasury Board (remarks) 4412 (iii).
External Affairs Deptl. B. 90 (Mr. Murphy) on prop. Res., 1998 (i); in Com., 4436 (iii).
Fishery Commission Regulations, Adoption of (remarks) 6411 (iv).
Fishery Regulations with U. S. and Action of Ont. Govt. (remarks) 6532 (iv).
Foreign Correspondence, Number of Letters, &c. (Ques.) 3986 (ii).
Fort Malden, Representations *re* Sale, &c. (Ques.) 6087 (iv).
Geodetic Survey Bureau, Establishment of, on M. (Mr. Maclean) for Cor., 3071 (ii).
Georgian Bay Canal, Pet. *re* Expenditure (remarks) 6415 (iv).
Govt. Harbours and Piers Act Amt. B. 89 (Mr. Brodeur) in Com., 4415 (iii).
Govt. Ships purchased from British Shipbuilders since 1896, Expenditure in Repairs, &c. (Ques.) 3195 (ii).

CURRIE, Mr. J. A.—*Con.*

G. T. P. Prairie Section Contracts, Names of Contractors, &c. (Ques.) 3987 (ii).

Holland River at Newmarket, Rep. *re* Flow of Water (Ques.) 472 (i).

See 'Trent,' &c.

Ice-Breaker for Northumberland Straits, Contract with Messrs. Vickers, Sons & Maxim (M. for cor.*) 3056 (ii).

Imperial Partnership with G. B. and Her Colonies, on Amt. (Mr. Hughes) to Com. of Sup., 6446 (iv).

Insurance Act Amt. B. 97 (Mr. Fielding) in Com., 6798 (iv).

Lake Transportation (remarks) in Com. of Sup., 3295 (ii).

Lee-Enfield Rifles, Issue of New Barrels, &c. (Ques.) 6088 (iv).

Manitoba Grain Act Amt. (B. 173) 1° m., 5626 (iii).

Manitoba and Northwestern Ry. Co.'s B. 81 (Mr. Cash) in Com., 3954 (ii); on Sen. Amts., 6079 (iv).

Montreal Harbour Commissioners B. 192 (Mr. Fielding) in Com. on Res., 6744 (iv).

Naval Defence of Canada, Aid to G. B., on prop. Res. (Mr. Foster) 3543 (ii).

Newmarket Canal, Holland River, on Amt. (Mr. Wallace) to Com. of Sup., 3133 (ii).

See 'Holland,' &c.

Priv. Ques. of (Mr. Conmee) *re* 'Special Trains,' 4292 (iii).

Public Works by Marine Dept., Tenders *re* (Ques.) 2765 (ii).

Railways and Canals (remarks) on Annual Stmnt., 2691 (ii).

Railway Act (trainmen) Amt. (B. 172) 1° m., 5625 (iii).

Railway Commission, Vacancy, Apptmt. of Practical Farmer, on prop. Res. (Mr. Staples) 2668 (ii).

Ross Rifle, Weight, Length, Diameter, &c. (Ques.) 4891 (iii).

Royal Casualty and Surety Co.'s B. 51 (Mr. H. H. McLean) in Com., 2577, 2718 (ii).

S.A. Veteran Land Grants (remarks) in Com. of Sup., 6274 (iv).

Superior and Western Ontario Ry. Co.'s incorp. B. 78 (Mr. Conmee) in Com., 3976 (ii).

SUPPLY.

Arts, Agriculture, &c. (exhibitions) 728 (i); (live stock industry) 5866 (iii).

Canals—Beauharnois (water power) 1911 (i)

Canals—Generally (staff, &c.) 2072 (ii).

Canals—Lachine (wharfs and basins) 790 (i).

Canals—Trent (construction) 2074, 3178 (ii); (Holland River) 1579, 1587 (i); (Newmarket) conc., 4049; (amt.) neg. (Y. 52; N. 80) 4049 (iii).

CURRIE, Mr. J. A.—*Con.*

SUPPLY—*Con.*

Canals—Welland (Port Colborne) 1907; (surveys) 1909 (i).

Civil Govt.—Customs (contingencies) 605 (i); Mines (salaries) 3680 (ii); Post Office (salaries) 613, 722 (i).

Civil Service Commission (salaries) 717 (i).

Fisheries (cruisers) 6947 (iv).

Indians—B.C. (surveys commission) 1159

Indians—Generally (inspectors) 1165 (i).

Indians—Ont. (legal expenses) 996; (surveys) 989 (i).

Interior (St. Mary's and Milk River diversions) 6269 (iv).

Lighthouse and Coast Service (buoy steamer) 6910 (iv).

Marine and Fisheries (fisheries conference) 3688 (ii).

Penitentiaries—Stoney Mountain (supplies) 922 (i).

Printing and Stationery (salaries) 806 (i).

Public Works—Buildings—Dom. (power) 1617 (i).

Public Works—Buildings—Ont. (Cornwall) 1360; (Glencoe) 1373; (Kingston R.M.C.) 1381, 1509, 1534; (Markham) 1387; (Whitby) 1525 (i).

Public Works—Buildings—Ottawa (astronomical observatory) 620; (peat testing) 1390, 1499 (i).

Public Works—Dredging (generally) 6536 (iv).

Public Works—Harbours and Rivers—B.C. (Okanagan) 6545 (iv).

Public Works—Harbours and Rivers—N.B. (St. John survey) 1645 (i).

Public Works—Harbours and Rivers—N.S. (Cow Bay) 2466; (Middle River) 2479; (Yarmouth) 2485 (ii).

Public Works—Harbours and Rivers—Ont. (Collingwood) 3294; (Owen Sound) 3316; (ii).

Public Works—Harbours and Rivers—Que. (Bonaventure) 3279; (Sorel) 3290 (ii).

Railways—I. C. R. (Moncton, cut-off) 2921 (ii).

Railways—Miscellaneous (McGill school) 2071 (ii).

Railways—Ry. Commission (litigation) 2070 (ii).

Weights and Measures (electric light inspection) 452 (i).

Telephones in Canada, Control of Rates, &c. on prop. Res. (Mr. Lennox) 1775 (i).

Trent Valley Waterways, Extension to Georgian Bay, &c. (Ques.) 473 (i).

See 'Holland,' 'Supply—Canals,' &c.

Waterways Treaty with U. S., Changes in Draft Treaty *re* Intersection of Islands, on M. for Sup., 1490 (i).

Weights and Measures *re* Vessel Owners and Rys., &c. (remarks) in Com. of Sup., 3683 (ii).

Western Canadian Life Assurance Co.'s B. 37 (Mr. Knowles) in Com., 2564 (ii).

Wharfs, Govt.: *See* 'Govt. Harbours,' &c.

Winnipeg and Northwestern Ry. Co.'s (B. 29) in Com., 2067 (ii).

CURRIE, Mr. J. A.—*Con.*

Woollen Industry and Tariff Changes, on M. (Mr. Lennox) 4158 (iii).

DANIEL, Mr. J. W., *St. John City.*

Animals Contagious Diseases Act Amt. B. 18 (Mr. Fisher) in Com., 752 (i).

Canada-France S.S. Subsidy B. 146 (Mr. Brodeur) in Com. on Res., 4441 (iii).

Carter, Edward S., Emplymt. as Sessional Clerk (Ques.) 5094 (iii).

Civil Service Salaries, Classification *re* Schedules, &c., on M. for Sup., 2447 (ii).

Commercial Feeding Stuffs B. 127 (Mr. Templeman) in Com., 5207 (iii).

Courtney Bay, Contracts *re* Dredging (remarks) in Com. of Sup., 2109 (ii).

Fisheries Development, Apptmt. of Sel. Com. on prop. Res. (Mr. Sinclair) 506 (i).

Fishing Weirs in Passamaquoddy Bay, Investigation *re* Ownership, &c. (Ques.) 6088 (iv).

Franking Privilege *re* Political Literature (remarks) in Com. of Sup., 1697 (i).

French SS. Line: *See* 'Canada,' &c.

Govt. Harbours and Piers Act Amt. B. 89 (Mr. Brodeur) in Com., 6126 (iv).

I. C. R., Branch Lines (remarks) *re* prop. Res., 2162 (ii).

—— Freight Clerks, Investigation *re* Labour Disputes (remarks) on M. for Sup., 3260 (ii).

Investigations into Deptl. Expenditures, on Amt. (Mr. Doherty) to Com. of Sup., 3907 (ii).

Lobster Fisheries, Violation of Act, Par. in St. John Standard (remarks) 3705 (ii).

Maritime Dredging Co., Tender *re* St. John Harbour (Ques.) 6787 (iv).

Mayes Affidavit, Reading of (amt.) to Com. of Sup., 4253 (iii).

—— Reading of Original, Document (read) 4300; (Amt.) 4311; Amt. neg. (Y. 60, N. 100) 4409 (iii).

—— Ques. of Order, 4313 (iii).

Port Credit Dredging (remarks) in Com. of Sup., 3330 (ii).

Railway Act Amt. B. 106 (Mr. Graham) in Com., 6208 (iv).

Returns, Inquiry for, 2129, 2493 (ii).

St. John Dredging, Apptmt. of Supt., &c. (Ques.) 5632 (iii).

St. John Harbour and Courtney Bay Surveys and Borings, Cor. Reps. O. Cs. Advestisements *re* Tenders, &c. (M. for ret.*) 826 (i).

—— Contract with Mayes, John Moore & Co., Cor., (M. for copies*) 826 (i).

St. John Postmaster, Superannuation of, Apptmt. of Successor, &c. (Ques.) 871 (i).

DANIEL, Mr. J. W.—*Con.*

Sissiboo River Bridge, Construction, &c., on M. (Mr. Jameson) on Com. of Sup., 6845 (iv).

S. A. Bounty Act, Regulations *re* (remarks) 2222 (ii).

S.A. Land Grants, Number located, Apptmts. of Substitutes, &c. (Ques.) 6404 (iv).

SUPPLY—

Arts Agriculture, &c. (experimental farms) 5947 (iv).

Civil Govt.—Civil Service Commission (salaries) 387; Finance (salaries) 384; Marine and Fisheries (salaries) 381 (i).

Fisheries (Cushing & Co.'s claims) 351; (international fisheries commission) 3440 (ii).

Indians—N.B. (medical attendance) 999; N.S. (seed grain, &c.) 998; Ont. (legal expenses) 995; (surveys) 991; P.E.I. (medical attendance) 1000 (i).

Labour Dept.—Miscellaneous (Opium Conference) 3434 (ii).

Lighthouse and Coast Service (agencies, &c.) 6597 (iv).

Militia (ordnance) 2307; (rifle shooting) 2297; (salaries) 2272; (transport) 3423 (ii).

Penitentiaries—Dorchester (electric light plant) 884 (i).

Post Office (letter carriers) 1653, 1697 (i).

Public Works—Buildings—B.C. (Victoria immigration) 2088 (ii).

Public Works—Buildings—N.B. (St. John drill hall) 1293 (i).

Public Works—Buildings—Ottawa (additional wing) 1264; (Royal Mint) 1271; (telephones) 1605 (i).

Public Works—Dredging—Dom. (vesesls) 3338; Mar. Provs. (plant) 3339 (ii).

Public Works—Dredging—P.E.I. (Georgetown) 1293 (i).

Public Works—Harbours and Rivers—N.B. (Beaver) 1622; (Buctouche) 1623; (Campbellton) 1625; (Campobello) 1646; (Cape Tormentine) 1626; (Kouchibougouac) 1626; (Leonardsville) 1626; (Moncton) 1627; (Point du Chene) 1629 (i); (St. John) 2109 (ii); (St. John harbour) 1645; (St. John River tributaries) 1633; (Seal Cove) 1645; (Shippegan) 1646 (i).

Public Works—Harbours and Rivers—Ont. (Port Arthur) 2094 (ii).

Public Works—Harbours and Rivers—Que. (Bonaventure) 3282; (Ste. Anne des Monts) 3287; (Saguenay) 3275 (ii).

Railways—Miscellaneous (McGill school) 2071 (ii).

Telephones, Provincial Control of by Ry. Commission (Ques.) 1418 (i).

Telephone Rates in Canada, Control by Govt.; on prop. Res. (Mr. Lennox) 1770 (i).

Vessels, Govt. Inspection B. 73 (Mr. Lewis) on M. for 1°, 1319 (i).

Waterways Treaty, International and N.B. Fisheries, Par. in St. John Globe, 1243 (i).

DELISLE, Mr. M. S., *Portneuf.*

Quebec Judges now receiving Pensions, aDte of Apptmts., &c. (Ques.) 5634 (iii).

DEMERS, Mr. M. J., *St. John and Iberville.*

Immigration to U.S., Repatriation, &c., on M. (Mr. Paquet) for Cor., 864 (i).

Investigations into Dept. Expenditures, on Amt. (Mr. Doherty) to Com. of Sup., 3893 (ii).

SUPPLY—

Public Works—Harbours and Rivers—Que. (Richelieu) 2560 (ii).

DEVLIN, Mr. E. B., *Wright.*

Civil Service Salaries, on M. (Mr. Fisher) for Com. on Res., 320 (i).

Experimental Farms, Establishment of, on prop Res. (Mr. Lapointe) 1950 (i).

Hull Customs Duties, Amount collected, &c. (Ques.) 1418 (i).

Immigration to U.S., Repatriation, &c., on M. (Mr. Paquet) for Cor., 857 (i).

Investigation into Deptl. Expenditures, on Amt. (Mr. Doherty) to Com. of Sup., 3871 (ii).

Mayes Affidavit, on Amt. (Mr. Daniel) to Com. of Sup., 4272 (iii).

Ottawa Northern and Western Ry. Co.'s (B. 49) 1°*, 738 (i).

DOHERTY, Mr. C. J., *Montreal, St. Anne.*

Exchequer Court Act Amt. B. 151 (Mr. Aylesworth) in Com., 6744 (iv).

Immigration Act Amt. B. 17 (Mr. Oliver) in Com., 6178.

Insurance Act Amt. B. 97 (Mr. Fielding) 6816 (iv).

Investigations into Depts. by Mr. Justice Cassels (amt.) to Com. of Sup., 3706; Amt. Neg. (Y. 54; N. 94) 3934 (ii).

Judges of the District and County Court B. 193 (Mr. Aylesworth) in Com. on Res., 6772 (iv).

Montreal Harbour Commissioners B. 154 (Mr. Brodeur) in Com., 6560 (iv).

Post Office Act (letter carriers) Amt. B. 136 (Mr. Lemieux) in Com. on Res., 4248 (iii).

Ry. Act (commissioners) Amt. B. 106 (Mr. Graham) on M. for 3°, (amt.) 6310 (iv).

Robertson, Thos., Suspension by Pilotage Board, B.C. (remarks) on M. for Sup. 6864 (iv).

Secret or Illicit Commission Prevention B. 31 (Mr. Aylesworth) in Com., 1487 (i).

Security Life Insurance Co. of Canada B. 188 (Mr. Proulx) in Com., 6782 (iv).

Statutes, French Translation, &c. (remarks) 2024 (ii).

SUPPLY—

Immigration (agents, &c.) 7029 (iv).

Public Works—Buildings—Que. (Montreal postal station) 1313 (i).

Public Works—Harbours and Rivers—Que. (St. Francis river) 2898; (Yamaska) 2900 (ii).

DONNELLY, Mr. J. J., *South Bruce.*

Central Bank of Canada, Liquidation of (Ques.) 2151 (ii).

Chesley Post Office, Amount of Vote *re* (Ques.) 543 (i).

——— Site, &c. (remarks) in Com. of Sup., 1359 (i).

G.T.P. Loan B. 128 (Mr. Fielding) on prop. Res., 4089 (iii).

SUPPLY—

Public Works—Buildings—Ont. (Cornwall) 1359 (i).

Walkerton and Lucknow Ry. Co.'s (B. 53) 1°*, 738 (i).

DUBEAU, Mr. J. A., *Joliette.*

Canadian Northern Quebec Ry. Co.'s (B. 38) 1°*, 465 (i); on Sen. Amts., 4164, 4593, 5486 (iii).

Experimental Farms, Locations, &c., on prop. Res. (Mr. Lapointe) 1956 (i).

Joliette and Lake Manuan Colonization and Ry. Co.'s (B. 126) 1°*, 4041 (ii); in Com., 4836 (iii).

ECREMENT, Mr. A., *Berthier.*

Immigration Agents in France, Number, Reps., Resignation of J. E. Cyr (Ques.) 1414 (i).

Investigations into Deptl. Expenditures, on Amt. (Mr. Doherty) to Com. of Sup., 3771 (ii).

Marconi Stations between Montreal and Quebec, Pets. *re* (Ques.) 2762 (ii).

Montreal Bridge and Terminal Ry. Co.'s (B. 180) 1°*, 5997; in Com., 6628 (iv).

St. Lawrence Channel, Amount expended 1908, Continuation, &c. (Ques.) 2150 (ii).

Telephone Stations between Montreal and Quebec *re* Navigation (Ques.) 2594 (ii).

EDWARDS, Mr. J. W., *Frontenac.*

Agriculture. Expenditures for (Ques.) 1070 (i).

Barriefield Camp, Par. in "Military Gazette," Ques. of Priv., 5622 (iii).

Budget, The, 4760 (iii).

Canada Shipping Act Amt. (B. 179) 1° m., 5889 (iv).

Fish Hatcheries, Number in Canada (Ques.) 3479 (ii).

Hay from U. S., Entries at Kingston, &c. (Ques.) 1177 (i).

Investigations into Deptl. Expenditures, on Amt. (Mr. Doherty) to Com. of Sup., 3927 (ii).

Kingston Batteries, Tenders *re* Groceries, &c., (Ques.) 4225 (iii).

Kingston Military Buildings, Tenders, Expenditure, &c. (Ques.) 546 (i).

——— Correction of Figures (remarks) in Com. of Sup., 2540 (ii).

EDWARDS, Mr. J. W.—*Con.*

Kingston R. M. Buildings, Excessive Expenditures (remarks) on M. for Sup., 2495 (ii).
See "Military," "R. M. C.'s &c.

Kingston Penitentiary, Dep. Warden's Residence, Plans, &c (Ques.) 2589 (ii).

——— Number of Prisoners, Guards, Salaries, &c. (Ques.) 4226 (iii).

——— Potatoes purchased, Tenders *re* (Ques.) 4227 (iii).

——— Tenders for Coal, &c. (Ques.) 4227 (iii).

Military Buildings at Kingston, (M.) for Original Tenders, 1922 (i).
See "Kingston".

Military Lands purchased near Kingston, Name of Agent, &c. (Ques.) 546 (i).

Pork, Bacon, &c., from U.S., Entries at Kingston, &c. (Ques.) 1177 (i).

Post Office Revenue at Kingston, Brantford, Sherbrooke and Quebec, Salaries of Postmaster, &c. (Ques.) 5633 (iii).

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GLADU, Mr. J. E. O., *Yamaska.*

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GORDON, Mr. D. A., *East Kent.*

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GORDON, Mr. Geo., *Nipissing.*

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Railways—G. T. P. (Brunet, A.) 2042; (inspection) 2048; (Quebec bridge) 2050 (ii).

Railways—Hudson Bay (surveys) 2960 (ii).

Railways—I.C.R. (Aston track scale) 3415 (ii); (board of commissioners) 6986 (iv); (bridge strengthening) 2931; (Campbellton) 2951; (Chatham) 2946; (double tracking) 2753; (Drummondville) 2949; (Eastville) 2951 (ii); (extension) 6557 (iv); (facilities) 2947; (Gibson siding) 3418; (Halifax) 2935; (Loggieville) 2753; (machinery for shops) 2952; (Moncton cut-off) 2921; (Moncton shops) 2946; (original construction) 2925; (Point Tupper) 2951; (Rivière du Loup) 2949; (rolling stock) 2952; (Ste. Rosalie) 2948; (Sackville) 2934; (Sydney Mines) 2936; (Truro) 2754; (water supply) 2947; (Windsor) 3421; (working expenses) 3421 (ii), 6985 (iv).

Railways—Miscellaneous (arbitrations, &c.) 2054; (litigations, &c.) 2055; (Quebec bridge) 3421; (unforeseen items) 2054 (ii).

Railways—N.T.R. (surveys, &c.) 6985 (iv).

Railways—P.E.I. (Charlottetown) 2959; (Harmony—Elmira branch) 2952; (Montague) 3420; (Souris) 3418 (ii).

Railways—Ry. Commission (litigation) 2056; (maintenance) 2044 (ii).

Weights and Measures (electric light inspection) 454 (i).

Telegraph and Telephone Tariffs, Regulations by Ry. Board, &c. (Ans.) 2764 (ii).

Telephone Companies, O.C. *re* Control by Ry. Commission (Ans.) 1072 (i).

Telephone Lines crossing Railways, Applications, Refusals, &c. (Ans.) 335 (i).

Telephones, Provincial, Control of by Ry. Commission (Ans.) 1419 (i).

Thessalon and Northern Ry. Co.'s B. 104 (Mr. Smyth) in Com., 6063 (iv).

Toronto, Niagara and Western Ry. Co.'s B. 42 (Mr. Calvert) in Com., 2065 (ii).

Transcontinental Ry. Commission Officials, Ret. (remarks) 2494 (ii).

—— Rep. (presented) 289 (i).

Transcontinental Ry., La Tuque Yard, Site (remarks) 6292 (iv).

Trent Canal, Damages through Peterborough County (remarks) 5777 (iii).

—— Land Damages, Amounts paid, &c. (Ans.) 4641 (iii).

Waterways Extension to Georgian Bay, &c. (Ans.) 474 (i).

See 'Holland,' 'Supply—Canals.'

GRAHAM, Hon. Geo. P.—*Con.*

Wallberg, Mr., Claims *re* Moneys due him (Ans) 3989 (ii).

Water Powers leased on Canals, &c., Records &c. (remarks) in Com. of Sup., 2038 (ii). *See* 'Ry. B. 21,' 'Ont. & Mich.'

Welland Canal Employees, Number for Sept. and Oct. (Ans.) 470 (i).

——— Number of Employees, Total Salaries, Revenue, &c. (Ans.) 815 (i).

——— Total Cost, Tonnage, &c. (Ans.) 2155 (ii). *See* 'Georgian.'

Western Canadian Life Assurance Co.'s incorp. B. 37 (Mr. W. McIntyre) on M. for 2°, 779 (i)

Williams, Thos., I.C.R. at Moncton, Superannuation, &c. (Ans.) 331 (i).

Wire Fencing purchased during 1908, Tenders, Quantity, &c. (Ans.) 245 (i).

——— on Inquiry for Ret., 1321 (i).

Vautelet, H. A., Emplymt. by Govt., Payments to by Govt. (Ans.) 1412 (i).

GUTHRIE, Mr. H., *South Wellington.*

Animals Contagious Diseases Act Amt. B. 18 (Mr. Fisher) in Com., 766 (i).

Canada Life Assurance Co.'s B. 56 (Mr. Clarke) on Amt. (Mr. Lennox) 5473 (iii); in Com., 6012 (iv).

Committee, Standing Orders, on M. to conc. in 1st Rep. of Com., 2120 (ii).

Govt. Tenders, Opening and Receiving Prop. Res. (Mr. Reid) (amt.) 199 (i); Amt. agreed to (Y. 118; N. 76) 580 (i).

Niagara-Welland Power Co.'s (B. 33) 1°*, 465 (i); in Com., 2571 (ii).

Ontario and Michigan Power Co.'s incorp. B. 34 (Mr. Conmee) in Com., 5960 (iv).

Private Bills, Payments of Fees, 14th Rep. of Com. (M.) 4986 (iii).

Railways and Canals, Tel., &c., 14th Rep. of Com. (M.) 4986 (iii).

Ridout, John Grant Relief (B. 121) 1°*, 3802. (ii).

S. A. Bounty Act, Regulations *re* (remarks) 2223 (ii).

Smith John Denison Relief (B. 157) 1°*, 4988 (iii).

Winnipeg Bank (B. 158) 1°*, 4988 (iii).

Winnipeg and Northwestern Ry. Co.'s B 29 (Mr. McCraney) in Com., 2132 (ii).

HAGGART, Mr. A., *Winnipeg.*

Canada National Fire Insurance Co.'s incorp. (B. 76) in Com., 2578 (ii).

Cedar Rapids Mfg. & Power Co.'s B. 94 (Mr. Boyer) in Com., 3405 (ii).

Coal and Timber Lands owned or leased by Private Individuals, Corporations, Revenue collected, &c. (M. for ret.*) 1420 (i).

HAGGART, Mr. A.—*Con.*

G.T.P. Winnipeg Terminal Site, Negotiations *re* Purchase (Ques.) 1070 (i).

Great West Permanent Loan Co.'s incorp. (B. 40) 1°*, 626 (i); in Com., 2569 (ii).

Imperial Fire Insurance Co.'s incorp. (B. 76) 1°*, 1479 (i).

Insurance Act Amt. B. 97 (Mr. Fielding) in Com., 6805 (iv).

SUPPLY—

Civil Govt., Customs (Board of Customs) 584 (i).

Indians—Ont. (legal expenses) 994; Ont. and Que. (schools) 978 (i).

Indians—Sask. (farm implements) 1004 (i).

Public Works—Buildings—Man. (Dauphin) 1548; (Winnipeg P. O.) 1550 (i).

Public Works—Harbours and Rivers—Ont (Burlington piers) 2967 (ii).

HAGGART, Hon. John, *South Lanark.*

Annuities Act, Number of Applicants, Amount, &c. (Ques.) 3477 (ii).

C.P.R. Additional Stock, Distribution of, on M. (Mr. Maclean) to Com. of Sup., 424, 1326 (i).

——— Ref. to Court (remarks) 883 (i).

Civil Service Salaries, on M. for Com. on Res., 299; in Com. on Res., 409 (i).

Cobalt Lake Act, Disallowance of, on M. (Mr. Clarke) for Cor., 1748 (i).

External Affairs Dept., on prop. Res. (Mr. Murphy) 1999 (i).

Govt. Harbours and Piers Act Amt. B. 89 (Mr. Brodeur) in Com., 4415 (iii).

Govt. Railways Act (compensation) Amt. B. 20 (Mr. Graham) in Com., 775 (i).

Govt. Tenders, Opening and Receiving, on Amt. (Mr. Guthrie) to prop. Res. (Mr. Reid) 200 (i).

G.T.P. Loan B. 128 (Mr. Fielding) in Com. on Res., 3579 (ii); on M. for 2°, 5141; in Com., 5256, 5495 (iii).

G.T.P. Lake Superior Branch Subsidy B. 30 (Mr. Turriff) on M. for 2°, 1024 (i).

G.T.P., Original Quantities, &c. (remarks) 2772 (ii).

House of Commons Classification, on M. (Sir Wilfrid Laurier) to conc., 6116 (iv).

Insurance Act B. 97 (Mr. Fielding) in Com. on Res., 6693 (iv).

I.C.R. Branch Lines, Extension, &c., on prop. Res. (Mr. Emmerson) 2196 (ii)

I.C.R. (reply) to Annual Stmnt. (Mr. Graham) 2709, 2720 (ii).

Mayes Affidavit, Reading of Original, on Amt. (Mr. Daniel) to Com. of Sup., 4273 (iii).

Ontario and Michigan Power Co.'s incorp. B. 34 (Mr. Conmee) on M. for 2°, 1036 (i).

HAGGART, Hon. John—*Con.*

Post Office Act (letter carriers) Amt. B. 136 (Mr. Lemieux) in Com., 6323 (iv).

Ry. Act (electric power) Amt. B. 21 (Mr. Graham) in Com., 1118 (i).

Ry. Act (level crossings) Amt. B. 106 (Mr. Graham) in Com. on Res., 2330 (ii); in Com., 6216 (iv).

Railway Commission Vacancy, Apptmt. of Practical Farmer, &c., on prop. Res. (Mr. Staples) 2637 (ii).

Railway Level Crossings, Prevention of Accidents, on prop. Res. (Mr. Lennox) 1229 (i).

St. Pierre River Drainage, &c., on M. (Mr Monk) 4235 (iii).

Supply, Conc., Reading of Items (remarks) 4048 (iii).

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Canals—Chambly (St. Johns' harbour) 1571 (i).

Canals—Galops (bridges) 2029 (ii).

Canals—Lachine (cement) 794, 1567; (concrete wall) 1569; (wharfs and basin) 1565 (i).

Canals—St. Lawrence (district office) 1573 (i).

Canals—Soulanges (slope trimming) 1569 (i).

Canals—Trent (dredging) 2030 (ii).

Canals—Welland (Port Maitland) 2031; (repairs) 2034 (ii).

Civil Govt.—Agriculture (salaries) 644 (i).

Printing and Stationery (salaries) 805 (i).

Public Works—Buildings—N.B. (Partridge Island water service) 3208 (ii).

Public Works—Buildings—Ont. (Belleville armoury) 1356 (i).

Public Works—Buildings—Ottawa (additional wing) 1255; (Royal Mint) 1273 (i).

Public Works—Harbour and Rivers—Que. (Ste. Anne des Monts) 3287; (St. Michel, Yamaska) 3269 (ii).

Railways—G.T.P. (Brunet, A.) 2042; (inspection) 2048; (Quebec Bridge) 2050 (ii).

Railways—I. C. R. (bridge strengthening) 2931; (Moncton cut-off) 2921 (ii).

Waterways Treaty, Despatch from Col. Sec. of State (remarks) on M. for Sup., 642 (i).

Waterways Commission Treaty, on M. (Mr. Magrath) to Com. of Sup., 6607 (iv).

Welland Canal, Lease to Cataract Power Co. &c. (remarks) in Com. of Sup., 2036 (ii).

HARRIS, Mr. Lloyd, *Brantford.*

Budget, The, 4653 (iii).

I.C.R., on Annual Statement (Mr. Graham) 2750 (ii).

Patterson, Mildred Gwendolyn Relief (B. 143) 1**, 4411 (iii).

HARTY, Mr. Wm., *Kingston.*

SUPPLY.

Canals—Generally (staff, &c.) 2072 (ii).

Public Works—Harbours and Rivers—Ont. (Wolfe Island canal) 3304 (ii)

HENDERSON, Mr. D., *Halton.*

Agricultural Fertilizers B. 110 (Mr. Templeman) in Com., 4454 (iii).

Budget, The, 4814 (iii).

Canada-France SS. Subsidy B. 148 (Mr. Brodeur) in Com. on Res., 4438 (iii).

Canada Life Assurance Co.'s B. 56 (Mr. Clarke) on Order for Com., 3411 (ii).

——— on M. to dschg. Order (remarks) 4472 (iii).

——— on M. to place on Order Paper, 5093 (iii).

——— on M. for Com., (M.) to ref. back to Special Com., 5129, neg., 5414 (iii).

Canada Life Assurance Co.'s B. 56 (Mr. A. H. Clarke) in Com., 6006 (iv).

Canadian Northern Ontario Ry. Co.'s B. 75 (Mr. Pardee) in Com., 3410 (ii).

Canadian Northern Quebec Ry. Co.'s B. 38 (Mr. Dubeau) on Senate Amts., 4594 (iii).

Coal conserved for the Home Market, on prop. Res. (Mr. McKenzie) 3109 (ii).

Experimental Farms, Locations, &c., on prop. Res. (Mr. Lapointe) 1955 (i).

Fishery Regulations, Action of Ontario Govt. &c., on M. (Mr. Taylor) 6528 (iv).

Fisheries Regulations *re* International Commission (remarks) in Com. of Sup., 6977 (iv).

Franking Privilege *re* Political Literature (remarks) in Com. of Sup., 1655, 1696 (i).

French Treaty (remarks) 7071 (iv).

See 'Canada and France.'

Govt. Loans B. 191 (Mr. Fielding) in Com., 6711 (iv).

Immigration Act Amt. B. 17 (Mr. Oliver) in Com., 6183 (iv).

Insurance Act Amt. B. 97 (Mr. Fielding) on M. for 1°, 2125 (ii).

Labour Department B. 165 (Sir Wilfrid Laurier) in Com., 6725 (iv).

Labour Hours for Working Men, on M. (Mr. Verville) to Com. of Sup., 5945 (iv).

Lake Ontario Fishing Industry, Regulations, &c. (remarks) in Com. of Sup., 381 (i).

Loans: *See* 'Government.'

London and Lancashire Plate Glass Co.'s Bill (remarks) 4445 (iii).

London and Northwestern Ry. Co.'s incorp. B. 102 (Mr. Beattie) in Com., 3846 (ii).

Manitoba and Northwestern Ry. Co.'s B. 81 (Mr. Cash) in Com., 3946 (ii); on Sen. Amts., 6076 (iv).

N.B. Central Ry. Commission's Report, on M. (Mr. Foster) to lay on Table, 5488 (iii).

Ontario and Michigan Power Co.'s incorp. B. 34 (Mr. Conmee) in Com., 5560 (iii).

HENDERSON, Mr. D.—*Con.*

Post Office Act (registered letters) Amt. B. 19 (Mr. Lemieux) on M. for 1°, 241; in Com., 746 (i).

Private Bills, Extension of Hour for considering, on M. (Sir Wilfrid Laurier) 5774 (iii).

Ry. Employees Provident Act Amt. B. 164 (Mr. Graham) in Com., 6741 (iv).

Rural Free Mail Delivery, on M. (Mr. Armstrong) to Com. of Sup., 2798 (ii).

S. A. Bounty Act, Regulations *re* (remarks) on M. for Sup., 2221 (ii).

Submarine Co.'s Patent Relief B. 77 (Mr. Proulx) in Com., 4542 (iii).

Superior and Western Ontario Ry. Co.'s incorp. B. 78 (Mr. Conmee) in Com., 3965 (ii).

Supply Bill, Amendments by Senate (remarks) 4120 (ii).

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Arts, Agriculture, &c. (census, &c.) 699 (i); (live stock industry) 5849 (iii); (swine commission) 6985 (iv).

Civil Govt.—Aud. Gen.'s (salaries) 383 (i).

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Civil Govt.—Civil Service Commission (salaries) 387 (i).

Civil Govt.—Customs (Board of Customs) 581 (i).

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Civil Govt.—High Commissioner (contingencies) 386; (salaries) 385 (i).

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Immigration (agents) 7025 (iv).

Indians—Ont. (legal expenses) 993 (i).

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Public Works—Buildings—N. S. (Bridgewater) 1286; (Glace Bay) 1288; (Shelburne) 1292 (i).

Public Works—Buildings—Ont. (Glencoe) 1369; (Whitby) 1518 (i).

Public Works—Buildings—Ottawa (furniture) 1605; (heating) 1601; (Major's Hill) 1601 (i).

Public Works—Harbours and Rivers, Ont (bridges, repairs) 2968; (Burlington piers) 2966 (ii).

Toronto, Niagara and Western Ry. Co.'s B. 42 (Mr. Calvert) in Com., 2065 (ii).

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HERRON, Mr. J., *Macleod.*

Alberta and Saskatchewan Annual Allowance, Amount paid, &c. (Ques.) 2588 (ii).

C. P. Ry. Co.'s B. 79 (Mr. McIntyre) in Com., 3161 (ii).

Canadian Western Ry. Co.'s incorp. B. 11 (Mr. Pardee) in Com., 986 (i).

HERRON, Mr. J.—*Con.*

Coal Royalty, Total Amount paid to March 31st, 1908 (Ques.) 2588 (ii).

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Pincher Creek Post Office, Complaints *re* Accommodation (remarks) in Com. of Sup., 1711 (i).

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Public Works—Dom. (cattle quarantine stations) 1620 (i).

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Public Works—Harbours and Rivers—Alberta (Old Man River) 3336 (ii).

Timber Lands, Alberta, Revenue due and payable, &c. (Ques.) 3193 (ii).

Winnipeg 'Free Press,' Total Amounts paid by Govt., 1906-9 (M. for ret.*) 354 (i).

HODGINS, Mr. G. F., *Pontiac.*

Arnprior and Pontiac Ry. Co.'s incorp. (B. 87) 1°*, 1970 (i).

Cobalt Range Ry. Co.'s (B. 86) 1°*, 1813 (i).

SUPPLY—

Penitentiaries—Generally (supplies) 895 (i).

HUGHES, Mr. S., *Victoria and Haliburton.*
Aerial Navigation, Experiments by Canadians (remarks) 2383 (ii).
American Immigration Agents, Duties *re*, &c. (remarks) 2243 (ii).
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——— on M. for 3° (remarks) 5522 (iii).
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Homestead and Pre-emptions, in Man., &c., Number of Acres, &c. (Ques.) 1180 (i).
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I.C.R. Branch Lines, Rep. of Commissioners, on M. (Mr. Emmerson) for Copy, 882
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HUGHES, Mr. S.—*Con.*
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——— Revenue, Salary, &c. (Ques.) 1972 (i).
Oshawa Harbour, Apptmt. of Officials by Govt., Salaries, &c. (Ques.) 3046 (ii).
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HUGHES, Mr. S.—*Con.*

SUPPLY—*Con.*

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Public Works—Buildings—B.C. (Chilliwack) 2091; (Prince Rupert quarantine) 2082; (Vancouver) 2082; (Victoria immigration) 2083 (ii).
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Public Works—Harbours and Rivers—Ont. (Tiffin) 2116; (Victoria) 2117 (ii).
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JAMESON, Mr. C., *Digby.*

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JAMESON, Mr. C.—*Con.*

Sandy Cove Breakwater, Amounts owing for Labour, &c., Names, &c. (Ques.) 1728 (i).
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LORTIE, Mr. J. A., *Soulanges.*

Foret, Land, Lease to N. & A. Bourbonnais, Conditions, &c. (Ques.) 2591 (ii).

St. Polycarpe Post Office, Complaints *re* Officials, Change of Site, &c. (Ques.) 4894 (iii).

Soulanges Canal, Amount expended for Repairs, Suspension of A. Sauve, &c. (Ques.) 1404 (i).

Soulanges County Wharfs, Repairs, Valuations, &c. (M. for ret.*) 3055 (ii).

Soulanges Island, Change of Name (Ques.) 2757 (ii).

Wharfs at St. Zotique, Amounts of Repairs, &c. (Ques.) 1400 (i).

LOW, Mr. T. A., *South Renfrew.*

Woollen Industry and Tariff Changes, on M (Mr. Lennox) 4218 (iii).

MACDONALD, Mr. E. M., *Pictou.*

Budget, The, 4991 (iii).

——— Remarks, 4746 (iii).

Canada Life Assurance Co.'s B. 56 (Mr. Clarke) on Amt. (Mr. Lennox) 5460 (iii).

Canadian, Liverpool and Western Co.'s incorp. B. 44 (Mr. Girard) in Com., 1867 (i).

C. P. R., Issue of New Stock, on M. (Mr. W. F. Maclean) to Com. of Sup., 1324 (i).

Criminal Code Amt. B. 148 (Mr. Aylesworth) in Com., 6401 (iv).

'Duty of the Hour' Pamphlet, Distribution of in Pictou (remarks) 26 (i).

Franklin Montgomery Gray Patent Relief B. 132 (Mr. Rankin) in Com., 4885 (iii).

G. T. P. Loan B. 128 (Mr. Fielding) on Amt. (Mr. R. L. Borden) to M. for 3°, 5556, 5575 (iii).

Immigration Act Amt. B. 17 (Mr. Oliver) in Com., 6153 (iv).

Insurance Act Amt. B. 97 (Mr. Fielding) in Com., 6802, 6812 (iv).

MACDONALD, Mr. E. M.—*Con.*

Johnston, Capt., Repayment of Moneys (remarks) in Com. of Sup., 6893 (iv).

Miner, Bill, Escape from B. C. Penitentiary, on M. (Mr. J. D. Taylor) to Com. of Sup., 1855 (i).

Ontario and Michigan Power Co.'s incorp. B. 34 (Mr. Conmee) in Com., 5971 (iv).

P. E. I. Winter Communication with the Mainland, on M. (Mr. Warburton) 6462 (iv).

Prudential Trust Co.'s incorp. B. 91 (Mr. Macdonell) in Com., 5484 (iii).

Railway Act (fires) Amt. B. 7 (Mr. Lancaster) on M. for 2°, 377 (i).

SUPPLY—

Public Works—Harbours and Rivers—N. S. (Annapolis ice piers) 2341; (Cow Bay) 2469 (ii).

MACDONELL, Mr. A. C., *South Toronto.*

American Barlock Co.'s Patent Relief (B. 123) 1°*, 4041 (iii).

American Fishing Vessels, Seizures, Courts of Trial Procedure, &c. (Ques.) 172 (i).

Ammonal Explosives (1908) Patent Relief (B. 93) 1°*, 2120; 2° m., 2579 (ii).

Bank Act Amt., Legislation *re* (Ques.) 1732 (i).

Canadian Red Cross Society's incorp. (B. 160) 1°*, 4988 (iii).

Coinage at Canadian Mint, Date of, Circulation, Profit, &c. (Ques.) 1401 (i).

Dom. Elections Act (deposits) Amt. (B. 16) 1° m., 160 (i).

Dredging Contracts in Ont. and Que. for 1907-8, Renewals, &c. (Ques.) 3049 (ii).

Electric Power exported at Niagara Falls, Names of Licensees, Taxation, &c. (Ques.) 345 (i).

Equity Fire Insurance Co. of Canada, incorp. (B. 161) 1°*, 4988 (iii); in Com., 6625 (iv).

France and Canada Commercial Treaty, Present Condition (Ques.) 4896 (iii).

Franklin Montgomery Gray Patent Relief B. 132 (Mr. Rankin) in Com., 5028 (iii).

Garrison Common, Transfer of Property to Exhibition Association, Delays, &c. (Ques.) 182 (i).

Govt. Deposits in Banks, Discrimination *re* &c. (Ques.) 245 (i).

Immigrant Agents in Canada, Locating Settlers, Names, Salaries, &c. (M. for ret.*) 2160 (ii).

Immigrants, Arrival for present year, Names, Addresses of Agents, in Canada, &c. (Ques.) 1404 (i).

Industrial Disputes Act Amt. (B. 113) 1° m., 3565 (ii).

MACDONELL, Mr. A. C.—*Con.*

Industrial Disputes, Discussion *re* (remarks) 4641 (iii).

——— Statistics *re* Strike, &c. (Ques.) 154 (i).

Insurance Commission, Omission of Evidence of British Actuaries, &c. (Ques.) 243 (i).

I.C.R. Station Freight Clerks Disputes, Settlement of (Ques.) 246 (i).

London and Lancashire Plate Glass Indemnity Co. of Canada (B. 27) 1°*, 290 (i); in Com., 2146 (ii).

Manitoba and Ontario Boundaries, Decision *re* (Ques.) 1074 (i).

Muir Memorial Fund, Request for Aid (Ques.) 5095 (iii).

N.W. Rebellion, 1885 Veterans, Grant to N. W. M. P. (Ques.) 184 (i).

Ontario and Michigan Power Co.'s incorp. B. 34 (Mr. Conmee) in Com., 5355, 5396 (iii), 5965 (iv).

Post Office Act (letter carriers) Amt. B. 136 (Mr. Lemieux) in Com. on Res., 4239, 4246 (iii); in Com., 6313 (iv).

Post Office Deposits and Interest Credits in Pass Books (Ques.) 4896 (iii).

Post Office Orders and Postal Notes, Total Number issued, payable in G.B. (Ques.) 1242 (i).

Potatoes sold in Bags, Measurements *re* (Ques.) 351 (i).

Prudential Trust Co., Limited incorp. (B. 91) 1°*, 2019 (ii); in Com., 5484 (iii).

Salvation Army Council B. 142 (Mr. Miller) in Com., 6069 (iv).

Statutes for 1908, Delay in Publishing, &c. (Ques.) 183 (i).

Superior and Western Ontario Ry. Co.'s incorp. B. 78 (Mr. Conmee) in Com., 3966 (ii).

SUPPLY:

Post Office (letter carriers) 1698 (i).

Pubic Works—Buidings—Ont. (Toronto barracks) 1505; (Toronto drill hall) 1504; (Toronto observatory) 1505 (i).

Public Works—Buildings—Ottawa (Royal Mint) 3205 (ii).

Public Works—Harbours and Rivers—Ont. (Toronto) 3317 (ii).

Thessalon and Northern Ry. Co.'s B. 104 (Mr. Smyth) in Com., Ques. of Order, 5575 (iii).

Toronto Barracks, Delay *re* Erection on Humber River Site (Ques.) 183 (i).

See 'Garrison.'

Toronto Harbour Works, Delay *re* Payments to Men (Ques.) 544 (i).

Toronto, New Post Office, Delay in Construction (Ques.) 336 (i).

Ry. Act (level crossings, &c.) Amt. B. 106 (Mr. Graham) in Com. on Res., 2388 (ii); in Com., 6211, 6297 (iv).

Railway Mail Service, Increases, &c. (Ques.) 336 (i).

MACDONELL, Mr. A. C.—*Con.*

Waterways and Boundaries Treaty and Welland Canal Enlargement (Ques.) 6292 (iv).

Waterways Treaty Commission, on M. (Mr. Magrath) to Com. of Sup., 6614 (iv).

MACLEAN, Mr. A. K., *Lunenburg.*

Canadian, Liverpool and Western Ry. Co.'s incorp. B. 44 (Mr. Girard) in Com., 2062 (ii).

Committees, Special, Ref. to of Deptl. Reps. (remarks) 2028 (ii).

Criminal Code Amt. B. 148 (Mr. Aylesworth) in Com., 6761 (iv).

Exchequer Court Act Amt. B. 151 (Mr. Aylesworth) in Com., 6746 (iv).

Fisheries Convention, Reference to The Hague (remarks) 1395 (i).

Fisheries Development, Apptmt. of Sel. Com., on prop. Res. (Mr. Sinclair) 493 (i).

Geodetic Survey Bureau, Establishment of (M. for cor.) 3056 (ii).

Govt. Harbours and Piers Act Amt. B. 89 (Mr. Brodeur) in Com., 4422 (iii).

Govt. Tenders, Opening and Receiving, on Amt. (Mr. Guthrie) to prop. Res. (Mr. Reid) 576 (i).

——— on Ques. of Order (Mr. Crothers) 574 (i).

House of Commons Elevators, Repairing and Running (remarks) 2337 (ii).

Investigations into Deptl. Expenditures, on Amt. (Mr. Doherty) to Com. of Sup., 3808 (ii).

Johnston, Capt., Repayment of Moneys from Str. 'Hestia' (remarks) in Com. of Sup., 6890 (iv).

Natural Resources of Can., Conservation of, on M. (Mr. R. L. Borden) for Sel. Com., 369 (i).

SUPPLY—

Civil Govt.—Post Office (salaries) 723 (i)

Fisheries (commissions) 6958; (customs licenses) 6960 (iv); (international fisheries commission) 3449; Miscellaneous (Cushing & Co.'s claims) 3460 (ii).

Lighthouse and Coast Service (agencies, &c.) 6890; (lightkeepers salaries) 6981 (iv).

Marine—Dredging (plant, &c.) 6886 (iv).

Penitentiaries—Generally (supplies) 890 (i).

Public Works—Buildings, N.S. (Bridgewater) 1284; Ont. (Whitby) 1540; Ottawa (peat testing) 1502 (i).

Public Works—Harbours and Rivers—N.S. (Annapolis ice piers) 2346; (generally) 2118 (ii).

Telephone Companies, O.C. *re* Control by Ry. Commission (Ques.) 1072 (i).

Telephone Rates in Canada, Control of by Govt., on prop. Res. (Mr. Lennox) 1772 (i).

MACLEAN, Mr. A. K.—*Con.*

Toronto, Niagara and Western Ry. Co.'s B. 42 (Mr. Calvert) in Com., 2064 (ii).

Waterways Treaty, N.B. Fisheries, Regulations *re* (remarks) 1245 (i).

MACLEAN, Mr. W. F., *South York, Ont.*

Animals Contagious Diseases Act Amt. B. 18 (Mr. Fisher) in Com., 753 (i).

C.P.Ry. Co.'s B. 79 (Mr. W. McIntyre) in Com., 3039, 3155 (ii).

C.P.R., Additional Stock, Distribution, &c., on M. for Sup., 416 (i).

——— O.C. *re* (M. for copy*) 685 (i).

——— O.Cs., &c. (read) 780 (i).

——— Ref. to Courts, &c. (remarks) 882 (i).

——— Remarks, on M. for Sup., 1321 (i).

Canadian Railways, Improved Service, &c. (remarks) on M. for Sup., 626 (i).

Dominion Atlantic Ry., Examination by Govt. (remarks) in Com. of Sup., 2928 (ii).

Fisheries Development, Appmnt. of Select Com., on prop. Res. (Mr. Sinclair) 491 (i).

G.T.P. Lake Superior Branch Lines Ry. Co.'s B. 30 (Mr. Turriff) in Com., 1366 (i).

G.T.P. Loan B. 128 (Mr Fielding) in Com. on Res., 3612 (ii); in Com.., 5277, 5326 (iii).

Gowganda Mail Facilities (remarks) in Com. of Sup., 1703 (i).

Harvey-Salisbury Railroad incorp. B. 35 (Mr. Emmerson) on M. for 2°, 777 (i).

House of Commons Classification, on M. (Sir Wilfrid Laurier) to conc., 6103 (iv).

Post Office Act (registered letters) Amt. B. 19 (Mr. Lemieux) in Com., 740 (i).

Ry. Act (hours of labour) Amt. B. 72 (Mr. R. Smith) on M. for 1°, 1318 (i).

Railways Two-Cent Fare, Refund of Money by G. T. Ry., Letter *re* (read) 2911 (ii).

Smith, John Denison Relief B. 157 (Mr. Maclean) in Com., 6071 (iv).

SUPPLY—

Civil Govt.—Sec. of State (salaries) 461 (i).
Excise (methylated spirits) 450 (i).
Inland Revenue (electric power export) 455 (i).
Labour Dept. (industrial disputes) 658 (i).
Metric System (lectures) 454 (i).
Post Office (letter carriers) 1703 (i).
Public Works—Harbours and Rivers—Ont. (Montreal river) 2975 (ii).

Thessalon and Northern Ry. Co.'s B. 104 (Mr. Smyth) in Com., 6065 (iv).

McALLISTER, Mr. D. H., *Kings and Albert, N.B.*

Franking Privilege *re* Political Literature (remarks) in Com. of Sup., 1713 (i).

Govt. Tenders, Receiving and Opening, on Amt. (Mr. Guthrie) to prop. Res. (Mr. Reid) 280 (i).

McALLISTER, Mr. D. H.—*Con.*

I.C.R. Branch Lines Extension, on prop. Res. (Mr. Emmerson) 2208 (ii).

Public Health Bureau, Establishment of by Govt., on prop. Res. (Mr. Black) 1101 (i).

SUPPLY—

Public Works—Harbours and Rivers—N. B. (St. John surveys) 1642 (i).

Wells, Judge, Apptmt. in Westmoreland County, Absence with and without Leave, &c. (Ques.) 4897 (iii).

McCALL, Mr. A., *Norfolk.*

G.T.P. Loans B. 128 (Mr. Fielding) on M. for 2°, 5168 (iii).

St. Williams Landing Pier (remarks) in Com. of Sup., 3332 (ii).

SUPPLY—

Public Works—Buildings—N.S. (Bridgewater) 1284 (i).

Welland Canal, Total Cost, Tonnage, &c. (Ques.) 2154 (ii).

McCARTHY, Mr. M. S., *Calgary.*

Banff Fish Hatchery, Establishment of, Representations *re*, &c. (Ques.) 871 (i).

Calgary Electoral District, Dep. Returning Officers, Scrutineers, &c. (M. for ret.*) 685 (i).

——— Voters' Lists, Copy (M. for copy*) 685 (i).

Coal Strike in the West, Settlement by Dept. of Labour (remarks) 5351 (iii).

Irrigation, Investigation *re* Water Supply (remarks) in Com. of Sup., 6282 (iv).

Natural Resources Commission B. 159 (Mr. Fisher) in Com., 6381 (iv).

Natural Resources, Lands, &c., Details of Moneys received, &c. (M. for ret.*) 685 (i).

North Atlantic Trading Co., Payments to since Cancellation of Contract (Ques.) 1071 (i).

North Saskatchewan River Surveys, Average Cost per Mile (Ques.) 870 (i).

'Opportunities in Canada,' Name of Publisher (Ques.) 2158 (ii).

——— Number of Copies distributed, &c. (Ques.) 676 (i).

Railway Aid in Alberta, Representations *re* (Ques.) 676 (i).

Railways in Alberta and Sask., Number of Miles in Operation (Ques.) 3049 (ii).

R. N. W. Mounted Police Barrack Grounds, Transfer to Ry. Corporation, &c. (Ques.) 819 (i).

Rural Mail Delivery, Alberta (M. for cor*) 3056 (ii).

School Lands, Alberta, Total Area, Fund, Payments, &c. (Ques.) 7072 (iv).

McCARTHY, Mr. M. S.—*Con.*

SUPPLY—

Dom. Lands—(timber protection) 6286 (iv).

Villa Lots in Section 14, Twp. 21, Applications *re* Transfer, Cor., &c. (M. for copies*) 685 (i).

McCOIG, Mr. A. B., *West Kent.*

Experimental Farms, Locations, &c., on prop. Res. (Mr. Lapointe) 1952 (i).

Hogs, Dressed, Inspection of, &c. (Ques.) 2758 (ii).

McCOLL, Mr. J. B., *West Northumberland, O.*

SUPPLY—

Penitentiaries—Stony Mountain (supplies) 920 (i).

McCRANEY, Mr. G. E., *Saskatoon.*

Canadian Western Ry. Co.'s incorp. (B. 11) 1°*, 159 (i).

Commerce Insurance Co.'s incorp. (B. 189) 1°*, 6403 (iv).

Committee, Standing Orders, 1st Rep. (presented) 2119 (ii).

Fidelity Life Insurance Co.'s (B. 190) 1°*, 6403 (iv).

Prudential Life Insurance Co.'s Change of Name (B. 188) 1°*, 6403 (iv).

Qu'Appelle, Long Lake and Saskatchewan Ry. Land Grant, Location, &c. (Ques.) 468 (i).

Royal Life Insurance Co.'s (B. 177) 1° m., 5885 (iii).

Wake, John Relief (B. 178) 1°*, 5886 (iii); 2° m., 6081 (iv).

Winnipeg and Northwestern Ry. Co.'s (B. 29) 1°*, 290 (i); in Com., 2130 (ii).

Woollen Industry and Tariff Changes, on M. (Mr. Lennox) 4207 (iii).

McGIVERIN, Mr. H. B., *Ottawa.*

Civil Service Salaries, on M. (Mr. Foster) for Com. on Res., 319 (i).

—— Classification Schedules, &c., on M. for Com. of Sup., 2451 (ii).

SUPPLY—

Civil Govt.—Civil Service Commission (salaries) 396 (i).

McINTYRE, Mr. W., *Strathcona.*

Alberta Central Ry. Co.'s (B. 23) 1°*, 290 (i).

Alsek and Yukon Ry. Co.'s (B. 67) 1°*, 1318 (i).

Athabaska Ry. Co.'s (B. 68) 1°*, 1318 (i).

Canadian Pacific Ry. Co.'s (B. 79) 1°*, 1648 (i).

C.P. Ry. Co.'s (B. 79) in Com., 3039, 3151 (ii).

C.P.R. Issue of New Stock, on M. (Mr. W. F. Maclean) to Com. of Sup., 1350 (i).

McINTYRE, Mr. W.—*Con.*

Edmonton and Slave Lake Ry. Co.'s (B. 24) 1°*, 290 (i).

—— (remarks) on M. for Com. on Private Bills, 1362 (i).

Immigration Act Amt. B. 17 (Mr. Oliver) in Com., 6167 (iv).

Moravian Church Board of Elders incorp. (B. 167) 1°*, 5623 (iii).

Railway Crossings, Width of Opening, &c. &c. (remarks) 3568 (ii).

St. Mary's Ry. Co., Change of Name (B. 46) 1°*, 738 (i).

Southern Central Pacific Ry. Co.'s (B. 36) 1°*, 465; 2° m., 778 (i).

Western Canadian Life Assurance Co.'s incorp. (B. 37) 2° m., 778 (i).

Woollen Industry and Tariff Changes, on M. (Mr. Lennox) 4156 (iii).

McKENZIE, Mr. D. D., *Cape Breton, North.*

Budget, The, 5021 (iii).

—— Remarks, 4745 (iii).

Canada-France SS. Subsidy B. 46 (Mr. Brodeur) in Com. on Res., 4444 (iii).

Coal, Conserving for the Home Market (prop. Res.) 3087 (ii).

Expropriation of Ry. Lands, &c., Complaints *re* (remarks) 4802 (iii).

Fisheries Development, Apptmt. of Sel. Com. on prop. Res. (Mr. Sinclair) 500 (i).

Mayes Affidavit, on Amt. (Mr. Daniel) to Com. of Sup., 4275 (iii).

Miner, Bill, Escape from B. C. Penitentiary, on M. (Mr. J. D. Taylor) to Com. of Sup., 1877 (i).

'Northumberland' Dredge, Men on Voters' Lists (remarks) on M. for Sup., 2403 (ii).

Ontario and Michigan Power Co.'s incorp. B. 34 (Mr. Conmee) on M. for 2°, 1047 (i).

Payne, J. Lambert, Duties, Salary, Office Hours, &c. (Ques.) 1726 (i).

Railway Act Amt. B. 106 (Mr. Graham) in Com., 6212 (iv).

Secret Commissions Prevention B. 31 (Mr. Aylesworth) in Com., 1134 (i).

Superior and Western Ontario Ry. Co.'s incorp. B 78 (Mr. Conmee) in Com., 3974 (ii).

SUPPLY

Ocean and River Service (wrecking plant) 6681 (iv).

Public Works—Harbour and Rivers—N.S. (Annapolis ice piers) 2362 (ii).

Railways—I.C.R. (facilities) 2948; (Sydney Mines) 2938 (ii).

McLEAN, Mr. H. H., *Sunbury and Queens.*

Govt. Harbours and Piers Act Amt B. 89 (Mr. Brodeur) in Com., 5911 (iv).

McLEAN, Mr. H. H.—*Con.*

Insurance Act Amt. B. 97 (Mr. Fielding) in Com., 6808 (iv).

Royal Casualty and Surety Co. of Canada incorp. (B. 51) 1°*, 738 (i); in Com., 2575 (ii).

SUPPLY

Public Works—Harbours and Rivers—N.B. (St. John tributaries) 1635 (i).

McLEAN, Mr. M. Y., *South Huron.*

Budget, The, 4901 (iii).

Canada Life Assurance Co.'s B. 56 (Mr. A. H. Clarke) in Com., 6011 (iv).

McMILLAN, Mr. J. A., *Glengarry.*

SUPPLY—

Public Works—Buildings—Ottawa (telephones) 1607 (i).

MADDIN, Mr. J. W., *Cape Breton South.*

Boat Harbour, Skinner's Cove, Yearly Expenditure, Completion, &c. (Ques.) 2817 (ii).

Brophy's Post Office, Name of Postmaster, Changes *re* (Ques.) 1186 (i).

Budget, The, 4936 (iii).

Cape Breton South, Election Returning Officer, Payments *re* Expenses, &c. (Ques.) 5636 (iii).

Cassell's Report: *See* 'Investigations.'

Cedar Rapids Mfg. & Power Co.'s B. 94 (Mr. Boyer) in Com., 3406 (ii).

Criminal Code (flogging) Amt. B. 4 (Mr. Bickerdike) on M. for 2°, 534 (i).

Criminal Code Amt. B. 148 (Mr. Aylesworth) in Com., 6400, 6758 (iv).

Exchequer Court Act Amt. B. 151 (Mr. Aylesworth) in Com., 6750 (iv).

Fisheries Development, Apptmt. of Sel. Com., on prop. Res. (Mr. Sinclair) 503 (i).

Fishery Inspector at Cape Breton, Apptmt. of Successor to A. C. Bertram (Ques.) 5631 (iii).

Fishery Wardens in Victoria County, N.S., Salaries, &c. (Ques.) 5637 (iii).

Flint Island Fog Alarm, Contract *re*, &c. (Ques.) 5636 (iii).

Franking Privilege and Political Literature (remarks) in Com. of Sup., 1666 (i).

Glace Bay Mails, Contract *re* Collection, &c. (Ques.) 5635, 5775 (iii).

Glace Bay Range Lightkeeper, Applicants, Salary, &c. (Ques.) 5636 (iii).

G.T.P. Loan B. 128 (Mr. Fielding) in Com. on Res., 3636 (ii).

I.C.R. Earnings for Freight Shipments, Ticket Revenue, &c. (Ques.) 5632 (iii).

MADDIN, Mr. J. W.—*Con.*

Inverness Harbour, Items of Expenditure of 1908-9, Vote, &c. (Ques.) 6404 (iv).

Investigations in Depts. by Mr. Justice Cassels, on Amt. (Mr. Doherty) to Com. of Sup., 3736 (ii).

Labour Hours for Working Men, Restriction, &c., on M. (Mr. Verville) to Com. of Sup., 5939 (iv).

Lobster Packers, Investigation *re* Difficulties with Fishermen (remarks) 6062 (ii).

Miner, Bill, Escape from B. C. Penitentiary, on M. (J. D. Taylor) to Com. of Sup., 1873 (i).

Plaster Mines Lighthouse, Dismissal of Hector McRae, &c. (Ques.) 6784 (iv).

Post Office Act (letter carriers) Amt. B. 126 (Mr. Lemieux) in Com., 6323 (iv).

Ry. Employees Provident Act Amt. B. 164 (Mr. Graham) in Com., 6741 (iv).

Secret or Illicit Commissions Prevention B. 31 (Mr. Aylesworth) in Com., 1484 (i).

'Stanley' Str., &c., Total Expenditure from 1894 to 1908 (M. for ret.*) 1922 (i).

SUPPLY.

Lighthouse and Coast Service (agencies, &c.) 6898; (buoy steamer) 6914; (maintenance) 6902 (iv).

Marine and Fisheries (meteorological service) 6915 (iv).

Penitentiaries—St. Vincent de Paul (supplies) 915 (i).

Public Works—Buildings—N.S. (Glace Bay 1288; (New Glasgow) 1290; (Westville) 1292 (i).

Public Works—Harbours and Rivers—N.S. (Annapolis ice piers) 2344; (Baddeck) 2453; (Cow Bay) 2463 (ii).

Public Works—Harbours and Rivers—Ont. (Meaford) 2984 (ii).

Railways—I.C.R. (Sydney Mines) 2936 (ii).

Sydney, Free Mail Delivery (remarks) in Com. of Sup., 1706 (i).

Tatamagouche River Bridge (remarks) in Com. of Sup., 2365 (ii).

'Zaidee' and 'Gladiator' Govt. Strs., Privileges *re* Towing, &c., (Ques.) 5631 (iii).

MAGRATH, Mr. C. A., *Medicine Hat.*

Aylwin, F. P., Grant of Land *re* Irrigation Purposes, Cor. Reps., &c. (M. for ret.*) 1190 (i).

Blood Indian Reserve, Sale of Land (remarks) in Com. of Sup., 1006 (i).

Canada Life Assurance Co.'s B. 56 (Mr. Clarke) in Com., 3025 (ii).

Canadian Western Ry. Co.'s incorp. B. 11 (Mr. Pardee) in Com., 987 (i).

Experimental Farms, Location, &c., on prop. Res. (Mr. Lapointe) 1943 (i).

Geodetic Survey Bureau, Establishment, on M. (Mr. Maclean) for Cor., 3075 (ii).

MAGRATH, Mr. C. A.—*Con.*

Hand Hills, Alberta Post Office, Application *re* (M. for copy*) 2162 (ii).

Niagara River Falls, Amount of Overflow (Ques.) 1074 (i).

Ontario and Michigan Power Co.'s incorp. B. 34 (Mr. Conmee) on M. for 2°, 1037 (i); in Com., 5380 (iii).

Railway Charters, Lapsed Powers, Date of Charters, &c. (M. for ret.*) 1190 (i).

SUPPLY.

Civil Govt.—Customs (contingencies) 599 (i).

Indians—Generally (schools) 1015; Man, &c. (live stock) 1006 (i).

N. W. M. P. (force) 3664 (ii).

Public Works—Buildings—Alberta (Lethbridge) 1551 (i).

Railways—Hudson Bay (surveys) 2964 (ii).

Waterways Commission, Treaty *re* Milk River and St. Mary's River: on M. for Sup., 6583 (iv).

Winnipeg and Northwestern Ry. Co.'s B. 29 (Mr. McCraney) in Com., 2145 (ii).

MARSHALL, Mr. D., *East Elgin.*

Agricultural Fertilizers B. 110 (Mr. Templeman) in Com., 4455 (iii).

Brockville, Westport and Northwestern Ry. Co.'s (B. 170) 1°*, 5623 (iii).

Canning Factories Inspectors, Numbers, Salaries, &c. (Ques.) 822 (i).

Govt. Harbours and Piers Act Amt. B. 89 (Mr. Brodeur) in Com., 5901 (iv).

Port Bruce Harbour, Amount of Expenditure, &c. (Ques.) 818 (i).

—— (remarks) in Com. of Sup., 3331 (ii).

Port Stanley Pier, Latest Date of Payments to Men (Ques.) 342 (i).

Postmasters Salaries in East Elgin (remarks) in Com. of Sup., 3429 (ii).

SUPPLY—

Arts, Agriculture, &c. (experimental farms) 5952 (iv).

Civil Govt.—Customs (contingencies) 602 (i).

Immigration (agents, &c.) 7026 (iv).

Post Office (rural mails) 3429 (ii).

Public Works—Buildings—Dom. (engineers, &c.) 1619; (power) 1617 (i).

Public Works—Buildings—Ont. (Whitby) 1530 (i).

Public Works—Dredging (generally) 6535 (iv).

Public Works—Harbours and Rivers—Ont. (Burlington piers) 2967; (McGregor's Creek) 2975; (Port Stanley) 2977 (ii).

Railways—Ry. Commission (litigation) 2069; (maintenance) 2045 (ii).

MARTIN, Mr. M., *Montreal, St. Mary's.*

SUPPLY—

Canals—Lachine (cement) 803 (i).

Public Works—Buildings—Que. (Montreal postal station) 1303 (i).

MARTIN, Mr. W. M., *Regina.*

Elevators at Port Arthur and Fort William Govt. Operation, on prop. Res. (Mr. Schaffner) 4026; (amt.) 4034 (ii).

G.T.P. Loan B. 128 (Mr. Fielding) in Com. on Res., 3629 (ii).

Railway Commission, Vacancy, Apptmt. of Practical Farmer from N. W., on prop. Res. (Mr. Staples) 2656; (amt.) 2659; Agreed to (Y. 94; N. 54) 2669 (ii).

S.A. Bounty Act, Regulations *re* (remarks) 2228 (ii).

MEIGHEN, Mr. A., *Portage la Prairie.*

Assiniboine River Works, Cost per yard for Sept. and Oct. (Ques.) 1239 (i).

—— Pets., &c. *re* Straightening of, &c. (Ques.) 472 (i).

Canada Life Assurance Co.'s B. 56 (Mr. Clarke) in Com., 3004 (ii); on Amt. (Mr. Lennox) 5455 (iii).

G.T.P. Loan B. 128 (Mr. Fielding) on M. for 3° (amt.) 5616 (iii).

Hudson Bay Ry. Surveys, (M. for ret.) 685 (i).

Hudson Bay Ry., Total Expenditure, Number of Employees, &c. (Ques.) 1055 (i).

Investigations into Deptl. Expenditures by Judge Cassels, on Amt. (Mr. Doherty) to Com. of Sup., 3798, 3803 (ii).

Makaroff Postmaster, Salary (remarks) in Com. of Sup., 1702 (i).

Mayes Affidavit and Mr. Pugsley, on Amt. (Mr. Daniel) to Com. of Sup., 4272 (iii).

Miner, Bill, Escape from B. C. Penitentiary Admission of Detectives, &c. (Ques.) 1182 (i).

N.B. Central Ry. Commissioners' Report, on Amt. (Mr. Crothers) 5699 (iii).

Ontario and Michigan Power Co.'s incorp. B. 34 (Mr. Conmee) in Com., 5389 (iii).

Ry. Commission Vacancy, Apptmt. of Practical Farmer, on prop. Res. (Mr. Staples) 2652 (ii).

SUPPLY—

Civil Govt.—Customs (board of customs) 586; (contingencies) 590 (i).

Penitentiaries—Generally (supplies) 897; Stony Mountain (supplies) 919 (i).

Post Office (country postmasters) 1700; (Ry. clerks) 1700 (i).

Public Works—Buildings—Generally (armouries) 1596; (lighting) 1616 (i).

Public Works—Buildings—Man. (Dauphin) 1544; (Winnipeg P.O.) 1551 (i).

Public Works—Buildings—Ont. (Glencoe) 1369(i).

Public Works—Buildings—Ottawa (telephones) 1609 (i).

Public Works—Buildings—Que. (Joliette) 1294 (i).

Public Works—Buildings—Yukon (commissioner's residence) 1595 (i).

MICHAUD, Mr. P., *Victoria, N.B.*

Allegash River, Diversion of Waters, Reps. &c. (M. for copy) 3082 (ii).

Cabano Ry. Co.'s incorp. B. 122 (Mr. Gauvreau) in Com., 4839 (ii).

Quebec and New Brunswick Ry. Co.'s (B 171) 1°*, 5623 (iii).

MIDDLEBRO, Mr. W. S., *North Grey.*

Animals Contagious Diseases Act B. 18 (Mr. Fisher) in Com., 751 (i).

Fenian Raid Veterans, Legislation *re* Bounty (Ques.) 3478 (ii).

Franking Privilege *re* Political Literature (remarks) in Com. of Sup., 1669 (i).

Govt. Employees, Interference at Elections (remarks) on M. for Sup., 6868 (iv).

Govt. Tenders, Receiving and Opening, on Amt. (Mr. Guthrie) to prop. Res. (Mr. Reid) 213 (i).

G. T. P., Lake Superior Branch, Number of Miles completed, Subsidies, &c. (Ques.) 4286 (iii).

G. T. P. Loan B. 128 (Mr. Fielding) on prop. Res., 4075; in Com., 5265, 5322, 5494; on M. for 3° (amt) 5604 (iii).

G. T. P., Negotiations *re* Proposed Loan, prior to Oct. 1908 (Ques.) 4290 (iii).

G. T. Stock, Outstanding, Rate of Interest, Total Liabilities, &c. (Ques.) 3651 (ii).

Mileage of Ry. Construction, from 1888 to 1908, Authorized by Charters (Ques.) 1076 (i).

Militia Expenditures, Items in Estimates, &c. (Ques.) 4634 (iii).

Miner, Bill, Escape from B. C. Penitentiary (remarks) in Com. of Sup., 948 (i).

Naval Defence of Canada, Aid to G. B., on prop Res. (Mr. Foster) 3528 (ii).

Ontario and Michigan Power Co.'s incorp. B. 34 (Mr. Conmee) in Com., 4481, 5376 (iii), 5971 (iv).

Owen Sound Mail Delivery (remarks) in Com. of Sup., 1705 (i).

Owen Sound Post Office, Original and Present Cost, Change of Plans, &c. (Ques.) 247 (i).

Rural Mail Delivery, Establishment of in Grey County (Ques.) 671 (i).

SUPPLY—

Canals—Lachine (wharfs and basins) 791; Soulanges (slope trimmings) 1570 (i).

Dom. Lands (surveys) 3463 (ii).

Fisheries (International Fisheries commission) 3446 (ii).

Miscellaneous (seed grain) 3465 (ii).

Penitentiaries—Generally (supplies) 896 (i).

Public Works—Buildings—Dom. (heating) 1613 (i).

Public Works—Buildings, N.S. (Halifax) 1289 (i).

MIDDLEBRO, Mr. W. S.—*Con.*

SUPPLY—*Con.*

Public Works—Buildings—Ottawa (furniture) 1605; (heating, &c.) 1601; (Rideau Hall heating) 1611; (Royal Mint) 1280 (i).

Public Works—Dredging—Ont. (Wingfield) 3347 (ii).

Public Works—Harbours and Rivers—Ont. (Meaford) 2983, 3313; (Owen Sound) 3315 (ii).

Western Canadian Life Assurance Co.'s incorp. B. 37 (Mr. W. McIntyre) on M. for 2°, 778 (i).

MILLER, Mr. H. H., *South Grey.*

Algoma Central and Hudson Bay Ry. Co.'s (B. 125) 1°*, 4041 (iii).

Budget, The, 4845 (iii).

Govt. Tenders, Receiving and Opening, on Amt. (Mr. Guthrie) to prop. Res. (Mr. Reid) 284 (i).

——— rsmd. adjnd. debate, 571 (i).

G.T.P. Branch Lines Co.'s (B. 140) 1°*, 4411 (iii).

Hudson Bay and Western Ry. Co.'s (B. 124) 1°*, 4041 (iii).

Insurance Act Amt. B. 97 (Mr. Fielding) in Com. on Res., 6695; in Com., 6800 (iv).

Insurance Bill, Addresses, Reps., &c., made to Committee of 1907-8 (M.) to lay on Table, 2489 (ii).

——— (M.) to ref. to Special Com. Banking and Commerce, 2490 (ii).

Kootenay and Arrowhead Ry. Co.'s B. 80 (Mr. Geo. Taylor) in Com., 3414 (ii).

Ontario and Michigan Power Co.'s incorp. B. 34 (Mr. Conmee) in Com., 5568 (iii).

Prudential Trust Co.'s incorp B. 91 (Mr Macdonell) in Com., 5484 (iii).

Railway Act (commissioners) Amt. B. 106 (Mr. Graham) on M. for 3°, 6306 (iv).

Royal Casualty and Surety Co.'s Bill (Mr. McLean) in Com., 2718 (ii).

Salvation Army Council (B. 142) in Com., 6068 (iv).

Senate, Abolition of, on prop. Res. (Mr. Lancaster) 1448 (i).

Smith, John Denison Relief B. 157 (Mr. A. K. Maclean) in Com., 6073 (iv).

SUPPLY—

Canals—Generally (staff, &c.) 2073 (ii).

Excise (methylated spirits) 449 (i).

Penitentiaries—Generally (supplies), 894, 908 (i).

Water Carriage of Goods Bill (remarks) *re* discussion, 6774 (iv).

——— B. 105, 2° m., 6774; in Com., 6774 (iv).

Wood Alcohol, Quantity purchased, Price, Cost, &c. (Ques.) 1396 (i).

MOLLOY, Mr. J. P., *Provencher.*

Animals Contagious Diseases Act Amt. B. 18 (Mr. Fisher) in Com., 768 (i).

Big Grass Marsh Swamp Lands, Transfer of, &c. (M. for cor.*) 3056 (ii).

Budget, The, 5059 (iii).

Manitoba Radial Ry. Co.'s (B. 141) 1°*, 4411; in Com., 5483 (iii).

Railway Commission, Apptmt. of Practical Farmer, on prop. Res. (Mr. Staples) 2647 (ii).

MONK, Mr. F. D., *Jacques Cartier.*

Boivin, Ernest, Emplymt. by Govt., Cheque to A. Desbiens (Ques.) 2759 (ii).

Bonin, Jos., Emplymt. by Govt. (Ques.) 3990 (ii).

Canada and France Ocean SS. B. 146 (Mr. Brodeur) in Com., 5219 (iii).

Canadian Liverpool and Western Ry. Co.'s incorp. B. 44 (Mr. Girard) in Com., 1861 (ii), 2062 (ii).

Capital Supply Co., and Govt. Patronage, Names of Promotors, &c. (Ques.) 683 (i).

Co-Operative Societies (remarks) on M. for Sup., 2323 (ii).

Criminal Code Amt. B. 48 (Mr. Aylesworth) on M. for 2°, 6383 (iv).

Deferred Elections, on prop. Res. (Mr. Burrell) 2841 (ii).

Experimental Farms, Locations, &c., on prop. Res. (Mr. Lapointe) 1967 (i).

Fagin, Thos., Emplymt. by Govt., Salary, &c. (Ques.) 2154 (ii).

Germany and Canadian Treaty, Negotiations *re* (remarks) 4125 (iii).

Godin, Dr., Payments to *re* Land Damages (Ques.) 3990 (ii).

Govt. Business, on M. (Sir Wilfrid Laurier) to take in Wednesdays, 2017 (ii).

Govt. Harbours and Piers Act Amt. B. 89 (Mr. Brodeur) in Com., 6124 (iv).

Govt. Tenders, Opening and Receiving, on prop. Res. (Mr. Reid) 196 (i).

G. T. P. Loan B. 128 (Mr. Fielding) on M. for 2°, 5147; in Com., 5191 (iii).

Hopper Scows, Construction of (Ques.) 1185 (i).

Immigration Act Amt. B. 17 (Mr. Oliver) on M. for 2°, 2010 (i), 5217 (iii); in Com., 6155 (iv).

——— on M. to resume adjnd. debate (remarks) 4413 (iii).

Immigration Deportations, Amounts expended, &c. (Ques.) 1975 (i).

Immigration to U. S. and Repatriation, &c., on M. (Mr. Paquet) for Cor., 840 (i).

Imperial Defence Conference (remarks) on M. for 3° of Supply Bill, 7084 (iv).

MONK, Mr. F. D.—*Con.*

Insurance Bill, Discussion *re* (remarks) 6290 (iv).

Land Grants to early Settlers, &c. (remarks) in Com. of Sup., 6275 (iv).

Levis Postmastership, Apptmt. of Successor to Mr. A. Lafrancois (Ques.) 4636 (iii).

Lindsay Block, Ottawa, Negotiations *re* Purchase (Ques.) 681 (i).

Lussier, J. A., Payment to by Ry. Dept. (Ques.) 3990 (ii).

——— Returning Officer at St. Johns-Iberville, Payments to (Ques.) 2766 (ii).

Marine and Fisheries Investigation, Inquiry for Evidence, 662 (i).

Martel, Hormidas, Emplymt. by Govt. (Ques.) 3990 (ii).

Montreal Free Port, Recommendation of Royal Commission (remarks) 4802 (iii).

Montreal Harbour Commissioners Act Amt. B. 154 (Mr. Brodeur) on M. for 1°, 4799; in Com., 5234 (iii).

Natural Resources Conservation Commission on prop. Res. (Mr. Fisher) 6363 (iv).

Navigable Waters Protection Act. Amt. B. 152 (Mr. Brodeur) in Com., 5226 (iii).

Pointe-aux-Trembles Wharf, Contract Price, Extras, &c. (Ques.) 818 (i).

Post Office Act (letter carriers) Amt. B. 136 (Mr. Lemieux) in Com. on Res., 4245 (iii); in Com., 6314 (iv).

Proportional Representation in House of Commons, &c. (prop. res.) 2598 (ii).

Railway Act (commissioners) Amt. B. 106 (Mr. Graham) in Com., 6297; on Amt. (Mr. Doherty) to M. for 3°, 6313 (iv).

Railway Level Crossings, Prevention of Accidents, on prop. Res. (Mr. Lennox) 1227 (i).

Red River Settlers, Land Grants, &c. (remarks) in Com. of Sup., 6279 (iv).

'Richelieu,' Dredge, Removal of Captain, &c. (Ques.) 1185 (i).

Richelieu River Improvements Office (Ques.) 1185 (i).

Royal Canadian Dragoons at St. Johns, P.Q., Contracts *re* Supplies (Ques.) 2767 (ii).

Royal Casualty and Surety Co.'s Bill (Mr. McLean) in Com., 2720 (ii).

Rutherford, Dr. J. S., Resignation, Salary, &c. (Ques.) 1720 (i).

St. Johns Harbour, P.Q., Contract for Wharf Extension, &c. (Ques.) 2768, 2770 (ii).

——— Improvements in Richelieu River, Estimates, &c. (Ques.) 2817 (ii).

St. Johns Military Buildings, Lease, Rentals, &c. (Ques.) 672 (i).

MONK, Mr. F. D.—*Con.*

St. Maurice and Eastern Ry. Co.'s incorp. B. 176 (Mr. Geoffrion) on M. for 2°, 6083 (iv).

Ste. Philomene Mail Contract, Annual Cost, &c. (Ques.) 2770 (ii).

St. Pierre River Drainage, Floods, &c. (M.) to adjn. Hse., 4229 (iii).

St. Vincent de Paul Penitentiary, Contract with J. G. Heroux *re* Timber, Inspection *re* (Ques.) 6404 (iv).

——— Manufacture of Church Pews (remarks) in Com. of Sup., 900 (i).

------ Manufacture of Furniture, &c. (Ques.) 673 (i).

Salvation Army Council B. 142 (Mr. Miller) in Com., 6068 (iv).

Smith, John Denison, Relief B. 157 (Mr. A. K. Maclean) in Com., 6071 (iv).

Statutes, French Translation, Designation of Titles (remarks) 2023 (i).

SUPPLY—

Arts, Agriculture, &c. (archives) 691; (exhibitions) 727; (Year Book) 701 (i).

Canals—Lachine (wharfs and basins) 790 (i).

Civil Govt.—Interior (salaries) 6247 (iv); Labour Dept., (Labour Gazette) 654; Post Office (salaries) 724 (i).

Civil Service Commission (salaries) 705 (i).

Immigration (agents, &c.) 7003; (G. B. agents) 7019 (iv).

Interior (astronomical surveys) 6264 (iv).

Labour Dept. (industrial disputes) 655 (i).

Militia (salaries) 2278 (ii).

Penitentiaries—Generally (supplies) 900 St. Vincent de Paul (furniture making) 900 (i).

Public Works—Buildings—Que. (Montreal postal station) 1303 (i).

Public Works—Harbours and Rivers—N.S. (Annapolis ice piers) 2347 (ii).

Public Works—Harbours and Rivers—Que. (docks, &c.) 2896; (Saguenay dredging) 2887 (ii).

Tariff Changes *re* Tin, &c. (remarks) 4126 (iii).

Transportation Problem (remarks) in Com. of Sup., 2888 (ii).

MURPHY, Hon. C. (Secretary of State), *Russell.*

Agriculture Dept., Outside Service, Amounts voted (Ans.) 1409 (i).

Aud. Gen.'s Rep., on Inquiry for, 1250 (i).

Debates, Official, Cost of Printing, &c. (Ans.) 1720 (i).

——— French Translation, Salaries, &c. (Ans.) 1722 (i).

Dom. Elections, Payments to Officials, &c. (Ans.) 1067 (i).

Cape Breton South, Payments *re* Elections, Expenses to Ret. Officers (Ans.) 5536 (iii).

MURPHY, Hon. C.—*Con.*

Capital Supply Co. and Govt. Patronage, Names of Promoters (Ans.) 684 (i).

Census and Statistics Bulletins, Translation of (Ans.) 1404 (i).

Civil Service Apptmts. since July, 1908, Salaries, &c. (Ans.) 142 (i).

Civil Service Apptmts. since Sept., 1908 (Ans.) 143 (i).

Civil Service, Names and Positions of those receiving no Increases (Ans.) 1558 (i).

——— Payments in 1896 and 1909-10 at Ottawa (Ans.) 2149 (ii).

——— Re-organization, Temporary Clerks, &c. (Ans.) 142 (i).

———Salaries, in Com. on Res., 1135 (i).

——— Salaries Ret. (remarks) 1395 (i).

Comox-Atlin Elections, Issue of Writ for 11th Parlt., Instructions to Returning Officer, &c. (Ans.) 682 (i).

External Affairs Deptl. (B. 90) prop. Res., 1813, 1978; 1°* of of B., 2008 (i); in Com., 4436, 4470 (iii).

Foran, Mr. Wm., Apptmt. of Successor (remarks) 3363 (ii).

Foreign Correspondence, Number of Letters, &c. (Ans.) 3987 (ii).

'Free Press,' Man., Payments to, on Inquiry for Ret., 1978 (i).

Humboldt Election Officials, Payments to (Ans.) 1731 (i).

Logberg Printing Co., Suppl. Ret. (presented) 4041 (iii).

——— on Inquiry for Ret., 2674 (ii).

Lussier, J. A., Returning Officer at St. Johns-Iberville &c. (Ans.) 2767 (ii).

Marine and Fisheries Investigation, Delay in Printing, &c. (remarks) 633 (i).

Marine Investigation, Evidence, &c., on Inquiry for, 402, 549 (i).

Naturalization Act Amt. (B. 5) 1° m., 93; 2° m., 378 (i).

Oriental Immigration into B. C., Res. *re* Royal Commission (Ans.) 1242 (i).

Polling Booths in Ont., Payments *re* Rents (Ans.) 3251 (ii).

Secretary of State, Deptl. Rep. (presented) 14 (i).

Statutes for 1908, Delay in Publishing, &c. (Ans.) 184 (i).

SUPPLY.

Civil Govt.—External Affairs (salaries) 7064 (iv); Sec. of State (contingencies) 461; (salaries) 458 (i).

Civil Service Commission (printing) 7065 (iv); (salaries) 705 (i).

Printing and Stationery (salaries) 804 (i).

Timber Limit Regulations, Suspension, &c. (Ans.) 343 (i).

MURPHY, Hon. C.—*Con.*

Towers in Dufferin County, Completion, &c. (Ans.) 341 (i).

Vancouver Election Officials, Delay in Payments to (Ans.) 1418 (i).

Voters' Lists, Parry Sound, Cost of Revision (Ans.) 669 (i).

—— Thunder Bay, &c., Cost of (Ans.) 340 (i).

NANTEL, Mr. W. B., *Terrebonne.*

Animals Contagious Diseases Act Amt. B. 18 (Mr. Fisher) in Com., 765 (i).

Budget, The, 4780 (iii).

Canadian, Liverpool and Western Ry. Co.'s incorp. B. 44 (Mr. Girard) in Com., 1693, 1859 (i), 2062, 2129 (ii).

Criminal Code (flogging) Amt. B. 4 (Mr. Bickerdike) on M. for 2°, 566 (i).

G. T. P. Loan B. 128 (Mr. Fielding) on M. for 2°, 5152, 5159 (iii).

Immigration to U. S. and Repatriation, &c., on M. (Mr. Paquet) for Cor., 852 (i).

Judges Salaries, Error in Statutes of 1905 (remarks) 6474 (iv).

Railway Act (commissioners) Amt. B. 106 (Mr. Graham) in Com., 6296 (iv).

Ry. Act (farm crossings) Amt. (B. 54) 1° m, 813 (i).

Railway Act (level crossings) Amt. B. 6 (Mr. Lancaster) on M. for 3°, 526 (i).

SUPPLY.

Civil Govt.—Agriculture (salaries) 647 (i).

Public Works—Harbours and Rivers—Que. (Cap. St. Ignace) 2522 (ii).

NEELY, Mr. D. B., *Humboldt.*

Budget, The, 4951 (iii).

C.P.Ry. Co.'s B. 79 (Mr. W. McIntyre) in Com., 3151, 3161 (ii)

Elevators at Fort William and Port Arthur, Govt. Operation, on prop. Res. (Mr. Schaffner) 4017 (ii).

Insulting Language towards members, Ques. of Priv., 3942 (ii).

Manitoba and Northwestern Ry. Co.'s B. 81 (Mr. Cash) in Com., 3844, 3942 (ii); on Sen. Amts., 6073 (iv).

Prince Albert and Hudson Bay Ry. Co.'s incorp. (B. 62) 1°*, 1116 (i); in Com., 2530, 2537 (ii).

Railway Commission, Apptmt. of Practical Farmer, on prop. Res. (Mr. Staples) 2649 (ii).

NESBITT, Mr. E. W., *North Oxford.*

Budget, The, 4804 (iii).

Canada Life Assurance Co.'s B. 56 (Mr. Clarke) in Com., on Ques. of Order (Mr. S. Sharpe) 3020 (ii); on Amt. (Mr. Lennox) 5477 (iii); in Com., 6048 (iv).

NESBITT. Mr. E. W.—*Con.*

Equity Fire Insurance Co.'s incorp. B. 161 (Mr. Macdonell) in Com., 6128 (iv).

Govt. Tenders, Opening and Receiving, on Amt. (Mr. Guthrie) to prop. Res. (Mr. Reid) 225 (i).

Insurance Act Amt. B. 97 (Mr. Fielding) in Com., 6806 (iv).

McQuoid, Laura, Relief (B. 181) 1°*, 5997 (iv).

Manitoba and Northwestern Ry. Co.'s B. 81 (Mr. Cash) in Com., 3958 (ii).

Mayes Affidavit, Ques. of Order, 4279, 4375 (iii).

Railway Commission Apptmt., on prop. Res. (Mr. Staples) Ques. of Order, 2639 (ii).

Senate, Abolition of, on prop. Res. (Mr. Lancaster) 1437 (i).

Water Carriage of Goods (B. 105) 1°*, 2670 (ii).

NORTHRUP, Mr. W. B., *East Hastings.*

Canada Life Assurance Co.'s B. 56 (Mr. Clarke) in Com., 3026 (ii).

Civil Service Salaries, Classification *re* Schedules, &c., on M. for Sup., 2449 (ii).

Criminal Code (flogging) Amt. B. 4 (Mr. Bickerdike) on M. for 2°, 561 (i).

G.T.P. Loan B. 128 (Mr. Fielding) in Com. on Res., 3579, 3614 (ii); on M. for 2°, 5120; in Com., 5269 (iii).

Madoc-Eldorado Branch Ry., G.T.R. Bonus *re*, &c. (Ques.) 245 (i).

Mayes Affidavit, on Amt. (Mr. Daniel) to Com. of Sup., 4369 (iii).

—— Reading of Original, on Ques. of Order *re* Amt. (Mr. Daniel) 4269 (iii).

Miner, Bill, Escape from B. C. Penitentiary, on M. (Mr. J. D. Taylor) to Com. of Sup, 1842 (i)

Ontario and Michigan Power Co.'s incorp. B. 34 (Mr. Conmee) on M. for 2°, 1040 (i).

Ry. Act (contracts) Amt. (B. 39) 1° m., 465 (i).

Railway Act Amt. B. 106 (Mr. Graham) in Com., 6202 (iv).

Ross Rifles, Number accepted and rejected by Militia Dept. (Ques.) 245 (i).

—— Total Payments *re* (Ques.) 329 (i).

Ross Rifle Factory, Number of Employees, Inspection *re* Standards, &c. (Ques.) 1411 (i).

Vautelet, H. A., Emplymt. as Architect, Payments to, &c. (Ques.) 1412 (i).

OLIVER, Hon. FRANK (Minister of the Interior) *Edmonton.*

Aylesworth, Geo. Anson, Emplymt. by Govt. (Ans.) 249 (i).

OLIVER, Hon. Frank—*Con.*

Bell, Charles F., Conditions *re* Dismissal (Ans.) 2323 (ii).

Berube, Rev. E. P., Emplymt. by Immigration Dept. (Ans.) 3986 (ii).

Birtle Agency, Purchase of Live Stock (stmnt.) in Com. of Sup., 1168 (i).

Birtle Hospital, Attendance of Dr. Wright (remarks) in Com. of Sup., 1010 (i).

Blood Indian Reserve, Lease, &c. (Ans.) 6785 (iv).

——— Sale of Land (remarks) in Com. of Sup., 1008 (i).

Brandon City, Exchange of Lands, &c. (Ans.) 2322 (ii).

Brewster, Mr., Emplymt. by Govt. *re* Immigration (Ans.) 1483 (i).

B. C. Railway Belt Lands, Settlers, Titles, &c. (Ans.) 1727 (i).

Burrows, T. A., Timber Permit in Twp. 30 and 31, &c. (Ans.) 2592 (ii).

Catholic Immigration, Instructions to Agents (remarks) 2672 (ii).

Caughnawaga Indian Reserve, Grants for Church Purposes (Ans.) 1410 (i).

Caughnawaga-Iroquois Indians' Reserve, Return of Fines for Stealings, &c. (Ans.) 1410 (i).

Coal and Timber Lands, Approx. Area, Owners Names, &c. (Ans.) 1185 (i).

Coal Royalties, Total Amount payable in 1908 (Ans.) 2588 (ii).

Dokis Indian Reserve, Payments for Berths, Lapses, &c. (Ans.) 542 (i).

Dom. Lands Act Amt. (B. 8) 1° m., 94; in Com., 379 (i); on Senate Amts., 2911 (ii).

Dom. Lands Act, French Translation, &c. (Ans.) 532 (i).

Fairy Lake Indian Reserve, N. S., Lease, Revenue, &c. (Ans.) 2816 (ii).

File Hill Indian Agency, Resignation of Mr. Godfrey, Charges against Inspector, &c. (Ans.) 3045 (ii).

Fishery Licenses issued to Wikwinikong Indians, Representations *re* (Ans.) 6407 (iv).

Foley, T. P., Emplymt. in Interior Dept. (Ans.) 2321 (ii).

Fort Malden, Representations *re* Sale, &c. (Ans.) 6087 (iv).

Geodetic Survey Bureau, Establishment of, on M. (Mr. A. K. Maclean) for Cor., 3068 (ii).

Georgian Bay Islands, Sale of Advertisements, &c. (Ans.) 3991 (ii).

'Glimpses of Northwestern Canada,' Copies circulated, Payments *re*, &c. (Ans.) 4641 (iii).

G. T. P., Lands sold for Stations, &c. (Ans.) 143 (i).

OLIVER, Hon. Frank—*Con.*

G.T.P., Terminal Town Sites Ret. (remarks) 2494 (ii).

Grazing Leases Total Area, Annual Rental, &c. (Ans.) 3703 (ii).

Griffith, Mr. Wm., Apptmt. as Immigration Agent, Salary, &c. (Ans.) 1415 (i).

Hickman, W. A., Emplymt. by Govt., Payments to, &c. (Ans.) 3054 (ii).

Higgs, Deportation by Immigration Dept. (Ans.) 147 (i).

Homesteads and Pre-emptions, Total Acreage sold, Moneys received, &c. (Ans.) 482 (i).

Homesteads and Pre-emptions in Man., &c. Number of Acres, &c. (Ans.) 1180 (i).

Homesteads west of Lake Winnipeg, Rep. *re* unfitness for Settlement (Ans.) 3252 (ii).

Immigration Act Amt. (B. 17) 1°*, 240 (i); 2° m., 2009 (i); on M. for resmng. adjd. debate, 4413; 2°, 5218 (iii); in Com., 6129 (iv).

Immigration Agents, Apptmts. in France since 1908, Names, &c. (Ans.) 678 (i).

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Immigration Bonuses, Abolition of, Restrictions, &c. (Ans.) 3705 (ii).

Immigration Bonuses to Societies, Names, Payments, &c. (Ans.) 1406 (i).

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Immigration Deportations, Amounts expended, &c. (Ans.) 1975 (i).

Immigrants Destitute in Toronto (remarks) 2335 (ii).

Immigrants from G. B. to Canada direct (Ans.) 1919 (i).

Immigrants for 1907-8 from U. S., G. B., France and Belgium, Amount of Expenditure, &c. (Ans.) 679 (i).

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Immigrants prevented landing in Canada, Nationality, &c. (Ans.) 479 (i).

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'La Region du Lac Saint Jean, Guides des Colons,' Distribution in Quebec (Ans.) 678 (i).
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Miller, Mr. N. B., Immigration Agent, &c. (remarks) in Com. of Sup., 7000 (iv).
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Olin, Chas., Total Payments *re* visit to Sweden (Ans.) 871 (i).
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Immigration (agents, &c.) 7000; (deportations) 7021; (G.B. agents) 7015; (St. Boniface hospital) 7035 (iv).

Indians—B.C. (cleansing orchards) 1160; (destitute) 1139; (schools) 1142; (surveys commission) 1144 (i).

Indians—Generally (destitute, &c.) 1010; (general expenses) 1016; (grist and saw mills) 1016; (inspectors travelling expenses) 1161; (relief) 1167; (schools) 1015; (surveys) 1016; (timber inspectors) 1161; (triennial clothing) 1015 (i).

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Indians—N.S. (medical attendance) 998 (i), 3462 (ii); (seed grain) 998 (i).

Indians—Ont. and Que. (agricultural grants) 993; (annuities) 998; (blankets) 976; (legal expenses) 993; (medical attendance) 976; (surveys) 989; (schools) 976, 989 (i).

Indians—P.E.I. (Lennox wharf) 1000; (medical attendance) 1000 (i).

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Timber Lands, Alberta, Amount due and Payable (Ans.) 3194 (ii).

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Watson, R. J., Emplymt. by Govt. (Ans.) 2158 (ii).

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OSLER, Mr. E. B., *Toronto, West.*

Newmarket Canal, Holland River, on Amt. (Mr. Wallace) to Com. of Sup., 3146 (ii).

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OSLER, Mr. E. B.—*Con.*

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OWEN, Mr. C. L., *East Northumberland, Ont.*

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——— (remarks) 3655 (ii).

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——— Cost per Mile (remarks) 2494 (ii).

Ry. Act (electric power) Amt. B. 21 (Mr. Graham) in Com., 1121 (i).

Rural Mail in East Northumberland, &c. (Ques.) 3480 (ii).

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Woollen Industry and Tariff Changes, on M. (Mr. Lennox) 4153 (iii).

PAPINEAU, Mr. L. J., *Beauharnois.*

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Canals—Beauharnois (water power) 1911 (i).

PAQUET, Mr. E., *L'Islet.*

Agriculture Dept., French Translation of Documents (Ques.) 2762 (ii).

Berube, Rev. E. P., Emplymt. by Immigration Dept. (Ques.) 3986 (ii).

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Experimental Farms, Locations, &c., on prop. Res. (Mr. Lapointe) 1940 (i).

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Lake St. John Ry., Colonization Subsidy Grant, Amount, &c. (Ques.) 678 (i).

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PARDEE, Mr. F. F., *West Lambton.*

Brazilian Electro-Steel and Smelting Co. Limited (B. 10) 1°*, 159; in Com., 1023 (i).

Canada Life Insurance Co.'s (B. 56)—(M.) to place on Order Paper, 5093 (iii).

Canadian Northern Ontario Ry. Co.'s (B. 75) 1°*, 1479 (i); in Com., 3409 (ii).

Cedar Rapids Mfg. & Power Co.'s B. 94 (Mr. Boyer) in Com., 3406 (ii).

Collingwood Southern Ry. Co.'s (B. 12) 1°*, 159 (i).

Govt. Harbours and Piers Act Amt. B. 89 (Mr. Brodeur) in Com., 5901 (iv).

Govt. Railways Act (compensation) Amt. B. 20 (Mr. Graham) in Com., 773 (i).

G.T.P. Loan B. 128 (Mr. Fielding) in Com. on Res., 3599 (ii).

Grand Trunk Ry. Co.'s (B. 13) 1°*, 160 (i).

Huron and Ontario Ry. Co.'s (B. 14) 1°*, 160 (i).

Kootenay and Arrowhead Ry. Co.'s B. 80 (Mr. Geo. Taylor) in Com., 3414 (ii).

Mexican Land and Irrigation Co.'s (B. 15) 1°*, 160 (i).

National Accident and Guarantee Co. of Canada (B. 103) 1°*, 2318 (ii).

Railway Act Amt. B. 106 (Mr. Graham) in Com., 6209 (iv).

PARDEE, Mr. F. F.—*Con.*

Railway Level Crossings, Prevention of Accidents, on prop. Res. (Mr. Lennox) 1231 (i).

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PATERSON, Hon. Wm., (Minister of Customs), *Brant.*

Associated Press Despatches, Amount collected, Supervision, &c. (Ans.) 332 (i).

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Labour Department B. 165 (Sir Wilfrid Laurier) in Com., 6719 (iv).
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Market Garden Produce, Total Imports from 1901-8, Duty collected, &c. (Ans.) 5096 (iii).
Meagher, Mathias, Apptmt. to Customs Staff at Debec, N.B., Salary (Ans.) 3655 (ii).
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PERLEY, Mr. G. H., *Argenteuil.*

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S. A. Bounty Act, Regulations (remarks) 2226 (ii).

Submarine Co.'s Patent Relief B. 77 (Mr. Proulx) in Com., 4539 (iii).

Superior and Western Ontario Ry. Co.'s incorp. B. 78 (Mr. Conmee) in Com., 3963 (ii).

SUPPLY.

Arts, Agriculture, &c., (cold storage for fruit) 6983 (iv); (Gold and Silver Marking Act) 809; (Public Works Health Act) 810 (i); (swine commission) 6984 (iv); (Tracadie Lazaretto) 810 (i).

Canals—Lachine (cement) 797; (wharfs and basins) 786 (i).

Canals—Welland (Port Maitland) 2033 (ii).

Canals—Soulanges (slope trimmings) 1570 (i).

Civil Govt.—Agriculture (experimental farm) 6982 (iv); (salaries) 643 (i).

Civil Govt. (charges of management) 399 (i).

Civil Govt.—Civil Service Commission (salaries) 391 (i).

Civil Govt.—Customs (Board of Customs) 602 (i).

Civil Govt.—Gov. Gen. Sec.'s Office (salaries) 398 (i).

Civil Govt.—Inland Revenue (salaries) 428 (i).

SPROULE, Mr. T. S.—*Con.*

SUPPLY—*Con.*

Civil Govt.—Justice (salaries) 440 (i).
Civil Govt.—Public Works (salaries) 3665 (ii).
Customs—Miscellaneous (printing and stationery) 609 (i).
Immigration (agents, &c.) 7011 (iv).
Indians—B. C. (cleansing orchards) 1160; (destitute) 1139; (schools) 1142; (surveys commission) 1151 (i).
Indians—Generally (grist and saw mills) 1016; (inspectors) 1162; (oil boring) 1170; (triennial clothing) 1014 (i).
Indians—Ont. (legal expenses) 994; (surveys) 989 (i).
Indians—Ont. and Que. (schools) 983, 989 (i).
Indians—P. E. I. (Lennox wharf) 1001 (i).
Indians—Sask. (farm implements) 1002 (i).
Indians—Yukon (schools) 1160 (i).
Interior—Miscellaneous (buffalo herds) 6994 (iv).
Lighthouse and Coast Service (buoy steamer) 6912; (construction) 6904; (ice breaking in Thunder Bay) 6915.
Marine and Fisheries (fisheries conference) 3689 (ii).
Marine—Public Works (St. Lawrence ship canal) 6877 (iv).
Militia (salaries) 2278 (ii).
Miscellaneous (Banff, roads and bridges) 1171; (Banff, water works) 1171 (i).
Northwest Mounted Police (force) 3660 (ii).
Northwest Ter. Govt. (salaries) 1171 (i).
Penitentiaries (supplies) 916 (i).
Post Office (country postmasters) 1703 (i).
Printing and Stationery (salaries) 807 (i).
Public Works—Buildings—Dom. (engineers, &c.) 1619; (heating) 1614; (lighting) 1616 (i).
Public Works—Buildings—Man. (Winnipeg, P. O.) 1549 (i).
Public Works—Buildings—N.S. (Bridgewater) 1284; (Halifax) 1289 (i).
Public Works—Buildings—Ottawa (furniture) 1605; (museum) 1277; (Rideau Hall, grounds) 1611; (Rideau Hall, heating) 1612; (telephones) 1606 (i).
Public Works—Buildings—Yukon (rents, &c.) 1620 (i).
Public Works—Dom. (cattle quarantine stations) 1620 (i).
Public Works—Harbours and Rivers—Mar. Provs. (creosoted timber) 2511 (ii).
Public Works—Harbours and Rivers—N.B. (Beaver) 1622; (Buctouche) 1624; (Moncton) 1628 (i).
Public Works—Harbours and Rivers—N.S. (Annapolis ice piers) 2343 (ii).
Public Works—Harbours and Rivers—Ont. (Collingwood) 3298 (ii).
Railways—G.T.P. (inspection) 2049 (ii).
Railways—I.C.R. (Aston track scale) 3418 (ii); (board of commissioners) 6989 (iv); (Windsor) 3421 (ii).
Railways—N.T.R. (surveys, &c.) 6985 (iv)
Railways—Ry. Commission (maintenance) 2047 (ii).

Telephones in Canada, Control of Rates, &c., on prop. Res. (Mr. Lennox) 1770 (i).

SPROULE, Mr. T. S.—*Con.*

Tenders: *See* 'Govt. Tenders,' 'Investigations.'
Water Carriage of Goods, Regulations *re* (Ques.) 2764 (ii).
Water Powers leased on Canals (remarks) in Com. of Sup., 2039 (ii).
Weights and Measures, Discussion (remarks) in Com. of Sup., 3684 (ii).
Welland Canal Water Power, Lease to Cataract Power Co. (remarks) in Com. of Sup., 2036 (ii).
Western Canadian Life Assurance Co.'s incorp. B. 37 (Mr. Knowles) in Com., 2564 (ii).
Wharfs: *See* 'Govt. Harbours,' &c.
Woollen Industry and Tariff Changes, on M. (Mr. Lennox) 4185 (iii).
Yukon Ordinances (beer tax) on prop. Res. (Mr. Oliver) 5893 (iv).
Yukon Ordinances (Mr. Oliver) in Com. on Res., 7075 (iv).

STANFIELD, Mr. J., *Colchester.*

Canadian Coasting Trade, Number of British or Canadian, &c. (Ques.) 5633 (iii).
Coasting Trade, O.C. *re* Change of Date, &c. (Ques.) 3051 (ii).
Dickie, Alfred, Payments to *re* Damages by Fire (Ques.) 1075 (i).
Dom. Arsenal, Quebec, Names of Bidders, Tenders *re* (Ques.) 3050 (ii).
I.C.R., Classification of Employees, Hours of Labour, &c. (Ques.) 1723 (i), 2156 (ii).
——— Freight Clerks, Betterments, Govtl. Intention (Ques.) 1561 (i).
——— Motor Cars, Cost of Construction, Revenue, &c. (Ques.) 1719 (i).
——— Truro Staff, Number of Employees for Sept., Oct., Nov. and Dec., 1908 (Ans.) 244 (i).
——— number employed, &c. (Ques.) 328 (i).
——— Station at Truro, Erection of (Ques.) 824 (i).
——— Stationery and Printing, Expenditure *re* (Ques.) 2374 (ii).
Londonderry Station to Great Village, Mail Contract, Name, Remuneration, &c. (Ques.) 824 (i).
Ry. Act (level crossings) Amt. B. 106 (Mr. Graham) in Com. on Res., 2393 (ii).
Shad Fisheries, Rep. of Prof. Prince, Inquiry for Ret., 3254 (ii).
SUPPLY—
Public Works—Buildings—Dom. (rents) 2453 (ii); (water) 1619 (i).
Public Works—Buildings—N.S. (Westville) 1292 (i).
Public Works—Buildings—Que. (Joliette) 1296 (i).

STANFIELD, Mr. J.—*Con.*

SUPPLY—*Con.*

Public Works—Harbours and Rivers—N.S. (bridges) 2474; (Brule) 2460; (Economy) 2460 (ii); (Tatamagouche) 1621 (i).
Railways—I.C.R. (Truro) 2754 (ii).

Tatamagouche Bay Wharf Expenditure for Oct. and Nov., &c. (Ques.) 185 (i).

Truro Armoury, Apptmt. of Caretaker, &c. (Ques.) 186 (i).

STAPLES, Mr. W. D., *Macdonald.*

Assiniboine River Improvements, Cor., Vouchers, &c. (M. for ret.*) 1191 (i).
—— Inquiry for Ret., 3254 (ii).

Brandon City, Exchange of Lands, Issue of Patent, &c. (Ques.) 2322 (ii).

Budget, The (remarks) 5063 (iii).

C.P. Ry. Co.'s B. 79 (Mr. McIntyre) in Com., 3160 (ii).

Election Act (ry. employees) Amt. B. 112 (Mr. Conmee) on M. for 1°, 3472 (ii).

Experimental Farms, Live Stock, &c. (M for ret.*) 1420 (i).
—— (Ques.) 546 (i).

Experimental Farms, Locations, &c., on prop. Res. (Mr. Lapointe) 1959 (i).

Govt. Tenders, Ques. of Order, 285 (i).

Patents for Lands of Sections 16, 20 and 22, &c., Payment of Taxes, &c. (Ques.) 4900 (iii).

Ry. Commissioners Board, Pet. *re* Vacancy, &c. (Ques.) 529 (i).
—— Apptmt. of Practical Farmer from N.W. (prop. res.) 2625 (ii).
—— Ques. of Order, 2648 (ii).

Rural Free Mail Delivery, on M. (Mr. Armstrong) to Com. of Sup., 2802 (ii).

SUPPLY—

Arts, Agriculture, &c. (census, &c.) 696; (Gold and Silver Marking Act) 809 (i); (live stock industry) 5837 (iii); (Public Works Health Act) 810 (i).
Excise (methylated spirits) 449 (i).
Penitentiaries Generally (supplies) 899; St. Vincent de Paul (Supplies) 914 (i).
Public Works—Buildings—Man. (Dauphin) 1543; (Winnipeg P.O.) 1549 (i).
Public Works—Buildings—Ottawa (astronomical observatory) 618 (i)
Public Works—Harbours and Rivers—Man. (Portage la Prairie) 3332 (ii).

Swan Lake Indian Reserve, Purchase by Govt., Sales, &c. (Ques.) 477 (i).

Telephone Rates in Canada, Control of by Govt., on prop. Res. (Mr. Lennox) 1784 (i).

Thompson Municipality Patent, Grant, &c. (remarks) in Com. of Sup., 6280 (iv).

Usury Act, 1908, Prosecutions, Penalties, &c., (Ques.) 481 (i).

STEWART, Mr. T. J., *West Hamilton.*

Budget, The, 5089 (iii).

Criminal Code (concealed weapons) Amt. (B. 101) 1° m., 2217 (ii).

Foresters Insurance Business, Complaints *re* (remarks) 6510 (iv).

Post Office Act (letter carriers) Amt. B. 136 (Mr. Lemieux) in Com., 6321 (iv).

SUPPLY—

Adulteration of Food (fraudulent marking) 456 (i).
Civil Govt.—Inland Revenue (salaries) 429 (i).

STRATTON, Mr. J. R., *West Peterborough.*

I.C.R. (remarks) on Annual Stmnt., 2700 (ii).

SUPPLY—

Canals—Trent (construction) 3178 (ii).

SUTHERLAND, Hon. R. F., *North Essex.*

Budget, The, 4616 (iii).

Criminal Code Amt. B. 148 (Mr. Aylesworth) in Com., 6764 (iv).

Florence Mining Co.'s Appeal *re* Ont. Govt. Legislation, on Ques. of Order (Mr. Speaker) 6922 (iv).

House of Commons Classification, on M. (Sir Wilfrid Laurier) to conc., 6106 (iv).

Mayes Affidavit, on Amt. (Mr. Daniel) to Com. of Sup., 4276 (iii).
—— on Ques. of Order (Mr. Emmerson) 277 (i).

Salvation Army Governing Council incorp. (B. 142) 1°*, 4411 (iii).

SUPPLY—

Public Works—Dredging (generally) 6539 (iv).

TALBOT, Mr. O. E., *Bellechasse.*

Agricultural Fertilizers B. 110 (Mr. Templeman) in Com., 4469 (iii).

Anglo Canadian and Continental Bank (B. 118) 1°*, 3703 (ii).

Canadian Northern Quebec Ry. Co.'s B. 38 (Mr. Dubeau) on Senate Amts., 4594 (iii).

Experimental Farms, Locations, &c., on prop. Res. (Mr. Lapointe) 1941 (i).

Govt. Harbours and Piers Act Amt. B. 89 (Mr. Brodeur) in Com., 6127 (iv).

G.T.P. Loan B. 128 (Mr. Fielding) in Com. on Res., 3622 (ii); on M. for 2°, 5153; on Amt. (Mr. Meighen) to M. for 3°, 5618 (iii).

House of Commons Classification, on M. (Sir Wilfrid Laurier) to conc., 6111 (iv).

Immigration to U.S., Repatriation, &c., on M. (Mr. Paquet) for Cor., 855 (i).

Imperial General Staff, Prop. Organization, O.Cs. Cor., &c. (M. for copies) 1420 (i).

TALBOT, Mr. O. E.—*Con.*

Japanese Immigration, Sir P. Lake's Speech at Toronto (Ques.) 1065 (i).

Manitoba and Northwestern Ry. Co.'s B. 81 (Mr. Cash) in Com., 3962 (ii).

Mayes-McAvity Affidavit, on Amt. (Mr. Daniel) Ques. of Order, 4280 (iii).

Proportional Representation, Ques. of Order, 2599 (ii).

SUPPLY—

Militia (salaries) 2282 (ii).

Public Works—Harbours and Rivers—Que. (Saguenay dredging) 2814 (ii).

TAYLOR, Mr. Geo., *Leeds.*

Agricultural Estimates, Delay in Considering (remarks) 4412 (iii).

Agricultural Fertilizers B. 110 (Mr. Templeman) in Com., 4448 (iii).

Animals Contagious Diseases Act Amt. B. 18 (Mr. Fisher) in Com., 751 (i).

Australian Trade with Canada, Subsidy, &c., on M. (Mr. Turriff) to Com. of Sup., 6473 (iv).

Aylesworth, Geo. Anson, Emplymt. by Govt. (Ques.) 248 (i).

Black Lake Postmaster, Complaints, Investigation, &c. (Ques.) 4896 (iii).

British Columbia Southern Ry. Co.'s (B. 85) 1°*, 1813 (i).

Brockville, Westport and Northwestern Ry. Names of Stockholders, Passenger Rates, Freight, &c. (Ques.) 3473 (ii).

Budget, The, (remarks) 3649 (ii).

Canada-France SS. Subsidy B. 146 (Mr. Brodeur) in Com. on Res. 4443 (iii).

Canada Life Assurance Co.'s B. 56 (Mr. Clarke) in Com., 5481; on M. (Mr. Henderson) to ref. back to special Com., 5443; Ques. of Order, 5458 (iii).

Canadian Western Ry. Co.'s incorp. B. 11 (Mr. Pardee) in Com., 987 (i).

Carson, Mr. Geo., Emplymt. by P. O. Dept., Absence, &c. (Ques.) 4697 (iii).

Charlottetown Post Office, Sidewalk Construction, Tenders *re* (Ques.) 4228 (iii).

Coal conserved for the Home Market, on prop. Res. (Mr. McKenzie) 3109 (ii).

Coal Strikes in the West, Settlement of (remarks) 4120 (iii).

Commercial Feeding Stuffs B. 127 (Mr. Templeman) in Com., 5208 (iii).

Debates, Official, on M. (Mr. Gervais) to conc. in 1st Rep. of Som., 1478 (i).

Debt of Canada, Jan. 31, 1909, Increase from 1908 (Ques.) 1079 (i).

Easter Adjournment (remarks) 3649 (ii).

External Affairs Dept. B. 90 (Mr. Murphy) in Com., 4436 (iii).

Franking Privilege and Political Literature (remarks) in Com. of Sup., 1657 (i).

TAYLOR, Mr. Geo.—*Con.*

Govt. Harbours and Piers Act Amt. B. 89 (Mr. Brodeur) in Com., 4423, 4430 (iii), 5907 (iv).

Govt. Tenders, Receiving and Opening, on prop. Res. (Mr. Reid) 284 (i).

G.T.P. Loan B. 128 (Mr. Fielding) in Com. on Res., 3609 (ii); on M. for 2°, 5123; in Com., 5250 (iii).

G.T. Ry., Indebtedness to Canada (M. for O.Cs.*) 3056 (ii).

—— Interest Due, &c. (Ques.) 2759 (ii).

Griffith, Mr. Wm., Apptmt. as Immigration Agent, Salary, &c. (Ques.) 1415 (i).

Higgs, Deportation by Immigration Dept. (Ques.) 147 (i).

House of Commons, Additional Rooms, Allotment, &c. (Ques.) 177, 466 (i).

House of Commons Elevators, Repairing and Running (remarks) 2337 (ii).

Immigration Act Amt. B. 17 (Mr. Oliver) in Com., 6182 (iv).

Insurance Act Amt. Bill, Progress in Senate, 7069 (iv).

I.C.R. Freight Clerks Disputes, Letter of Dep. Min. of Rys. *re* Award of Board (Ques.) 4697 (iii).

Inverness Harbour, C.B. Improvement, Purchase of land, &c. (Ques.) 4637 (iii).

Investigations into Deptl. Expenditures, by Judge Cassels, on Amt. (Mr. Doherty) to Com. of Sup., 3910 (ii).

Kootenay and Arrowhead Ry. Co.'s (B. 80) 1°*, 1648 (i); in Com., 3411, 3605 (ii).

Lacas, Emile, Absence from Dept. for 1906-7-8, Pay, &c. (Ques.) 4635 (iii).

Lansdowne Drill Shed, Tenders, Contract *re* Repairs (Ques.) 5630 (iii).

Margaree Island Lighthouse, Expenditure *re* Road (Ques.) 6090 (iv).

Marine and Fisheries Purchases, &c., on Ques. of Priv. (Mr. Brodeur) 4044 (iii).

Montreal Harbour Commissioners B. 154 (Mr. Brodeur) in Com., 5235 (iii).

Navigable Waters Protection Act Amt. B. 152 (Mr. Brodeur) in Com., 5234 (iii).

Ontario and Michigan Power Co.'s incorp. B. 34 (Mr. Conmee) in Com., 5570 (iii).

Parliament Hill Grounds, Condition of (remarks) 6473 (iv).

Port Hood Breakwater, Expenditures *re* (Ques.) 4892 (iii).

Priv., Ques. of (Mr. Conmee) *re* 'Special Trains,' 4295 (iii).

Public Accounts Com., on M. to ref. Pub. Accounts, &c. to Com., 1479 (i).

Ry. Act (level crossings) Amt. B. 106 (Mr. Graham) in Com. on Res., 2394 (ii).

Sessional Allowance Deduction (remarks) 4119 (iii).

TAYLOR. Mr. Geo.—*Con.*

Sorel Ship Yards, Repairs of Boats owned by Marine Officials, &c. (Ques.) 4702 (iii).

Submarine Co.'s Patent Relief B. 77 (Mr. Proulx) in Com., 4539 (iii).

SUPPLY—

Arts, Agriculture, &c. (live stock industry) 5833 (iii); (Year-book) 704, 726 (i).

Canals—Galops (collector) 1574 (i).

Canals—Lachine (cement) 1566; (cement testing) 794 (i).

Canals—Trent (Holland River) 1591 (i).

Civil Govt.—Agriculture (salaries) 649 (i).

Civil Govt.—Aud. General (salaries) 383 (i).

Civil Govt (charges of management) 399 (i).

Civil Govt.—Customs (board of customs) 582; (contingencies) 590 (i).

Civil Govt.—Marine and Fisheries (salaries) 383 (i).

Civil Govt.—Public Works (salaries) 613 (i).

Civil Govt.—Post Office (salaries) 720 (i).

Civil Govt—Trade and Commerce (salaries) 385 (i).

Civil Service Commission (salaries) 387, 714 (i).

Customs—Miscellaneous (printing and stationery) 609; (revenue cruisers) 611 (i).

Fisheries (dog fish plant) 6950; (international commission) 6968; (transportation) 6956 (iv).

Immigration (agents, &c.) 7002 (iv).

Indians—B.C. (destitute) 1141; (schools) 1143 (i).

Indians—Generally (legal expenses) 996 (i).

Indians—N. S. (seed grain) 998 (i).

Indians—Ont. (annuities) 998 (i).

Indians—P. E. I. (Lennox wharf) 1000 (i); (medical attendance) 1000 (i).

Marine and Fisheries (biological stations) 6954 (iv); (fisheries conference) 3691 (ii).

Militia (salaries) 2302 (ii).

Mines (geological specimens) 7063 (iv).

Ocean and River Service (ice-breakers) 3437 (ii).

Penitentiaries—Kingston (skis) 7056 (iv); (supplies) 886 (i).

Penitentiaries—St. Vincent de Paul (supplies) 914 (i).

Penitentiaries—Stony Mountain (supplies) 919 (i).

Post Office (miscellaneous) 1716 (i).

Printing and Stationery (salaries) 805 (i).

Public Works—Buildings—Generally (armmouries) 1596 (i).

Public Works—Buildings—Man. (Dauphin) 1548 (i).

Public Works—Buildings—Ont. (Cornwall) 1360; (R. M. College) 1383; (Whitby) 1542 (i).

Public Works—Buildings—Ottawa (additional wing) 1256; (astronomical observatory) 617; (grounds) 1601 (i).

Public Works—Buildings—Que. (St. Johns) 1317 (i).

Public Works—Buildings—Yukon (commissioner's residence) 1592 (i).

Public Works—Dredging (generally) 6539 (iv); Mar. Provs. (plant) 3346 (ii).

TAYLOR, Mr. Geo.—*Con.*

SUPPLY—*Con.*

Public Works—Harbours and Rivers—Man. (Lake Dauphin) 2997; (Portage la Prairie) 3333 (ii).

Public Works—Harbours and Rivers—Ont. (Blanche river) 2966; (bridges, repairs) 2972; (Burlington piers) 2967; (Collingwood) 3294; (Goderich) 2968; (Gravenhurst) 2981; (Kingston channel) 2979; (Lake Nipissing) 3309; (Little Current) 2974; (McGregor's Creek) 2974; (Magnetawan) 2983; (Meaford) 2984; (Richard's Landing) 2978; (Sault Ste. Marie) 2980; (Southampton) 3317; (Spanish River) 3328; (Toronto) 2980; (Wolfe Island canal) 3304 (ii).

Public Works—Harbours and Rivers—Que. (Batiscan) 3276; (Bonaventure) 2559, 3282; (Cap St. Ignace) 2523; (Lake St. Francis) 2555; (Laprairie ice piers) 2899; (Saguenay dredging) 2805; (St. Alphonse de Bagotville) 2902; (St. Francis river) 2898; (St. Francis du Lac) 3286; (St. Jean des Chaillons) 2908; (St. Nicholas) 2909 (ii).

Public Works—Miscellaneous (monuments) 6543 (iv).

Public Works—Telegraph Lines—Yukon (Ashcroft-Dawson) 3349 (ii).

Quarantine ('Challenger') 5884 (iii).

Railways—I. C. R. (working expenses) 3421 (ii).

Railways—P.E. I. (Charlottetown) 2960; (Harmony-Elmira) 2957 (ii).

Wharfs: *See* 'Govt. Harbours,' &c.

Wire Fencing. Advertisements for Tenders, &c. (M. for ret.*) 354 (i).

——— Inquiry for Ret., 1321 (i).

Wire Fencing purchased in 1908, Tenders, Quantity, &c. (Ques.) 245 (i).

TAYLOR, Mr. J. D., *New Westminster*

Address, The, 120 (i).

Animals Contagious Diseases Act Amt. B. 18 (Mr. Fisher) in Com., 762 (i).

Bourke, Mr., Retirement of: *See* 'Miner, Bill.'

B.C. Penitentiary, Escape of Convict Bill Miner, Rep. *re* Investigation (Ques.) 350 (i)

B. C. Timber Lands, Leases granted since 1896, Names, Addresses, &c. (M. for ret.*) 1923 (i)

Budget, The, on Ques. of Order (Mr. Fielding) 5060 (iii).

Cable between Vancouver and Mainland, Application *re* (Ques.) 1073 (i).

Chilliwack Post Office Site, Plans, Tenders, &c. (Ques.) 1414 (i).

Chilliwack Public Building, Negotiations *re* Purchase of Property (Ques.) 1073 (i).

Fisheries in B. C., Depletion by American Fishermen, on M. for Sup., 6500 (iv).

Fisheries Regulations *re* International Commission (remarks) in Com. of Sup., 6967 (iv).

TAYLOR, Mr. J. D.—*Con.*

Franking Privilege and Political Literature (remarks) in Com. of Sup., 1663 (i).

——— Ques. of Order, 1683 (i).

Fraser River, Flooding at Delta, Rep. of Mr. Coste, &c. (Ques.) 2587 (ii).

Gillis, Angus, Claims *re* Compensation for Injuries on I. C. R. (Ques.) 6089 (iv).

Govt. Harbours and Piers Act Amt. B. 89 (Mr. Brodeur) in Com., 5905 (iv).

G. T. P., Siberian Labourers (Ques.) 4898 (iii).

——— Information *re* Answer to Question, 4989 (iii).

G. T. P. Loan B. 128 (Mr. Fielding) in Com., 5328 (iii)

G. T. P., Sub-contractors on B. C. Section, Importation of Labour, &c. (remarks) 3939 (ii).

——— Unpaid Wages, Claims of Stationmen, &c., Payments *re* (Ques.) 5629 (iii).

Hickman, Mr. W. A., Emplymt. by Govt., Payments to, &c. (Ques.) 3054 (ii).

Investigations into Deptl. Expenditures, on Amt. (Mr. Doherty) to Com. of Sup., 3921 (ii).

Labour Hours for Working Men, Restriction, &c., on M. (Mr .Verville) to Com. of Sup., 5944 (iv).

Mail Contracts, Fair Wage Clause (remarks) in Com. of Sup., 3430 (ii).

Miner, Bill, Escape from B.C. Penitentiary (remarks) in Com. of Sup., 925 (i), 7035 (iv).

——— Ques. of Order, 950 (i).

——— Cor. Reps., &c. (M. for ret.) 1192 (i).

Miner, Bill, Escape from B.C. Penitentiary. Investigation *re*, on M. for Sup., 1813 (i).

——— Ques. of Order, 1821 (i).

——— Letter *re* Visit of Alex. D. McIntyre, &c. (Ques.) 2595 (ii).

——— Moneys received previous to escape from Penitentiary (Ques.) 4898 (iii).

See 'B.C.,' &c.

New Westminster Dry Dock, Application for Govt. Aid (Ques.) 3048 (ii).

New Westminster Post Office, Free Mail Delivery (remarks) in Com. of Sup., 1709 (i).

Nickel Ore, Export Duty *re* (Ques.) 5634 (iii).

Oriental Immigration into B.C., Res. *re* Royal Commission (Ques.) 1242 (i).

——— Inaccurate Answer, 1248 (i).

Piers, Wharfs, &c., constructed by Day Labour, Procedure *re* (remarks) in Com of Sup., 2521 (ii)

Political Weekly Letter, Franking and Distribution by Govt. (Ques.) 1920 (i).

TAYLOR, Mr. J. D.—*Con.*

Postal Law Violation, Number of Prosecutions, Penalties, &c. (M. for ret.*) 1924 (i).

Railway Belt, B.C., Litigation between Dom. and B.C. (Ques.) 3043 (ii).

Registered Stock, Arrangements *re* Importation from U.S., Regulations *re* (Ques.) 2379 (ii).

Richmond Rifle Range, Protection *re* Shooting (Ques.) 1722 (i).

SUPPLY—

Arts, Agriculture, &c. (exhibitions) 729 (i); (experimental farm) 5940 (iv); (live stock industry) 5875 (iii).

Civil Govt.—Post Office (salaries) 724 (i).

Fisheries (biological stations) 3438; (international fisheries commission) 3459 (ii); 6967 (iv).

Indians—B.C. (surveys commission) 1144 (i).

Militia (ordnance) 2310 (ii).

Penitentiaries (B.C.) 7035 (iv); (retirements) 924 (i).

Post Office (rural mails) 3430 (ii).

Public Works—Buildings—B. C. (Chilliwack) 2090; (Victoria immigration) 2086; (Williams Head) 2090 (ii).

Public Works—Buildings—Generally (experimental farms) 1598 (i).

Public Works—Buildings—Ottawa (astronomical observatory) 623; (Major's Hill) 1601 (i).

Public Works—Dredging (generally) 6540 (iv).

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BILLS:

Bill (No. 1) Respecting the Administration of Oaths of Office.—(Sir Wilfrid Laurier).
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Bill (No. 2) To amend the Passenger Tickets Act.—(Mr. Reid, Grenville).
1°*, 91; 2°m., 550 (i).

Bill (No. 3) To amend the Railway Act.—(Mr. Bickerdike).
1°, 91; on Order for 2°, 555 (i).

Bill (No. 4) To amend the Criminal Code.—(Mr. Bickerdike).
1°, 92; 2°m., 556; in Com., 567 (i).

Bill (No. 5) To amend the Naturalization Act.—(Mr. Murphy).
1°, 93; dschgd., 378 (i).

Bill (No. 6) To amend the Railway Act.—(Mr. Lancaster).
1°, 93; 2°, 374; in Com., 375; 3°m., 521; 3°*, 876 (i).

Bill (No. 7) To amend the Railway Act.—(Mr. Clarke, Essex).
1°, 94; 2°, 375 (i).

Bill (No. 8) To amend the Dominion Lands Act.—(Mr. Oliver).
1°, 94; 2° and in Com., 379; 3°*, 402 (i); Sen. Amts., 2911 (ii).

Bill (No. 9) Respecting the Brandon Transfer Railway Company.—(Mr. Turriff).
1°*, 159; 2°*, 327; in Com., and 3°*, 989 (i).

Bill (No. 10) Respecting the Brazilian Electro Steel and Smelting Company, Limited.—(Mr. Pardee).
1°*, 159; 2°*, 327; in Com., 1023; 3°*, 1024 (i).

Bill (No. 11) To incorporate the Canadian Western Railway Company.—(Mr. Pardee).
1°*, 159; 2°*, 327; in Com., 986; 3°*, 988 (i).

Bill (No. 12) Respecting the Collingwood Southern Railway Company.—(Mr. Pardee).
1°*, 159; 2°*, 327; in Com., and 3°*, 989 (i).

BILLS—*Con.*

Bill (No. 13) Respecting the Grand Trunk Railway Company of Canada.—(Mr. Pardee).
1°*, 160; 2°*, 327; in Com., and 3°*, 1364 (i).

Bill (No. 14) Respecting the Huron and Ontario Railway Company.—(Mr. Pardee).
1°*, 160; 2°*, 327; in Com., and 3°*, 989 (i).

Bill (No. 15) Respecting the Mexican Land and Irrigation Company, Limited.—(Mr. Pardee).
1°*, 160; 2°, 1024 (i).

Bill (No. 16) To amend the Dominion Elections Act.—(Mr. Macdonell).
1°, 160 (i).

Bill (No. 17) Respecting Immigration.—(Mr. Oliver).
1°*, 240; 2°m., 2009 (i), 4413, 5217 (iii); in Com., 6129 (iv).

Bill (No. 18) To amend the Animals Contagious Diseases Act.—(Mr. Fisher).
1°, 240; 2°m., 749; in Com., 750; 3°, 770 (i).

Bill (No. 19) To amend the Post Office Act.—(Mr. Lemieux).
1°, 241; 2° and in Com., 738; 3°*, 882 (i).

Bill (No. 20) To amend the Government Railways Act.—(Mr. Graham).
1°, 241; 2°, 770; in Com., 779; 3°*, 780 (i).

Bill (No. 21) To amend the Railway Act.—(Mr. Graham).
1°, 242; 2° and in Com., 1117; 3°*, 1122 (i).

Bill (No. 22) Respecting the Hours of Labour on Public Works.—(Mr. Verville).
1°*, 240 (i).

Bill (No. 23) Respecting the Alberta Central Railway Company.—(Mr. McIntyre, Strathcona).
1°, 290; 2°*, 437; in Com., and 3°*, 1696 (i).

Bill (No. 24) Respecting the Edmonton and Slave Lake Railway Company.—(Mr. McIntyre, Strathcona).
1°, 290; 2°*, 438; in Com., and 3°, 1363 (i).

Bill (No. 25) Respecting the Joint Section of the Canadian Pacific Railway Company and the Grand Trunk Pacific Railway Company, at Fort William, Ontario.—(Mr. Turiff).
1°*, 290; 2°*, 438; in Com., 1718; 3°*, 1718 (i).

Bill (No. 26) Respecting the Kootenay Central Railway Company.—(Mr. Goodeve).
1°*, 290; 2°*, 438; in Com., and 3°*, 1364 (i).

Bill (No. 27) To incorporate the London and Lancashire Plate Glass and Indemnity Company of Canada.—(Mr. Macdonell).
1°*, 290; 2°*, 438 (i); in Com., 2146; 3°*, 2147 (ii).

BILLS—*Con.*

Bill (No. 28) Respecting the Union Station and other joint facilities of the Grand Trunk Pacific Railway Company and the Midland Railway of Manitoba, at Portage la Prairie.—(Mr. Turriff).
1°*, 290; 2°*, 438; in Com., and 3°*, 1696 (i).

Bill (No. 29) Respecting the Winnipeg and Northwestern Railway Company.—(Mr. McCraney).
1°*, 290; 2°*, 438 (i); in Com., 2067, 2130; 3°*, 2146 (ii).

Bill (No. 30) Respecting the Subsidy from the Ontario Government to Lake Superior Branch of G. T. Pacific Railway.—(Mr. Turriff).
1°*, 290; 2° m., 66, 1364 (i); in Com., and 3°*, 3415 (ii).

Bill (No. 31) To prevent the payment or acceptance of illicit or secret commissions, and other like practices.—(Mr. Aylesworth).
1°, 325; 2° and in Com., 1122; in Com., 1479; 3°*, 1490 (i); Sen. Amt., 4412 (iii).

Bill (No. 32) To amend the Railway Act.—(Mr. Barr).
1°, 326; 2°, 876 (i).

Bill (No. 33) Respecting the Niagara-Welland Power Company.—(Mr. Guthrie).
1°*, 465; 2°*, 779 (i), in Com., 2571; 3°*, 2571 (ii).

Bill (No. 34) To incorporate the Ontario and Michigan Power Company.—(Mr. Conmee).
1°*, 465; 2°, 1026 (i); in Com., 4472, 4593, 5296, 5352, 5559 (iii), 5958, 6000; 3° m., 6001 (iv).

Bill (No. 35) To incorporate the Salisbury and Harvey Railroad Company.—(Mr. Emmerson).
1°*, 465; 2°, 775; in Com., 1363, 1513; 3°, 1513 (i).

Bill (No. 36) Respecting the Southern Central Pacific Railway Company.—(Mr. McIntyre, Strathcona).
1°*, 465; 2°, 778 (i); in Com., and 3°*, 2067 (ii).

Bill (No. 37) To incorporate the Western Canadian Life Assurance Company.—(Mr. Knowles).
1°*, 465; 2°, 778 (i); in Com., 2564; 3°*, 2569 (ii).

Bill (No. 38) Respecting the Canadian Northern Quebec Railway Company.—(Mr. Dubeau).
1°*, 465; 2°*, 779; in Com., and 3°*, 1696 (i); Sen. Amts., 4164, 4593, 5486 (iii).

Bill (No. 39) To amend the Railway Act.—(Mr. Northrup).
1°, 465 (i).

Bill (No. 40) To incorporate the Great West Permanent Loan Company.—(Mr. Haggart, Winnipeg).
1°*, 626; 2°*, 1366 (i); in Com., 2569; in Com., and 3°*, 2578 (ii).

BILLS—*Con.*

Bill (No. 41) Respecting the Tilsonburg, Lake Erie and Pacific Railway Company.—(Mr. Schell).

1°*, 626; 2°*, 988; in Com., and 3°*, 1696 (i).

Bill (No. 42) Respecting the Toronto, Niagara and Western Railway Company.—(Mr. Calvert).

1°*, 626; 2°*, 988 (i); in Com., 2063; 3°*, 2037 (ii).

Bill (No. 43) Respecting the Hudson Bay and Pacific Railway Company.—(Mr. Cash).

1°*, 626; 2°*, 988 (i); in Com., 2067; 3°*, 2067 (ii).

Bill (No. 44) To incorporate the Canadian Liverpool and Western Railway Company.—(Mr. Girard).

1°*, 626; 2°*, 988; in Com., 1685, 1719, 1858 (i), 2058, 2129; 3°*, 2129 (ii).

Bill (No. 45) Respecting Load Lines on Ships.—(Mr. Lewis).

1°, 663 (i).

Bill (No. 46) Respecting the Crawford Bay and St. Mary's Railway Company, and to change its name to 'British Columbia, Alberta, Saskatchewan and Manitoba Railway Company.'—(Mr. McIntyre, Strathcona).

1°*, 738; 2°*, 988; in Com., and 3°*, 1719 (i).

Bill (No. 47) Respecting the Guelph and Goderich Railway Company.—(Mr. Lewis).

1°*, 738; 2°*, 988 (i); in Com., and 3°*, 2067 (ii).

Bill (No. 48) Respecting the Montreal Terminal Railway Company.—(Mr. Geoffrion).

1°*, 738; 2° m., 1147; 2°*, 1366 (i); in Com., and 3°*, 2951 (ii).

Bill (No. 49) Respecting the Ottawa, Northern and Western Railway Company.—(Mr. Devlin).

1°*, 738; 2°*, 988 (i); in Com., and 3°*, 2539 (ii).

Bill (No. 50) To incorporate La Compagnie du Chemin de fer International de Rimouski.—(Mr. Ross).

1°*, 738; 2°*, 1366 (i); in Com., and 3°*, 2539 (ii).

Bill (No. 51) To incorporate the Royal Casualty and Surety Company of Canada.—(Mr. McLean, Sunbury and Queens).

1°*, 738; 2°*, 988 (i); in Com., 2575, 2717; 3°*, 2720 (ii).

Bill (No. 52) Respecting the Bank of Vancouver.—(Mr. Cowan).

1°*, 738; 2°*, 989 (i); in Com., 2147; 3°*, 2148 (ii).

Bill (No. 53) Respecting the Walkerton and Lucknow Railway Company.—(Mr. Donnelly).

1°*, 738; 2°*, 989 (i); in Com., 2147; 3°*, 2068 (ii).

BILLS—*Con.*

Bill (No. 54) To amend the Railway Act.—(Mr. Nantel).

1°, 813 (i).

Bill (No. 55) To incorporate the British Columbia Life Assurance Company.—(Mr. Cowan).

1°*, 868; 2° m., 1147; 2°*, 1366 (i); in Com., and 3°*, 2578 (ii).

Bill (No. 56) Respecting the Canada Life Assurance Company.—(Mr. Clarke, Essex).

1°*, 868; on Order for 2°, 1147; 2°*, 1366 (i); in Com., 2571, 3004, 3041, 3411 (ii), 4164, 4472, 5093, 5429, 5480 (iii), 5995, 6006; 3°*, 6058 (iv).

Bill (No. 57) Respecting the Vancouver, Fraser Valley and Southern Railway Company.—(Mr. Taylor, New Westminster).

1°*, 868; 2°*, 1055 (i); in Com., and 3°*, 2148 (ii).

Bill (No. 58) Respecting the Vancouver, Westminster and Yukon Railway Company.—(Mr. Smith, Nanaimo).

1°*, 868; 2°*, 1055 (i); in Com., and 3°*, 2148 (ii); Sen. Amt., 4445 (iii).

Bill (No. 59) To incorporate the Victoria and Barkley Sound Railway Company—(Mr. R. Smith).

1°*, 868; 2°*, 1366 (i); in Com and 3°*, 2539 (ii).

Bill (No. 60) To amend the Criminal Code respecting injuries to Persons due to Motor Vehicles.—(Mr. Lewis).

1°, 952 (i).

Bill (No. 61) Respecting the Burrard Westminster Boundary Railway and Navigation Company.—(Mr. Smith, Nanaimo).

1°*, 1116; 2°*, 1366 (i); in Com., and 3°*, 2539 (ii).

Bill (No. 62) To incorporate the Prince Albert and Hudson Bay Railway Company.—(Mr. Neely).

1°*, 1116; 2°*, 1366 (i); in Com., 2530; in Com., and 3°*, 2578 (ii).

Bill (No. 63) To incorporate the Royal Canadian Accident Insurance Company.—(Mr. Ames).

1°*, 1116; 2°*, 1366 (i); in Com., and 3°*, 2720 (ii); Sen. Amts., 6788 (iv).

Bill (No. 64) To amend the Dominion Lands Act.—(Mr. Sproule).

1°, 1234 (i).

Bill (No. 65) To amend the Railway Act.—(Mr. Turriff).

1°, 1236 (i).

Bill (No. 66) Respecting the Abitibi and Hudson Bay Railway Company.—(Mr. Gordon, Nipissing).

1°*, 1318; 2°*, 1513 (i); in Com., and 3°*, 2951 (ii).

BILLS—*Con.*

Bill (No. 67) Respecting the Alsek and Yukon Railway Company.—(Mr. McIntyre, Strathcona).
1°*, 1318; 2°*, 1513 (i); in Com., and 3°*, 2951 (ii).

Bill (No. 68) Respecting the Athabasca Railway Company.—(Mr. McIntyre, Strathcona).
1°*, 1318; 2°*, 1513 (i); in Com., and 3°*, 2951 (ii).

Bill (No. 69) To incorporate the Fort Erie and Buffalo Bridge Company.—(Mr. German).
1°*, 1318 (i); 2°*, 2579; in Com., 3403; 3°*, 3404 (ii).

Bill (No. 70) Respecting the St. Mary's and Western Ontario Railway Company.—(Mr. McIntyre, Perth).
1°*, 1318; 2°*, 1513 (i); in Com., and 3°*, 2951 (ii).

Bill (No. 71) Respecting a Patent of Thomas L. Smith.—(Mr. Bickerdike).
1°*, 1318; 2°*, 1513 (i); in Com., 2578; 3° m., 2578, 2950 (ii).

Bill (No. 72) To amend the Railway Act.—(Mr. Smith, Nanaimo).
1°, 1318 (i).

Bill (No. 73) To provide for the Government Inspection of Vessels.—(Mr. Lewis.)
1°, 1319 (i).

Bill (No. 74) Respecting Wireless Telegraphy on Ships.—(Mr. Lewis.)
1°, 1393 (i).

Bill (No. 75) Respecting the Canadian Northern Ontario Railway Company.—Mr. Pardee.)
1°*, 1479 (i); 2°*, 2148; in Com., 3409; 3°*, 3984 (ii).

Bill (No. 76) To incorporate the Canadian National Fire Insurance Company.—(Mr. Haggart, Winnipeg.)
1°*, 1479; 2°*, 1719 (i); in Com., 2578; 3°, 2578 (ii).

Bill (No. 77) Respecting a Patent of the Submarine Company.—(Mr. Proulx.)
1°*, 1479 (i); 2°*, 2148 (ii); in Com., 4538; 3° m., 4544, 4592; 3°*, 4836 (iii).

Bill (No. 78) To incorporate the Superior and Western Ontario Railway Company.—(Mr. Conmee.)
1°*, 1479 (i); 2°*, 2257; in Com., 3845, 3963; 3°*, 3983 (ii).

Bill (No. 79) Respecting the Canadian Pacific Railway Company.—(Mr. McIntyre, Strathcona.)
1°*, 1648 (i); 2°*, 2148; in Com., 3039, 3151; 3°*, 3162 (ii).

Bill (No. 80) Respecting the Kootenay and Arrowhead Railway Company.—(Mr. Taylor, Leeds.)
1°*, 1648 (i); 2°*, 2148; in Com., 3411, 3472, 3605; 3°*, 3606 (ii).

BILLS—*Con.*

Bill (No. 81) Respecting the Manitoba and Northwestern Railway Company of Canada.—(Mr. Cash.)
1°*, 1648 (i); 2°*, 2148; in Com., 3844, 3942; 3°*, 3963 (ii); Sen. Amt., 5486 (iii), 6073 (iv).

Bill (No. 82) Respecting the Monarch Fire Insurance Company.—(Mr. Beattie.)
1°*, 1648 (i); 2°*, 2148 (ii); in Com., and 3°*, 4545 (iii).

Bill (No. 83) To amend the Criminal Code respecting offensive Weapons and Capital Offences.—(Mr. Lewis.)
1°, 1716 (i).

Bill (No. 84) Respecting the Athabaska Northern Railway Company.—(Mr. Turriff,)
1°*, 1813 (i); 2°*, 2148; in Com., and 3°*, 3984 (ii).

Bill (No. 85) Respecting the British Columbia Southern Railway Company.—(Mr. Taylor, Leeds.)
1°*, 1813 (i); 2°*, 2148; in Com., and 3°*, 3984 (ii).

Bill (No. 86) Respecting the Cobalt Range Railway Company.—(Mr. Hodgins).
1°*, 1813 (i); 2°*, 2148; in Com. and 3°* 3847 (ii).

Bill (No. 87) To incorporate the Arnprior & Pontiac Railway Company.—(Mr. Hodgins.)
1°*, 1970 (i); 2°*, 2148 (ii); in Com., and 3°*, 4839 (iii).

Bill (No. 88) Respecting Assaults and Offences against the Person.—(Mr. Lewis).
1°, 1971 (i).

Bill (No. 89) To amend the Government Harbour and Piers Act.—(Mr. Brodeur).
1°*, 1972 (i); 2° and in Com., 4414 (iii), 5896, 6123; 3°*, 6128 (iv).

Bill (No. 90) To create a Department of External Affairs.—(Mr. Murphy).
Res. prop., 1813; M. for Com. on Res., 1978; in Com. on Res., 1996; 1°* of B. 2008 (i); 2° and in Com., 4436, 4470; 3°*, 4471 (iii).

Bill (No. 91) To incorporate the Prudential Trust Company, Limited.—(Mr. Macdonell.)
1°*, 2019; 2°*, 2579 (ii); in Com., 5484 (iii); 3°*, 6068 (iv).

Bill (No. 92) Respecting Patents of the Hart-Otis Car Company, Limited.—(Mr. Geoffrion.)
1°*, 2019; 2°*, 2267 (ii).

Bill (No. 93) Respecting Patents of Ammonal Explosives (1908), Limited.—(Mr. Macdonell.)
1°*, 2120; 2° m., 2579, 2720 (ii).

BILLS—*Con.*

Bill (No. 94) Respecting the Cedar Rapids Manufacturing and Power Company.—(Mr. Boyer.)
1°*, 2120; 2°*, 2579; in Com., 3404, 3472, 3605; 3°*, 3605 (ii).

Bill (No. 95) To incorporate the Royal Guardians.—(Mr. Lachance.)
1°*, 2120; 2°*, 2579 (ii); in Com., and 3°*, 4545 (iii).

Bill (No. 96) Respecting the Kettle River Valley Railway Company.—(Mr. Burrell).
1°*, 2120; 2°*, 2579; in Com., and 3°*, 3847 (ii).

Bill (No. 97) Respecting Insurance.—(Mr. Fielding).
1°, 2121; 2°, 2564 (ii); Res. prop., 6687; in Com., 6704, 6788; 3°*, 6822 (iv).

Bill (No. 98) To amend the Exchequer Court Act.—(Mr. Aylesworth).
1°, 2127 (ii); 2° and in Com., 5349; 3°*, 5350 (iii).

Bill (No. 99) To amend the Railway Act.—(Mr. Conmee).
1°, 2127 (ii).

Bill (No. 100) To amend the Adulteration Act.—(Mr. Sexsmith).
1°, 2217 (ii).

Bill (No. 101) To amend the Criminal Code.—(Mr. Stewart).
1°, 2217 (ii).

Bill (No. 102) To incorporate the London and Northwestern Railway Company.—(Mr. Beattie).
1°*, 2318; 2°*, 2579; in Com., 3846, 3983; 3°*, 3984 (ii).

Bill (No. 103) Respecting the National Accident and Guarantee Company of Canada.—(Mr. Pardee).
1°*, 2318; 2°*, 2579 (ii); in Com., and 3°*, 6624 (iv).

Bill (No. 104) Respecting the Thessalon and Northern Railway Company.—(Mr. Smyth).
1°*, 2318; 2°*, 2579 (ii); in Com., 5483, 5574 (iii), 6062; 3°*, 6068 (iv).

Bill (No. 105, from the Senate) Relating to the Water Carriage of Goods.—(Mr. Miller).
1°*, 2670 (ii); 2°, 6774; in Com., 6774 (iv).

Bill (No. 106) To amend the Railway Act.—(Mr. Graham).
Res. prop., 2323; in Com. on Res., 2384; 1°* of B., 2402 (ii); 2°, 6186; in Com., 6200, 6293; 3° m., 6302; 3°*, 6313; Sen. Amt., 7068 (iv).

Bill (No. 107) To amend the Adulteration Act.—(Mr. Currie, Simcoe).
1°, 2490 (ii).

BILLS—*Con.*

Bill (No. 108) Respecting the Saving of Daylight.—(Mr. Lewis).
1°, 2491; 2°, 3468 (ii).

Bill (No. 109, from the Senate) To amend the Government Annuities Act, 1908.—(Mr. Fielding).
1°*, 2670 (ii); 2°, 6773; in Com., and 3°*, 6774 (iv).

Bill (No. 110) Respecting Agricultural Fertilizers.—(Mr. Templeman).
1°, 2910 (ii); 2° and in Com., 4445, 5202; 3°*, 5217 (iii).

Bill (No. 111) To amend the Railway Act.—(Mr. Lewis).
1°, 3362 (ii).

Bill (No. 112) To amend the Dominion Elections Act.—(Mr. Conmee).
1°, 3468 (ii).

Bill (No. 113) To amend the Industrial Disputes Investigation Act, 1907.—(Mr. Macdonell).
1°, 3565 (ii).

Bill (No. 114, from the Senate) To incorporate the British Colonial Fire Insurance Company.—(Mr. Turriff).
1°*, 3651; 2°*, 3847 (ii); in Com., and 3°*, 4545 (iii).

Bill (No. 115, from the Senate) For the relief of Victor Eccles Blackhall.—(Mr. Sutherland).
1°*, 3651; 2°*, 3847 (ii); in Com., and 3°*, 4545 (iii).

Bill (No. 116, from the Senate) For the relief of Annie Louise Coltman.—(Mr. Turriff).
1°*, 3651; 2°*, 3847 (ii); in Com., and 3°*, 4545 (iii).

Bill (No. 117) For granting to His Majesty certain sums of money for the Public Service of the financial years ending respectively March 31, 1909, and March 31, 1910.—(Mr. Fielding).
In Com. of Ways and Means, 4051; 1°, 2°*, in Com., and 3°*, 4051 (iii).

Bill (No. 118, from the Senate) Respecting the Anglo-Canadian and Continental Bank.—(Mr. Gervais).
1°*, 3703; 2°*, 3848 (ii); in Com., and 3°*, 4545 (iii).

Bill (No. 119, from the Senate) Respecting the Quinze and Blanche River Railway Company.—(Mr. McGiverin).
1°*, 3703; 2°*, 3848 (ii); in Com., and 3°*, 4839 (iii).

Bill (No. 120, from the Senate) Respecting the Windsor, Essex and Lake Shore Rapid Railway Company.—(Mr. Clarke, Essex).
1°*, 3802; 2°*, 3984 (ii); in Com., and 3°*, 4839 (iii).

BILLS—*Con.*

Bill (No. 121, from the Senate) For the relief of John Grant Ridout.—(Mr. Guthrie).
1°*, 3802; 2°*, 3984 (ii); in Com., and 3°*, 4839 (iii).

Bill (No. 122) To incorporate the Cabano Railway Company.—(Mr. Gauvreau).
1°*, 3802 (ii); 2°*, 4067; in Com., 4839; 3°*, 4840 (iii).

Bill (No. 123, from the Senate) Respecting certain Letter Patent of the American Bar-Lock Company.—(Mr. Macdonell).
1°*, 4041; 2°*, 4165; in Com., and 3°*, 5429 (iii).

Bill (No. 124, from the Senate) Respecting the Ontario, Hudson Bay and Western Railway Company.—(Mr. Schell).
1°*, 4041; 2°*, 4165; in Com., and 3°*, 5487 (iii).

Bill (No. 125, from the Senate) Respecting the Algoma Central and Hudson Bay Railway Company (Mr. Schell).
1°*, 4041; 2°*, 4165; in Com., and 3°*, 5487 (iii).

Bill (No. 126, from the Senate) Respecting the Joliette and Lake Manuan Colonization Railway Company.—(Mr. Dubeau).
1°*, 4041; 2°*, 4165; in Com., 4836; 3°*, 4839 (iii).

Bill (No. 127) Respecting Commercial Feeding Stuffs.—(Mr. Templeman).
1°, 3936 (ii); 2°, and in Com., 5204; 3°, 5213 (iii); Sen. Amts., 6743 (iv).

Bill (No. 128) To authorize a Loan to the Grand Trunk Pacific Railway Company.—(Mr. Fielding).
Res. prop., 2670; M. for Com. on Res., 3569, 3606 (ii), 4052; 1°* of B., 4118; 2° m., 5103, 5159; in Com., 5250, 5309, 5488; 3° m., 5496, 5575; 3°*, 5621 (iii).

Bill (No. 129, from the Senate) For the relief of Evelyn Martha Keller.—(Mr. Pardee).
2°*, 4445; in Com., and 3°*, 4839 (iii).

Bill (No. 130, from the Senate) For the relief of Frank Parsons.—(Mr. Tolmie).
1°*, 4286; 2°*, 4445; in Com., and 3°*, 4839 (iii).

Bill (No. 131) To amend the Canada Shipping Act.—(Mr. Brodeur).
1°, 4124; 2° and in Com., 5218; 3°*, 5218 (iii).

Bill (No. 132, from the Senate) Respecting certain Letters Patent of Franklin Montgomery Gray.—(Mr. Rankin).
1°*, 4221; 2°*, 4445; in Com., 4883, 5028; 3°*, 5028 (iii).

Bill (No. 133, from the Senate) To incorporate the Kootenay and Alberta Railway Company.—(Mr. Knowles).
1°*, 4286; 2°*, 4445; in Com., and 3°*, 4839 (iii)

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Bill (No. 134, from the Senate) To incorporate the Canadian Medical Association.—(Mr. Roche).
1°*, 4221; 2°*, 4445; in Com., 4840; 3°*, 4891 (iii).

Bill (No. 135, from the Senate) For the relief of Hannah Ella Tomkins.—(Mr. Reid, Grenville).
1°*, 4411; 2°*, 4891 (iii); in Com., and 3°*, 6068 (iv).

Bill (No. 136) To amend the Post Office Act.—(Mr. Lemieux).
Res. prop., 3802 (ii); in Com. on Res., 4237; 1°* of B., 4253 (iii); 2° and in Com., 6313; 3°*, 6324 (iv).

Bill (No. 137) To amend the Civil Service Act.—(Mr. Lemieux).
Res. prop., 3802 (ii); in Com. on Res., 4237; 1°* of B., 4253 (iii); 2° and in Com., 6324; 3°*, 6330 (iv).

Bill (No. 138, from the Senate) Respecting the Quebec Oriental Railway Company.—(Mr. Geoffrion).
1°*, 4286; 2°*, 4445; in Com., and 3°*, 5487 (iii).

Bill (No. 139, from the Senate) Respecting the Ottawa Fire Insurance Company, and to change its name to Ottawa Assurance Company.—(Mr. Perley).
1°*, 4286; 2°*, 4445; in Com., and 3°*, 4594 (iii).

Bill (No. 140, from the Senate) Respecting the Grand Trunk Pacific Branch Lines Company.—(Mr. Miller).
1°*, 4411; 2°*, 4545; in Com., and 3°*, 5487 (iii).

Bill (No. 141, from the Senate) Respecting the Manitoba Radial Railway Company.—(Mr. Harris).
1°*, 4411; 2°*, 4545; in Com., 5483; 3°*,5483 (iii).

Bill (No. 142, from the Senate) To incorporate the Governing Council of the Salvation Army in Canada.—(Mr. Miller).
1°*, 4411; 2°*, 4545 (iii); in Com., 6068; 3°*, 6070 (iv).

Bill (No. 143, from the Senate) For the relief of Mildred Gwendolyn Platt Patterson.—(Mr. Harris).
1°*, 4411; 2°*, 4545; in Com., and 3°*, 4891 (iii).

Bill (No. 144, from the Senate) For the relief of Charles Bowerbank Lowndes.—(Mr. Wallace).
1°*, 4411; 2°*, 4545; in Com., and 3°*, 4891 (iii).

Bill (No. 145) from the Senate), For the relief of Isaac Moore.—(Mr. Wallace).
1°*, 4411; 2°*, 4545; in Com., and 3°*, 4891 (iii).

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Bill (No. 146) To amend the Act relating to Ocean Steamship Subsidies.—Mr. Brodeur).

Res. prop., 2017 (ii); in Com. on Res., 4436; 1°* of B., 4445; 2° and in Com., 5219; 3°*, 5249 (iii).

Bill (No. 147) To amend the Cold Storage Act.—(Mr. Fisher).

1°, 4471 (iii); 2° and in Com., 6742; 3°, 6742 (iv).

Bill (No. 148) To amend the Criminal Code.—(Mr. Aylesworth).

1°, 4631 (iii); 2° m., 6383; in Com., 6391, 6756; 3°*, 6769; Sen. Amt., 7084 (iv).

Bill (No. 149) To amend the Extradition Act.—(Mr. Aylesworth).

1°*, 4634; 2° and in Com., 5236; 3°*, 5249 (iii).

Bill (No. 150) To amend the Navigable Waters' Protection Act.—(Mr. Conmee).

1°, 4690 (iii).

Bill (No. 151) To amend the Exchequer Court Act.—(Mr. Aylesworth).

1°, 4695 (iii); 2° and in Com., 6744; 3°*, 6756 (iv).

Bill (No. 152) To amend the Navigable Waters' Protection Act.—(Mr. Brodeur).

1°, 4797; 2° and in Com., 5225 (iii); 3°, 6128 (iv).

Bill (No. 153) Respecting the National Transcontinental Railway.—(Mr. Graham).

1°, 4798; 2° and in Com., 5235; 3°*, 5235 (iii).

Bill (No. 154) Respecting the Harbour Commissioners of Montreal.—(Mr. Brodeur).

1°, 4798; 2° m., 5234 (iii); in Com., 6559; 3°*, 6583 (iv).

Bill (No. 155) To amend the Bank Act.—(Mr. Sharpe, Ontario).

1°, 4801 (iii).

Bill (No. 156) To amend the Yukon Act.—(Mr. Aylesworth).

1°, 4882; 2° and in Com., 5235; 3°*, 5236 (iii).

Bill (No. 157, from the Senate) For the relief of John Denison Smith.—(Mr. McLean, Lunenburg).

1°*, 4988; 2°*, 5487 (iii); in Com., 6070; 3°*, 6073 (iv).

Bill (No. 158, from the Senate) Respecting the Bank of Winnipeg.—(Mr. Molloy).

1°*, 4988; 2°*, 5487 (iii); in Com., and 3°*, 6624 (iv).

Bill (No. 159) To establish a Commission for the Conservation of Natural Resources.—(Mr. Fisher).

Res. prop., 5249 (iii); in Com. on Res., 6362; 1°, 4988; in Com., 6381; 3°*, 6383 (iv).

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Bill (No. 160, from the Senate) to incorporate the Canadian Red Cross Society.—(Mr. Macdonell).

1°, 4988; 2°*, 5487 (iii); in Com., and 3°*, 6068 (iv).

Bill (No. 161, from the Senate) To incorporate the Equity Fire Insurance Company.—(Mr. Macdonell).

1°, 4988; 2°*, 5487 (iii); in Com., 6625; 3°*, 6628 (iv).

Bill (No. 162) To amend the Customs' Tariff (Mr. Fielding).

Res. prop., 4584; in Com. on Ways and Means, 5099; 1° of B., 5103; 2° and in Com., 5103; 3°*, 5103 (iii).

Bill (No. 163, from the Senate), To incorporate the Prairie Provinces Trust Company.—(Mr. Sutherland).

1°*, 5248 (iii); 2°*, 6082; in Com., and 3°*, 6624 (iv).

Bill (No. 164) To amend the Intercolonial and Prince Edward Island Railways Employees' Provident Act.—(Mr. Graham).

1°, 5248 (iii); 2° and in Com., 6740; 3°*, 6741 (iv).

Bill (No. 165) To establish the Department of Labour as a separate Department of the Government of Canada.—(Sir Wilfrid Laurier).

In Com. on Res., 5350, 1°* of B., 5350 (iii); 2° m., 6712; in Com., 6717; 3°, 6738 (iv).

Bill (No. 166, from the Senate), Respecting the Central Railway Company of Canada.—(Mr. Ethier).

1°*, 5623 (iii); 2°*, 6082; in Com., and 3°*, 6624 (iv).

Bill (No. 167, from the Senate) To incorporate the Board of Elders of the Canadian District of the Moravian Church in America.—(Mr. McIntyre, Strathcona).

1°*, 5623 (iii); 2°*, 6082; in Com., and 3°*, 6624 (iv).

Bill (No. 168, from the Senate) Respecting Mexican Transportation Company, Limited, and to change its name to Mexican Northwestern Railway Company.—(Mr. Sutherland).

1°*, 5623 (iii); 2°*, 6082; in Com., and 3°*, 6624 (iv).

Bill (No. 169, from the Senate) Respecting the Patents of Washington R. McCloy.—(Mr. Rivet.)

1°*, 5623 (iii); 2°*, 6082; in Com., and 3°*, 6624 (iv).

Bill (No. 170 from the Senate, Respecting the Brockville, Westport and Northwestern Railway Company.—(Mr. Marshall.)

1°*, 5623 (iii); 2°*, 6247; in Com., and 3°*, 6624 (iv).

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Bill (No. 171, from the Senate) Respecting the Quebec and New Brunswick Railway Company.—(Mr. Michaud.)
1°*, 5623 (iii); 2°*, 6082; in Com., and 3°*, 6624 (iv).

Bill (No. 172) To amend the Railway Act.—(Mr. Currie, Simcoe.)
1°, 5625 (iii).

Bill (No. 173) To amend the Manitoba Grain Act.—(Mr. Currie, Simcoe.)
1°, 5626 (iii).

Bill (No. 174) To correct a Clerical error in Chapter 63 of the Statutes of 1908, respecting Railway Subsidies.—(Mr. Graham.)
1°, 5628 (iii); 2° and in Com., 6741; 3°*, 6742 (iv).

Bill (No. 175, from the Senate), Further to amend Chapter 92 of the Statutes of 1901, respecting the Canadian Patriotic Fund Association.—(Sir Frederick Borden).
1°*, 5887 (iii); 2°*, in Com., and 3°*, 6739 (iv).

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1°*, 5777 (iii); 2°, 6083; in Com., and 3°*, 6624 (iv).

Bill (No. 177, from the Senate) Respecting the Royal Victoria Life Insurance Company, and to change its name to the Royal Victoria Life Insurance Company of Canada.—(Mr. Sutherland).
1°, 5885 (iii); 2°*, 6082; in Com., and 3°*, 6624 (iv).

Bill (No. 178, from the Senate) For the relief of John Wake.—(Mr. McCraney.)
1°*, 5886 (iii); 2°, 6081; in Com., and 3°*. 6624 (iv).

Bill (No. 179) To amend the Canada Shipping Act.—(Mr. Edwards.)
1°*, 5889 (iv).

Bill (No. 180, from the Senate) Respecting the Montreal Bridge and Terminal Company.—(Mr. Ecrement.)
1°*, 5997; 2°*, 6082; in Com., 6628; 3°*, 6630; Amts., 6917 (iv).

Bill (No. 181, from the Senate) For the relief of Laura McQuoid.—(Mr. Nesbitt.)
1°*, 5997; 2°*, 6082; in Com., and 3°*, 6624 (iv).

Bill (No. 182, from the Senate) For the relief of Fleetwood Howard Ward.—(Mr Lewis).
1°*. 5997; 2°*, 6083; in Com., and 3°*. 6624 (iv).

Bill (No. 183, from the Senate) For the relief of Aaron William Morley Campbell.—(Mr. White, Alberta.)
1°*, 5997; 2°*, 6083; in Com., and 3°*, 6624 (iv).

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Bill No. 184, from the Senate) For the relief of John Christopher Cowan.—(Mr. Turriff.)
1°*, 5997; 2°*, 6083; in Com., and 3°*, 6624 (iv).

Bill (No. 185, from the Senate) To incorporate the Catholic Church Extension Society of Canada.—(Mr. Parent.)
1°*, 6083; 2°*, 6247; in Com., and 3°*, 6624 (iv).

Bill (No. 186) Respecting certain Aid for the extension of the Canadian Northern Railway.—(Mr. Graham.)
1°*, 6292; 2°, and in Com., 6739; 3°*, 6740 (iv).

Bill (No. 187) To authorize certain increases of Salaries to Members of the Civil Service. Inside Service.—(Mr. Fisher).
Res. prop., 160, 292; in Com. on Res., 324, 403, 953, 1135 (i); 1°*, 6330; 2 m., 6330; in Com., 6346; 3° m., 6822; Sen. Amts., 7068 (iv).

Bill (No. 188, from the Senate) Respecting the Prudential Life Insurance Company of Canada, and to change its name to the Security Life Insurance Company of Canada.—(Mr. Proulx).
1°*, 6402; 2°*, 6625; in Com., 6781; 3°*, 6784 (iv).

Bill (No. 189, from the Senate) To incorporate the Commerce Insurance Company.—(Mr. Geoffrion).
1°*, 6403; 2°*, 6625; in Com., and 3°*, 6788 (iv).

Bill (No. 190, from the Senate) Respecting the Fidelity Life Insurance Company of Canada.—(Mr. McCraney).
1°*, 6403; 2°*, 6625; in Com., and 3°*, 6788 (iv).

Bill (No. 191) To authorize the raising, by way of loan, of certain sums of money for the public service.—(Mr. Fielding).
Res. prop., 6292; in Com. on Res., 6708; 1°* of B., 6711; 2° and in Com., 6711; 3°*, 6822 (iv).

Bill (No. 192) To provide for further advances to the Harbour Commissioners of Montreal.—(Mr. Brodeur).
Res. prop., 3197 (ii); in Com. on Res., 6743; 1°* of B., 6744; 2° and in Com., 6744; 3°*, 6744 (iv).

Bill (No. 193) To amend the Judges' Act.—(Mr. Aylesworth).
Res. prop., 6122; in Com. on Res., 6769; 1°*, 2°*, in Com., and 3°*, 6773 (iv).

Bill (No. 194, from the Senate) For the relief of Annie Bowden.—(Mr. Wallace).
1°, 6917; 2° and in Com., 6918; 3°*, 6985 (iv).

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——— Buildings, Rents, &c.: in Com. of Sup., 1620 (i).
——— Commissioner's Residence: in Com. of Sup., 1592 (i), 3224 (ii).
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